



TaxNewsFlash

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Notice 2020-8: Biodiesel, renewable fuel credits for 2018-2019

The IRS today released an advance version of Notice 2020-8 that provides guidance for making a one-time claim for payment of the credits and payments allowable for biodiesel—including renewable diesel—mixtures and alternative fuels sold or used during calendar years 2018 and 2019.

[Notice 2020-8](#) [PDF 57 KB] also provides instructions for how to offset a section 4081 liability with the section 6426(e) alternative fuel mixture credit for 2018-2019, as well as instructions for how to make certain income tax claims relating to biodiesel, second generation biofuel, and alternative fuel.

Background

The government appropriations legislation, enacted on December 20, 2019, reinstated certain tax-related measures that had expired at the end of 2018 and extended them through December 31, 2019.

Among these extended measures were biodiesel and renewable diesel tax incentives or credits—specifically, under sections 6426(c), 6426(d), and 6427(e) for biodiesel (including renewable diesel) mixtures and alternative fuels sold or used during calendar year 2018-2019.

Notice 2020-8

Today's notice sets forth the procedure for claiming biodiesel and alternative fuel incentives for 2018-2019.

Notice 2020-8 sets out the action steps for claimants to follow in filing claims for biodiesel and alternative fuel incentives. The notice states that all one-time claims for biodiesel and alternative fuel incentives for 2018-2019 must be filed on or before August 11, 2020, in accordance with the instructions in today's notice.

Notice 2020-8 also provides procedures to claim the alternative fuel mixture credit allowable under section 6426(e) for 2018-2019. The period of limitations to file this claim is within three years from the time the return was filed or two years from the time the tax was paid, whichever is later.

Today's notice does not affect claims for the nonrefundable income tax credits for second generation biofuel producers (section 40(b)(6)), biodiesel mixtures (section 40A(b)(1)), biodiesel (including renewable diesel) (section 40A(b)(2), or small agri-biodiesel production (section 40A(b)(4)).

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