



Illinois Department of Revenue

Informational Bulletin

FY 2027-09, October 2026

David Harris, Director

Motor Fuel Guidance for Reporting Dyed Diesel Fuel Sold During the Relief Period of October 6, 2026, through December 31, 2026

To: Motor Fuel Distributors

Illinois Executive Order 2026-08 authorized penalty relief for dyed diesel fuel sold for use on Illinois highways and roadways for farming and agricultural purposes during the relief period of October 6, 2026, through December 31, 2026.

This bulletin is issued to emphasize the instructions for sales and reporting of dyed diesel fuel to an end user other than a licensed Distributor. Selling, invoicing, and reporting instructions are important for dyed diesel fuel sold tax free during the relief period. This ensures that end users (purchasers) receive the necessary detailed documentation to prove eligibility for penalty relief.

See **FY 2027-07**, Temporary Penalty Relief for On-Road Use of Dyed Diesel Fuel for Farming and Agricultural Purposes, Effective October 6, 2026, through December 31, 2026, for additional information.

Who may make dyed diesel fuel sales?

Only Illinois Licensed Motor Fuel Distributors may make tax-free sales of dyed diesel fuel. This bulletin serves to inform Distributors that dyed diesel fuel may be sold to end users for on-road use in Illinois strictly for agriculture and farming purposes only during the period of October 6, 2026, through December 31, 2026. Outside of this specific use, dyed diesel fuel may not be sold for on-road purposes in Illinois.

What records do I need to keep and provide to the end user?

Distributors must maintain accurate sales records of dyed diesel fuel. Each invoice documenting the sale of dyed diesel fuel must include the following:

- a specific notation of the nature of the exemption;
- invoice number and date;
- name of carrier, bill of lading/manifest number;
- name and address of purchaser;
- Illinois origin and Illinois destination of the fuel; and
- invoiced gallons; and
- Underground Storage Tank Tax (UST) and Environmental Impact Fee (EIF).

Providing this information ensures that end users receive the necessary detailed documentation to prove eligibility for penalty relief.

A legible and conspicuous notice stating "Dyed Diesel Fuel, Non-taxable Use Only, Penalty For Taxable Use" must appear on all shipping papers (including delivery tickets or manifests and excluding material safety data sheets), bills of lading, and invoices accompanying any sale of dyed diesel fuel. IDOR will be able to verify the dyed diesel fuel used during the relief period by the date of sale.

Note: Cash purchases require all of the above documentation.

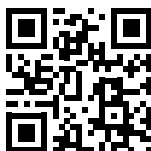
How do I report dyed diesel fuel sold for farming and agricultural purposes for use on highways and state roads in Illinois during the relief period?

Any dyed diesel fuel sold for road use on Illinois highways for agriculture purposes from October 6, 2026, through December 31, 2026, must be reported on Form RMFT-5, Motor Fuel Tax Return, Schedule DD-1, Tax-free Sales of Dyed Diesel Fuel Products to Other than a Distributor in Illinois. Report the following:

- name of the purchaser;
- legal business address of the purchaser;
- fuel use code as "A" for Agriculture; and
- number of gallons sold.

Where can I find additional resources?

- See IDOR's website at **tax.illinois.gov**.
- For Motor Fuel Tax Questions, email IDOR at **rev.mf@illinois.gov** or call **217-782-2291**.



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This bulletin is written to inform of recent changes and does not replace statutes, rules and regulations, or court decisions.

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