

**INTERNAL REVENUE SERVICE**  
NATIONAL OFFICE TECHNICAL ADVICE MEMORANDUM

April 05, 2004

Number: **200508014**  
Release Date: 2/25/2005  
Third Party Contact: None  
Index (UIL) No.: 4081.00-00  
CASE-MIS No.: TAM-171144-03, CC:PSI:8

Taxpayer's Name:  
Taxpayer's Address:

Taxpayer's Identification No  
Years Involved:  
Date of Conference: No conference held

Legend:

X =

ISSUE

Is X required to be registered under § 4101(a) of the Internal Revenue Code?

CONCLUSION

X is required to be registered under § 4101(a).

FACTS

X owns and operates a facility that includes a fuel transport loading and unloading rack, pipelines, a distillation unit, and storage tanks. X purchases transmix that contains gasoline. The transmix consists of varying proportions of gasoline, diesel fuel, and other hydrocarbon products that are mixed during pipeline transportation. The transmix is delivered to X's facility by common carrier. The transmix is unloaded at an unloading rack connected by pipeline to the transmix storage tank. The transmix is fed from the transmix storage tank to the distillation unit by pipeline. The distillation unit refines the transmix by separating hydrocarbons into gasoline and diesel fuel. The

gasoline and diesel fuel are transferred to storage tanks. The gasoline and diesel fuel are removed from their storage tanks at the rack for delivery by tank trucks to the retail market.

#### LAW AND ANALYSIS

Section 4101(a) provides that every person required by the Secretary to register with respect to the tax imposed by § 4081 shall register in the time and manner required by the regulations.

Section 48.4101-1(c)(1) provides that refiners are required to be registered under § 4101.

Section 48.4081-1(b) defines “refiner” as any person that owns, operates, or otherwise controls a refinery. That section of the regulations defines “refinery” as a facility used to produce taxable fuel and from which taxable fuel may be removed by pipeline, by vessel, or at a rack. However, the term does not include a facility where only blended fuel or gasohol and no other type of taxable fuel, is produced.

The distillation unit is a facility that produces taxable fuel (gasoline and diesel fuel) from transmix. The taxable fuel produced by the distillation unit is stored in tanks and removed at the rack. The distillation unit is a refinery within the meaning of § 48.4081-1(b). X, as owner of the refinery, is a refiner and required to be registered under § 4101(a).

#### CAVEAT(S):

A copy of this technical advice memorandum is to be given to the taxpayer. Section 6110(k)(3) provides that it may not be used or cited as precedent. Under § 6110(c), names, addresses, and identifying numbers have been deleted.