

Internal Revenue Code

§4081, Imposition of Tax

4081(a) [Tax Imposed](#)

4081(a)(1) Tax on Removal, Entry, or Sale

4081(a)(1)(A) In General There is hereby imposed a tax at the rate specified in paragraph (2) on—

4081(a)(1)(A)(i) The removal of a taxable fuel from any refinery,

4081(a)(1)(A)(ii) The removal of a taxable fuel from any terminal,

4081(a)(1)(A)(iii) The entry into the United States of any taxable fuel for consumption, use, or warehousing, and

4081(a)(1)(A)(iv) The sale of a taxable fuel to any person who is not registered under [section 4101](#) unless there was a prior taxable removal or entry of such fuel under clause (i), (ii), or (iii).

4081(a)(1)(B) Exemption for Bulk Transfers to Registered Terminals or Refineries

4081(a)(1)(B)(i) In General The tax imposed by this paragraph shall not apply to any removal or entry of a taxable fuel transferred in bulk by pipeline or vessel to a terminal or refinery if the person removing or entering the taxable fuel, the operator of such pipeline or vessel (except as provided in clause (ii)), and the operator of such terminal or refinery are registered under [section 4101](#).

4081(a)(1)(B)(ii) Nonapplication of Registration to Vessel Operators Entering by Deep-Draft Vessel For purposes of clause (i), a vessel operator is not required to be registered with respect to the entry of a taxable fuel transferred in bulk by a vessel described in [section 4042\(c\)\(1\)](#).

4081(a)(2) Rates of Tax

4081(a)(2)(A) In General The rate of the tax imposed by this section is—

4081(a)(2)(A)(i) In the case of gasoline other than aviation gasoline, 18.3 cents per gallon,

4081(a)(2)(A)(ii) In the case of aviation gasoline, 19.3 cents per gallon, and

4081(a)(2)(A)(iii) In the case of diesel fuel or kerosene, 24.3 cents per gallon.

4081(a)(2)(B) Leaking Underground Storage Tank Trust Fund Tax The rates of tax specified in subparagraph (A) shall each be increased by 0.1 cent per gallon. The increase in tax under this subparagraph shall in this title be referred to as the Leaking Underground Storage Tank Trust Fund financing rate.

4081(a)(2)(C) Taxes Imposed on Fuel Used in Aviation In the case of kerosene which is removed from any refinery or terminal directly into the fuel tank of an aircraft for use in aviation, the rate of tax under subparagraph (A)(iii) shall be—

4081(a)(2)(C)(i) In the case of use for commercial aviation by a person registered for such use under [section 4101](#), 4.3 cents per gallon, and

4081(a)(2)(C)(ii) In the case of use for aviation not described in clause (i), 21.8 cents per gallon.

4081(a)(2)(D) Diesel-Water Fuel Emulsion In the case of diesel-water fuel emulsion at least 14 percent of which is water and with respect to which the emulsion additive is registered by a United States manufacturer with the Environmental Protection Agency pursuant to section 211 of the Clean Air Act (as in effect on March 31, 2003), subparagraph (A)(iii) shall be applied by substituting "19.7 cents" for "24.3 cents". The preceding sentence shall not apply to the removal, sale, or use of diesel-water

fuel emulsion unless the person so removing, selling, or using such fuel is registered under [section 4101](#).

4081(a)(3) Certain Refueler Trucks, Tankers, and Tank Wagons Treated as Terminal

4081(a)(3)(A) In General For purposes of paragraph (2)(C), a refueler truck, tanker, or tank wagon shall be treated as part of a terminal if—

4081(a)(3)(A)(i) Such terminal is located within an airport,

4081(a)(3)(A)(ii) Any kerosene which is loaded in such truck, tanker, or wagon at such terminal is for delivery only into aircraft at the airport in which such terminal is located,

4081(a)(3)(A)(iii) Such truck, tanker, or wagon meets the requirements of subparagraph (B) with respect to such terminal, and

4081(a)(3)(A)(iv) Except in the case of exigent circumstances identified by the Secretary in regulations, no vehicle registered for highway use is loaded with kerosene at such terminal.

