



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.24.15

JANUARY 29, 2025

EFFECTIVE DATE

(01-29-2025)

PURPOSE

- (1) This revises IRM 4.24.15, Excise Tax, Excise Fuel Compliance Inspection, Sampling and Shipping.

MATERIAL CHANGES

- (1) Refer to the table below for a description of the material changes made.

Number	Subsection	Description of Change
1	IRM 4.24.15.1, Program Scope and Objectives	Added IRM 4.24.15.2.1.5 citation for detailed guidance under (3).
2	IRM 4.24.15.1.1, Background	Added biofuels under a broader range of taxable fuels.
3	IRM 4.24.15.1.2, Authority	Added information about the Inflation Reduction Act of 2022, including specified Form 637 registration requirements.
4	IRM 4.24.15.1.6, Terms/Definitions/ Acronyms	Changed title to Terms and Acronyms. Added term Biofuels. Added acronyms ASTM, SAF, and SAIN. Deleted acronyms ECS, EPA, FCN, FCA, FCO, PNNL, POD, VIN, and WSD.
5	IRM 4.24.15.2.1.2, Non-Pervasively Regulated Sites Where Consent is Sought	Clarified mandatory employee actions when permission to inspect is refused or revoked.
6	IRM 4.24.15.3.1, Terminal Inspection Procedures	Added a note under (12) clarifying that prior to obtaining an unidentified product sample from a terminal, employee must determine the types of chemicals that have been discharged into the storage tank. Added a note under (13) clarifying that if the test results from EFL show the product is suitable for use, employee will generate Form 5346. Changed guidance under (17) that employee must inform the IRS ExSTARS Coordinator rather than the FCN Coordinator if the terminal or refinery has closed.
7	IRM 4.24.15.4.1, Wholesaler Inspection Procedures	Added guidance under (3)(a) instructing employee to secure an "investigative sample" if the contents of the fuel are "suspicious."
8	IRM 4.24.15.5, Retailer Inspections	Added guidance under (3)(b) instructing employee to secure an "investigative sample" if the contents of the fuel are "suspicious."

Number	Subsection	Description of Change
9	IRM 4.24.15.5.1, Retailer Inspection Procedures	Clarified guidance under (3) that employee will screen the fuel from each tank containing diesel or kerosene, whether dyed or undyed, using the nozzle screening method described in IRM 4.24.15.12, as well as apply the nozzle sampling procedures described in IRM 4.24.15.13. Added guidance under (8) that refers to IRM 4.24.15.7 if the retailer also engages in business activity that would classify it as an end-user. Added guidance under (12) that Form 15427, Blocked Pump Check Sheet, is to be completed, if the retailer is a Form 637 Registrant with activity letter "UP." Added guidance under (13) that IRM 4.24.15.8 addresses a blitz project. Added guidance under (14) that IRM 4.24.15.10 addresses sulfur.
10	IRM 4.24.15.6.1, Designated Inspection Site Procedures	Added guidance under (9) instructing employee to secure an "investigative sample" if the contents of the fuel are "suspicious."
11	IRM 4.24.15.7.1, End-User Inspection Procedures	Added guidance under (3) instructing employee to secure an "investigative sample" if the contents of the fuel are "suspicious." Added two notes under (10) incorporating prior guidance addressing situations for the willful alteration of dye concentration when employee must identify the supplier(s) of the fuel and when the sample is a field concentration sample. Added a note under (11)(c) incorporating prior guidance that both the site address and office address must be input into IMS. Added a note under (12)(c) incorporating prior guidance that both the site address and office address must be input into IMS.
12	IRM 4.24.15.7.2, Proposing IRC 6715(a)(1) and IRC 6715(a)(2) Penalty Without a Fuel Sample	Removed guidance about IRS information sharing agreements with some states that have been discontinued.
13	IRM 4.24.15.8, Blitz Inspection Procedures	Updated guidance under (4)(f) that refers to IRM 4.24.6.2.12, Procedural Guidance for Abnormal Fuel Referrals.
14	IRM 4.24.15.8.2, Collecting Blitz Samples	Changed (4)(d) to a note under (4)(c) that directs employee to ask the terminal to obtain a fresh sample from the storage tank.
15	IRM 4.24.15.8.3, Collecting End-User Blitz Samples	Changed (4) by splitting some prior guidance into a note.

Number	Subsection	Description of Change
16	IRM 4.24.15.10, Procedures for Developing an IRC 6720A Sulfur Content Penalty	Changed (2) by adding a note that states the conditions when the penalty applies that incorporates prior guidance from (2)(a) and (2)(b). Changed (4) by adding a note that the exception to the rule when the penalties apply occurs when the sellers know the undyed fuel will be sold for use in a highway vehicle.
17	IRM 4.24.15.11, Enforcement Activities Conducted by FCAs	Changed title to Enforcement Activities Conducted by Employees. Removed and changed "examination" to "inspection" under (1), (2), and (3). Removed entire content addressing "FCA" duties under (5) and (6).
18	IRM 4.24.15.12, Screening Methods	Added guidance under (1)(j) instructing employee to secure an "investigative sample" if the contents of the fuel are "suspicious". Removed (k) and incorporated it into (i).
19	IRM 4.24.15.13, Sampling Methods	Added a note under (2)(b) that if the sample comes from a compartment on a transport truck, employee must put on nitrile gloves after climbing the truck, which incorporates prior guidance from (2). Added a note under (3)(a) describing when to bond again, if required, which incorporates prior guidance from (3). Added a note under (3)(b) describing the types of funnels that may be used. Moved gasoline sampling procedures guidance to IRM 4.24.15.13.1.
20	IRM 4.24.15.13.1, Approved Sample Bottles	Changed title to Gasoline Sampling Procedures. Moved selected guidance addressing gasoline sampling procedures from IRM 4.24.15.13. Moved prior guidance to IRM 4.15.13.2.
21	New IRM 4.24.15.13.2	Added title Approved Sample Bottles. Moved guidance from IRM 4.24.15.3.1.
22	IRM 4.24.15.14, Investigative Samples	Added a note under (4) that an SAF "investigative" sample must be obtained in its finished synthetic blending component rather than its finished state.
23	IRM 4.24.15.14.1, Requests for Investigative Samples	Updated (2) to "revenue agents" from "FCOs" and "FCAs."

Number	Subsection	Description of Change
24	IRM 4.24.15.14.2, Investigative Sample Procedures	Updated (2) to include investigative sample testing. Added a note under (4)(h) providing guidance for Form 637 registration samples, as well as guidance addressing registration suffixes that included an IRM citation. Added a note under (4)(i) that investigative sample results are normally sent to employee or individual who requested the investigative sample.
25	IRM 4.24.15.14.4, Referral of Investigative Sample Lab Results	Removed (2) and (3) that addressed duties for “FCOs” and “FCAs.”
26	IRM 4.24.15.15, Sample Bottle Labeling Procedures	Added a note that Form 13927 allows nine remaining samples to be associated with one another.
27	IRM 4.24.15.15.1, Form 9667, Sample Bottle Sealing and Identification Label, Required Information	Changed title to Form 9667, Sample Bottle Sealing and Identification Label. Added a note under (4) providing instruction for samples taken from a storage tank or a vehicle. Added (5) that incorporates guidance from IGM SBSE 04-0124-0009, Interim Guidance for Sampling Renewable Diesel, dated January 31, 2024, which changes procedures for taking samples above and below the rack. Under (6) added “SAF” to types of identified samples.
28	IRM 4.24.15.15.2, Sample Labeling Matrix	Incorporated guidance from IGM SBSE 04-0124-0009, Interim Guidance for Sampling Renewable Diesel, dated January 31, 2024, that changes procedures for taking samples above and below the rack. Added row to matrix regarding Sustainable Aviation Fuel samples.
29	IRM 4.24.17, Packing and Shipping Samples	Added (2) that refers to IRM 4.24.15.13 for guidance about securing all samples. Added (3) that refers to IRM 4.24.15.15 for guidance about labeling samples.
30	IRM Exhibit 4.24.15-1, Blocked Pump Check Sheets	Obsoleted exhibit. Form 15427, Blocked Pump Checksheet, was published and is now available.

- (2) Editorial changes have been made throughout this IRM Section (section) to update electronic links and organizational name changes, correct grammar and punctuation errors, reformat lists and remove excessive links to laws, forms, and letters.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 4.24.15, dated April 22, 2021, and incorporates Interim Guidance Memorandum (IGM) SBSE 04-0124-0009, Interim Guidance for Sampling Renewable Diesel, dated January 31, 2024.

AUDIENCE

This section provides direction to the Chief, Estate & Gift/Excise Tax Exam, Territory Managers (TMs), Group Managers (GMs), Fuel Compliance Officers (FCOs), and Fuel Compliance Agents (FCAs). FCOs and FCAs are collectively referred to throughout this section as “employees.”

Daniel R. Lauer
Director, HQ Exam
Small Business/Self Employed

4.24.15

Excise Fuel Compliance Inspection, Sampling, and Shipping

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4.24.15.1
(01-29-2025)
Program Scope and Objectives

- (1) The Fuel Compliance Program enforces the laws and regulations pertaining to the following:
 - a. Proper sale and use of dyed fuel.
 - b. Requirement for dyed fuel by means of a mechanical dye injection system.
 - c. Reporting requirements for the bulk distribution of fuel through pipeline or barge.
 - d. Reporting requirements for the distribution of fuel below the terminal rack.
 - e. Sulfur content of taxed, undyed diesel fuel.
- (2) During an inspection, employee conducts interviews, tours the facilities, reviews records, and obtains fuel samples from places, such as fuel storage tanks and propulsion tanks of highway vehicles. Employee ships fuel samples to the Excise Forensics Lab (EFL).
- (3) As a matter of policy, employee obtains permission to enter premises. Absent permission, employee will seek a writ of entry. For detailed guidance, refer to IRM 4.24.15.2.1.5.
- (4) **Purpose** - It is essential for senior-level officials, managers, and employees to understand inspection procedures based on the type of inspection being conducted. This section provides procedures for inspections conducted by FCOs and FCAs.
- (5) **Audience** - This section is for the Chief, Estate & Gift/Excise Tax Exam, TMs, GMs, and employees.
- (6) **Policy Owner** - Director, Examination - Specialty Policy owns the policies contained herein.
- (7) **Program Owner** - Program Manager, Excise Tax Policy is responsible for the administration, procedures, and updates related to the fuel compliance program.
- (8) **Primary Stakeholders** - Excise Case Selection (ECS), Joint Operations Center (JOC), Workload Selection and Delivery (WSD), Counsel, Disclosure, and EFL are the primary stakeholders for this section.
- (9) **Program Goal** - This section's goal is to provide guidance that will enable employee to properly conduct inspections, properly screen and sample fuel products, as well as box and ship fuel products. Complying with this guidance will help ensure employee's safety and support the government's position to propose and sustain a penalty.

4.24.15.1.1
(01-29-2025)
Background

- (1) The Fuel Compliance Program started in June 1994, following passage of the Omnibus Budget Reconciliation Act of 1993 that became effective on January 1, 1994. Initially, the focus of the program was on the proper sale and use of diesel fuel indelibly dyed in accordance with IRS regulations. In subsequent years, the Fuel Compliance Program adapted as the fuel industry changed. Consequently, fuel inspections now involve a broader range of taxable fuels, biofuels, and alternative fuels. For compliance purposes, it is essential employees, managers, and senior management officials understand and follow the technical guidance explained in this section.

4.24.15.1.2
(01-29-2025)
Authority

- (1) The federal excise tax imposed by IRC 4081 no longer applies to removals of diesel fuel that are indelibly dyed (or dyed and marked) in accordance with IRS regulations.
- (2) IRC 4083(d) and *Treas. Reg. 48.4083-1(a)* authorize employees, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, to enter any place and to conduct inspections in accordance with paragraphs (a) through (c) of *Treas. Reg. 48.4083-1*. Employees are authorized to inspect, examine, and search:
 - Equipment used or capable of being used for the production, storage, or transportation of fuel, fuel dyes or fuel markers.
 - Equipment used to determine the amount or composition of taxable fuel.
 - Equipment used for dyeing or marking of fuel.
 - Containers used or capable of being used for the production, storage or transportation of fuel, fuel dyes or fuel markers.
 - Books and records determining excise tax liability under IRC 4081.
 - Propulsion tanks of vehicles and trains.
 - Fuel cargo storage tanks of vehicles, trains, and marine vessels.
- (3) Employees are authorized to take and remove samples to determine the composition of the fuel. Refer to *Treas. Reg. 48.4083-1(c)(3)*.
- (4) This authority applies to three broad categories:
 - a. Designated inspection site inspections. For detailed guidance, refer to IRM 4.24.15.2.1.3.
 - b. Pervasively regulated industry inspections, where fuel is stored or may be stored. For detailed guidance, refer to IRM 4.24.15.2.1.1.
 - c. Other inspections where consent is granted by the taxpayer. For detailed guidance, refer to IRM 4.24.15.2.1.2. If permission is not granted, employee will need to obtain a writ of entry, after discussing the issue with GM. For detailed guidance, refer to IRM 4.24.15.2.1.5.
 - d. The Inflation Reduction Act of 2022 (Pub. L. 117-169, 136 Stat. 1818) created a new credit for Sustainable Aviation Fuel (SAF). Every person producing or importing SAF must register on Form 637 under activity suffix "SA." Procedures include securing and processing samples of SAF for registration and compliance purposes. The SAF testing will usually be on a synthetic blending component, but, in the future, may also include SAF produced through co-processing certain Fischer-Tropsch hydrocarbons. See Notice 2023-6, 2023-2 I.R.B. 328.

4.24.15.1.3
(04-22-2021)
Responsibilities

- (1) Director, Examination - Specialty Policy is responsible for procedures and policies in this section.
- (2) Program Manager, Excise Tax Policy is responsible for ensuring that procedures are accurate and updated regularly, as needed.
- (3) Chief, Estate & Gift/Excise Tax Exam is responsible for ensuring excise tax employees adhere to the procedures within this section.
- (4) TMs are responsible for ensuring GMs are aware and adhere to procedures in this section.

