

Revenue Information Bulletin No. 21-026
September 15, 2021
Excise Taxes

**Waiver of Dyed Diesel Fuel Penalty Due to Disruptions of the Fuel Supply Chain
by Hurricanes Ida and Nicholas**

Following the issuance by the Internal Revenue Service of IR-2021-187 on September 15, 2021, granting dyed diesel fuel penalty relief in Louisiana due to Hurricanes Ida and Nicholas, the Louisiana Department of Revenue will also waive the state diesel fuel penalty for selling or using tax-exempt dyed diesel fuel on the highway. This relief period will coincide with that of the Internal Revenue Service, which commenced August 29, 2021, and will remain in effect through September 30, 2021.

This penalty relief, originally granted on September 1, 2021 in Revenue Information Bulletin No. 21-022, is available to any person that sells or uses dyed diesel fuel for highway use in the following parishes: Ascension, Assumption, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Washington, West Baton Rouge and West Feliciana.

The penalty relief has been expanded as a result of Hurricane Nicholas and is available to any person that sells or uses dyed diesel fuel for highway use in thirteen additional parishes: Acadia, Allen, Avoyelles, Beauregard, Calcasieu, Cameron, Evangeline, Jefferson Davis, Lafayette, Rapides, St. Landry, Vermilion, and Vernon.¹ In the case of the operator of the vehicle in which the dyed diesel fuel is used, the relief is available only if the operator or the person selling the dyed diesel fuel pays the Louisiana excise tax of 20 cents per gallon. Ordinarily, dyed diesel fuel is not taxed because it is sold for uses exempt from the excise tax, such as for off-road use or to farmers for farming purposes.

Questions concerning the dyed diesel fuel penalty should be directed by email to Policy.Publications@la.gov.

Kimberly J. Lewis
Secretary

¹ This relief is in addition to the similar relief previously granted by the Department to twenty-five additional parishes in RIB 21-022.