4081(a)(3)(B) Requirements A refueler truck, tanker, or tank wagon meets the requirements of this subparagraph with respect to a terminal if such truck, tanker, or wagon—

4081(a)(3)(B)(i) Has storage tanks, hose, and coupling equipment designed and used for the purposes of fueling aircraft,

4081(a)(3)(B)(ii) Is not registered for highway use, and

4081(a)(3)(B)(iii) Is operated by—

4081(a)(3)(B)(iii)(I) The terminal operator of such terminal, or

4081(a)(3)(B)(iii)(II) A person that makes a daily accounting to such terminal operator of each delivery of fuel from such truck, tanker, or wagon.

4081(a)(3)(C) Reporting The Secretary shall require under [section 4101\(d\)](#) reporting by such terminal operator of—

4081(a)(3)(C)(i) Any information obtained under subparagraph (B)(iii)(II), and

4081(a)(3)(C)(ii) Any similar information maintained by such terminal operator with respect to deliveries of fuel made by trucks, tankers, or wagons operated by such terminal operator.

4081(a)(3)(D) Applicable Rate For purposes of paragraph (2)(C), in the case of any kerosene treated as removed from a terminal by reason of this paragraph—

4081(a)(3)(D)(i) The rate of tax specified in paragraph (2)(C)(i) in the case of use described in such paragraph shall apply if such terminal is located within a secured area of an airport, and

4081(a)(3)(D)(ii) The rate of tax specified in paragraph (2)(C)(ii) shall apply in all other cases.

4081(a)(4) Liability for Tax on Kerosene Used in Commercial Aviation For purposes of paragraph (2)(C)(i), the person who uses the fuel for commercial aviation shall pay the tax imposed under such paragraph. For purposes of the preceding sentence, fuel shall be treated as used when such fuel is removed into the fuel tank.

4081(b) [Treatment of Removal or Subsequent Sale by Blender](#)

4081(b)(1) In General There is hereby imposed a tax at the rate determined under subsection (a) on taxable fuel removed or sold by the blender thereof.

4081(b)(2) Credit for Tax Previously Paid If—

4081(b)(2)(A) Tax is imposed on the removal or sale of a taxable fuel by reason of paragraph (1), and

4081(b)(2)(B) The blender establishes the amount of the tax paid with respect to such fuel by reason of subsection (a),

the amount of the tax so paid shall be allowed as a credit against the tax imposed by reason of paragraph (1).

4081(c) Later Separation of Fuel from Diesel-Water Fuel Emulsion If any person separates the taxable fuel from a diesel-water fuel emulsion on which tax was imposed under subsection (a) at a rate determined under subsection (a)(2)(D) (or with respect to which a credit or payment was allowed or made by reason of [section 6427](#)), such person shall be treated as the refiner of such taxable fuel. The amount of tax imposed on any removal of such fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior removal or entry of such fuel.

4081(d) Termination

4081(d)(1) In General The rates of tax specified in clauses (i) and (iii) of subsection (a)(2)(A) shall be 4.3 cents per gallon after September 30, 2028.

4081(d)(2) Aviation Fuels The rates of tax specified in subsections (a)(2)(A)(ii) and (a)(2)(C)(ii) shall be 4.3 cents per gallon—

4081(d)(2)(A) After December 31, 1996, and before the date which is 7 days after the date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, and

4081(d)(2)(B) After September 30, 2028.

4081(d)(3) Leaking Underground Storage Tank Trust Fund Financing Rate The Leaking Underground Storage Tank Trust Fund financing rate under subsection (a)(2) shall apply after September 30, 1997, and before October 1, 2028.

4081(e) Refunds in Certain Cases Under regulations prescribed by the Secretary, if any person who paid the tax imposed by this section with respect to any taxable fuel establishes to the satisfaction of the Secretary that a prior tax was paid (and not credited or refunded) with respect to such taxable fuel, then an amount equal to the tax paid by such person shall be allowed as a refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.

Internal Revenue Code

§4082, Exemptions for Diesel Fuel and Kerosene

4082(a) In General The tax imposed by [section 4081](#) shall not apply to diesel fuel and kerosene—

4082(a)(1) Which the Secretary determines is destined for a nontaxable use,

4082(a)(2) Which is indelibly dyed by mechanical injection in accordance with regulations which the Secretary shall prescribe, and

4082(a)(3) Which meets such marking requirements (if any) as may be prescribed by the Secretary in regulations.

Such regulations shall allow an individual choice of dye color approved by the Secretary or chosen from any list of approved dye colors that the Secretary may publish.

