

# **PMAA COMPLIANCE BULLETIN**

July 17, 2020

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## **DEADLINE TO FILE CLAIMS FOR RETROACTIVE BIODIESEL BLENDER CREDIT AND ALTERNATIVE FUEL CREDITS IS AUGUST 11, 2020**

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**Important!** The filing period for retroactive biodiesel claims, alternative fuel credit claims and alternative fuel mixture claims, all end at midnight, August 11, 2020. The IRS will not accept any retroactive claims after the deadline expires.

### **Background**

Earlier this year the IRS issued a special one-time claim procedure ([IRS Notice 2020-8](#)) for the \$1.00 per gallon biodiesel blender credit and the 50 cents per gallon alternative fuel and alternative fuel mixture credits. The credits were reinstated retroactively for calendar years 2018 and 2019 under the *Taxpayer Certainty and Disaster Tax Relief Act of 2019* (the Act). The special procedures allow a one-time single filing for credits and payments covering the entire 2018 and 2019 claim period. Congress reauthorized the biodiesel blenders credit through December 31, 2022 and alternative fuel and the alternative fuel mixture credits through December 31, 2020. Only credits generated from blends created during calendar years 2018 and 2019 are subject to the retroactive filing procedures.

### **I. ONE-TIME CLAIM PROCEDURE FOR THE RETROACTIVE BIODIESEL BLENDER CREDIT**

#### **Retroactive Credit and Refund**

- The retroactive biodiesel blender credit claim must first be taken on [IRS Form 720](#) as a **credit** against any outstanding federal motor fuel excise tax liability (4081 liability) the claimant may have at the time of filing.
- Any **excess** retroactive biodiesel credit amount after all 4081 federal motor fuel excise tax liability is satisfied may be taken as a **refund** payment on [IRS Form 8849 Schedule 3](#), line 2.
- In the alternative, the retroactive biodiesel blender credit may be taken on [IRS Form 4136](#) as either a refundable or nonrefundable tax credit on a claimant's annual income tax filing.
- All retroactive biodiesel blender credit claims must be filed together, on **one claim form**.
- Retroactive biodiesel credit claims may not be made with credits generated from biodiesel blends created after December 31, 2019.

### **Retroactive Credit Amount**

- The retroactive biodiesel blender credit amount is \$1.00 per gallon for claimants who created biodiesel blends sold or used as fuel (diesel fuel, heating oil, etc.).

### **Retroactive Period Covered**

- The retroactive claim period applies to credits generated from biodiesel blends created after December 31, 2017 through December 31, 2019.

### **Retroactive Claimant Qualification**

- Claimants must have a valid IRS 637M certificate to file a retroactive biodiesel credit claim.
- Claimants without a valid 637M certificate must first obtain one by filing [IRS Form 637](#) before a retroactive biodiesel claim is made.

### **Retroactive Claim Filing Period**

- The filing period for the one-time retroactive biodiesel blender credit begins on February 14, 2020 and ends at midnight on August 11, 2020.

### **Filing Instructions**

- Attach all biodiesel certificates to Form 8849, write “2018-2019 RETROACTIVE BIODIESEL BLENDER CREDIT CLAIM” at the top of the form and mail to:

Internal Revenue Service  
P.O. Box 312  
Covington, KY 41012-0312

- Alternatively, retroactive biodiesel blender claims may be filed electronically through IRS e-file program for excise taxes.

### ***II ONE-TIME CLAIM PROCEDURE FOR THE RETROACTIVE ALTERNATIVE FUEL CREDIT AND *alt* FUEL MIXTURE CREDITS***

**Retroactive Alternative Fuel Credit** – A retroactive alternative fuel credit in the amount of \$0.50 per gallon is available for the following the sale or use of alternative fuel in motor vehicles, motor boats or aviation. Alternative fuels include” natural gas, liquefied hydrogen, propane, P-Series fuel, liquid fuel derived from coal through the Fischer-Tropsch process, and compressed or liquefied gas derived from biomass.

**Propane and Natural Gas Gallon Equivalency** - For propane and natural gas sold after December 31, 2015, the tax credit is based on the gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE). For taxation purposes, one GGE is equal to 5.75 pounds (lbs.) of propane and 5.66 lbs. of compressed natural gas. One DGE is equal to 6.06 lbs. of liquefied natural gas.

**Retroactive Alternative Fuel Mixture Credit** - A retroactive alternative fuel mixture credit in the amount of \$0.50 per gallon is available for P series fuels, liquified hydrogen, liquified or compressed fuel derived from biomass and liquid fuel derived from coal through the Fischer-Tropsch process.

**Retroactive Claim Period** – The retroactive claim period applies to alternative fuel and alternative fuel mixture credits created for sale or use beginning December 31, 2017 through December 31, 2019.

**Retroactive Claim Filing Period** -The filing period for the one-time retroactive alternative fuel and alternative fuel mixture credits begins on February 14, 2020 and ends at midnight on August 11, 2020.

**IRS Form** - The retroactive alternative fuel credit claim is made on [IRS Form 8849 Schedule 3](#) (line 3). The form may be mailed to the IRS address above or filed electronically on IRS e-file.

***Got Questions? Contact Mark S. Morgan, PMAA Regulatory Counsel at [mmorgan@pmaa.org](mailto:mmorgan@pmaa.org) or (202) 364-67667***