



June 30, 2026

Mr. Frank J. Bisignano
Chief Executive Officer
Internal Revenue Service
U.S. Department of the Treasury
1111 Constitution Avenue NW
Washington, DC 20224

Re: Ongoing Delays in Processing Form 8849 Federal Excise Tax Refund Claims

Dear Mr. Bisignano:

I am writing on behalf of the Energy Marketers of America (EMA) to highlight the ongoing delays in the Internal Revenue Service's processing of Form 8849 federal excise tax refund claims. Although the Department of the Treasury advised EMA in March that the backlog would be substantially eliminated by May 2026, energy marketers nationwide continue to experience delays, many exceeding six months, with many refund claims dating back to the fall of 2025 still unpaid.

In its March 16, 2026 response to EMA's December 2025 letter, Treasury acknowledged that staffing shortages were responsible for the backlog, described corrective measures—including the reallocation of staff and several process improvements—and advised EMA that normal processing would resume by May 2026. That has not occurred. As of late June 2026, marketers across the country report that claims filed last fall remain pending.

EMA is a federation of state and regional trade associations representing wholesale and retail energy marketers throughout the United States. EMA members supply approximately 80 percent of all finished motor fuel products sold nationwide and represent a vital link in the downstream petroleum distribution chain below the terminal rack.

Many wholesale energy marketers supply fuel to state and local government entities that are exempt from federal motor fuel excise taxes. State and local governments typically issue bid specifications for diesel fuel that require clear (undyed) fuel sold at a tax-excluded price, rather than tax-free dyed diesel. As a result, marketers must advance the federal excise tax—24.4 cents per gallon on clear diesel fuel—when making these sales, then recover it through Form 8849 refund claims. Under normal circumstances, the IRS processes these claims within 45 days of receipt. Marketers are currently waiting six months or longer. Prompt resolution of these claims is therefore important not only to the marketers but to the uninterrupted distribution of transportation fuels on which these public services depend.

These delays are creating serious cash-flow strain for small business energy marketers, many of which are family owned, who have fully complied with the tax laws. Millions of dollars in working capital remain tied up in pending claims, forcing marketers to increase borrowing, delay inventory purchases and capital expenditures, and absorb financing costs they should never have incurred. In effect, these businesses are financing the Federal government while they wait for refunds that Congress intended to be paid promptly.

To eliminate the backlog and restore the timely processing Congress intended, EMA respectfully requests that the IRS:

- dedicate sufficient personnel to excise claim processing until the backlog is eliminated;
- prioritize the oldest outstanding claims;
- provide estimated processing times so that marketers can manage their cash flow;
- designate a senior IRS contact for stakeholder communications; and
- meet with EMA representatives within the next thirty days.

We respectfully request your personal attention to this matter and would welcome the opportunity to meet with you or members of your leadership team to discuss practical solutions for eliminating the backlog. EMA Regulatory Counsel Jeff Leiter would be pleased to coordinate such a meeting at your convenience and can be reached at jleiter@bmalaw.net.

Sincerely,



Rob Underwood
President
Energy Marketers of America

CC:

The Honorable Mike Crapo, Chairman, United States Senate Committee on Finance

The Honorable Ron Wyden, Ranking Member, United States Senate Committee on Finance

The Honorable Jason Smith, Chairman, United States House Committee on Ways and Means

The Honorable Richard Neal, Ranking Member, United States House Committee on Ways and Means