- (5) GMs are responsible for ensuring employees have current copies of this section and are adhering to procedures in this section that are pertinent to their job duties and roles.
- (6) Employees are responsible for following all pertinent guidance in this section.

4.24.15.1.4 (04-22-2021) Program Management and Review

- (1) **Program Reports** - The effectiveness of employees following procedures outlined in this section is evaluated with the use of the following reports:
 - Sample error
 - Issue Management System (IMS)
 - Year-to-Date (YTD) monitoring
- (2) **Program Effectiveness** - The effectiveness of this program is measured by revenues protected not by revenues assessed or collected. Employee vigilance and visibility in all geographic regions promotes voluntary taxpayer compliance.
- (3) **Annual Reviews**
 - Program Manager, Excise Tax Policy or designee conducts program reviews, ensures accuracy, and promotes consistent tax administration.
 - Chief, Estate & Gift/Excise Exam conducts territory operational reviews.
 - TMs conduct group operational reviews.

4.24.15.1.5 (04-22-2021) Program Controls

- (1) All information management systems that are utilized have safeguards in place, which address all key components of Information Technology (IT) security to restrict access to sensitive data.

4.24.15.1.6 (01-29-2025) Terms and Acronyms

- (1) The following table contains the definitions of the terms utilized throughout this section.

Term	Definition
Biofuels	Biofuels are a category of fuels that originate from biological sources such as plants, algae, tallow, and other biomasses that do not come from oil, natural gas, coal (including lignite) or any products thereof. Biodiesel, Sustainable Aviation Fuel, and Renewable Diesel are examples of this type of fuel that can fall under the Biofuels category.
Blitz	Blitz is a short-term inspection effort that focuses on a specified geographic area or segment within the fuel distribution system.
Designated Inspection Site	Designated inspection sites are any state highway inspection station, weigh station, agricultural inspection station, mobile station, construction site, park, rest area, any point on a public highway or any other location as designated by the Commissioner to be used as a fuel inspection site.

Term	Definition
Diesel Powered Highway Vehicle	A highway vehicle, as defined in <i>Treas. Reg. 48.4061(a)-1(d)</i> is a vehicle propelled by a diesel-powered engine.
End-user	A person that purchases diesel fuel or kerosene in either bulk or non-bulk quantities for use but not resale.
Pervasively Regulated Industry	Locations where fuel is or may be produced or stored. These include refineries, terminals, wholesalers, retailers or certain end-users.
Retailer	Sells product to end-users. May sell motor fuel and/or heating fuel. A typical retailer has bulk storage.
Terminal	A taxable fuel storage and distribution facility supplied by pipeline or vessel and from which taxable fuel may be removed at a rack.
Wholesaler	Fuel dealer who sells to retailers and end-users. Wholesale distributors may or may not have bulk storage. A wholesale distributor may merely buy fuel from a terminal and transport it to the retailer. A wholesaler distributor may also engage in retailing.

(2) The following table contains the acronyms utilized throughout this section.

Acronym	Definition
ASTM	ASTM International
BOL	Bill of Lading
CFR	Code of Federal Regulations
EIN	Employer Identification Number
EFL	Excise Forensics Laboratory
IATA	International Air Transportation Association
IMS	Issue Management System
MOU	Memorandum of Understanding
SAF	Sustainable Aviation Fuel
SAIN	Standard Audit Index Number
TIN	Taxpayer Identification Number
TCN	Terminal Control Number

4.24.15.2
(04-22-2021)
**Overview of Fuel Tax
Inspection**

- (1) Inspections include, but are not limited to, the following:
 - a. Terminals
 - b. Wholesalers
 - c. Retailers
 - d. Designated inspection sites
 - e. End-users
 - f. Blitzes
 - g. Special projects
- (2) If during an inspection employee determines an examination of the taxpayer's excise tax return is warranted, employee will complete a Form 5346, Examination Information Report, and forward it to GM. For guidance, refer to IRM 4.24.13.9.1, Overview of Excise Fuel Compliance Program, Referral Procedures.
- (3) All inspections must be input into IMS within four business days of the inspection. For guidance, refer to IRM 4.24.13.5, Issue Management System (IMS).

4.24.15.2.1
(04-22-2021)
Sites of Inspections

- (1) Inspection sites can be broadly categorized as pervasively regulated, non-pervasively regulated or designated inspection sites.
- (2) Employee actions will be determined by the type of inspection site.

4.24.15.2.1.1
(04-22-2021)
**Pervasively Regulated
Industry Sites**

- (1) Pervasively regulated industry sites include refineries, terminals, wholesalers, retailers, end-users and any other location where taxable fuel is produced or stored. Generally, employees are authorized to conduct an inspection at a site where there is fuel production or storage. Refer to *Treas. Reg. 48.4083-1(b)(1)*. Fuel in the propulsion tank of a vehicle is not considered "fuel storage" for purposes of IRC 4083(d).
- (2) Employee will first seek consent from the taxpayer or an employee of the taxpayer empowered to grant consent to conduct the inspection.
- (3) If permission is granted, employee may proceed with the inspection.
- (4) If permission to inspect is refused or revoked, employee must:
 - a. Immediately stop the inspection and advise the taxpayer a refusal penalty will be asserted and a writ of entry may be obtained. If the taxpayer then allows the inspection to proceed, employee conducts the inspection without assertion of the refusal penalty.
 - b. Leave the premises if the taxpayer refuses to allow the inspection. If the site is owned or controlled by the taxpayer, the refusal penalty under IRC 6717 is asserted. Consult with GM about obtaining a writ of entry. For guidance, refer to IRM 4.24.15.2.1.5.
- (5) IRS may impose more than one penalty under IRC 6717 on a taxpayer who refuses to admit entry or refuses to permit another action authorized by IRC 4083(d)(1). The number of violations is determined by the number of actions allowable under IRC 4083(d)(1) that the taxpayer refused to allow employee to inspect. The facts and circumstances of each situation must be evaluated and considered. For guidance, refer to IRC 6717(a).

4.24.15.2.1.2
(01-29-2025)

**Non-Pervasively
Regulated Sites Where
Consent is Sought**

- (1) This category includes inspection sites that are not part of a pervasively regulated business, as defined in IRM 4.24.15.2.1.1, such as end-user sites where fuel is neither produced nor stored.
- (2) Employee will first seek consent from the taxpayer or the employee of the taxpayer authorized to grant consent to conduct the inspection.
- (3) If permission is granted, employee may proceed with the inspection.
- (4) If permission to inspect is refused or revoked, employee must:
 - a. Immediately stop the inspection and advise the taxpayer that a writ of entry may be obtained.
 - b. If the taxpayer continues to refuse the inspection, employee must leave the premises if the site is owned or controlled by the taxpayer and discuss obtaining a writ of entry with GM. For guidance, refer to IRM 4.24.15.2.1.5.
- (5) A penalty under IRC 6717 ("refusal penalty") does not apply at these sites.

4.24.15.2.1.3
(04-22-2021)

**Designated Inspection
Sites**

- (1) Designated inspection sites are all state highway inspection stations, weigh stations, agricultural inspection stations, mobile stations, construction sites, parks, rest areas, any points on a public highway or any other locations as designated by the Commissioner to be used as a fuel inspection site.
- (2) A designated inspection site is identified as a fuel inspection site by displaying a free standing and/or magnetized vehicle sign displaying "IRS FUEL INSPECTION SITE."
- (3) A designated inspection site is typically controlled by one agency or entity and has vehicles from multiple entities entering and departing.
- (4) Employee will first seek consent from the driver of the vehicle.
- (5) If permission is granted, employee may proceed with the inspection.
- (6) If permission to inspect is refused or revoked, employee:
 - a. Immediately stops the inspection.
 - b. Advises the taxpayer that a writ of entry may be obtained.
 - c. Discusses obtaining a writ of entry with GM, if the taxpayer continues to refuse or grant permission. For guidance, refer to IRM 4.24.15.2.1.5.
- (7) A penalty under IRC 6717 ("refusal penalty") generally does not apply at these sites.

4.24.15.2.1.4
(04-22-2021)

**Required Actions
Performed at the
Inspection Site Prior to
Conducting an
Inspection**

- (1) Prior to conducting an inspection permitted under IRC 4083(d) and *Treas. Reg. 48.4083-1*, employees must identify themselves to the taxpayer or the employee of the taxpayer empowered to permit the inspection and explain the:
 - a. Purpose and scope of the fuel inspection.
 - b. Authority to conduct the inspection.
 - c. Taxpayer rights.
- (2) Employee will present their credentials and provide Notice 916 , Taxable Fuel Inspection Notice, to the taxpayer or the employee of the taxpayer authorized

to permit an inspection. The notice explains legal authority to inspect and the purpose, as well as the scope, of the inspection.

- (3) Employee will always request permission to conduct the inspection from the taxpayer or the employee of the taxpayer authorized to permit an inspection. Employee may only proceed with the inspection when permission is granted.

4.24.15.2.1.5
(04-22-2021)

Obtaining a Writ of Entry

- (1) Employee must discuss with GM whether to obtain a writ of entry to complete an inspection when consent is denied or revoked, regardless of whether a refusal penalty was applied.
- (2) Employee shall prepare a writ of entry and an affidavit that explains why the government needs to conduct an inspection and why consent to enter and inspect was refused, if applicable.
- (3) The affidavit must be factual and fully-detailed. The format can be extrapolated from Form 14742, Writ of Entry Revenue Officer Declaration. The affidavit will include statements that:
 - a. Identify employee with the duty and authority to conduct inspections under IRC 4083(d) .
 - b. Identify the location and the business at which the taxable fuel to be inspected is produced or stored (or may be stored) or the records pertaining to where the fuel is kept.
 - c. Describe the purpose of the inspection.
 - d. Describe the procedures employee followed to carry out the inspection.
 - e. Describe fully the circumstances under which entry was denied (when, where, why, and by whom).
- (4) The request for writ of entry and the related affidavit must be submitted to IRS Counsel for review.
- (5) IRS Counsel will make any necessary changes and prepare a package for presentation to the Assistant U.S. Attorney (AUSA) who has jurisdiction.
- (6) If the package is approved, the U.S. Magistrate or District Court Judge will issue a writ of entry specific to the facts and circumstances presented in the application package.
- (7) The writ of entry is served on the taxpayer by employee.
- (8) If the taxpayer continues to refuse to allow the inspection under the writ of entry, it is a refusal of a court order that may lead to a contempt of court citation and enforcement by the U.S. Marshall Service.
- (9) For guidance, refer to IRM 5.10.3.7, Writ Procedures, for writ of entry procedures as well as Form 14742 and Form 10404, Consent to Enter Private Premises, for examples of a writ of entry to effect a levy and the associated affidavit.

4.24.15.2.2
(04-22-2021)

Third Party Contacts

- (1) IRC 7602(a)(2), Examination of Books and Witnesses, permits employee to contact third parties to:
 - a. Ascertain the correctness of any return.
 - b. Make a return where none has been made.
 - c. Determine the tax liability of any person.
 - (2) For purposes of IRC 7602, determining the tax or penalty associated with an action permitted by IRC 4083(d) qualifies as determining the tax liability of any person.
 - (3) The Taxpayer First Act amended IRC 7602(c)(1) and is effective for notices of third party contacts and contacts of third parties made after August 15, 2019. IRS is required to:
 - Issue advance written notice for third party contacts.
 - Intend, at the time such notice is issued, to contact third parties (and state this intent in the notice).
 - Specify in the notice the period, not to exceed one year, within which IRS intends to make the third party contacts.
 - Send the notice at least 45 days before contacting a third party, except as otherwise provided by an authorized delegate of the Secretary.

Note: Effective August 15, 2019, Publication 1 no longer satisfies the advance notice requirement of IRC 7602(c)(1).
 - (4) In situations involving third party contact notices provided after August 15, 2019, or in which contacts with third parties will occur after August 15, 2019, a notice meeting the new requirements must be provided. Employees may not contact a third party until the 46th day following the date of the notice, except as otherwise provided by an authorized delegate of the Secretary. Employees will use a current Letter 3164-E, Third Party Contact.
 - (5) The taxpayer can waive rights under IRC 7602(c) and authorize IRS to contact a third party by signing Form 12180, Third Party Contact Authorization Form. If a taxpayer signs Form 12180, then Form 12175, Third Party Contact Report Form, does not need to be completed and employee may proceed contacting third parties listed on Form 12180. Refer to IRM 25.27.1.3.6, Taxpayer Authorizes Contact with a Third Party, for guidance.
- Note:** Only solicit authorization from the taxpayer if you are confident that reprisal is not a concern.
- (6) For guidance about procedures and documenting third party contacts, refer to IRM 25.27.1, Third-Party Contact Program.
 - (7) The following table provides guidance on whether an action is a third party contact requiring advance notice to the taxpayer:

If More Than One Employee...	AND...	Then a Third Party Contact...
Conducts a terminal inspection	Wants to obtain a sample of fuel from a transport not owned by the terminal and will initiate contact with the driver of the transport	Will be made
Finds a violation	The taxpayer states it was someone else's fault	Will be made so employee can identify the responsible party
Finds a violation	The taxpayer does not have the information (i.e., fuel purchase records) needed to determine the extent of the non-compliance	Will be made unless the taxpayer initiates contact with third party to secure the records
Obtains information during an inspection	Makes a referral to an excise group	Has not been made
Conducts an inspection at a fuel wholesaler	Asks to look at a list of customers who have purchased dyed product	Has not been made
Conducts a Blitz compliance inspection	Obtains information on the source of the fuel	Has not been made
Arrives at a site to conduct an inspection	Talks to the employee of the taxpayer to locate the taxpayer	Has not been made
Obtains information from a state regarding samples	Employee uses the information to propose an IRC 6715 penalty or conduct an inspection	Has not been made
Receives an unsolicited tip	Uses the information to plan and conduct an inspection	Has not been made

4.24.15.3
(04-22-2021)
Terminal Inspections

- (1) IRC 4083(d) authorizes terminal inspections.
- (2) The actions taken during a terminal inspection depend on the underlying facts and circumstances, as well as managerial direction.
- (3) The following table identifies the necessary actions that require documentation to complete a terminal inspection.