4082(b) Nontaxable Use For purposes of this section, the term “nontaxable use” means—

4082(b)(1) Any use which is exempt from the tax imposed by [section 4041\(a\)\(1\)](#) other than by reason of a prior imposition of tax,

4082(b)(2) Any use in a train, and

4082(b)(3) Any use described in [section 4041\(a\)\(1\)\(C\)\(iii\)\(II\)](#).

The term “nontaxable use” does not include the use of kerosene in an aircraft and such term shall not include any use described in [section 6421\(e\)\(2\)\(C\)](#).

4082(c) Exception to Dyeing Requirements Paragraph (2) of subsection (a) shall not apply with respect to any diesel fuel and kerosene—

4082(c)(1) Removed, entered, or sold in a State for ultimate sale or use in an area of such State during the period such area is exempted from the fuel dyeing requirements under subsection (i) of section 211 of the Clean Air Act (as in effect on the date of the enactment of this subsection) by the Administrator of the Environmental Protection Agency under paragraph (4) of such subsection (i) (as so in effect), and

4082(c)(2) The use of which is certified pursuant to regulations issued by the Secretary.

4082(d) Additional Exceptions to Dyeing Requirements for Kerosene

4082(d)(1) Use for Non-Fuel Feedstock Purposes Subsection (a)(2) shall not apply to kerosene—

4082(d)(1)(A) Received by pipeline or vessel for use by the person receiving the kerosene in the manufacture or production of any substance (other than gasoline, diesel fuel, or special fuels referred to in [section 4041](#)), or

4082(d)(1)(B) To the extent provided in regulations, removed or entered—

4082(d)(1)(B)(i) For such a use by the person removing or entering the kerosene, or

4082(d)(1)(B)(ii) For resale by such person for such a use by the purchaser, but only if the person receiving, removing, or entering the kerosene and such purchaser (if any) are registered under [section 4101](#) with respect to the tax imposed by [section 4081](#).

4082(d)(2) Wholesale Distributors To the extent provided in regulations, subsection (a)(2) shall not apply to kerosene received by a wholesale distributor of kerosene if such distributor—

4082(d)(2)(A) Is registered under [section 4101](#) with respect to the tax imposed by [section 4081](#) on kerosene, and

4082(d)(2)(B) Sells kerosene exclusively to ultimate vendors described in [section 6427\(l\)\(5\)\(B\)](#) with respect to kerosene.

4082(e) Kerosene Removed into an Aircraft In the case of kerosene (other than kerosene with respect to which tax is imposed under section 4043) which is exempt from the tax imposed by [section 4041\(c\)](#) (other than by reason of a prior imposition of tax) and which is removed from any refinery or terminal directly into the fuel tank of an aircraft—

4082(e)(1) The rate of tax under [section 4081\(a\)\(2\)\(A\)\(iii\)](#) shall be zero, and

4082(e)(2) If such aircraft is employed in foreign trade or trade between the United States and any of its possessions, the increase in such rate under [section 4081\(a\)\(2\)\(B\)](#) shall be zero.

For purposes of this subsection, any removal described in [section 4081\(a\)\(3\)\(A\)](#) shall be treated as a removal from a terminal but only if such terminal is located within a secure area of an airport.

4082(f) Exception for Leaking Underground Storage Tank Trust Fund Financing Rate

4082(f)(1) In General Subsection (a) shall not apply to the tax imposed under [section 4081](#) at the Leaking Underground Storage Tank Trust Fund financing rate.

4082(f)(2) Exception for Export, etc Paragraph (1) shall not apply with respect to any fuel if the Secretary determines that such fuel is destined for export or for use by the purchaser as supplies for vessels (within the meaning of [section 4221\(d\)\(3\)](#)) employed in foreign trade or trade between the United States and any of its possessions.

4082(g) Regulations The Secretary shall prescribe such regulations as may be necessary to carry out this section, including regulations requiring the conspicuous labeling of retail diesel fuel and kerosene pumps and other delivery facilities to assure that persons are aware of which fuel is available only for nontaxable uses.

4082(h) Cross Reference

For tax on train and certain bus uses of fuel purchased tax-free, see subsections (a)(1) and (d)(3) of [section 4041](#).

