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DEPARTMENT OF REVENUE

Information Guide

September 2026

Nebraska Motor Fuels Tax Refunds

Overview

Motor fuels (fuel), including gasoline, gasohol, and undyed diesel purchased in Nebraska, are taxed at the time of purchase. When this taxed fuel is either purchased by an exempt entity, or used in an exempt manner, a refund is available.

Exempt entities include the U.S. government, its agencies, and federal corporations wholly owned by the U.S. government. Fuel used in licensed motor vehicles by state and local governmental entities, including school districts, **does not** qualify for a refund.

The types of qualifying exempt uses are agricultural, quarrying, industrial, or any other use in unlicensed vehicles or equipment. **Fuel used in a licensed motor vehicle is not eligible for a refund regardless of how the vehicle was used.**

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (DOR) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of DOR and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov/motor-fuels to get updates on your topics of interest.

General Information

Claim Form. A refund is claimed by filing a Nebraska Non-Ag Use Motor Fuels Tax Refund Claim, Form 84, or a Nebraska Ag Use Motor Fuels Tax Refund Claim, Form 84AG. The claims must be filed within three years after the purchase date of the fuel. DOR encourages filing claims on an annual basis. However, the claim may be filed as frequently as monthly depending upon the level of activity.

Claims filed for refunds of tax paid on aviation jet fuel or aviation gasoline used in the operation of a FAA-approved air school must be filed within seven months of the date of purchase.

A valid claim must be signed and supported by appropriate documentation. The documentation necessary depends on the type of claim being filed.

Minimum Claim Amount. The minimum tax amount required to file a claim for eligible gallons of gasoline, aviation fuels, or diesel is $25. This is calculated by multiplying the gallons of fuel by the applicable Nebraska excise tax rate. This minimum must be met within a calendar year and for each fuel type claimed. Amounts may not be carried over from one year to another. The Petroleum Release Remedial Action Fee has a $10 minimum per year amount.

Types of Claims

Refunds are available when taxed fuel is subsequently purchased by an exempt entity or used in a qualifying exempt manner. Some of the most common types of refund claims are discussed below.

U.S. Government Transactions. If tax-paid fuel was purchased by an agency of the U.S. government, that agency may file for a refund. The refund is allowed for purchases by the U.S. government, its agencies, and federal corporations wholly owned by the U.S. government.

Copies of invoices and other supporting records must be submitted with the claim.

If previously-taxed fuel was sold tax-free to qualifying federal agencies by a licensed supplier, distributor, importer, or wholesaler, the licensee may claim a deduction of those gallons on its motor fuels tax return by using the appropriate schedule code. When these sales are made by entities licensed only as a motor fuel retailer, a credit may be obtained by the retailer by filing a Nebraska Retailer's Claim for Exempt Sales of Motor Fuels, Form RC73, with its fuel vendor.

Exempt Use of Tax-Paid Fuel. Any person who has purchased and used tax-paid fuel for a qualified exempt purpose may file a claim. Generally, use of fuel in unlicensed equipment will qualify for a refund.

Note: For tax refunds claimed on diesel fuel used in an exempt manner, the statute requires the refund to be reduced by one cent per gallon, which exceeds the tax rate of $0.0025 per gallon on dyed diesel.

If appropriate records are maintained, both licensed motor vehicles and unlicensed equipment may be fueled from the same storage facility. Complete withdrawal logs documenting the fuel used in both licensed motor vehicles and unlicensed equipment must be maintained to determine the gallons eligible for refund. These logs must include:

- Type of fuel;
- Date of withdrawal of the fuel;
- Equipment number or type of equipment fueled; and
- Number of gallons.

When separate storage facilities are used for taxable-use fuel and nontaxable-use fuel, DOR strongly encourages using withdrawal logs to determine the number of gallons used. In some instances, DOR may require that withdrawal logs be maintained. In all cases, you must have adequate controls to ensure that licensed motor vehicles are not fueled from the nontaxable-use storage facilities.

The following documentation must be provided with the refund claim. This documentation will not be returned.

- **Description of operations.** This must be submitted with the initial claim, and then on an annual basis. For example, for agricultural use, this information includes the number of acres farmed, types of crops raised, and the number and type of livestock.
- **Types of equipment and vehicles.** An equipment and vehicle list must be submitted with the initial claim, and then on an annual basis. The list must include the type of fuel used by each piece of equipment or vehicles, and must indicate which were licensed motor vehicles.
- **Purchase invoices.** Legible copies of purchase invoices showing the product type, gallons, amount paid, date of purchase, and vendor's name must be provided.
- **Withdrawal logs.** Legible copies of withdrawal logs must be provided, if applicable.

Exports of Tax-Paid Fuel, Including the Petroleum Release Remedial Action Fee. Generally, an exporter's license is required prior to exporting fuel. If you are not required to be licensed as an exporter, and you owned and exported tax-paid fuel, you may file a refund claim.