Action	Necessary Inspection Actions That Require Documentation to Complete a Terminal Inspection
1	Verify the terminal is still operating and has not changed ownership.
2	Determine if taxable products are stored at the facility.
3	Verify dyed fuel crossing the rack is dyed to the specifications in <i>Treas. Reg. 48.4082-1(b)</i> .

4	Verify the number and locations of the mechanical dye injection systems are used to dye the fuel crossing the rack.
5	Determine if the mechanical dye injection system has been tampered with and if the security requirements have been met.
6	Verify required records are maintained on site for one year. For detailed guidance, refer to <i>Treas. Reg. 48.4101-1(h)(3)</i> .
7	Ensure the appropriate dyed fuel notice "DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE," is on the bill of lading (BOL). For detailed guidance, refer to <i>Treas. Reg. 48.4101-1(h)(3)(ii)</i> .
8	Provide samples for certain blitz projects or activities.
9	Provide samples of undefined product and waste oil, if stored at the terminal.
10	Identify sales of B70 - B99.9 and E-00.
11	Verify the sulfur content for highway fuel is within prescribed ranges.
12	Educate taxpayers concerning fuel tax laws.

4.24.15.3.1
(01-29-2025)
**Terminal Inspection
Procedures**

- (1) The procedures to be followed and samples to be obtained at each terminal facility will differ depending on:
 - a. Terminal's safety procedures.
 - b. Products stored and sold.
 - c. Fuel dyeing method.
- (2) Employee must present credentials and provide the terminal operator or other responsible party with a Notice 916 and Publication 1 prior to conducting the inspection and explain what fuel samples are needed.

Note: The terminal is not permitted to make a copy of employee's credentials.

- (3) Employee will tour the facility. The tour should include, but not be limited to, following the line from the dye tank to the dye injection point(s). Employee should look for security measures in place to deter and detect tampering with the mechanical dye injection system and indications security measures were breached. Specific security measures are not required; therefore, the lack of particular security efforts will not result in the imposition of IRC 6715(a)(2).
- (4) The following table identifies issues that must be reviewed, addressed, and documented to complete a terminal inspection.

Item	Issues That Must be Reviewed, Addressed, and Documented to Complete a Terminal Inspection
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1	Emergency plan
2	Hours of operation
3	Layout including location of tanks and racks
4	Modes of fuel delivery and disbursement
5	Types of fuel stored and/or sold at this location
6	Dyeing method
7	Location and number of dye injectors
8	Position at the loading rack (loading arm) with which each dye injector is directly coupled
9	Fuel supplier
10	Types of records maintained at the terminal
11	Sales of B70-B99 and E-00
12	Security and anti-tamper measures in place to deter and detect tampering with the mechanical dye injection system

(5) Employee must inspect the shipping documents to:

- Ensure BOLs contain the required notice. For detailed guidance, refer to *Treas. Reg. 48.4101-1(h)(3)(i)*.
- Ensure the 12-month record retention requirements are met.
- Identify unusual sales of dyed fuel, which may indicate improper use of dyed fuel downstream.

Note: BOLs may be paper documents or maintained electronically by the terminal.

(6) Employee will ask the terminal about sales of B70 - B99 and E-00. If the terminal sells these products, employee will obtain a customer list and submit a Form 5346, Examination Information Report, to GM.

(7) To ensure the dye concentration requirement under *Treas. Reg. 48.4082-1(b)* is satisfied, employee will obtain a “concentration” sample of dyed fuel from a transport compartment.

Note: For detailed guidance, refer to IRM 4.24.15.15.1 for labeling instructions if a “concentration” sample is obtained.

(8) If the terminal has more than one dye injector at the loading rack, employee will attempt to secure a “concentration” sample from each loading arm that has a separate dye injector.

(9) The following table identifies the procedural issues that must be reviewed, addressed, and documented to obtain a dyed sample from a transport vehicle.

Issue	Procedural Issues That Must be Reviewed, Addressed, and Documented to Obtain a Dyed Sample from a Transport Vehicle
1	Security and anti-tamper measures in place to deter and detect tampering with the mechanical dye injection system.
2	Explain the purpose and method for securing a sample.
3	Ask the driver to relocate the vehicle out of the normal traffic flow before obtaining the sample (if necessary).
4	Record the name of the trucking company and license number.
5	Ask the driver which compartments contain dyed fuel.
6	Ask the driver about prior cargo.
7	Wait at least 15 minutes for fuel to settle and dye to mix.
8	Obtain the sample using the sampling pump method described in IRM 4.24.15.13.
9	Secure a copy of the BOL for the load from which each sample was taken.
10	Indicate in the case file which dye injectors were used to dye the fuel for each sample secured, if more than one dye injector exists.
11	Secure additional samples from subsequent transports that used the same dye injector, if any of the samples appear to be below concentration.

- (10) Some terminal owners require terminal employees to draw samples. In that instance, employee must observe the sampling process to ensure a sample is properly obtained.
- (11) If after two hours a “concentration” sample can not be obtained and the other inspection duties are complete, employee may leave without a sample but will notate in the workpapers why a sample was not obtained.
- (12) Samples of undefined product and waste oil will be obtained if the products are stored at the terminal. Employee must:
- Follow the procedures in paragraph (8) if the sample will be obtained from a transport compartment.
 - Observe the sampling process if the sample will be obtained from a terminal storage tank by the employee of the terminal.
 - Request a list of customers who purchased the undefined product or waste oil.
 - Use the sampling matrix to determine the number of one-ounce samples needed, refer to IRM 4.24.15.15.2. Apply the guidance under the “suspicious” fuel category.

Note: Prior to obtaining an undefined product sample from a terminal, employee must determine the types of chemicals that have been discharged into the storage tank. If available, obtain all records related to the product placed into the storage tank.

Note: The sampling matrix also provides instructions for completing Form 9667, Sample Bottle Sealing and Identification Label, required paperwork and information for the laboratory reports generated.

- (13) The following table identifies case history actions that must be addressed and documented.

Action	Case History Actions That Must be Addressed and Documented
1	Reason for conducting the inspection (i.e., FIDGAP selection, observed an event).
2	Name and position of the terminal employee who authorized the inspection.
3	Name of the transport driver to whom employee was introduced by the terminal manager or designee.
4	Delivery of Publication 1 and Notice 916.
5	Any change in ownership of the terminal.
6	Fuel products sold and/or stored at the facility.
7	Comments on the number of dye injectors and which loading arms are associated with each dye injector.
8	Comments regarding fuel storage.
9	Method of fuel receipt and delivery (pipeline, barge, transport or rail).
10	Comments on the distribution of transmix, undefined product, and waste oil.
11	Comments on the review of records and sales of dyed products.
12	Review of BOLs for notice requirement.
13	Statement that required records are maintained on site for one year.
14	Comments about the tour, mechanical dye injection system, and security measures the facility uses to secure the injection system.
15	Comments on necessary corrective actions discussed with the taxpayer.
16	Results of screening of company vehicles and fueling practices, if applicable.

17	Samples taken and sampling procedures (if a concentration sample was not obtained at the terminal, explain why).
18	Statement as to whether samples satisfied the dye concentration minimum requirement. Note: For detailed guidance, refer to IRM 4.24.15.3.2 for procedures that address a below concentration fuel sample obtained from a terminal.
19	Statement as to whether the samples of undefined product and waste oil were determined to be “suitable for use as a motor fuel.” Note: If the test results from EFL show the product is suitable for use, employee will generate a Form 5346. The referral will include EFL test results and the information on the customers who purchased the product. For detailed guidance, refer to IRM 4.24.13.9.1 for instructions on completing a referral.
20	Date sample results were received and closing letter was issued.

- (14) If test results from EFL show the fuel was below concentration, employee will plan a follow-up inspection to occur within one month of the initial inspection. For detailed guidance, refer to IRM 4.24.15.3.2.
- (15) Employee must timely record the inspection in IMS. For detailed guidance, refer to IRM 4.24.16.2, Report Writing and Case Processing Overview.
- Use a substitute Taxpayer Identification Number (TIN) to identify the specific facility. The substitute TIN format is 00-0 plus the 6 digits from the specific facility’s Terminal Control Number (TCN). Example: The TCN for ABC Terminal is T-61-KY-1234, therefore, the substitute TIN is 000611234.
 - Use Activity Code (AC) - 515.
 - Use Standard Audit Index Number (SAIN) - EX515.
- (16) Follow the procedures in IRM 4.24.16.2.2(3), Inspections Resulting in No Adverse Actions, to close the inspection.
- (17) Employee must inform the IRS ExSTARS Coordinator if the terminal or refinery (some refineries may also be terminals) has closed, no longer sells taxable products, has an address change, or has changed ownership. For detailed guidance, refer to IRM 4.24.17.

Note: A Facility Control Number designates a storage location within the motor fuel, or renewable fuel production or the bulk transfer or terminal system. Facilities include refineries with assigned Refinery Control Numbers (RCNs) and terminals with assigned TCNs.

4.24.15.3.2
(04-22-2021)
**Procedures for
Addressing a Below
Concentration Fuel
Sample Obtained from a
Terminal**

- (18) Refer to the applicable subsections below if the terminal also engages in business activities that would classify it as a fuel wholesaler, retailer and/or end-user.
- (1) When test results from EFL indicate the dye concentration did not meet the requirements (i.e., possible infraction), the total number of gallons involved will include only those gallons indicated on the BOL unless another sample was obtained from the same injector on the same or subsequent date (i.e., follow-up inspection additional transports). If additional samples were obtained and determined to be below concentration, the total gallons involved would be all gallons dispensed from the identified dye injector/loading arm from the time the first below concentration sample was secured through the period that the subsequent below concentration sample was secured.
- (2) Employee will follow the procedures below within five business days:
- a. Inform the taxpayer of the sample results and provide a copy of Letter 3144, Fuel Compliance Program Inspection Results, to the terminal operator informing them that the fuel is taxable and instruct the terminal operator to include the fuel on the Form 720, Quarterly Federal Excise Return, and Form 720-TO, Terminal Operator Report. The inspection will remain open on IMS until the fuel is dyed to the required concentration.
 - b. Obtain from the terminal the position holder's name, employee identification number (EIN), and Form 637 Registration number.
 - c. Conduct a follow-up inspection at the terminal within one month from the date of the initial inspection.
 - d. Collect a second sample of dyed fuel from the same source where the original below concentration sample was taken, (e.g., loading rack arm, etc.).
 - e. Mark the samples so that EFL can identify them for priority handling. The sample labels must be marked as usual for terminal "concentration" samples but, in addition, enter the words "SECOND" or "THIRD" (as appropriate) in the blank to the right of "Other" on the sample bottle label.
Note: Use words and not numerals to reduce confusion over fuel types, etc.
 - f. Enter the original sample number from the below concentration sample to the right of the TCN after entering the TCN on the label.
 - g. Generate a referral and include a copy of the BOLs or the BOL numbers with the referral. The BOL information is required for the revenue agent to verify the below concentration load was included on the Form 720-TO and to determine if the gallons were included on a Form 720.
 - h. Contact GM to discuss the tax matter.
- (3) If the lab result from the follow-up sample indicates the concentration of dye in the fuel is still not in compliance, employee will repeat the procedures outlined above. The second referral will reference the previous referral to ensure the revenue agent is aware of the extent of the issue.

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4.24.15.3.3
(04-22-2021)

**Procedures for Gaining
Access to Railroad
Terminal Inspections**

- (1) Railroad terminals have an exception to Excise Summary Terminal Activity Reporting System (ExSTARS) reporting requirements that permits them to make daily summary disbursement reports instead of reporting the individual disbursements. Employee must be aware of this exception when conducting an inspection of the Form 720-TO. The meter tickets must contain the dyed fuel notice as required by *Treas. Reg. 48.4101-1(h)(3)*.
- (2) The purpose of an inspection for a railroad terminal is the same as for other types of terminals. Employee will follow the procedures outlined in IRM 4.24.15.3.1.
- (3) To address safety concerns caused by the unique nature of railroad terminals, specific procedures have been developed for railroad terminal inspections. The procedures apply only to fuel inspections, not to examinations conducted by revenue agents. Unless specifically contradicted in the procedures below, procedures for inspections of railroad terminals are the same as for other terminals.
- (4) To address the safety concerns while maintaining IRS authority to conduct unannounced inspections, the following arrangement is in place:
 - a. IRS will provide the railroad terminals a list of employees authorized to conduct inspections. The list will include name, title, and a unique identifying number.
 - b. Each railroad company will provide contact names and telephone numbers for each terminal. If employee does not have the contact information, employee will ask GM for assistance in securing the needed contact information.
 - c. Upon arrival at the terminal but prior to entering the property, employee will call one of the contact persons identified by the railroad company. The terminal employee will provide instructions to employee or an escort.
 - d. Employee will provide the terminal with their full name and unique identifying number. The terminal will validate the name and number with the information provided by IRS.

Note: The railroad terminal is not permitted to make a copy of employee's credentials.

 - e. After the information is validated, the inspection will proceed.
- (5) Typically, railroad terminals do not retain the records required in *Treas. Reg. 48.4101-1(h)(3)(ii)* at the terminal site. Additionally, the disbursement records do not detail the disbursements into each locomotive.
- (6) To address the ability of the railroad terminal companies to comply with the record requirements, railroad terminals must provide the following:
 - a. The summary reports covering the last 12 months. Summary reports detail each removal of fuel. The summary reports are prepared on a 30-day cycle. Therefore, records of the most recent disbursements (disbursed since the last summary report was filed) will not be available. For example, if an inspection was conducted in January, the summary report for December would not be available. The railroad terminal would be required to provide the summary reports through November.
 - b. Meter tickets must contain the language required in the dyed fuel notice to specify the product is dyed in compliance with *Treas. Reg. 48.4082-2*. Additionally, the tickets will contain the name of the common carrier who

removed the fuel and the name of the entity that delivered the fuel into the supply tank of the train. If meter tickets for the last 12 months are not maintained at the terminal, the railroad company will provide the records by facsimile upon request to employee.

