

# Changes to Excise Taxes

## Announcement 98-83

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**Purpose** To announce excise tax changes made by recent legislation. The changes include:

- A reduction in the tax rate for diesel fuel used in trains beginning November 1, 1998, and
- New rules for making a claim for refund under sections 6421 and 6427 of the Internal Revenue Code.

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**Diesel fuel used in trains, IRS No. 71** Beginning November 1, 1998, the tax rate for diesel fuel used in trains is \$.044 per gallon.

**Claims for fuel tax refunds** Beginning October 1, 1998, persons may file a claim if, at the close of any quarter of the claimant's income tax year, a refund of \$750 or more is due. Such a claim now includes amounts for excise taxes on gasoline, aviation gasoline, diesel fuel, aviation fuel (other than gasoline), and kerosene in the quarter or any prior quarter of the taxable year.

Claimants should file **Form 8849**, Claim for Refund of Excise Taxes, or Schedule C of **Form 720**, Quarterly Federal Excise Tax Return, for the listed taxes. However, they should continue to use **Form 4136**, Credit for Federal Tax Paid on Fuels, for:

- Tax on gasoline used on a farm for farming purposes (section 6420); and
- Amounts not included in claims previously filed for the taxable year.