From: PETERS Bill N.
To: WIND Cory Ann
Subject: IRS definition of what dyed diesel can be used for
Date: Tuesday, June 12, 2018 16:12:48

I've been thinking about this since last week, bolded below are nontaxable uses that are not exempted under our program. I couldn't find Census or other public data that would help establish what share of dyed diesel is going to which uses.

https://www.irs.gov/publications/p510

The following are nontaxable uses of diesel fuel and kerosene (defined earlier) for which a credit or refund may be allowable to an ultimate purchaser.

- On a farm for farming purposes.
- Off-highway business use.
- Export.
- **In a qualified local bus.**
- **In a school bus.**
- Other than as a fuel in a propulsion engine of a diesel-powered highway vehicle (such as home heating oil).
- **Exclusive use by a qualified blood collector organization.**
- **In a highway vehicle owned by the United States that isn't used on a highway.**
- **Exclusive use by a nonprofit educational organization (see *Sales by Registered Ultimate Vendors* and *Credit Card Purchases*, later).**
- **Exclusive use by a state, political subdivision of a state, or the District of Columbia (see *Sales by Registered Ultimate Vendors* and *Credit Card Purchases*, later).**
- **In a vehicle owned by an aircraft museum.**
- As a fuel in a propulsion engine of a diesel-powered train.

Note: the IRS definition of a highway is the same as ours: A **public highway** is any road in the United States that isn't a private roadway. This includes federal, state, county, and city roads.

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