What is dyed diesel fuel?
Dyed diesel fuel is a special fuel used for nontaxable, non-highway purposes. Dyed diesel fuel must contain the dye Solvent Red 164 at a concentration spectrally equivalent to at least 3.9 pounds of the solid dye standard Solvent Red 26 per thousand barrels of special fuel. The dye must be added prior to removal from a terminal rack. Since January 1, 2000, Illinois’ Motor Fuel Tax Law has required all special fuel sold or used for nonhighway purposes to be dyed.
We may require all special fuel sold for non-highway use to have a marker added.

Who can sell dyed diesel fuel?
Only those who are licensed in Illinois as a distributor of motor fuel or a supplier of special fuel may sell dyed diesel fuel.

Who can sell dyed diesel fuel?
Only a licensed distributor or supplier may sell dyed diesel fuel tax-free to the end user for non-highway purposes when:
- the fuel is delivered from a vehicle designed for the specific purpose of such sales and delivered directly into a stationary bulk storage tank that displays the dyed diesel notice required by Section 4f of the Motor Fuel Tax Law (35 ILCS 505/4f);
- delivered from a vehicle designed for the specific purpose of such sales and delivered directly into the fuel supply tanks of non-highway vehicles that are not required to be registered for highway use; or,
- dispensed from a dyed diesel fuel dispensing facility that has withdrawal facilities that are not readily accessible to and are not capable of dispensing dyed diesel fuel into the fuel supply tank of a motor fuel vehicle.

Why is some diesel fuel dyed?
Diesel fuel that is used for non-highway purposes and is purchased tax-free is dyed red so it can be identified as a fuel that may not be used in motor vehicles required to be registered for highway purposes or recreational-type watercraft on the waters of this state.
Thus, the red dye added to the diesel fuel will assist the Department in identifying those individuals who misuse dyed diesel fuel.

What diesel fuel may be used in a licensed motor vehicle?
The only diesel fuel that is allowed in the ordinary fuel tanks of a motor vehicle required to be registered for highway purposes or a recreational-type watercraft on the waters of this state is tax-paid, undyed diesel fuel.

How may dyed diesel fuel be used?
Dyed diesel fuel may be used in any diesel powered equipment that is not required to be registered for highway purposes and is not a recreational-type watercraft on the waters of this state.

Some examples of diesel-powered equipment that may use dyed diesel fuel are as follows: agricultural field equipment, construction bulldozers, backhoes, graders; earth movers; logging equipment; drilling equipment; trenching machines; industrial forklifts; generators; lawn tractors; railroad locomotives and commercial marine vessels.

What notice and storage requirements are there for dyed diesel fuel?
All bills of lading, and invoices accompanying any sale of dyed diesel fuel shall have a legible and conspicuous notice stating “Dyed Diesel Fuel, Nontaxable Use Only, Penalty For Taxable Use.”
All storage containers, storage tanks, or facilities used to store or distribute dyed diesel fuel shall have a legible and conspicuous notice on them stating “Dyed Diesel Fuel, Nontaxable Use Only.”

How will the Department be enforcing this?
Any duly authorized agent of the Department, upon presenting appropriate credentials and a written notice to the person who owns, operates or controls the place to be inspected, may:
- enter any place, as described below, in a reasonable manner and at a reasonable time to conduct an inspection. The inspection may be at any place at which taxable motor fuel is or may be produced or stored, such as a terminal, fuel storage facility, retail fuel facility or a designated inspection site.
- physically inspect or search any tank, reservoir, container, or equipment used for production, storage, or transportation of fuel dye, or fuel markers. Records may also be inspected.
- detain any motor vehicle, train, barge, ship, vessel, or recreational-type watercraft for the purpose of inspecting its fuel tanks and storage tanks. Detainment will be either on the premises under inspection or at a designated inspection site.
- take and remove samples of fuel to determine the composition of the fuel.

What if a person refuses to allow an inspection?
Any person refusing to allow an inspection shall pay a $1000 penalty for each refusal. Also, a motor fuel licensee refusing to allow an inspection is subject to revocation of his/her license.
What are some examples of dyed diesel fuel violations?

It is a violation:

- to have dyed diesel fuel in the ordinary fuel tanks attached to a motor vehicle required to be registered for highway purposes or in the ordinary fuel tanks attached to a recreational-type watercraft on the waters of this state.
- to have tax-paid diesel fuel blended with tax-free dyed diesel fuel in the ordinary fuel tanks attached to a motor vehicle required to be registered for highway purposes or in the ordinary fuel tanks attached to a recreational-type watercraft on the waters of this state.
- to have tax-paid diesel fuel blended with transmission fluid and/or additives, which contain the dye Solvent Red 164, in the ordinary fuel tanks attached to a motor vehicle required to be registered for highway purposes or in the ordinary fuel tanks attached to a recreational-type watercraft on the waters of this state.
- if the statement “Dyed Diesel Fuel, Nontaxable Use Only” is not on bills of lading and invoices.
- if the statement “Dyed Diesel Fuel, Nontaxable Use Only” is not on containers or tanks for dyed diesel fuel.
- if dyed diesel is sold, by a licensee, at a facility that has withdrawal facilities capable of delivering dyed diesel to the supply tank of a motor vehicle.

There is a ZERO tolerance for dyed diesel fuel in the ordinary fuel tanks attached to a motor vehicle required to be registered for highway purposes or in the ordinary fuel tanks attached to a recreational-type watercraft on the waters of this state.

Can a person be criminally prosecuted for a dyed diesel fuel violation?

Any person who knowingly:

- sells or distributes dyed diesel fuel without the required dyed diesel fuel notice is guilty of a petty offense on the first violation and a Class A misdemeanor for each subsequent violation.
- owns, operates or controls any container, storage tank or facility used to store or distribute dyed diesel fuel without the required dyed diesel fuel notice is guilty of a petty offense on the first violation and a Class A misdemeanor for each subsequent violation.
- sells or attempts to sell dyed diesel fuel for highway use or for use by recreational-type watercraft on the waters of this state is guilty of a Class 4 felony. Each subsequent offense is a Class 2 felony.
- possesses dyed diesel fuel for highway use or for use by recreational-type watercraft on the waters of this state is guilty of a Class A misdemeanor. Each subsequent offense is a Class 4 felony.

Questions?

For more information, visit our web site at tax.illinois.gov

If you have questions about dyed diesel fuel violations or wish to report evidence of a violation you may call us weekdays between 8:00 a.m. and 4:30 p.m. at:

217 782-2291

Or write us at: ALCOHOL, TOBACCO, & FUEL DIVISION ILLINOIS DEPARTMENT OF REVENUE PO BOX 19477 SPRINGFIELD IL 62794-9477

If you have questions about dyed diesel fuel violations or call 1 800 CHEAT-11 (243-2811)

Or write us at: CRIMINAL INVESTIGATION DIVISION ILLINOIS DEPARTMENT OF REVENUE 101 WEST JEFFERSON STREET PO BOX 19014 SPRINGFIELD IL 62794-9014