



# TaxNewsFlash

United States

No. 2026-098  
April 30, 2026

## Temporary and proposed regulations: Claims under section 6435 for tax paid on dyed fuel

The U.S. Treasury Department and IRS today released [temporary regulations](#) (T.D. 10047) under section 6435, which was enacted under the “One Big Beautiful Bill Act” (OBBBA) and allows recovery of the amount of section 4081 tax previously paid on diesel fuel and kerosene that later qualifies as eligible indelibly dyed diesel fuel or kerosene exempt from section 4081 tax under section 4082(a)—effective for dyed fuel removed on or after December 31, 2025.

As promised in [Announcement 2026-1](#), the temporary regulations provide guidance regarding which taxpayers may claim refunds of such previously paid amounts, and the procedures these taxpayers must follow to claim the refunds. In particular, the temporary regulations provide that, absent a statutory change, the Treasury Department and IRS lack the authority to pay section 6435 claims to anyone other than the person that paid the section 4081 tax with respect to the eligible dyed fuel to which the claim relates.

The temporary regulations are effective May 1, 2026, and apply to removals of eligible dyed fuel occurring on or after December 31, 2025. The temporary regulations expire on the earlier of May 1, 2029, or the date of any statutory change that would appropriate funds for the payment of claims under section 6435 to persons other than the taxpayer that paid the section 4081 tax to which the claim relates.

The text of the temporary regulations serve as the text of [proposed regulations](#) (REG-119294-25) also issued today. Comments on the proposed regulations, and requests for a public hearing, are due by June 30, 2026.

Read a related IRS release—[IR-2026-59](#) (April 30, 2026)

**For more information, contact a professional in the Excise Tax practice of KPMG Washington National Tax:**

Taylor Cortright | [tcortright@kpmg.com](mailto:tcortright@kpmg.com)  
Rachel Smith | [rachelsmith1@kpmg.com](mailto:rachelsmith1@kpmg.com)

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



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