

## Tax Credit Available for Propane Forklift Operators

*More than 500,000 forklifts are powered by propane in factories and warehouses. And it's no wonder. Propane-powered forklifts provide operational options and economic advantages that make them a clear choice for your material handling needs.*

### What is this tax credit?

In 2005, Congress enacted the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2005, also known as the Highway Bill (P.L. 109-59). The goal of the legislation is to encourage the use of alternative fuels, and these provisions went into effect on October 1, 2006. The Internal Revenue Service (IRS) has clarified that forklifts fit the definition of an off-highway business motor vehicle, and fuel used in a forklift is eligible for the 50-cent-per-gallon credit. Only forklift operators are entitled to apply for the credit, not propane marketers.

**Forklift operators should be aware that the fuel they use for forklift operations will be eligible for a 50-cent-per-gallon credit if they properly register with the IRS.**

### How to apply

1. Forklift operators need to file Form 637 with the IRS in order to be registered as an "Alternative Fueler."
2. The IRS will then issue a registration number identifying the forklift operator as an Alternative Fueler.
3. After receiving a registration number, the forklift operator can file a claim for the credit at the end of the year by filing Form 4136. If the alternative fuel excise tax credit exceeds the excise tax liability, the forklift operator may be able to claim an alternative fuel income tax credit (or refund) under certain circumstances.

### More info and forms:

The above content is not intended, and cannot be relied upon, as tax advice. We strongly encourage forklift operators to consult their own tax advisers regarding claims for credits or refunds. Relevant IRS forms may be found by going to:

[www.irs.gov/formspubs/index.html](http://www.irs.gov/formspubs/index.html).