

**Schedule 3  
(Form 8849)**

(Rev. January 2021)  
Department of the Treasury  
Internal Revenue Service

**Certain Fuel Mixtures  
and the Alternative Fuel Credit**

▶ Attach to Form 8849. **Don't** file with any other schedule.

▶ Go to [www.irs.gov/Form8849](http://www.irs.gov/Form8849) for instructions and the latest information.

OMB No. 1545-1420

Name as shown on Form 8849	EIN or SSN	Total refund (see instructions)
		\$

**Caution:** The biodiesel mixture credit and renewable diesel mixture credit must first be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720. Similarly, the alternative fuel credit must first be taken on Form 720 as a credit against your alternative fuel or compressed natural gas (CNG) tax liability. If you have these tax liabilities and you didn't make the claim on Form 720, Schedule C, as a credit against those liabilities, you must first file Form 720-X, Amended Quarterly Federal Excise Tax Return, before Schedule 3 (Form 8849) can be used for the refund. You can't claim any amounts on Form 8849 that you claimed (or will claim) on Form 720, Schedule C; Form 720-X; or Form 4136, Credit for Federal Tax Paid on Fuels.

**Claimant's registration no. ▶**

Enter your registration number, including the prefix. Line 3 claimants must enter their AL registration number.

**Period of claim:** Enter month, day, and year in MMDDYYYY format.

From ▶

To ▶

**1 Reserved for future use**

Reserved for future use

	(a) Rate	(b) Gallons of alcohol	(c) Amount of claim <i>Multiply col. (a) by col. (b).</i>		(d) CRN
<b>a Reserved for future use</b>					
<b>b Reserved for future use</b>					

**2 Biodiesel or Renewable Diesel Mixture Credit**

**Biodiesel mixtures.** Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met the EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met the EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 2. See the instructions for line 2 for information about renewable diesel used in aviation.

	(a) Rate	(b) Gallons of biodiesel or renewable diesel	(c) Amount of claim <i>Multiply col. (a) by col. (b)</i>		(d) CRN
<b>a Biodiesel (other than agri-biodiesel) mixtures</b>	\$1.00		\$		388
<b>b Agri-biodiesel mixtures</b>	1.00				390
<b>c Renewable diesel mixtures</b>	1.00				307

**3 Alternative Fuel Credit**

	(a) Rate	(b) Gallons, or gasoline or diesel gallon equivalent	(c) Amount of claim <i>Multiply col. (a) by col. (b)</i>		(d) CRN
<b>a Liquefied petroleum gas (LPG)</b>	\$.50		\$		426
<b>b "P" Series fuels</b>	.50				427
<b>c Compressed natural gas (CNG)</b>	.50				428
<b>d Liquefied hydrogen</b>	.50				429
<b>e Fischer-Tropsch process liquid fuel from coal (including peat)</b>	.50				430
<b>f Liquid fuel derived from biomass</b>	.50				431
<b>g Liquefied natural gas (LNG)</b>	.50				432
<b>h Liquefied gas derived from biomass</b>	.50				436
<b>i Compressed gas derived from biomass</b>	.50				437

Send this schedule with completed Form 8849 to: Internal Revenue Service, P.O. Box 312, Covington, KY 41012-0312; on the envelope, write "Fuel Mixture Claim."

Section references are to the Internal Revenue Code, unless otherwise noted.

## Future Developments

For the latest information about developments related to Schedule 3 (Form 8849) and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form8849](http://www.irs.gov/Form8849).

## What's New

**Alternative fuel.** The alternative fuel credit is scheduled to expire for fuel sold or used after December 31, 2021. Don't claim the credit for fuel sold or used after December 31, 2021, unless the credit is extended again.

## Reminders

**Biodiesel and renewable diesel mixtures.** The biodiesel and renewable diesel mixture credit is extended for fuel sold or used through 2022.

**Reducing your excise tax liability.** For federal income tax purposes, reduce your section 4081 excise tax liability by the amount of excise tax credit allowable under section 6426(c) and your section 4041 excise tax liability by the amount of your excise tax credit allowable under section 6426(d), in determining your deduction for those excise taxes or your cost of goods sold deduction attributable to those excise taxes.

Schedule 3 (Form 8849) can be filed electronically. For more information on filing electronically, visit the IRS *e-file* website at [www.irs.gov/eFile](http://www.irs.gov/eFile).

## Purpose of Form

Use Schedule 3 (Form 8849) to make claims for sales or uses of biodiesel mixtures, renewable diesel mixtures, and alternative fuels.

