

Nebraska Dyed Diesel Penalty Assessments

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

Diesel fuel that is untaxed and intended solely for non-highway purposes contains red dye. Using dyed diesel fuel in a motor vehicle that is registered, or required to be registered for operation on the highway, subjects the registered owner of the motor vehicle to a penalty.

Any law enforcement officer, carrier enforcement officer, or any agent of the Department who has reasonable grounds to suspect a violation of this law, may inspect the fuel in the fuel supply tank of any motor vehicle to determine compliance. Fuel inspections may also be conducted in the course of safety or other inspections.

Any person who **violates** any provision of this law or who **refuses** to permit an inspection shall be guilty of a Class IV misdemeanor and shall be subject to a penalty. The amount of the penalty ranges from \$250 to \$2,500 depending upon the existence of previous violations.

The sample of fuel taken from this motor vehicle will be tested for the presence of red dye. If red dye is detected in the sample, a penalty will be assessed. The penalty assessment will be in the form of a letter issued by the Department. It will explain your options for payment or appeal and the time frames you must follow. **No action regarding this penalty is required on your part until this letter is received.**

You may be subject to an additional federal penalty. The results of this test will be shared with the IRS who may issue a separate penalty against you. This federal penalty, if issued, is separate and distinct from the state penalty and must be treated accordingly.

If you have any questions regarding the Nebraska penalty, please contact the person designated in the letter you receive in the mail.