4.24.15.4
(04-22-2021)
Wholesaler Inspections

- (1) Fuel wholesalers:
 - a. Sell fuel to other wholesalers, retailers, and end-users.
 - b. May have storage tanks or may pick up fuel for delivery at terminals or other wholesalers.
 - c. May blend and sell biodiesel.
 - d. May operate a retail fuel outlet at the location.
 - e. May operate diesel powered vehicles as end-users of diesel fuel.
- (2) The facts and circumstances discovered while conducting the inspection, as well as management instruction, will dictate what actions are taken during the inspection.
- (3) Wholesaler inspections are conducted to:
 - a. Ensure the strength or composition of dye has not been altered.
 - b. Ensure diesel and kerosene intended for highway use does not contain dye or show indications the fuel was dyed.
 - c. Review the wholesaler's records of dyed fuel sales.
 - d. Ensure dyed biodiesel blends at the wholesaler meet the requirements of *Notice 2005-80* or the governing Treasury Regulations.
 - e. Ensure diesel vehicles operated by the wholesaler do not have dyed fuel in the propulsion tanks.
 - f. Inspect retail pumps operated by the wholesaler for compliance with the requirement to post a legible and conspicuous notice on the pumps dispensing dyed fuel. For detailed guidance, refer to *Treas. Reg. 48.4082-2*.
 - g. Determine the sulfur concentration of diesel fuel intended for use in a diesel-powered train or highway vehicle. Samples will be obtained for sulfur testing only if information indicates the fuel may exceed the allowable sulfur concentration. Refer to IRM 4.24.15.10 for detailed guidance for situations when employee is required to secure a sulfur sample.
 - h. Determine if gasoline has been adulterated (upon direction by management or during special projects).
 - i. Educate taxpayers concerning fuel tax laws.

4.24.15.4.1
(01-29-2025)
Wholesaler Inspection Procedures

- (1) Employee must present credentials and provide the wholesaler with Notice 916 and Publication 1 prior to conducting the inspection.
Note: The wholesaler is not permitted to make a copy of employee's credentials.
- (2) Employee will tour the facility and obtain information from the wholesaler that will help understand the operation of the business, including but not limited to, the following information:
 - a. Emergency plan
 - b. Hours of operation
 - c. Location of tanks and racks
 - d. Types of fuel stored and/or sold at the location

- e. Identity of the fuel supplier(s)
 - f. Types of records kept of sales and deliveries
 - g. Sales of dyed product to end-users
 - h. Presence of retail pumps
 - i. Source of the fuel in the propulsion tanks of the wholesaler's vehicles
 - j. Verification of correct Form 637 Registration activity letters related to the known and observed business operations
- (3) Employee will screen the fuel by obtaining a nozzle sample from each tank containing diesel or kerosene, whether or not it is dyed, using the sampling methods described in IRM 4.24.15.13. Employee will screen the fuel to:
- a. Determine whether the strength or composition of the dye has been altered. Employee will secure a "field concentration" sample if the records or appearance of the fuel indicates the dye concentration of the fuel may have been altered. If the contents of the fuel are "suspicious", secure an "investigative" sample.
 - b. Determine whether fuel identified as highway fuel or intended for use as highway fuel contains dye.
 - c. Determine if clear distillates meet the sulfur requirements. Samples will be obtained for sulfur testing only if information indicates the fuel may exceed the allowable sulfur level. Refer to IRM 4.24.15.10 for detailed guidance about situations when employees are required to secure a sulfur sample.
- Note:** If employee cannot obtain a sample independently using approved sampling methods, they may observe an employee of the taxpayer obtain a sample from the storage tank by valve or fuel thief.
- (4) Gasoline samples are only secured as part of a project or at the instruction of management. If EFL sample results show adulterants, employee will generate a Form 5346 and discuss how to proceed with GM.
- (5) Employee shall take photographs to support any penalty determinations.
- (6) Refer to IRM 4.24.15.15 for detailed guidance about labeling instructions if a "field concentration" or "sulfur" sample is obtained.
- (7) Refer to the applicable IRM section if the wholesaler also engages in business activity that would classify it as a retailer and/or an end-user.
- (8) Refer to IRM 4.24.15.10.1 for detailed guidance about procedures on documenting samples taken for sulfur concentration testing.
- (9) Refer to *Notice 2005-80* or the governing Treasury Regulations, for detailed guidance about the requirements for a blender of biodiesel at a site other than a terminal.
- (10) The wholesaler may be subject to penalties if any of the following is found:

If the Lab Confirms	Then
The dye concentration of the sample has been altered -	A violation under IRC 6715(a)(3) or IRC 6715(a)(4) may be applicable. Refer to IRM 20.1.11.6.1.3, Willful Alteration of Dyed Concentration, for detailed guidance about when a dye alteration penalty is applicable.
The presence of dye in a sample obtained from a retail pump not labeled with the required notice -	A notice violation under IRC 6715(a)(1) is applicable.
The presence of dye in a sample from the propulsion tank of the transport truck -	A violation under IRC 6715(a)(2) is applicable.
The sulfur content of diesel fuel transferred for resale, sold for resale, or held out for resale for use in a diesel-powered train or highway vehicle exceeds the allowable level established by the EPA regulations -	An IRC 6720A penalty may be applicable. For detailed guidance, refer to IRM 4.24.15.10.

- (11) If a potential compliance issue exists, employee is expected to “follow the fuel” back to its source or to its destination. Any inspection conducted as a result of following fuel is considered a separate inspection.
- (12) The following table identifies case history documentation that is required for a proposed penalty.

Document	Case History Documentation Required for a Proposed Penalty
1	Taxpayer identification number (EIN/SSN).
2	Taxpayer name.
3	Site address and office address of the taxpayer. Both addresses must be input into IMS.
4	Reason site was selected for inspection.
5	Name and position within the company of individual that authorized the inspection.
6	Statement indicating delivery of Publication 1 and Notice 916.
7	Comments relating to fuel storage.
8	Identity of fuel supplier(s).
9	Comments on review of records and sales of dyed products to end-users.
10	Comments on presence of retail pumps and required notice.

11	Comments on required actions taken to ensure the notice decal was properly affixed prior to completion of the inspection for situations where required notice was not present. Additionally, appropriate educational/outreach procedures were followed by providing the taxpayer Notice 1420, Sales of Dyed Diesel and Kerosene. In these situations, a penalty is appropriate.
12	Photographs, if taken to support a penalty determination.
13	Results of the screening of company vehicles and fueling practices.
14	Comments on number of samples taken and sampling procedures utilized.
15	Comments on Form 637 Registration verification.
16	Comments on necessary corrective actions discussed with taxpayer.
17	Sample results and date lab results were received.
18	Date penalty package was issued.

- (13) For inspections that result in no adverse action, case documentation must include at a minimum:
- Taxpayer identification number (EIN/SSN).
 - Taxpayer name.
 - Site address and office address of the taxpayer. Both addresses must be input into IMS.
 - Reason site was selected for inspection.
 - Name and position within the company of individual that authorized the inspection.
 - Comments as to what actions were taken (i.e., sampling, screening, required notice) to determine the taxpayer was in compliance, and the results of those actions.
 - Lab results, if applicable.
 - Date closing letter was issued.
 - Additional information, as warranted.
- (14) For detailed guidance related to a blitz inspection, refer to IRM 4.24.15.8.

4.24.15.5
(01-29-2025)
Retailer Inspections

- (1) Fuel retailers:
- Obtain fuel from terminals or wholesalers.
 - Sell dyed and/or undyed fuel to end-users.
 - May operate diesel-powered vehicles as end-users of diesel fuel.
- (2) The facts and circumstances discovered while conducting the inspection dictate what actions are taken during the inspection.
- (3) Retailer inspections, including truck stops, are conducted to:
- Verify dyed fuel dispensers contain the required notice.

- b. Verify the strength or composition of dyed fuel has not been altered. Employee will secure a “field concentration” sample, if the records or appearance of the fuel indicates the dye concentration may have been altered. If the contents of the fuel are “suspicious,” secure an “investigative” sample.
- c. Verify fuel dispensed from undyed diesel and kerosene pumps does not show visible evidence of dye.
- d. Determine the concentration of sulfur in samples obtained from diesel fuel pumps. Samples will be obtained for sulfur testing only if information indicates the fuel may exceed the allowable sulfur level. Refer to IRM 4.24.15.10(8) for detailed guidance when employees are required to secure a sulfur sample.
- e. Verify Form 637 Registrant with activity letter UP meets the blocked pump criteria. Refer to IRM 4.24.13.13, Glossary, for a detailed guidance.
- f. Obtain blitz samples.
- g. Determine if gasoline has been adulterated (upon direction by management or during special projects).
- h. Educate taxpayers concerning fuel tax laws.

4.24.15.5.1
(01-29-2025)
**Retailer Inspection
Procedures**

- (1) Employee must present their credentials, as well as provide the retailer with a Notice 916 and Publication 1 prior to conducting the inspection.
Note: The retailer is not permitted to make a copy of employee’s credentials.
- (2) Employee will tour the facility and obtain information from the retailer that will help understand the operations of the business, including but not limited to the following:
 - a. Hours of operation
 - b. Location(s) of all pumps and tanks
 - c. Types of fuel stored and/or sold at this location
 - d. Identity of fuel suppliers
 - e. Types of records kept for sales and deliveries
 - f. Sales of dyed products to end-users
 - g. Source of fuel in the propulsion tanks of the retailer’s vehicles
 - h. Form 637 Registration information
- (3) Employee will screen the fuel from each tank containing diesel or kerosene, whether dyed or undyed, using the nozzle screening method described in IRM 4.24.15.12 . If warranted under this subsection, employee will obtain a nozzle sample using the procedures described in IRM 4.24.15.13 .
- (4) Dyed fuel samples will only be forwarded to EFL if a penalty is being proposed or the appearance of the fuel indicates the dye concentration of fuel may have been altered or is otherwise “suspicious.”
- (5) Samples will be obtained for sulfur testing only if information indicates fuel may exceed the allowable sulfur level. Refer to IRM 4.24.15.10 for detailed guidance.
- (6) Employee shall take photographs to support any penalty determinations.

- (7) Gasoline samples are only secured as part of a project or at the instruction of management. If EFL sample results show adulterants, employee will generate a referral and discuss how to proceed with GM.
- (8) Refer to IRM 4.24.15.7 if the retailer also engages in business activity that would classify it as an end-user.
- (9) The retailer may be subject to penalties if any of the following is discovered:

If the Lab Confirms	Then
Dye concentration of the pump sample has been altered -	A violation under IRC 6715(a)(3) or IRC 6715(a)(4) may be applicable. Refer to IRM 20.1.11.6.1.3 for detailed guidance regarding when a dye alteration penalty is applicable.
Presence of dye in a sample from a retail pump not labeled with the required notice -	A violation under IRC 6715(a)(1) is applicable.
Presence of dye in a sample from a retail pump and the retailer sold or held for sale the fuel for any use which the retailer knew or had reason to know was not a non-taxable use -	A violation under IRC 6715(a)(1) is applicable.
Presence of dye in a sample from the propulsion tank of company-controlled vehicle -	A violation under IRC 6715(a)(2) is applicable.
Sulfur content of diesel fuel transferred for resale, sold for resale or held out for resale for use in a diesel-powered train or highway vehicle exceeds the allowable level established by the EPA regulations -	An IRC 6720A penalty may be applicable.

- (10) The following table identifies issues that must be reviewed, addressed, and documented to propose a retailer inspection penalty.

Issue	Issues That Must be Reviewed, Addressed, and Documented to Propose a Retailer Inspection Penalty
1	Taxpayer identification number (EIN/SSN).
2	Taxpayer name.
3	Site address and office address of the taxpayer. Both addresses must be input into IMS.
4	Name and position within the company of individual that authorized the inspection.
5	Reason site was selected for inspection (e.g., FIDGAP, observed storage tank from road).
6	Delivery of Publication 1 and Notice 916.
7	Comments on fuel storage.
8	Identity of fuel suppliers.

9	Comments on types and number of retail pumps.
10	Results of screening of company vehicles.
11	Samples taken and sampling procedures used to obtain samples.
12	Comments regarding the posting of required notice on dyed fuel retail pumps.
13	Comments on actions taken to ensure compliance for situations where required notice was not present. These actions will include ensuring the notice decal was properly affixed prior to completion of the inspection and providing educational materials to the taxpayer, including Notice 1420, Sales of Dyed Diesel and Kerosene. In these situations, a penalty is appropriate.
14	Photographs of the retail pump (before and after notice decal was affixed).
15	Comments on Form 637 Registration verification.
16	Comments on necessary corrective actions discussed with the taxpayer.
17	Comments on sample results and date received.
18	Comments on the date penalty package was issued.

- (11) For inspections that result in no adverse action, the case history documentation at a minimum must include:
 - a. Taxpayer identification number (EIN/SSN).
 - b. Taxpayer name.
 - c. Site address and office address of the taxpayer. Both addresses must be input into IMS.
 - d. The reason site was selected for inspection.
 - e. Name and title of position with company of the individual that authorized the inspection.
 - f. Comments as to what actions were taken (i.e., sampling, screening, required notice) to determine the taxpayer was in compliance.
 - g. EFL results, if applicable.
 - h. Date the closing letter was issued.
 - i. Any additional information, if warranted.
- (12) Complete Form 15427, Blocked Pump Checksheet, if the retailer is a Form 637 Registrant with activity letter "UP." Employee is responsible for sending the completed Form 15427 via secure e-mail to GM and to the 637 Registration GM. See IRM 1.10.3.2.1, Secure Messaging & Encryption, for information on sending secured e-mail messages.
- (13) For detailed guidance related to a blitz project, refer to IRM 4.24.15.8.
- (14) For detailed guidance related to sulfur, refer to IRM 4.24.15.10.

