

**Subchapter B—Special Fuels**

Sec.	
4041.	Imposition of tax.
4042.	Tax on fuel used in commercial transportation on inland waterways.
4043.	Surtax on fuel used in aircraft part of a fractional ownership program.

**Editorial Notes****PRIOR PROVISIONS**

A prior subchapter B of chapter 31 was redesignated subchapter C by Pub. L. 101-508, title XI, §11221(a), Nov. 5, 1990, 104 Stat. 1388-438.

**AMENDMENTS**

2012—Pub. L. 112-95, title XI, §1103(a)(4), Feb. 14, 2012, 126 Stat. 151, added item 4043.

1990—Pub. L. 101-508, title XI, §11221(a), Nov. 5, 1990, 104 Stat. 1388-438, redesignated this subchapter, formerly subchapter A, as subchapter B. Former subchapter B redesignated C.

1978—Pub. L. 95-502, title II, §202(c), Oct. 21, 1978, 92 Stat. 1697, added item 4042.

1976—Pub. L. 94-455, title XIX, §1904(a)(1)(A), Oct. 4, 1976, 90 Stat. 1810, added item 4041.

**§ 4041. Imposition of tax****(a) Diesel fuel and special motor fuels****(1) Tax on diesel fuel and kerosene in certain cases****(A) In general**

There is hereby imposed a tax on any liquid other than gasoline (as defined in section 4083)—

(i) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle or a diesel-powered train for use as a fuel in such vehicle or train, or

(ii) used by any person as a fuel in a diesel-powered highway vehicle or a diesel-powered train unless there was a taxable sale of such fuel under clause (i).

**(B) Exemption for previously taxed fuel**

No tax shall be imposed by this paragraph on the sale or use of any liquid if tax was imposed on such liquid under section 4081 (other than such tax at the Leaking Underground Storage Tank Trust Fund financing rate) and the tax thereon was not credited or refunded.

**(C) Rate of tax****(i) In general**

Except as otherwise provided in this subparagraph, the rate of the tax imposed by this paragraph shall be the rate of tax specified in section 4081(a)(2)(A) on diesel fuel which is in effect at the time of such sale or use.

**(ii) Rate of tax on trains**

In the case of any sale for use, or use, of diesel fuel in a train, the rate of tax imposed by this paragraph shall be—

(I) 3.3 cents per gallon after December 31, 2004, and before July 1, 2005,

(II) 2.3 cents per gallon after June 30, 2005, and before January 1, 2007, and

(III) 0 after December 31, 2006.

**(iii) Rate of tax on certain buses****(I) In general**

Except as provided in subclause (II), in the case of fuel sold for use or used in a

use described in section 6427(b)(1) (after the application of section 6427(b)(3)), the rate of tax imposed by this paragraph shall be 7.3 cents per gallon (4.3 cents per gallon after September 30, 2028).

**(II) School bus and intracity transportation**

No tax shall be imposed by this paragraph on any sale for use, or use, described in subparagraph (B) or (C) of section 6427(b)(2).

**(2) Alternative fuels****(A) In general**

There is hereby imposed a tax on any liquid (other than gas oil, fuel oil, or any product taxable under section 4081 (other than such tax at the Leaking Underground Storage Tank Trust Fund financing rate))—

(i) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

(ii) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such liquid under clause (i).

**(B) Rate of tax**

The rate of the tax imposed by this paragraph shall be—

(i) except as otherwise provided in this subparagraph, the rate of tax specified in section 4081(a)(2)(A)(i) which is in effect at the time of such sale or use,

(ii) in the case of liquefied petroleum gas, 18.3 cents per energy equivalent of a gallon of gasoline,

(iii) in the case of any liquid fuel (other than ethanol and methanol) derived from coal (including peat) and liquid hydrocarbons derived from biomass (as defined in section 45K(c)(3)), 24.3 cents per gallon, and

(iv) in the case of liquefied natural gas, 24.3 cents per energy equivalent of a gallon of diesel.

**(C) Energy equivalent of a gallon of gasoline**

For purposes of this paragraph, the term “energy equivalent of a gallon of gasoline” means, with respect to a liquefied petroleum gas fuel, the amount of such fuel having a Btu content of 115,400 (lower heating value). For purposes of the preceding sentence, a Btu content of 115,400 (lower heating value) is equal to 5.75 pounds of liquefied petroleum gas.

**(D) Energy equivalent of a gallon of diesel**

For purposes of this paragraph, the term “energy equivalent of a gallon of diesel” means, with respect to a liquefied natural gas fuel, the amount of such fuel having a Btu content of 128,700 (lower heating value). For purposes of the preceding sentence, a Btu content of 128,700 (lower heating value) is equal to 6.06 pounds of liquefied natural gas.

**(3) Compressed natural gas****(A) In general**

There is hereby imposed a tax on compressed natural gas—