

News Release



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FOR IMMEDIATE RELEASE

Dyed-Fuel Tax Facts

Commercial and private passenger vehicle owners pay federal and state fuel taxes that range from 36.4 cents per gallon to 50.4 cents per gallon at the pump. The state portion of diesel fuel taxes, about \$180 million in F/Y 2004, is used to build and maintain Arizona's roads and highways.

There are a few exceptions. Federal and state laws allow diesel fuel to be purchased tax-free for use in vehicles that will not be used on highways. Examples include farm equipment and other vehicles exclusively for off-road use. Tax-free fuel is dyed red, and is readily visible.

What is dyed fuel?

- * Diesel fuel that is dyed red to identify that it is exempt from state and federal fuel tax.
- * Allowed only for on-property use in farm/ranch vehicles and other off-road vehicles.
- * Illegal for use in vehicles operated on public roads/highways.

Who is identifying abusers of dyed-red diesel fuel?

- * Motor Vehicle Division officers working under a federally funded program that targets fuel-tax violators.

Is the program successful?

- * In the first two years of the program, officers found 177 owners/operators of diesel trucks illegally using red-dyed diesel fuel.
- * Violators have agreed to pay civil penalties of \$1000 or more, in addition to the taxes that should have been paid. Some face criminal prosecution for willfully attempting to evade fuel taxes.

Reporting fuel-tax evasion:

- * MVD hotline, 1-877-AzFuels (1-877-293-8357)
- * Or to report fuel-tax evasion: www.AzFuels.com

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