4.24.15.6
(04-22-2021)

**Designated Inspection
Site Inspections**

- (1) Designated inspection site inspections are conducted to:
 - a. Ensure on-road diesel vehicles do not have dyed fuel in the propulsion tanks.
 - b. Ensure fuel carried by fuel transport trucks matches the shipping papers.
 - c. Educate drivers of diesel vehicles about dyed fuel laws and provide Publication 4941, Trucker Bulletin, as warranted.
- (2) Designated inspection site will be identified as a fuel inspection site by displaying a free-standing and/or magnetized vehicle sign showing "IRS FUEL INSPECTION SITE."
- (3) When working a site, such as a state highway inspection station, weigh station, agricultural inspection station, mobile station or any point along a public highway, employee must coordinate with state/local law enforcement personnel. Law enforcement personnel must be present and control traffic flow.
- (4) When working at other locations designated by the Commissioner to be used as a fuel inspection site (e.g., construction sites, quarries, weight stations) and from which vehicles from multiple entities enter and depart, employee must first coordinate and obtain permission from the authorized person that controls the site.

4.24.15.6.1
(01-29-2025)

**Designated Inspection
Site Procedures**

- (1) Employee must secure permission from the authorized person that controls the site to establish an IRS fuel inspection site.
- (2) Employee must defer to the person in control on traffic flow and safety issues.
- (3) Employee must identify the site as an IRS fuel inspection site with the official sign provided.
- (4) Employee must convey their identity and contact information, as well as provide a Notice 916 to every driver prior to conducting the inspection.
- (5) If the driver refuses the inspection, refer to IRM 4.24.15.2.1.2 for the appropriate procedures.
- (6) If the vehicle is a fuel transport, review the BOL to determine:
 - a. If the BOL indicates dyed middle distillate, confirm this is true by obtaining and testing a fuel sample.
 - b. If the sample does not match the BOL (e.g., BOL indicates dyed product, but the fuel is clear), secure a copy or photograph of the BOL, and document the BOL number, as well as the source of fuel. Employee will make a referral by submitting Form 5346. Employee will consult with GM on how to proceed.
- (7) Screen the fuel in the propulsion tank using the screening procedures discussed in IRM 4.24.15.12.
- (8) If no dyed fuel is present and the fuel appears normal, employee will secure only the tag and state information and then release the driver.
- (9) If dyed fuel is present, employee will inform the driver, issue Publication 1, and secure a "usage" sample. If the contents of the fuel are "suspicious" (i.e., the fuel is dark), employee will secure an "investigative" sample.

- (10) The following table identifies information that must be obtained from the vehicle driver during an on-road inspection that results in a proposed dyed fuel penalty.

Item	Information That Must Be Obtained from the Vehicle Driver During an On-Road Inspection That Results in a Proposed Dyed Fuel Penalty
1	Name of driver
2	Name of company or owner
3	Address of driver and company
4	Phone number of driver and company
5	Position of driver with the company
6	Driver's license number
7	Social security number and/or Federal EIN
8	Description of vehicle
9	Capacity of propulsion tank(s)
10	Estimated amount of fuel in the propulsion tank(s)
11	Location of any fuel storage tanks on the vehicle
12	Vehicle identification number
13	License plate number
14	Date of vehicle registration

- (11) Employee will obtain the following information to establish who is responsible for the presence of dyed fuel in the on-road vehicle:
- Who fueled the vehicle.
 - When the vehicle was fueled last.
 - Where fuel was obtained.
 - Whether the company has fuel storage tanks at the yard.
 - Location of the company's yard.
 - Fueling practices of the company.
 - How many vehicles the company operates.
 - Other information that would establish culpability and the scope of the non-compliance.
- (12) Employee will immediately "follow the fuel" when possible and conduct follow-up inspections to determine the extent of the non-compliance. If it is determined the location is beyond an acceptable distance from which employee is located, employee will notify GM to have the information referred to another employee in that area for follow-up.

Note: Follow-up inspections conducted as a result of the initial inspection for the purposes of IMS are considered separate inspections.

- (13) At a minimum, the case history must document the following:
 - a. The delivery of Publication 1 and Notice 916 .
 - b. The site location, date, the law enforcement or agency controlling the inspection site, if applicable.
 - c. Include all necessary facts as outlined above.
- (14) The actual number of vehicles screened during each inspection must be timely recorded in IMS. See IRM 4.24.13.5 for procedures about IMS.
- (15) For detailed guidance, refer to IRM 4.24.16.

4.24.15.7
(04-22-2021)

End-User Inspections

- (1) End-user inspections are conducted to:
 - a. Ensure dyed fuel is not being used or held for use in a taxable manner.
 - b. Verify the strength or composition of dyed fuel has not been altered.
 - c. Determine if gasoline or diesel fuel has been adulterated.
 - d. Educate taxpayers concerning fuel tax laws.

Note: Other than ensuring dyed fuel is not being used or held for use in a taxable manner, the facts and circumstances discovered while conducting the inspection, as well as management instruction, will dictate what actions are taken during the inspection.

- (2) End-user inspections are conducted at the permanent place of business for a company, such as the company yard. Inspections and screenings at temporary sites, such as construction sites, are not end-user inspections but are considered designated inspection site inspections.

4.24.15.7.1
(01-29-2025)

End-User Inspection Procedures

- (1) Employee must present their credentials as well as provide the end-user with a Notice 916 and Publication 1 prior to conducting the inspection.

Note: The end-user is not permitted to make a copy of employee's credentials.

- (2) The following table identifies information that must be reviewed and addressed during an inspection of an end-user facility to document the operation of the business.

Item	information That Must Be Reviewed and Addressed During an Inspection of an End-User Facility to Document the Operation of the Business
1	Type of business activity
2	Types of fuel used in vehicles
3	Types of fuel stored at this location
4	Number of diesel vehicles owned or operated
5	Location and capacity of fuel storage tanks and the identity of the fuel supplier
6	Records of deliveries

7	Vehicle fueling procedure (i.e., who fuels and what directions are given by employer)
8	Records for the fueling of vehicles
9	Types and number of pieces of off-road diesel equipment
10	Portable diesel tanks used by the company
11	Safeguards in place to ensure dyed fuel is not used in a taxable manner

- (3) Employee will screen the fuel in the on-road diesel vehicles or mobile machinery using the procedures discussed in IRM 4.24.15.12. If the fuel in a vehicle or mobile machinery appears to be dyed then a “usage” sample is obtained from each propulsion tank and from the storage tank that is the source of the dyed fuel in the vehicle or mobile machinery. If the fuel is “suspicious,” employee will secure an “investigative sample.”
- (4) Employee shall take photographs to support any penalty determinations.
- (5) All or some of the dyed fuel in the storage tank that is the source of the fuel in the propulsion tank may be considered held for a use other than a nontaxable use and thus subject to a penalty under IRC 6715(a)(2). The number of gallons involved in the violation is determined by the evidence the taxpayer provides regarding the past and current use of dyed fuel. For example:
 - Employee will consider any credible and convincing evidence when calculating the amount of dyed fuel a person held for a use other than a nontaxable use. In accordance with *Needsome Farms v. U.S.*, No. 97-1375-MLB, 1999 WL 131697 (D. Kan. July 16, 1999), in the absence of credible evidence to the contrary, all dyed fuel held in the storage tank may be presumed to be involved in the violation.
 - Employee will obtain information from the taxpayer on past and current use of dyed fuel and determine the number of gallons of stored dyed fuel subject to a penalty. The amount of dyed fuel determined to be held for use in a taxable manner will be based solely on the evidence of past and current use by the taxpayer.
- (6) Employee will obtain information to determine the culpable parties. Joint and several liability may apply.
- (7) Employee must “follow the fuel” to determine the extent of the non-compliance. If geographically necessary, employee will notify GM to have the information referred to another employee in the appropriate area for follow-up.
- (8) Follow-up inspections will be conducted to ensure the taxpayer is compliant. Follow-up inspections to re-check previously penalized propulsion and bulk tanks are considered a separate inspection for purposes of correctly calculating multiple violations and will be entered into IMS separately.
- (9) If directed by management or the circumstances warrant, employee will obtain “sulfur” samples of undyed diesel or gasoline to be tested for adulterants.

- (10) If directed by management or circumstances warrant, employee must obtain samples of dyed fuel to ensure the dye concentration has not been altered. An IRC 6715(a)(3) penalty may apply to the end-user, fuel supplier or other person. For detailed guidance, refer to IRM 20.1.11.6.1.3, Willful Alteration of Dye Concentration.

Note: Employee must identify the supplier(s) of the fuel.

Note: The sample is considered a field concentration sample.

- (11) The following table identifies information that is received from an entity during an end-user inspection, which results in a dyed fuel penalty, that must be reviewed, addressed, and documented.

Item	Information that is Received from an Entity During an End-User Inspection, which Results in a Dyed Fuel Penalty, That Must Be Reviewed, Addressed, and Documented
1	Taxpayer identification number (EIN/SSN).
2	Taxpayer name.
3	Site address and office address of the taxpayer. Note: Both addresses must be input into IMS.
4	Reason inspection site was selected.
5	Identification of individual that authorized the inspection.
6	Delivery of Publication 1 and Notice 916.
7	Site information fueling practices (i.e., who fuels and what directions are given by employer).
8	Any storage tanks identified (i.e., marked on-road/off-road).
9	Comments on fuel storage capacity.
10	Identity of fuel supplier(s).
11	Results from screening of company vehicles and fueling practices.
12	License plate numbers when samples are secured.
13	Samples taken and sampling procedures utilized.
14	Photographs, if taken to support a penalty determination.
15	EFL results and date sample results are received.
16	Information obtained from the tour and interview.
17	Date penalty package was issued.

- (12) Inspections that result in no adverse actions must include in the case history:

- a. Taxpayer identification number (EIN/SSN).

- b. Taxpayer name.
- c. Site and office address of the taxpayer.

Note: Both addresses must be input into IMS.

- d. Reason site was selected for inspection.
- e. Identification of individual who authorized the inspection.
- f. Comments as to what actions employee took (i.e., sampling, screening, required notice) to determine the taxpayer was in compliance.
- g. EFL results, if applicable.
- h. Date closing letter was issued.
- i. Additional information, if warranted.

4.24.15.7.2
(01-29-2025)

**Proposing IRC 6715(a)(1)
and IRC 6715(a)(2)
Penalty without a Fuel
Sample**

- (1) To ensure IRC 6715(a)(1) and IRC 6715(a)(2) penalties are supported by the best possible evidence, employee will make all reasonable efforts to obtain fuel samples from each vehicle or storage tank subject to the penalty. These efforts include traveling to sites at which the taxpayer's vehicles or fuel storage tanks are located.
- (2) Employee must contact GM if circumstances hinder or prevent that employee from obtaining a sample.
- (3) An IRC 6715(a)(1) or IRC 6715(a)(2) penalty may be proposed without a fuel sample if employee visually detects that fuel in the vehicle or storage tank is dyed but is unable to obtain a sample using the approved sampling method. For example, employee detects dyed fuel in a propulsion tank during a properly administered pipette screening but employee is unable to obtain a sample using the sampling pump method.
- (4) Under no circumstances will employee propose a IRC 6715(a)(1) or IRC 6715(a)(2) based solely on testimony of the owner, an employee of the taxpayer or third party. The oral or written testimony will prompt further investigation.
- (5) Employee must record within IMS the steps taken to obtain a sample and, if a sample was not obtained, explain the basis for proposing the penalty without a sample being drawn.

4.24.15.8
(01-29-2025)

**Blitz Inspection
Procedures**

- (1) A blitz is a short-term inspection effort that focuses on a specified geographic area or segment within the fuel distribution system (e.g., terminals, retailers, biodiesel producers, and biodiesel blenders). A retail blitz will involve inspections at retailers, wholesalers, and some terminals. An end-user blitz will involve inspections of end-users at their permanent places of business. A blitz may be conducted at biodiesel production and blending sites.
- (2) Employee may be asked to obtain additional information about the sites inspected and samples obtained. If so, GM will provide employee with instructions and a blitz sample data inspection sheet, if needed.
- (3) Each group is assigned a blitz tracking code.
- (4) The following instructions establish a standard method for working blitz compliance activities:

- a. GM(s) will notify employee about the focus of the blitz, geographic location, and duration of the activity. Some overnight travel may be required.
- b. Employee will conduct the inspection and obtain samples, if warranted.
- c. Employee will complete the blitz sample data inspection sheets, if provided.
- d. Employee will send to EFL completed blitz sample data inspection sheets along with the fuel samples. EFL will extract data from the data inspection sheets and e-mail an electronic version to the field personnel within five business days of receipt of the samples at the lab. The electronic version will not include notes written in the margins.
- e. EFL processes blitz samples and associated data inspection sheets as a high-priority. The goal is to get all abnormal results or requests for additional information to the appropriate GM within five business days from the date the sample is received.
- f. Abnormal results will be assigned to either a revenue agent or an FCA to develop and determine any tax consequence. Refer to IRM 4.24.6.2.12, Procedural Guidance for Abnormal Fuel Referrals, for detailed guidance.
- g. Any follow-up inspections conducted to secure samples are considered separate inspections in IMS.

4.24.15.8.1
(04-22-2021)

**Blitz Inspection Group
Manager
Responsibilities**

- (1) GM will ensure all necessary supplies are available prior to the beginning of a blitz activity. These supplies include but are not limited to:
 - a. Blitz data inspection sheets
 - b. Form 9667
 - c. Pre-printed "To/From" labels
 - d. Prepared Form 4564, Information Document Request
 - e. Copies of Letter 3918, Fuel Inspection
 - f. Copies of Publication 1, Your Rights as a Taxpayer
 - g. Copies of Notice 916, Taxable Fuel Inspection Notice
- (2) A list of terminals and TCNs may be provided at the beginning of the retail blitz activity.
- (3) GM will appoint a contact person for the blitz activity. The contact person will:
 - a. Provide support to employees.
 - b. Provide information to GM, as requested.
 - c. Be the contact point for taxpayers responding to the Form 4564 left by employees.
- (4) Employee's GM will refer the abnormal sample results to a field GM of the assigned area to determine the appropriate follow-up action.
- (5) GMs will not be informed by EFL if a sample is deemed normal.
- (6) GM will provide direction and information for sample collection if at another location other than a retailer or end-user.

