

TaxNewsFlash

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IRS provides dyed diesel penalty relief due to Hurricane Helene

The IRS this afternoon announced that it will not impose penalties for the sale or use of dyed diesel fuel with sulfur content not exceeding 15 parts-per-million on highways in Alabama, Georgia, North Carolina, South Carolina, and specific parts¹ of Florida, Tennessee, and Virginia, due to disruptions caused by Hurricane Helene.

According to the IRS release—[IR-2024-254](#)—the relief is retroactive from September 26, 2024, and will last until October 15, 2024.

The penalty relief applies to any person selling or using dyed diesel fuel for highway use. In the case of the operator of the vehicle in which the dyed diesel fuel is used, the relief is available only if the operator or the person selling such fuel pays the tax of 24.4 cents per gallon that is normally applied to diesel fuel for highway use.

The IRS will not impose penalties for failure to make semimonthly deposits of tax for dyed diesel fuel sold for use or used in diesel powered vehicles on the highway in these areas during the relief period.

¹ **Florida:** Alachua, Bay, Bradford, Calhoun, Charlotte, Citrus, Collier, Columbia, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Hernando, Hillsborough, Holmes, Jackson, Jefferson, Lafayette, Lee, Leon, Levy, Liberty, Madison, Manatee, Marion, Monroe, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota, Sumter, Suwannee, Taylor, Union, Wakulla, Walton and Washington counties.

Tennessee: Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi and Washington counties.

Virginia: City of Galax, Grayson, Smyth, Tazewell, Washington, Wise and Wythe counties.

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