The following documentation must be provided with the refund claim. This documentation will not be returned.

- **Purchase invoices.** Legible copies of purchase invoices or other records showing that the Nebraska motor fuels tax and fees were paid to a motor fuels licensee must be provided.
- **Bills of lading and other shipping documents.** Legible copies of bills of lading and other shipping documents must indicate the destination of the fuel.
- **Returns filed with other states.** Legible copies of returns filed with other states must indicate that the fuel was reported properly to those states.

Destroyed or Contaminated Tax-Paid Fuel. If Nebraska tax-paid fuel was destroyed, or accidentally contaminated with another type of fuel, a refund claim may be filed. Motor fuels tax will not be refunded on undyed diesel which was intentionally mixed with dyed diesel.

The following documentation must be provided with the refund claim. This documentation will not be returned.

- **Description of event.** Describe the event leading to the destruction or contamination of the fuel. Include the date of the event, the location, and the disposition of any contaminated fuel.
- **Purchase invoices and bills of lading.** Legible copies of purchase invoices and bills of lading must indicate the type of fuel, the number of gallons destroyed or contaminated, the date of the event, and the owner of the fuel.
- **Inventory records.** Legible copies of inventory records must document the amount of gallons both before and after the event.
- **Insurance claims.** Legible copies of insurance claims filed for recovery of any associated costs must be provided.

Amount of Refund

The amount of refund is based on the motor fuels tax paid at the time the fuel was purchased. If an erroneous tax is paid at the time of purchase, the refund will be determined based on the tax amount paid or the proper amount of tax, whichever is less.

> **Example 1.** On July 1, 2026, 100 gallons of undyed diesel fuel was purchased for use in unlicensed equipment. The invoice shows that Nebraska tax of 20¢ per gallon was charged. The vendor should have charged tax of 31.8¢ per gallon. Any refund will be based upon the tax paid of 20¢ per gallon less the 1¢ per gallon reduction discussed below.
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> **Example 2.** On July 1, 2026, 100 gallons of undyed diesel fuel was purchased for use in unlicensed equipment. The invoice shows that Nebraska tax of 35¢ per gallon was charged. The vendor should have charged tax of 31.8¢ per gallon. Any refund will be based upon 31.8¢ per gallon less the 1¢ per gallon reduction discussed below.

The tax refunded is reduced by 1¢ for each gallon of diesel and 2.25¢ for each gallon of gasoline/gasohol for refunds filed by fuel users. Use the table of refund rates for assistance.

Additional deductions from the calculated refund may apply:

- **Commissions.** Motor vehicle fuels, diesel fuel, or aircraft fuel licensees may need to deduct the appropriate commission amount;

- **Nebraska and Local Use Tax.** If claiming a refund for tax paid on diesel fuel used for reefer units or home heating, the fuel may be subject to sales and use tax. You must remit the state or local use tax on a Nebraska and Local Business Use Tax Return, Form 2, Nebraska and Local Individual Use Tax Return, Form 3, or on the appropriate line on Nebraska and Local Sales and Use Tax Return, Form 10. If the appropriate use tax is not paid on a Form 2, Form 3, or Form 10, the refund will be reduced by the amount of use tax determined to be due. Diesel fuel used in processing, manufacturing, refining, generating electricity, irrigation or farming, or by any hospital may qualify for an energy source exemption. Please refer to Regulation 1-089, Energy Source Utility Exemption; and
- **Aircraft Fuels Tax.** If claiming a refund for tax paid on gasoline or gasohol which was subsequently used to fuel an airplane, the claim will be reduced by the aviation gasoline tax rate of 5¢ per gallon.

Record Retention

Complete records substantiating the refund must be maintained for a period of at least three years. All refund claims are subject to audit for three years from the date the claims were filed.

Resource List

Nebraska Fuels Tax Regulations

- Reg. 73-008 Refunds

Nebraska Statutes

- Neb. Rev. Stat. § 3-148. Aircraft fuel tax; Aircraft Fuel Tax Fund; created; distribution; terms, defined.
- Neb. Rev. Stat. § 3-150. Aircraft fuel tax; repayment; fuel for air school purposes.
- Neb. Rev. Stat. § 66-489. Producer, supplier, wholesaler, or importer; motor fuel tax; excise tax; amount; when payable; exemptions; equalization fee; section, how construed; refund.
- Neb. Rev. Stat. § 66-726. Refund; when allowed; procedures.
- Neb. Rev. Stat. § 66-1521. Petroleum release remedial action fee; amount; license required; filing; violation; penalty; Department of Revenue; powers and duties; Petroleum Release Remediation Action Collection Fund; created; use; investment.

revenue.nebraska.gov/motor-fuels
800-554-3835 or 402-471-5730
Nebraska Department of Revenue, PO Box 98904, Lincoln, NE 68509-8904