4.24.15.8.2
(01-29-2025)
Collecting Retail Blitz Samples

- (1) Samples of undyed diesel and jet fuel are collected from storage tanks at retailers, wholesalers, and selected terminals. Kerosene and gasoline samples may be collected if the fuel is “suspicious” (i.e., color, smell, location or shipping paperwork).
- (2) The taxpayer is provided with Letter 3918, Notice 916, and Publication 1.
- (3) All storage tanks must be sampled. One sample per storage tank is collected.
- (4) GM will identify terminals to be inspected. A terminal sample must be obtained from each storage tank containing undyed diesel or jet fuel. Samples of other middle distillate products are collected, if warranted. When pulling samples from a terminal:
 - a. Record the TCN.
 - b. Do not obtain samples from transport compartments.
 - c. Do not use “retained” samples (i.e., samples previously pulled by the terminal).

Note: Ask the terminal to obtain a fresh sample from the storage tank.

4.24.15.8.3
(01-29-2025)
Collecting End-User Blitz Samples

- (1) Samples of undyed and dyed diesel fuel are collected from storage tanks of end-users.
- (2) Screen all available on-road registered diesel vehicles.
- (3) Obtain a sample from at least one on-road registered diesel vehicle.
- (4) On Form 9667, record “V” for a sample from a vehicle and “S” for a sample from a storage tank.

Note: The notation must be recorded to the right of the Blitz space within the Type of Test section.

4.24.15.8.4
(04-22-2021)
Completing the Blitz Data Sheets

- (1) Complete one blitz data inspection sheet for each sample. Complete the blitz data inspection sheets as follows:
 - a. Write legibly (block printing is preferred), ensure blitz data inspection sheet is accurate, and timely submitted.
 - b. Use abbreviations only for state names.
 - c. Submit only information requested on the blitz data inspection sheets.
 - d. Mark product according to what is indicated by the BOL or delivery records (i.e., how the fuel is being sold or how the fuel is being used). For example, diesel fuel from an on-road storage tank or propulsion tank, that may be dyed is diesel, not dyed diesel.
- (2) Do not record deliveries of fuel that occurred more than 60 days prior to date of inspection.
- (3) Form 4564 will be completed if the taxpayer is not able to provide required information at the time of inspection. Employee must inform the designated blitz contact person about the issuance of Form 4564. Complete the document as follows:

- a. Prepare in duplicate. One copy is given to the person representing the taxpayer during inspection, while the other is sent to the designated blitz contact person.
- b. Issue to the person responsible for providing the requested information.
- c. Ask the taxpayer to provide information within 24 hours to the designated contact person.
- d. Ensure the designated blitz contact person faxed the information within 24 hours of receipt of the requested information from the taxpayer.
- e. Notate Form 4564 was issued in the notes section of the blitz data inspection sheet.
- f. Ensure designated blitz contact person followed-up with the taxpayer if the requested information is not received within 24 hours and document the case file accordingly.

4.24.15.8.5
(04-22-2021)

**Packing and Shipping
Blitz Samples**

- (1) Refer to IRM 4.24.15.17 for detailed guidance about packing and shipping samples.
- (2) Verify sample numbers on the blitz data inspection sheets match those Form 9667 sample numbers on the bottles.
- (3) Place original blitz data inspection sheets in a sealed envelope marked "To be opened by addressee only" and include them in the box with the samples.

Note: Do not put the chain of custody form in the sealed envelope.

- (4) Handwrite "B" on one of the blank sides of the shipping box.
- (5) If the blitz project duration is greater than one week, samples shall be shipped on the last day of the blitz activity, or at the end of each week.
- (6) It is strongly recommended employee makes a copy, photograph or scan each blitz data inspection sheet into the laptop prior to enclosing them in the box.

4.24.15.8.6
(04-22-2021)

**Input of Blitz Inspection
on IMS**

- (1) All blitz inspections must be input into IMS within five business days following the end of the sample collection period. Employee is responsible for updating the IMS case file and issuing the appropriate closing letter.
- (2) Refer to IRM 4.24.13.5, Issue Management System (IMS), for detailed guidance about IMS procedures.
- (3) Each group is assigned a blitz tracking code. The code must be entered into IMS under the ERCS Data Tab.
- (4) For each blitz inspection created on IMS, the SAIN number will reflect the type of inspection (e.g., 515, 516R, 516W, and 518).

4.24.15.8.7
(04-22-2021)

**Abnormal Lab Results
from Blitz Inspections**

- (1) For samples determined to be abnormal, GM must send the test results to employee who conducted the inspection or revenue agent who will follow-up on the result. GM or designated blitz contact person must send the lab results within one business day of receiving notification from EFL.
- (2) A request from EFL for additional samples or information will be forwarded by GM to employee. The person following up on the initial sample will not neces-

sarily be the same person who sent the first sample. GM must send the request for additional samples or information to employee within one business day of receiving notification from EFL.

- (3) Follow-up samples are considered blitz samples. Instructions for labeling and shipping samples must be followed. Refer to IRM 4.24.15.15 and IRM 4.24.15.17 for detailed guidance. The blitz data inspection sheet must indicate the sample is a follow-up and identify the original sample number(s).
- (4) If abnormal results are not received within 15 calendar days from the date the samples were shipped, blitz cases will be updated to closing status in IMS. Letter 3143, Non-violation Results of Inspection, must be issued at this time. For certain blitz projects, the 15 day period may be extended. GM will notify employee if the period is extended.

4.24.15.9 (07-11-2017) Farm Inspections

- (1) Special rules apply to the assertion of IRC 6715 penalties during farm inspections.
- (2) Farmers who own or operate registered diesel vehicles found with dyed fuel in the propulsion tanks may not be subject to penalties under IRC 6715(a)(2) if:
 - a. The vehicle found with dyed fuel was located on a farm at the time of the inspection. Refer to IRC 6420(c)(2) for detailed guidance about the definition of a “farm.”
 - b. The vehicle is used for farming purposes. Refer to IRC 6420(c)(3) for detailed guidance about the definition of “farming purposes.”
- (3) When employees find dyed fuel in a vehicle used for “farming purposes” on a farm, they must establish if the vehicle was used on the highway and satisfy the burden of proof a violation occurred. Employees must fully develop the facts to support the government’s position.
- (4) A farm vehicle registered or required to be registered and using dyed fuel on the highway is subject to a penalty under IRC 6715(a)(2).

Example: A registered flatbed vehicle used on a farm is properly screened. Dyed fuel is discovered. The vehicle is moving hay from one area of the farm to another. No penalty may be applied. The same vehicle, carrying hay to another farm, is screened at a weigh station and is determined to contain dyed fuel. A penalty applies. A **usage** sample is secured and submitted for testing.

4.24.15.10 (01-29-2025) Procedures for Developing an IRC 6720A Sulfur Content Penalty

- (1) The government has the burden of proof to establish that a wholesaler, reseller or retailer knowingly sold or held out for sale a liquid for use in a diesel-powered train or highway vehicle that violated the applicable EPA regulations pertaining to sulfur content.
- (2) To propose a penalty under IRC 6720A, IRS must establish the taxpayer had actual knowledge when transferring, reselling, holding for sale, or selling fuel that it will be used in a diesel-powered vehicle or train and exceeded the applicable EPA regulations for sulfur content.

Note: Both conditions must be met for the penalty to apply.

- (3) Actual knowledge of the sulfur content will be determined by source documents, such as a delivery ticket or a BOL informing the seller about the sulfur content of the fuel. Actual knowledge is established if the seller adulterated the fuel with a product known to the seller as possessing a concentration of sulfur greater than 15 ppm.
- (4) A violation occurs when a taxpayer who includes the federal highway tax on undyed fuel at the time of sale has actual knowledge that it will be used in a highway vehicle. For these situations, employees must focus their questions on fuel screenings, reviewing fuel records for indicators that the fuel exceeds the maximum sulfur level, and documenting their findings.

Note: The exception to the rule that sellers know the undyed fuel will be sold for use in a highway vehicle applies to undyed kerosene dispensed through a blocked pump.

- (5) For dyed fuel:
- If there is no indication it was sold or held for sale for use in a highway vehicle, then an IRC 6720A penalty does not apply.
 - If there is an indication the seller knowingly sold or held it for sale for use in a highway vehicle, the investigation will focus on establishing knowledge about its sulfur content and confirmation about its use. The knowledge regarding the use of the fuel must be actual knowledge, not presumed. For example, the absence of the dyed fuel notice on a retail pump is not actual knowledge that the fuel will be used in a highway vehicle. *Treas. Reg. 48.4082-2*, applies to IRC 6715, not to IRC 6720A.
- (6) If EFL results indicate the fuel does not exceed 15 ppm, IRC 6720A does not apply.
- (7) If EFL results indicate the fuel exceeds 15 ppm, IRC 6720A penalty will apply if the seller knew the fuel exceeded the sulfur limit **and** knew the dyed fuel was to be used in a highway vehicle. Additionally, the seller in this situation is subject to an IRC 6715(a)(1) penalty.
- (8) The table below identifies when “sulfur” samples for sulfur testing will be obtained.

When at a	A sample will be obtained for sulfur testing if:	Reasons for obtaining a sample
Terminal	<ul style="list-style-type: none"> Employee has reason to suspect the undyed fuel has been adulterated, or A sample of undyed fuel with a sulfur concentration greater than 15 ppm is found below the terminal rack and employee is following the fuel to its source <p>Note: Dyed samples are not generally obtained specifically for sulfur testing.</p> <ul style="list-style-type: none"> Directed by management. 	<p>Undyed diesel and kerosene leaving the terminal is taxed and therefore is for use in diesel-powered vehicles and trains.</p> <p>Note: Terminals may have sulfur test results for the fuel involved. Their records could be important when establishing actual knowledge.</p>

When at a	A sample will be obtained for sulfur testing if:	Reasons for obtaining a sample
Wholesaler	<ul style="list-style-type: none"> Employee has reason to suspect the undyed fuel has been adulterated, or The wholesaler knowingly sold dyed diesel for use in a highway vehicle and knew the fuel exceeded 15 ppm sulfur. The knowledge cannot be presumed, but must be actual knowledge of its use (e.g. wholesaler fueled the highway vehicles) and its sulfur content, or Directed by management. 	<ul style="list-style-type: none"> Determine whether a product was added resulting in a sulfur concentration >15 ppm. The adulterated fuel may also have tax implications. Wholesaler knowingly selling dyed fuel for use in highway vehicles is subject to an IRC 6720A penalty if they also knew the fuel had >15 ppm sulfur.
Retailer	<ul style="list-style-type: none"> Employee has reason to suspect the undyed fuel has been adulterated, or The retailer knowingly sold dyed diesel for use in a highway vehicle and knew the fuel exceeded 15 ppm sulfur. The knowledge can not be presumed (i.e., lack of a dyed notice on the pump), but must be actual knowledge of its use and sulfur content, or Directed by management. 	<ul style="list-style-type: none"> Determine whether a product was added resulting in a sulfur concentration >15 ppm. The adulterated fuel may also have tax implications. Retailer knowingly selling or holding for sale dyed fuel for use in highway vehicles is subject to an IRC 6720A penalty if they also knew the fuel had >15 ppm sulfur.

- (9) Because there are no visual indicators of sulfur content, at the time of inspection, employee will document and/or copy any taxpayer records that clearly indicate evidence of sulfur content, such as BOLs or delivery tickets.
- (10) If EFL results indicate a potential violation, employee must conduct an inspection of each taxpayer identified as a source of the fuel. For each inspection, employee will obtain diesel samples and record the following:
 - a. Source(s) of the fuel.
 - b. Statement(s) on the shipping document(s) that indicate the sulfur content.
 - c. Whether the location has additional products on site that would account for the increased sulfur content. A sample of the additional product(s) will be obtained.
- (11) If additional sources of fuel are identified, employee must obtain samples and continue to develop the issue to determine who knowingly transferred for resale, held for resale, or sold for resale the fuel in question.
- (12) EFL results indicating a possible IRC 6720A violation are reported to employee and GM by e-mail. If EFL results are not received within 15 days from the date the sample was shipped, employee may assume the sulfur concentration was within the allowable level.

- 4.24.15.10.1
(07-11-2017)
**Documentation
Procedures for Samples
Obtained for Sulfur
Content Testing**
- (1) Employee will record the content of the sulfur notice label on the pump in the IMS case history.
 - (2) Employee will review BOLs and delivery tickets and obtain the following information pertaining to each of the last three shipments of diesel fuel:
 - a. Name and address of the supplier
 - b. Date of shipment
 - c. Gallons received
 - d. Amount of fuel in the tank at the time of delivery
 - e. Identification of previous fuel type stored in the tank (if different from the current type)
 - f. Name of person who placed the orders for the fuel
 - g. Other possible sources of products in the storage tank (consider possible upstream and downstream sources)
 - h. Additives placed in the fuel
 - i. Sulfur statement and, if applicable, the biodiesel blend percentage
 - (3) Only EFL results that indicate possible sulfur concentration violations are forwarded. If EFL results are not received within 15 days from the date the sample was shipped, employee may assume the sulfur concentration was within the allowable level.
- 4.24.15.11
(01-29-2025)
**Enforcement Activities
Conducted by
Employees**
- (1) To protect the rights of the taxpayer and reduce confusion, employee will clearly explain to the taxpayer the purpose of the contact is to conduct an inspection.
 - (2) Employee will follow the standard procedures for initiating inspections and fuel compliance reviews.
 - (3) Employee will not set an appointment to conduct an inspection.
 - (4) If during an inspection, employee determines an examination of the taxpayer's return is warranted, employee must obtain GM approval prior to making a referral. The inspection will proceed to its conclusion, if it will not affect the possible examination.
- 4.24.15.12
(01-29-2025)
Screening Methods
- (1) The pipette screening method is the approved screening technique for inspecting vehicle propulsion tanks. Employee must:
 - a. Wear approved safety glasses with side shields and nitrile gloves. Refer to IRM 4.24.14.7, Personal Protective Equipment - Overview and Training.
 - b. Unseal a new pipette. A new pipette is used for each screening.
 - c. Bond with the propulsion tank. Refer to IRM 4.24.14.6, Bonding Requirement When Screening or Sampling Fuel.
 - d. Open the fuel tank.
 - e. Insert the pipette into the tank as far as it will reach.
 - f. Place a thumb firmly over the upper end of the pipette, forming a seal to hold the fuel in the pipette.
 - g. Pull the pipette up until the fuel inside the pipette can be observed.
 - h. Remove the thumb from the end of the pipette that releases fuel back into the tank, if no dye is detected,

- i. Fold the pipette so both ends are facing up, notify the driver the fuel is not clear, release it into an absorbent pad or container. If dye is detected, employee will obtain an “usage” sample. If the fuel is “suspicious,” secure an “investigative” sample. Refer to IRM 4.24.15.14.2 for detailed guidance.
 - j. Dispose the used pipette properly.
- (2) The nozzle screening method is used for inspecting fuel storage tanks. Employee must:
- a. Wear approved safety glasses with side shields and nitrile gloves. Refer to IRM 4.24.14.7 for detailed guidance.
 - b. Place a clean two-quart glass measuring cup or wide-mouth jar into a bucket (to prevent spillage).
 - c. Bond with the retail pump.
 - d. Turn on the retail fuel pump.
 - e. Dispense a sufficient amount of fuel through the nozzle into the cup or jar to decide if a sample is needed.
 - f. Dispose of the fuel properly, if it is not suspected of a potential penalty.
 - g. Refer to the guidance in IRM 4.24.15.13 to secure a nozzle sample, if a sample is required.

