

Florida Cracking Down on Dyed Diesel Language

The Florida Department of Revenue is using the audit process to crack down on the language used to describe tax exempt dyed diesel on invoices and bills of lading. Pursuant to the applicable statute a terminal operator must provide a notice of dyed diesel to taxpayers receiving dyed diesel at the terminal rack and a seller of dyed diesel must provide a notice to its buyer if the fuel is outside the bulk system and not sold from a retail pump. The notice of dyed diesel must include the following language in full: "DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE." The penalty for incorrect marking is \$10 per gallon.

Note that the same section of the statute requires that shipping papers related to tax-paid clear diesel be marked as follows: "THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE," though the \$10 per gallon penalty for not properly marking the shipping papers does not appear to apply.