



Computation of Iowa Motor Fuel Tax Credit

For calendar year 2004 or Fiscal Year Ended \_\_\_\_\_, 20\_\_\_\_

Attach this form to your Iowa income tax return. See reverse side for instructions

Name(s) as shown on page 1 of the IA1040, 1120, 1120A, or 1041 Social Security No. or FEIN

FUEL USED FOR: (Please check the appropriate box) 1) Farming 2) Commercial 3) Commercial Fishing 4) Other (specify)

Table with 6 columns: Fuel Type, A - Gasoline (1/1/04-6/30/04), B - Gasoline (7/1/04-12/31/04), C Gasohol, D Undyed Diesel Fuel, E Special Fuel (LPG). Rows include Iowa Fuel Tax Rate Per Gallon, Credit Computation, and Total Credit.

THE FOLLOWING REQUIREMENTS MUST BE MET FOR THIS CLAIM TO BE HONORED:

- 1. You made no claims for a fuel tax refund on fuel purchased during this tax year.
2. You do not have an active motor fuel tax refund permit for this tax year.
3. All information requested on this form must be accurately entered.
4. You must have and maintain records verifying nonhighway gallons purchased.
5. All gallons claimed for credit were paid for in the tax period.
6. The gallons claimed were or will be consumed in other than a registered vehicle.
7. Gasoline used in a boat does not qualify for credit unless the boat was used for commercial fishing.
8. Fuel used in motor vehicles for off-loading procedures does not qualify for the credit. See instructions for additional information.
9. Sales tax (nonfarm usage) must be computed correctly. See instructions for additional information.
10. Invoices showing gallons must be issued in the name of the individual, estate, trust or corporation claiming the credit. See instructions for partners or S corporation shareholders.
11. A copy of the federal 4136 must also be attached to your Iowa Income Tax Return.

PLEASE Attach a copy of federal 4136

# INSTRUCTIONS FOR COMPLETING FORM IA 4136

## WHO MAY CLAIM CREDIT:

Resident and nonresident individuals, fiduciaries of estates and trusts, and corporations other than S corporations may claim a tax credit on their income tax returns for fuel on which Iowa fuel tax was paid and used off-highway in an unlicensed vehicle.

This fuel tax credit is NOT available for casualty losses, transport diversions, pumping credits, blending errors, idle time, power take-offs, reefer units, exports by distributors, or excess tax paid on gasohol.

The income tax credit may be claimed by partners of a partnership or shareholders of an S corporation. If a partner or shareholder is claiming an income tax credit for fuel purchased by a partnership or S corporation, a supplementary schedule must be attached to the individual return (in addition to form IA 4136) showing the name of the partnership or S corporation, the Federal Taxpayer Identification Number (T.I.N.) of that entity, the total amount of gallons purchased, the method of distribution, and the number of gallons to be claimed by each individual partner or shareholder.

## NAME:

Enter the name of the person or business claiming the credit as shown on the front of your income tax return.

## S.S.N. or FEDERAL T.I.N.:

Enter Social Security Number or Federal Taxpayer Identification Number (for businesses) in this space. Do not enter your cancelled motor fuel tax refund permit number.

## FUEL USED:

Mark the proper box(es) to indicate how the fuel was used. Review your invoices to verify that Iowa fuel tax was paid before claiming a credit. This area must be completed. *Note:* Dyed Diesel Fuel is always sold Iowa fuel tax free. No credit may be claimed for Dyed Diesel Fuel.

## CREDIT COMPUTATION

Please be sure to calculate a credit in all applicable column(s), A through E.

**Line 1:** Enter in the proper column(s) the total number of gallons of fuel from your paid fuel invoices, on which Iowa fuel tax was paid and which were placed in your fuel storage tanks during the tax year. Invoices must be kept for three years after your return is filed as proof of your credit. Gasoline or special fuel used in motor vehicles for off-loading procedures or used in watercraft, other than for commercial fishing, should not be included.

**Line 2:** Enter in the proper column(s) the number of gallons which were used on the highway and were included on line 1.

**Line 3:** Subtract line 2 from line 1 and enter on line 3. This is the gallonage to be claimed for credit.

**Line 4:** Multiply the amount(s) on line 3 by the fuel tax rate(s) listed below and enter in the proper column(s) on line 4.

Fuel type	Date of Purchase	Fuel tax rate
Gasoline	1/1/04-6/30/04	20.3¢ per gallon
Gasoline	7/1/04-12/31/04	20.5¢ per gallon
Gasohol	entire year	19¢ per gallon
Undyed Diesel Fuel	entire year	22.5¢ per gallon
Special Fuel (LPG)	entire year	20¢ per gallon

**(NOTE: the tax rate on gasoline changed on July 1, 2004)**

**Line 5:** Sales tax is applicable on all fuel claimed for credit except that used in farming and processing. To compute the sales tax, calculate the average cost per gallon of the fuel purchased minus the per gallon state fuel tax and multiply by the number of gallons claimed for credit on line 3. Multiply this average cost by the 5% sales tax rate. Enter sales tax in the proper column(s) on line 5.

**Line 6:** Subtract line 5 from line 4 and enter in the proper column(s).

**Line 7:** Add line 6 columns A through E and enter on line 7. This is your Motor Fuel Tax Credit. Enter this amount on the Motor Fuel Tax Credit line of your Iowa Income Tax Return.