



**Tax Treatment of Dyed Diesel Motor Fuel
in Response to Hurricane Sandy**

As part of the Hurricane Sandy recovery efforts, on November 3, 2012, the Internal Revenue Service granted relief to allow the use of dyed diesel motor fuel in motor vehicles ([See IR-2012-85](#)). As a result, for the period October 30, 2012, through November 20, 2012, the following provisions are affected:

- Dyed diesel motor fuel may be delivered and sold at a retail filling station or delivered to a bulk storage facility capable of fueling motor vehicles.
- Any person who obtains dyed diesel motor fuel for exempt use in farm production may use the dyed diesel motor fuel for any use associated with the farm without the imposition of excise, petroleum business, or sales taxes.
- Dyed diesel motor fuel may be sold for use or used in a motor vehicle on New York State highways during the period October 30, 2012, through November 20, 2012. Distributors of diesel motor fuel must pass through the excise, petroleum business, and prepaid sales taxes at an aggregate rate of 38.8 cents per gallon when the fuel is sold to a retail service station. Retail service stations must pass through the excise and petroleum business taxes and also charge the state and local retail sales tax when the fuel is sold to consumers.
- Any person who delivers, sells, or uses dyed diesel motor fuel in accordance with the above relief will not be subject to penalty for any such delivery, sale or use.

The relief provided for in this notice is in addition to the relief provided for in prior notices:

- [Important Notice N-12-10](#), *Special Waiver of Highway Use Tax and IFTA Credentials Related to Hurricane Sandy Disaster Relief Efforts*
- [Important Notice N-12-11](#), *Announcement Regarding Hurricane Sandy*
- [Important Notice N-12-12](#), *Additional Relief for Employers Affected by Hurricane Sandy*
- [Important Notice N-12-13](#), *Suspension of Tax Provisions for Fuel Distributors and Transporters in Response to Hurricane Sandy*

NOTE: An Important Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.