

# Transportation and Fuel Consumers

## Motor Fuel Tax Refunds

### Did you know?

The federal government and most states have enacted fuel tax breaks for transportation and other fuel consuming companies for various uses of gasoline, diesel, and other common fuels. For federal purposes, taxpayers may be eligible for refunds of tax paid on gallons of certain fuels used in vehicles and equipment off-road, such as in farm equipment, compressors, generators, and bulldozers. Many states offer a wider range of refund opportunities than the federal government, extending exemptions to vehicles licensed for on-road use, such as cement mixers and garbage trucks.

### Who can benefit?

Any company that consumes or sells fuel could have fuel tax refund or credit opportunities. The following companies/industries tend to have more fuel consumption and, hence, greater refund opportunities:

- Common/Private Carriers
- Waste/Sanitation
- Construction
- Oil & Gas and Oilfield Service
- Farming/Agriculture
- Chemical
- Food Service
- Manufacturing
- Passenger Transit
- Mining/Industrial

### What types of vehicles and equipment might qualify?

- On-road Vehicles with PTO Equipment
  - Cement mixers
  - Trash compactors
  - Dump trucks
  - Bucket trucks
  - Solid and liquid cargo pumps
  - Carpet cleaning vehicles
- Refrigerated Truck/Trailer
- Auxiliary Power Units (APUs)
- Mass Transit
  - School and local buses
  - Van services
- Off-road Vehicles and Equipment
  - Construction equipment (generators, dozers, etc.)
  - Oilfield service equipment
  - Lawn maintenance equipment
  - Farming equipment
  - Marine vessels
  - Forklifts
- Other Opportunities
  - Taxicabs
  - Government-owned vehicles
  - Diesel-powered trains



## What is a good example?

XYZ Oilfield Service Co. purchases and consumes 100,000 gallons of undyed, tax-paid diesel fuel in unlicensed frack trucks on private property in Texas. The federal fuel tax refund would be calculated as follows:

Jurisdiction	Federal	Texas
<b>Total Gallons</b>	100,000	100,000
<b>Total Exempt Gallons</b>	100,000	100,000
<b>Refundable Tax Per Gallon</b>	\$0.243	\$0.20
<b>Fuel Tax Refund (One Year)</b>	\$24,300	\$20,000
<b>Statute of Limitations</b>	3 Years	1 Year
<b>Total Benefit by Jurisdiction</b>	\$73,200	\$20,000
<b>Total Benefit</b>	<b>\$93,200</b>	

[Contact us](#) today to begin your no-cost, no-obligation Phase 1 fuel tax recovery assessment.

## About BRAYN Consulting LLC:

BRAYN Consulting LLC supports CPA firms and their clients in taking full advantage of various incentives, including Research & Development incentives, Meals & Entertainment deduction recovery, growth incentives, and production & construction incentives. BRAYN Consulting LLC is not a CPA firm, finance, tax, law, or engineering firm, and nothing contained herein can be construed as legal, financial, accounting, tax, or engineering advice.

IRS Circular 230 Disclosure - To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.