

# Tax Free Sale of Undyed Kerosene from Blocked Pumps: Petroleum Marketers Association of America References IRS Compliance Bulletin



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The Petroleum Marketers Association of America (“PMAA”) in the October 20th edition [WR-17-41] of its publication PMAA Weekly Review noted the Internal Revenue Service’s (“IRS”) recent issuance of a Regulatory Compliance Bulletin (“Bulletin”) titled:

*IRS Requirements for Tax Free Retail Sale of Undyed Kerosene from Blocked Pumps*

The issue addressed in the Bulletin is described as:

The IRS regulation allowed for the tax resale of undyed kerosene at retail dispensers. Such sales are allowed so long as the undyed kerosene is sold from a “blocked pump.”

The Bulletin addresses:

- Conditions that must be met to be eligible for a credit or refund of the federal tax on undyed kerosene
- Description of which “fuel dispensers” constitute a “blocked pump”
- Process for claiming credits for refunds for the sale of undyed kerosene from a blocked pump

[A copy of the PMAA publication can be found here.](#)