4.24.15.13
(01-29-2025)
Sampling Methods

- (1) The two approved methods of sampling fuel are the pump method and the nozzle method. These methods provide safety to employees and other persons, as well as permit verifiable samples to be obtained as evidence.
- (2) The following table itemizes the sampling procedures for the Pump Method.

Step	Sampling Procedures for the Pump Method
1	<p>Cut a section of new flexible tubing of suitable length to reach the source of the fuel. To reduce the possibility of cross-contamination, new tubing shall be used to obtain samples from each distinct source of fuel. The tubing shall not be cleaned and reused.</p> <p>Note: For example, if one sample is obtained from each of the two propulsion tanks of a vehicle, a section of new tubing is then used for each additional sample.</p>
2	<p>Wear approved safety glasses with side shields and nitrile gloves. See IRM 4.24.14.7, Personal Protective Equipment - Overview and Training.</p> <p>Note: If the sample comes from a compartment on a transport truck, employee must put on the nitrile gloves after climbing the truck.</p>
3	<p>Place tubing in the sampling pump and attach a clean unused bottle.</p>

4	Bond with the truck. See IRM 4.24.14.6, Bonding Requirement When Screening or Sampling Fuel.
5	Open the hatch or cap of the fuel tank.
6	Lower tubing into the tank.
7	Draw fuel into the bottle using the sampling pump.
8	Stop pumping when the bottle contains 30 ml (approximately 1 ounce).
9	Release pressure by loosening the bottle (but do not remove) or pressing the release button on the pump, if so equipped.
10	Allow fuel in the tube to flow back into the tank.
11	Remove tubing from the tank and cradle the end of the tubing in an absorbent towel.
12	Remove bottle from the pump and firmly place cap on bottle.
13	Close and secure tank hatch or cap.
14	Place cap on bottle firmly, tighten, and ensure there are no cracks or leaks on the bottle.
15	Complete Form 9667 properly and apply labels to each bottle. Ensure the outside surface of the bottle is clean, dry, and there is no leakage prior to application. For detailed guidance, refer to IRM 4.24.15.15.
16	Dispose of liquid and absorbent material waste in accordance with local, state, and federal regulations.

(3) The following list itemizes the sampling procedures for the Nozzle Method.

- a. Dispense the amount of fuel necessary for a sample, if the nozzle screening method determined a sample is required. For detailed guidance, refer to IRM 4.24.15.13.

Note: Bond again, if required.

- b. Use the pump method to obtain a 30 ml sample. Pour it from the jar or cup into the sample bottle. Alternatively, a disposable, single-use funnel may be placed in the mouth of the sample bottle and the fuel poured from the cup or jar into the sample bottle.

Note: The disposable funnels may be plastic or paper and are to be used only once.

- c. Firmly place cap on bottle. After tightening, inspect bottle to ensure there are no cracks or leaks.
- d. Properly complete Form 9667 and apply labels to each bottle. Ensure bottle cap is tight and does not leak. Wipe the outside surface of the bottle prior to applying the label. For detailed guidance, refer to IRM 4.24.15.15.

- e. Dispose of liquid and absorbent material waste in accordance with local, state, and federal regulations.

4.24.15.13.1
(01-29-2025)
Gasoline Sampling Procedures

- (1) Gasoline samples are secured to determine each sample is representative of the declared octane level. Gasoline samples are secured as part of a project or at management's instruction. The following sampling procedures apply to fueling field compliance vehicles with gasoline:
 - a. Employee must explain to the owner of the fuel that the pump's hose must be flushed. This ensures the sample will be representative.
 - b. Taxpayer must be advised that one gallon of fuel will be dispensed.
- (2) For gasoline samples, follow the procedures below:
 - a. Inspect the fuel gauge of the assigned fleet vehicle to determine whether the tank can hold an additional gallon of fuel.
 - b. Select the octane needed for the sample.
 - c. Dispense one gallon of fuel into vehicle's fuel tank. Employee will purchase the fuel using the fleet card assigned for the vehicle, unless directed otherwise.
 - d. Follow required procedures for obtaining a nozzle sample. Sample bottle must be cooled to fuel temperature prior to obtaining the sample that will be used as evidence. To perform this task, add one ounce of fuel to the sample bottle. Carefully swish it around prior to disposal. Eight one-ounce samples are collected to test octane measurements. Different sample numbers are used for the eight samples. They must be identified as from the same pump so that they may be combined at EFL. For detailed guidance, refer to IRM 4.24.15.15.2.

4.24.15.13.2
(01-29-2025)
Approved Sample Bottles

- (1) All samples must be shipped in two-ounce glass bottles with one-ounce fill lines. Fuel samples secured will be one ounce in volume. Refer to IRM 4.24.15.15.2 for detailed guidance pertaining to securing samples.
- (2) Ensure there are no cracks or chips in the sample bottles used.
- (3) Caps with a plastic, cone-shaped seal inside the cap must be used.

Note: Verify the presence of the cone-shaped seal before each bottle is sealed. If the cone-shaped seal is not present, discard the bottle cap and replace it.

4.24.15.14
(01-29-2025)
Investigative Samples

- (1) Employee may encounter fuel held by a taxpayer where the nature and composition of the fuel is questionable. Such fuel may raise suspicions because of what it looks or smells like, what it is called, or where it is found. This type of sample is classified as an "investigative sample." Investigative samples are "fingerprinted," and subject to additional analytical procedures that identify the composition of the fuel.
- (2) Fuel samples that require comparison (that are not part of a blitz study) are "investigative" samples.
- (3) Any biofuel that is sent to EFL to determine if it satisfies the ASTM International (ASTM) standards is considered to be an "investigative" sample.

- (4) Any sample related to a Form 637 Registration application is an “investigative” sample.

Note: An SAF “investigative” sample must be obtained in its finished synthetic blending component rather than its finished state.

4.24.15.14.1
(01-29-2025)

**Requests for
Investigative Samples**

- (1) The request to collect investigative samples may come from a variety of sources that include but are not limited to:
- a. Employee discovers an unusual and “suspicious” fuel product.
 - b. Criminal Investigation requests that certain fuel be collected and analyzed for content.
 - c. State agencies acting under a memorandum of understanding (MOU).
 - d. GM requests that a taxpayer’s product be analyzed to determine the accuracy of the taxpayer claims about its contents.
- (2) Revenue agents may request employees secure samples to determine whether Form 637 biofuel registrants and applicants satisfy the requirements of the associated IRC sections and associated ASTM standards.

4.24.15.14.2
(01-29-2025)

**Investigative Sample
Procedures**

- (1) Samples must be obtained using one of the approved sampling methods discussed above. Refer to IRM 4.24.15.13 for detailed guidance.
- (2) Eight one-ounce samples are collected from each source of fuel for which investigative sample testing is requested.
- (3) Eight one-ounce samples are collected from each source for gasoline samples that require octane measurements.
- (4) Form 14403, Investigative Sample Information, must be completed and included with the shipment to alert EFL of what is suspected and what tests will be done. This form gives the chemist a starting point for the investigation. Form 14403 includes the following information:
- a. Employee’s name.
 - b. Date sampled.
 - c. IRS sample label number from Form 9667 .
 - d. Type of sample source (i.e., storage tank, saddle tank, wholesaler, etc.).
 - e. Expected product (i.e., number 1 diesel, number 2 diesel, biodiesel, renewable etc.).
 - f. Reason for sample analysis (e.g., why was this sample secured?).

Note: An example of a statement explaining the reason for the sample would be: “Fuel may be mixed with used motor oil, PCBs and other waste products. Test for adulterants to verify composition. Provide name of adulterant(s) and percentage of each, if applicable.”

- g. Relationship between samples, if applicable.
- h. Any other pertinent information.

Note: All 637 registration samples must indicate the applicable type of registration (e.g., AB, NB, S, SA) and the registrant’s name and taxpayer identification number (TIN). For detailed guidance about registration suffixes, see IRM 4.24.2.3, Applications under IRC 4101.

- i. Name, address, secure e-mail address, fax number, and telephone number of the person(s) to whom the completed EFL analysis will be sent.

Note: Results are normally sent to employee or individual who requested the investigative sample be obtained.

- j. EFL analyses are communicated to individuals identified on Form 14403 regardless of the results within five business days of receipt.

Note: Analysis results for renewable or complex “investigative” samples may require longer than five business days.

- (5) Refer to IRM 4.24.15.15 for detailed guidance about required label information on Form 9667.

- (6) Refer to IRM 4.24.15.16 for detailed guidance about chain of custody.

4.24.15.14.3
(04-22-2021)

Shipping of Investigative Samples

- (1) Refer to IRM 4.24.15.17 for detailed guidance about packing and shipping samples.
- (2) Place completed Form 14403 into the box with the samples.

4.24.15.14.4
(01-29-2025)

Referral of Investigative Sample Lab Results

- (1) If results from an initiated sample indicate the need for further development, a referral will be completed within one day of receipt. Refer to IRM 4.24.13.9.1, Referral Procedures, for detailed guidance about completing a referral.

4.24.15.15
(01-29-2025)

Sample Bottle Labeling Procedures

- (1) Form 9667 is always used to label bottles. The forms are pre-printed, sequentially numbered, bar-coded, and tamper-resistant with adhesive labels. Ensure all required information is accurately recorded in the appropriate space on each part of the sample label.
- (2) Information on sample bottle labels, including the sample number, is deemed Federal Taxpayer Information (FTI) protected by IRC 6103 .
- (3) Record required information on the label prior to affixing it to the bottle.
- (4) Ensure outside of bottle is clean and dry prior to placing label on bottle.
- (5) Completed sample bottle label must be affixed before leaving the inspection site.
- (6) Information required on Form 9667 is determined by the type of test to be performed on the sample. Refer IRM 4.24.15.15.2 for detailed guidance about the Sample Labeling Matrix.
- (7) Samples obtained from a state employee must include a “Z” on the right side of the sample label number. Additionally, the federal employee ID number must be recorded on Form 9667. If the state employee ID number is already on the form, the federal employee number must be written above or next to the FCS ID field. Samples obtained from a state employee that contain more than 30 ml must be re-bottled by either the state employee or the federal employee, or not

be shipped for analysis. If re-bottled (with a new federal identification number), include all appropriate chain of custody documentation. The actions taken must be notated in the IMS case file.

- (8) The sample label has 14 strips that may be used for up to four samples secured from the same tank. Each strip contains the unique sample reference number and will be placed on the bottle as follows:

- a. Three are placed on the bottle(s).
- b. One is used on Form 13927, Chain of Custody and Shipping Record, and/or Form 13926, Chain of Custody Control Document, if applicable.
- c. One is available for use if a paper file is created.
- d. Nine remaining strips are used if additional fuel is collected from the same source.

Note: This will allow samples to be associated with each other.

- (9) Sample Bottle Labeling Procedures:

- a. Crisscross the top two narrow labeling strips over the top of the capped bottle so that four approximately equal lengths come down the outside of the bottle.

Caution: Carefully press these strips against the side of the cap while one end of the strip is still not applied to the bottle. This will reduce the chance that strips will tear and thus compromise sample integrity.

- b. Wrap the third strip, identified as "Bottle Label" on the Form 9667 around the bottle, covering the bottom ends of the two crisscrossed strips.
- c. Follow steps "a" and "b" above, if remaining strips are needed for samples obtained from the same tank. Instructions on placement of the strips are included on each strip.

4.24.15.15.1
(01-31-2024)
**Form 9667 Sample
Bottle Sealing and
Identification Label
Required Information**

- (1) Unless otherwise notated, these instructions apply to all samples.
- (2) FCS I.D. - enter the assigned four or five-digit employee identification number.
- (3) Date - enter date the sample was collected.
- (4) Type of Test (**Check only one**) - select the applicable test. Refer to IRM 4.24.15.15 for detailed guidance about the type of test to select for tests performed. Checking a single type of test on the label automatically triggers additional tests to be performed.

Note: For blitz samples obtained from an end-user, record a "V" for a sample obtained from a vehicle or an "S" for a sample obtained from a storage tank.

- (5) The following situations are exceptions to selecting only one test:
 - a. If sample pertains to a fuel-related Form 637 Registration other than biodiesel (e.g., renewable fuel, blocked pump, select "637 Registration" in addition to "Investigative."
 - b. If sample was obtained to determine if it meets ASTM standards, select "Biodiesel" in addition to "Investigative."
 - c. If sample of biofuels is secured, employee must declare if product was obtained above or below the rack.

- (6) Declared Product - mark the space to the right of the declared fuel type. The declared fuel type is the product the paperwork or taxpayer claims.
 - a. If the product is unknown, or does not satisfy the types on the label, indicate within the "Other" field what the fuel is alleged to be. This space may also be used to direct EFL to an enclosed statement that provides more details regarding the sample. Heating oil, fuel oil, locomotive, marine fuel or SAF will be designated in the "Other" field, if applicable.
 - b. If the Biodiesel test is selected within the "Type of Test" section, input the percentage of biodiesel within the "Bio Percent" space. For Form 637 biodiesel producer registration testing, the percentage is normally 100 percent. If the product is a biodiesel blend, also select the blending product, usually No. 1 Diesel or No. 2 Diesel.
 - c. No entry is made in the "Bio Percent" field if no biodiesel is present.
 - d. All gasoline samples will have an octane rating and percent of ethanol.
- (7) TCN or City/State - For samples obtained from terminals record the TCN. For other samples, record the city and state information.
- (8) Number of bottles associated with the sample (record the number). Ensure the correct number of samples are obtained. For guidance, refer to IRM 4.24.15.15.2.
- (9) All information entered in the Chain of Custody and Case File sections must match the corresponding information recorded in the Bottle Label section.

