



TaxNewsFlash

United States



No. 2019-433
September 3, 2019

IRS to waive dyed fuel penalty in Florida; hurricane-related relief

The IRS on Friday, August 30, 2019, announced that it will not impose a penalty when dyed diesel fuel is sold for use or is used on the highway in Florida.

According to the IRS release—[IR-2019-148](#)—the penalty relief is intended to minimize or prevent disruptions to the supply of fuel for diesel-powered highway vehicles because of Hurricane Dorian. The relief is effective immediately, and will continue through September 15, 2019.

The penalty relief is available to any person that sells or uses dyed fuel for highway use.

- In the case of the operator of the vehicle in which the dyed fuel is used, the relief is available only if the operator or the person selling the fuel pays the tax of 24.4 cents per gallon that is typically applied to diesel fuel for highway use.
- The IRS will not impose penalties for failure to make semi-monthly deposits of this tax.

In general, dyed diesel fuel is not taxed when sold for uses that are exempt from excise tax—e.g., sales to farmers for farming purposes, for home heating use, and to local governments for buses.

The penalty relief does not apply with respect to the penalty for using adulterated fuels that do not comply with applicable Environmental Protection Agency (EPA) regulations. Consequently, diesel fuel with sulfur content higher than 15 parts-per-million may not be used in highway vehicles.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)