## General Instructions

### Coordination With Excise Tax Credit

Only one credit may be taken for any 1 gallon of alternative fuel. If any amount is claimed (or will be claimed) for any gallon of biodiesel mixture, renewable diesel mixture, or alternative fuel on Form 720, Form 720-X, Form 8864, or Form 4136, then a claim can't be made on Form 8849, Claim for Refund of Excise Taxes, for that gallon of biodiesel mixture, renewable diesel mixture, or alternative fuel.

### Excise Tax Liability

Persons who blend an untaxed liquid with taxable fuel to produce a taxable fuel mixture outside the bulk transfer terminal system must pay the excise tax on the volume of the untaxed liquid in the mixture.

Use Form 720 to report these taxes. You must also be registered with the IRS as a blender (M registrants). Line 3 claimants must also have an AL registration number. See Form 637, Application for Registration (For Certain Excise Tax Activities).

## How To File

Attach Schedule 3 (Form 8849) to Form 8849. If you aren't filing electronically, on the envelope write "Fuel Mixture Claim" and send it to the IRS at the address at the bottom of page 1.

## Specific Instructions

### Line 1

These lines are reserved for future use.

### Line 2. Biodiesel or Renewable Diesel Mixture Credit

**Claimant.** The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of biodiesel or renewable diesel in the mixture.

The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and meet the Environmental Protection Agency's (EPA) registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from biomass, meet the EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act, and meet ASTM D975, D396, or other equivalent standard approved by the IRS. Renewable diesel also includes fuel derived from biomass that meets a Department of Defense specification for military jet fuel or an ASTM specification for aviation turbine fuel. For a renewable diesel mixture used in aviation, kerosene is treated as if it is diesel fuel.



*Renewable diesel doesn't include any fuel derived from coprocessing biomass (as defined in section 45K(c)(3)) with a feedstock that isn't biomass.*

### Claim requirements

1. The biodiesel mixture credit may not be claimed for biodiesel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The claimant has a certificate from the producer. See *Certificate* below for details.
2. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that's at least 1 week.
3. The claimant has a certificate from the producer. See *Certificate*, later, for details.
4. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 2 and 3 may be combined.
5. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for a biodiesel mixture sold or used during June and July must be filed by September 30.

**Note:** If requirements 2–5 above aren't met, see *Annual Claims* under *Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

**Certificate.** The Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller must be attached to the first claim filed that is supported by the certificate or statement. For the renewable diesel mixture credit, you must edit the certificate and, if applicable, statement to indicate that the fuel to which the certificate and statement relate is renewable diesel and state the renewable diesel meets the requirements discussed earlier under *Claimant*. See Model Certificate O and Model Statement S in Pub. 510.

### Line 3. Alternative Fuel Credit

**Claimant.** For the alternative fuel credit, the registered alternative fueler who (1) sold an alternative fuel at retail and delivered it into the fuel supply tank of a motor vehicle or motorboat, (2) sold an alternative fuel, delivered it in bulk for taxable use in a motor vehicle or motorboat, and received the required statement from the buyer, (3) used an alternative fuel (not sold at retail or in bulk as previously described) in a motor vehicle or motorboat, or (4) sold an alternative fuel for use as a fuel in aviation is the only person eligible to make this claim.

#### Claim requirements.

1. The alternative fuel credit may not be claimed for alternative fuel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States.
2. You must be registered with the IRS.
3. The claim must be for an alternative fuel sold or used (as described above under *Claimant*) during a period that's at least 1 week.
4. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 2 and 3 may be combined.
5. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alternative fuel sold or used during June and July must be filed by September 30.

**Note:** If requirements 2–5 above aren't met, see *Annual Claims* under *Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

**Carbon capture requirement.** A credit for Fischer-Tropsch process liquid fuel from coal (including peat) can be claimed only if the fuel is derived from coal produced at a gasification facility that separates and sequesters at least 75% of the facility's total carbon dioxide emissions.

#### Claim rates.

- CNG has a claim rate (or GGE (gasoline gallon equivalent)) of 121 cubic feet.
- Compressed gas derived from biomass has a claim rate (or GGE) of 121 cubic feet.
- LPG has a claim rate (or GGE) of 5.75 pounds or 1.353 gallons of LPG.
- LNG has a claim rate (or DGE (diesel gallon equivalent)) of 6.06 pounds or 1.71 gallons of LNG.

**Example.** 10,000 gallons of LPG ÷ 1.353 = 7,391 GGE x \$0.50 = \$3,695.50 claim amount.

#### Amount of Claim

Multiply the number of gallons or gasoline (or diesel) gallon equivalents by the rate and enter the result in the boxes for lines 2 and 3, column (c).

#### Total Refund

Add all amounts in column (c) and enter the result in the total refund box at the top of the first page of the schedule. See *Claim requirements*, earlier, for each type of claim.