

Biodiesel Mixture Excise Tax Credit

NOTE: This incentive was originally set to expire on December 31, 2022, but has been extended through December 31, 2024, by Public Law 117-169.

A biodiesel blender that is registered with the Internal Revenue Service (IRS) may be eligible for a tax incentive in the amount of \$1.00 per gallon of pure biodiesel, agri-biodiesel, or renewable diesel blended with petroleum diesel to produce a mixture containing at least 0.1% diesel fuel. Only blenders that have produced and sold or used the qualified biodiesel mixture as a fuel in their trade or business are eligible for the tax credit. The incentive must first be taken as a credit against the blender's fuel tax liability; any excess over this tax liability may be claimed as a direct payment from the IRS. Claims must include a copy of the certificate from the registered biodiesel producer or importer that: identifies the product; specifies the product's biodiesel, agri-biodiesel, and/or renewable diesel content; confirms that the product is properly registered as a fuel with the U.S. Environmental Protection Agency; and confirms that the product meets the requirements of ASTM (<https://www.astm.org/Standard/index.html>) Standard D6751. Renewable diesel is defined as liquid fuel derived from biomass that meets EPA's fuel registration requirements and ASTM (<https://www.astm.org/products-services/standards-and-publications/standards.html>) Standards D975 or D396; the definition of renewable diesel does not include any fuel derived from co-processing biomass with a feedstock that is not biomass.

For more information about claiming the credit, see IRS Form 4136, which is available on the [IRS Forms and Publications](http://apps.irs.gov/app/picklist/list/formsPublications.html) (<http://apps.irs.gov/app/picklist/list/formsPublications.html>) website.

(Reference [26 U.S. Code 6426](http://www.gpo.gov/fdsys/) (<http://www.gpo.gov/fdsys/>) and [Public Law 117-169](https://www.congress.gov/public-laws/117th-congress/) (<https://www.congress.gov/public-laws/117th-congress/>))

Point of Contact
Excise Tax Branch
U.S. Internal Revenue Service Office of Chief Counsel
Phone: (202) 317-6855
<http://www.irs.gov/> (<http://www.irs.gov/>)

Jurisdiction: **Federal**

Type: **Incentives**

Agency: **U.S. Internal Revenue Service**

Enacted: **Oct 22, 2004**

Amended: **Aug 16, 2022**

Technologies: **Biodiesel, Renewable Diesel**

See all [Federal Laws and Incentives](/laws/fed_summary) (/laws/fed_summary).

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