Internal Revenue Code

§4083, Definitions; Special Rule; Administrative Authority

4083(a) [Taxable Fuel](#) For purposes of this subpart—

4083(a)(1) In General The term “taxable fuel” means—

4083(a)(1)(A) Gasoline,

4083(a)(1)(B) Diesel fuel, and

4083(a)(1)(C) Kerosene.

4083(a)(2) Gasoline The term “gasoline”—

4083(a)(2)(A) Includes any gasoline blend, other than qualified methanol or ethanol fuel (as defined in [section 4041\(b\)\(2\)\(B\)](#)), partially exempt methanol or ethanol fuel (as defined in [section 4041\(m\)\(2\)](#)), or a denatured alcohol, and

4083(a)(2)(B) Includes, to the extent prescribed in regulations—

4083(a)(2)(B)(i) Any gasoline blend stock, and

4083(a)(2)(B)(ii) Any product commonly used as an additive in gasoline (other than alcohol).

For purposes of subparagraph (B)(i), the term “gasoline blend stock” means any petroleum product component of gasoline.

4083(a)(3) Diesel Fuel

4083(a)(3)(A) In General The term “diesel fuel” means—

4083(a)(3)(A)(i) Any liquid (other than gasoline) which is suitable for use as a fuel in a diesel-powered highway vehicle, or a diesel-powered train,

4083(a)(3)(A)(ii) Transmix, and

4083(a)(3)(A)(iii) Diesel fuel blend stocks identified by the Secretary.

4083(a)(3)(B) Transmix For purposes of subparagraph (A), the term “transmix” means a byproduct of refined products pipeline operations created by the mixing of different specification products during pipeline transportation.

4083(b) [Commercial Aviation](#) For purposes of this subpart, the term “commercial aviation” means any use of an aircraft in a business of transporting persons or property for compensation or hire by air, unless properly allocable to any transportation exempt from the taxes imposed by [sections 4261](#) and [4271](#) by reason of [section 4281](#) or [4282](#) or by reason of subsection (h) or (i) of [section 4261](#). Such term shall not include the use of any aircraft before October 1, 2028, if tax is imposed under [section 4043](#) with respect to the fuel consumed in such use or if no tax is imposed on such use under [section 4043](#) by reason of subsection (c)(5) thereof.

4083(c) [Certain Uses Defined as Removal](#) If any person uses taxable fuel (other than in the production of taxable fuels or special fuels referred to in [section 4041](#)), such use shall for the purposes of this chapter be considered a removal.

4083(d) [Administrative Authority](#)

4083(d)(1) In General In addition to the authority otherwise granted by this title, the Secretary may in administering compliance with this subpart, [section 4041](#), and penalties and other administrative provisions related thereto—

4083(d)(1)(A) Enter any place at which taxable fuel is produced or is stored (or may be stored) for purposes of—

4083(d)(1)(A)(i) Examining the equipment used to determine the amount or composition of such fuel and the equipment used to store such fuel,

4083(d)(1)(A)(ii) Taking and removing samples of such fuel, and

4083(d)(1)(A)(iii) Inspecting any books and records and any shipping papers pertaining to such fuel, and

4083(d)(1)(B) Detain, for the purposes referred in subparagraph (A), any container which contains or may contain any taxable fuel.

4083(d)(2) Inspection Sites The Secretary may establish inspection sites for purposes of carrying out the Secretary's authority under paragraph (1)(B).

4083(d)(3) Penalty for Refusal of Entry

4083(d)(3)(A) Forfeiture The penalty provided by [section 7342](#) shall apply to any refusal to admit entry or other refusal to permit an action by the Secretary authorized by paragraph (1), except that [section 7342](#) shall be applied by substitution “\$1,000” for “\$500” for each such refusal.

4083(d)(3)(B) Assessable Penalty For additional assessable penalty for the refusal to admit entry or other refusal to permit an action by the Secretary authorized by paragraph (1), see [section 6717](#).

Internal Revenue Code

§4084, Cross References

4084(1) For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see [section 6420](#).

4084(2) For provisions to relieve purchasers of gasoline from excise tax in the case of gasoline used for certain nonhighway purposes, used by local transit systems, or sold for certain exempt purposes, see [section 6421](#).

4084(3) For provisions to relieve purchasers from excise tax in the case of taxable fuel not used for taxable purposes, see [section 6427](#).