4.24.15.15.2
(01-31-2024)

Sample Labeling Matrix

- (1) The matrix below identifies the tests performed, sample instructions, required paperwork, and the reports generated. Review the "Tests Performed" section of this matrix to select the appropriate type of test on Form 9667.

Note: GM may contact EFL if there are any questions regarding sample labeling or reports.

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note:</i> All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.	Then, the paperwork needed is a:
Terminal dyed fuel and follow-up terminal dyed fuel samples (should be dyed to specification)	Concentration (include TCN number)	Dye	Dye report of analysis, two-week dye summary spread-sheet	One 2 ounce bottle	Chain of Custody
Terminal dyed fuel sample taken down stream (in lieu of a terminal dyed fuel sample, should be dyed to specification)	Field concentration (include TCN number and City, State of sampling)	Dye	Dye report of analysis, two-week dye summary spread-sheet	One 2 ounce bottle	Chain of Custody
Wholesaler or retail pump or storage tank dyed fuel (should be dyed to specification)	Field concentration (include City, State)	Dye	Dye report of analysis, two-week dye summary spread-sheet	One 2 ounce bottle	Chain of Custody

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
On road propulsion tank (including mobile machinery propulsion tanks) and any storage tank or pump that is designated as clear on-road fuel	Usage (include City, State or other desired applicable identification)	Dye	Dye report or analysis, dye investigative report (if needed), two-week dye summary spreadsheet	One 2 ounce bottle	Chain of Custody
Terminal undyed fuel (including kerosene) not part of a blitz (should not contain dye, may be biodiesel blends of 0 to 20 percent)	Sulfur (include TCN number and Bio percent blending, if applicable)	Sulfur, fingerprinting, dye and others, as needed	Sulfur report of analysis, if not ULS, lead sulfur report (fingerprinting problem or other problems), dye report of analysis, if not compliant, two-week sulfur summary spreadsheet	One 2 ounce bottle	Chain of Custody

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
Wholesaler or retailer pump or storage tank holding undyed fuel, not part of a blitz (may be biodiesel blends of 0 to 20 percent)	Sulfur (include City, State and Bio percent blending, if applicable)	Sulfur, finger-printing, dye and others, as needed	Sulfur report of analysis, if not ULS, lead sulfur report (fingerprinting problem or other problems), dye report of analysis, if not compliant, two-week sulfur summary spread-sheet	One 2 ounce bottle	Chain of Custody
Biodiesel B-95 to B-100	Investigative and Biodiesel (include TCN number, if applicable, or City, State) also select Biodiesel and indicate the biodiesel percent (select 637 Registration, if applicable)	Sulfur, biodiesel (D6751 specifications)	Biodiesel report of analysis	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels)	Chain of custody and Form 14403 (include the type of 637 Registration, if applicable)

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
Renewable Fuel (R-100)	Investigative and 637 Registration (TCN number, if applicable, or City, State) Select 637 Registration, if applicable	Sulfur, renewable (D975, D396 specifications)	Renewable report of analysis	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels)	Chain of custody and Form 14403 (include the type of 637 Registration, if applicable)
Any 637 Registration sample other than biodiesel or renewable	Investigative (TCN number, if applicable, or City, State)	All available applicable tests for the type of registration	Investigative report, any other reports as needed	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels)	Chain of custody and Form 14403 (include the type of registration)
Suspicious fuel taken at any location for which more than dye and sulfur analysis is desired (may be dyed or undyed) or a fuel sample that does not fit in any category	Investigative (TCN number, if applicable or City, State)	Everything possible depending on the reasons submitted	Investigative report, dye report of analysis, if applicable, sulfur report of analysis (if not ULS), any other reports, as needed	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels)	Chain of custody and Form 14403

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
Fuels submitted for comparison or fingerprinting that are not part of a blitz (such as determination of possible sources of dyed fuel in propulsion tanks)	Investigative (TCN number, if applicable or City, State)	Everything possible depending on the reasons submitted	Investigative report, dye report of analysis, if applicable, sulfur report of analysis (if not ULS), any other reports, as needed	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels)	Chain of custody and Form 14403
Gasoline samples for octane measurements that are not part of a blitz	Investigative (include TCN number, if applicable or City, State) Include expected octane and ethanol percent	Sulfur, Octane, Ethanol, Fingerprinting	Investigative report	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels using two IRS identification numbers))	Chain of custody and Form 14403 (include which samples are the same so the may be combined)

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
Any middle distillate fuel that is part of a blitz study	Blitz (include TCN number, if applicable or City, State) Include Bio percent blending, if applicable. Include V or S if an end-user study	Sulfur, Finger-printing, Dye (if colored), Biodiesel (if B6-B20)	Pending, Abnormal, Sulfur report of analysis, Dye report of analysis, B6-B20 Biodiesel report (no reports sent for compliant samples)	One 2 ounce bottle	Chain of custody and a Blitz Data Inspection Sheet, as applicable (mark blitz data inspection sheets with the product it is supposed to be, not what it looks like)
Any gasoline that is part of a Blitz study	Blitz (include TCN number, if applicable, or City, State) Include expected octane and ethanol percent	Sulfur, Octane, Ethanol, Finger-printing	Pending, Abnormals, Sulfur report of analysis (if not compliant)	Eight 2 ounce bottles (using two Form 9667. Sample Bottle Seals and Identification Labels using 2 IRS identification numbers)	Chain of custody and a Blitz Data Sheet, as applicable (include which samples are the same so they may be combined)

If your sample is a:	Then Type of Test on Form 9667 is:	Then, the tests performed are:	Then, the reports sent are:	Then, sample instructions are: <i>Note: All samples are to be obtained in a 2 ounce bottle. Sample volume must never exceed 1 ounce.</i>	Then, the paperwork needed is a:
Sustainable Aviation Fuel	Investigative and 637 Registration	All available applicable tests to determine originating fuel components and SAF are consistent	SAF report of analysis	Eight 2 ounce bottles (using two Forms 9667)	Chain of custody and Form 14403

4.24.15.16
(10-16-2014)
Chain of Custody Procedures

- (1) Samples are evidence and must be documented by an unbroken chain-of-custody.
- (2) Employees use two chain-of-custody forms:
 - a. Form 13926, Chain of Custody Control Document
 - b. Form 13927, Chain of Custody and Shipping Record

4.24.15.16.1
(10-16-2014)
Form 13926 - Chain of Custody Control Document

- (1) When custody of a sample is relinquished to another party, Form 13926 is completed to record sample number, names of the parties involved, date each party received the sample, and date when custody was relinquished.
- (2) One control document will be used for each sample and the document will be updated to reflect each transfer of custody. Examples of when this occurs include but are not limited to:
 - a. When a sample is transferred between fuel compliance employees.
 - b. When a sample is transferred from a state official to employees.
- (3) The properly completed form must include the:
 - a. Sample number
 - b. Name of individual with custody of sample
 - c. Agency of individual with custody of sample
 - d. Signature of individual with custody of sample

- e. Date individual with custody of sample received and relinquished control of it

- (4) This form must be placed in the shipping box with the fuel samples to be tested.
- (5) Additionally, Form 13927 must be completed and accompany the relinquished samples.

4.24.15.16.2
(10-16-2014)
Form 13927 - Chain of Custody and Shipping Record

- (1) Form 13927 must be completed by employees for **all** boxes of samples relinquished to the shipping company and shipped to EFL. If the shipment contains more than five samples, an additional Form 13927 will be completed and included in the shipping box.
- (2) Employee must manually complete this document.
- (3) A properly completed document must include the following:
 - a. Shipping company tracking number.
 - b. Name of individual shipping the samples.
 - c. Position, title, and telephone number of individual shipping the samples.
 - d. Description of the sample (i.e., diesel, kerosene, dyed diesel).
 - e. Type (i.e., usage, concentration, biodiesel).
 - f. Signature of shipper, shipping company, and date shipped.

Note: Employee is encouraged to affix the chain of custody section of the sample label from Form 9667 to Form 13927. When properly completed, this section will include the sample reference number, description of the sample, and type of test.

- (4) Information on Form 13927 must match information on Form 9667 for the corresponding sample.
- (5) Form 13927 must be placed in shipping box with the fuel samples to which it pertains.

4.24.15.17
(01-29-2025)
Packing and Shipping Samples

- (1) Refer to IRM 4.24.15.13 for detailed guidance about securing all samples.
- (2) Refer to IRM 4.24.15.15 for detailed guidance about labeling samples.
- (3) 49 CFR 173.4a and International Air Transport Association (IATA) regulations 2.6 address the packing and shipping of excepted quantities of Hazard Class 3 liquids.
- (4) All taxable fuels, including gasoline, are Hazard Class 3 liquids and are eligible for shipping under 49 CFR 173.4a, as well as IATA 2.6.
- (5) The only documentation required on the outer box is the “excepted quantity” marking. The marking is pre-printed on the boxes provided.
- (6) Shipments under 49 CFR 173.4a and IATA 2.6 are accepted at shipping locations that ship dangerous goods.
- (7) Failure to follow procedures in 49 CFR 173.4a and IATA 2.6 may result in an unsafe shipping situation and may subject employee to a fine.

4.24.15.17.1
(04-22-2021)

Packing Instructions

- (1) 49 CFR 173.4a and IATA 2.6 allow a maximum of 30 ml (approximately one fluid ounce) per "inner packaging." An "inner packaging" is defined as one sample bottle.
- (2) The approved shipping box has two layers and can hold up to 12 bottles per layer for a total of 24 bottles. Only "approved" shipping boxes will be used for shipping two ounce bottles.
- (3) The maximum number of sample bottles permitted in each box depends on the fuel product(s) to be shipped. Two or more products may be shipped in the same box; however, if jet fuel with a flash point less than 73 degrees, gasoline, undefined product, transmix or waste oil is shipped, no more than 15 total samples may be shipped in the same box.
 - a. Diesel fuel and kerosene - maximum of 24 bottles.
 - b. Jet fuel with a flash point less than 73 degrees (Jet B, not typically used) - maximum of 15 bottles.
 - c. Jet fuel with a flash point greater than 73 degrees and less than 140 degrees (Jet A and Jet A-1) - maximum of 24 bottles.
 - d. Gasoline - maximum of 15 bottles.
 - e. Transmix - handle as gasoline with a maximum of 15 bottles. Transmix samples are only secured when directed by management, or as part of an examination.
 - f. Undefined product or waste oil - a maximum of 15 bottles.
- (4) The following table itemizes the necessary actions for packing instructions procedures.

Action	Packing Instructions Procedures
1	Construct an approved shipping box and tape the bottom
2	Construct the sample compartment divider for the bottom tier and place it into the plastic bag.
3	Place the compartment divider and large plastic bag into the box.
4	Ensure the outside of the sample bottle is clean, dry, and properly labeled.
5	Seal the bottle firmly with a cap, but do not over tighten, as that may cause the cap to crack. Check to ensure no leakage. Re-bottle and create new paperwork if the bottle is leaking. Employee must record all re-bottling actions taken in the IMS case file.
6	Ensure the sample is listed on the chain of custody document(s) and wrap each two-ounce bottle with one piece of absorbent material.
7	Insert the wrapped bottle into an individual plastic bag.
8	Seal the individual sample bag (do not use tape to seal the bag).

Action	Packing Instructions Procedures
9	Place each sample into the box within one of the inner compartments in the bottom tier. Samples may only be placed in the inner compartments of the box.
10	Place the flat cardboard tier divider on top of the bottom tier. Note: Only one flat cardboard tier divider is needed per shipping box. It will be placed between the bottom and top tiers.
11	Construct the top-level sample tier by placing the assembled sample compartment divider directly on top of the flat compartment divider. The bottom level sample tier, the tier divider, and the top-level sample tier must all be in the shipping box, regardless of the number of samples in the box.
12	Seal the large plastic bag with tape or a twist tie supplied with the shipping box.

4.24.15.17.2
(04-22-2021)
Shipping Instructions

- (1) All samples must be shipped overnight using the current approved contract carrier and transportation mode.
- (2) All air bills must be completed electronically.
- (3) No Saturday or Sunday deliveries are allowed. Samples may be shipped on Friday, but do not indicate on the air bill for the package to be delivered during the weekend.
- (4) Ship samples to:

IRS Excise Forensics Laboratory

2400 Stevens Drive

Richland, WA 99354

Attention: Tessa Oxford

Phone:(509) 371-6647
- (5) Samples must be shipped to EFL within five business days of being secured. Extensions may be granted by GM, if warranted. Employee will follow the agreement in the MOU between IRS and the state agency for samples obtained by a state employee as part of an MOU.
- (6) Include in the box with the samples:

- a. Form 13927 for all shipments.
 - b. Form 13926, if applicable. Employee must record the shipping company tracking number in the box entitled "air bill number" on Form 13927.
 - c. Refer to IRM 4.24.15.14.3 for detailed guidance about information that will be included in the shipping box for Investigative samples.
 - d. Refer to IRM 4.24.15.8.5 for detailed guidance about information that will be included in the shipping box for Blitz samples.
- (7) Seal the shipping box with packaging tape.
 - (8) The shipping box must contain the required excepted quantities marking in red or black ink. The marking must not be covered by any other labels nor any other written markings. The marking for excepted quantities is pre-printed on the box.
 - (9) The identified shipping account will not be used for any purposes other than to ship fuel.
 - (10) The shipping box must remain in the custody of the shipper until it is taken to a shipping company location that accepts dangerous goods. The box **must not** be left in the mail room, hotel front desk, or other location for pick-up. Failure to comply with these instructions will break the chain-of-custody.