

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Extends Hurricane Sandy Diesel Fuel Penalty Waiver to Dec. 7 for New Jersey and Parts of New York

IR-2012-94, Nov. 20, 2012

WASHINGTON — As part of the administration's efforts to bring all available resources to bear to support state and local partners impacted by Hurricane Sandy, the Internal Revenue Service today extended until Dec. 7 the diesel fuel penalty waiver, due to expire today, for New Jersey and parts of New York.

The extension is based on an extended fuel waiver granted to these areas by the Environmental Protection Agency (EPA). The [original waiver](#) was put in place in response to shortages of clear diesel fuel caused by the hurricane.

As a result, the IRS will not impose a tax penalty when dyed diesel fuel is sold for use or used on the highway. This relief applies beginning Oct. 30, 2012 to the entire state of New Jersey and to the five boroughs of New York City and Nassau, Suffolk, Rockland and Westchester counties in New York State, and will remain in effect through Dec. 7, 2012.

This 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 24.4-cent-per-gallon tax that normally applies to diesel fuel for on-road use. The IRS will not impose penalties for failure to make semimonthly deposits of this tax. IRS [Publication 510](#), Excise Taxes, has information on the proper method for reporting and paying the tax.

Ordinarily, dyed diesel fuel is not taxed, because it is sold for uses exempt from excise tax, such as to farmers for farming purposes, for home heating use and to local governments for buses.

Finally, the IRS will not impose the tax penalty on a failure to meet the requirements of EPA highway diesel fuel sulfur content regulations if EPA has waived those requirements.

The IRS is closely monitoring the situation and will provide additional relief as needed.