



October 2, 2024

IRS Issues Rare Dyed Diesel Waiver for Portions of SW Virginia

In response to Hurricane Helene, the Internal Revenue Service has issued a rare waiver to allow the use of dyed fuel for on-road use. This is only allowed until October 15 in the following jurisdictions: City of Galax, Grayson, Smyth, Tazewell, Washington, Wise and Wythe counties. The IRS waiver only applies to the penalty imposed for using dyed diesel for on-road purposes. The 24.4 cpg must be paid when the dyed diesel is sold for a taxable use. The tax is paid on IRS Form 720. However, the semimonthly deposit deadlines for motor fuel tax liability that is normally required by the IRS is waived. The tax must be paid on a quarterly basis. IRS Form 720 and instructions are available at [irs.gov](https://www.irs.gov) under "forms and publications." Marketers must keep copies of the 720 tax return, tax records, and accounts of all dyed diesel fuel transactions sold for on road use to show that the correct tax has been paid.