



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Cory Fong, Commissioner

To: North Dakota Motor Fuels Retailers
From: North Dakota State Tax Commissioner's Office
Date: July 3, 2013
Subject: Notice Requirement on Dyed Diesel Fuel Pumps

If your retail location does not dispense dyed diesel fuel at a retail pump you may disregard this notice.

The 2013 North Dakota Legislative Session passed a bill affecting retailers who dispense dyed diesel fuel at a pump. Senate Bill 2294 requires all retailers to display a prescribed sticker on each pump from which they dispense dyed diesel fuel. The sticker advises consumers of the administrative fee for a violation of using dyed diesel fuel in a licensed vehicle. Retailers are required to display the sticker on all pumps dispensing dyed diesel fuel beginning August 1, 2013. In addition, retailers are required to display a sticker notifying consumers that dyed diesel fuel is for off-road use only. **To obtain the required sticker please contact the North Dakota Petroleum Marketers Association at 701.223.3370 or at www.ndpetroleum.org.** Retailers are advised to replace these stickers when their condition has deteriorated to a point they are not obvious to consumers.

Senate Bill 2294 also increased the administrative fee for each dyed fuel violation. Diesel fuel found in a vehicle supply tank is considered in violation if a tested sample contains dye, which is also a violation of Federal law. Beginning August 1, 2013, a first violation increases from \$250 to \$500; a second violation increases from \$500 to \$2,000; a third violation increases from \$1,000 to \$4,000; and a fourth and subsequent violation increases from \$5,000 to \$10,000.

The dyed fuel enforcement program in North Dakota was implemented and has been in effect for approximately 18 months. The program is an effort to ensure that those driving on roads in the state are paying their share of tax to maintain the road infrastructure. The program is a result of a cooperative agreement with the Internal Revenue Service (IRS), the Tax Commissioner's Office, and the Highway Patrol. Fuel inspections conducted at several sites around the state have resulted in a considerable number of violations.

Information collected during fuel inspections indicates that violators have fueled at farms, business locations, construction and industrial sites, and retail locations. By agreement, the state and IRS collect and share violation information for compliance efforts with both state and Federal motor fuel tax statutes. Fueling at these various sites may subject violators, or those that supply the fuel, to some Federal liability.

For further information regarding the prescribed sticker requirement please contact 701.328.3657 or email fueltax@nd.gov.