



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
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OFFICE OF  
CHIEF COUNSEL

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The Honorable Sam Brownback  
United States Senate  
Washington, DC 20510

Dear Senator Brownback:

I am responding to your letter dated July 29, 2005, signed by you and your colleagues, about the recently published temporary and final diesel fuel and kerosene excise tax dye injection regulations. You wrote that requiring application of these regulations to below-the-rack blending could have unintended negative consequences for the emerging biodiesel industry without accomplishing the goal of reducing tax evasion.

Thank you for your letter and your comments. We have received similar comments from the public on the issues you raised. We will keep your concerns in mind as we continue to work on these regulations.

Again, I appreciate your interest in this issue. I am sending a similar letter to your colleagues. If you have questions, please contact me at .

Sincerely,

Heather C. Maloy  
Associate Chief Counsel  
(Passthroughs and Special Industries)