



International Fuel Tax Agreement (IFTA) Guidance for Reporting Dyed Diesel Fuel Used During the Relief Period of October 6, 2026, through December 31, 2026

To: IFTA Licensees using dyed diesel fuel on Illinois highways and roadways for farming and agricultural purposes

Illinois Executive Order 2026-08 authorized penalty relief for use of dyed diesel fuel on Illinois highways and roadways for farming and agricultural purposes during the period of October 6, 2026, through December 31, 2026.

For the IFTA Quarterly Return, instructions have been created for reporting dyed diesel fuel activity and purchases in Illinois during the relief period. Proper records must be maintained to support the transportation activity in the quarter, including the qualified use of dyed diesel fuel according to the Executive Order 2026-08.

What is an IFTA Qualified Motor Vehicle (QMV)?

A motor vehicle used, designed, or maintained for transportation of persons or property and having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds; or having three or more axles regardless of weight; or is used in combination, when the weight of such combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight.

Can my IFTA QMV use dyed diesel fuel according to Executive Order 2026-08?

If your vehicle travels interstate using dyed diesel fuel for agricultural purposes, it is your responsibility to be aware of each IFTA jurisdiction's dyed diesel fuel laws. Traveling through an IFTA jurisdiction that does not allow use of dyed diesel fuel for your operations may subject you to that jurisdiction's penalties.

During the relief period of October 6, 2026, through December 31, 2026, the Illinois Department of Revenue (IDOR) will not assess penalties on dyed diesel fuel used in Illinois to operate an IFTA QMV transporting agricultural commodities or farm supplies in the course of agricultural operations, such as from a farm to a market, storage facility, or processing site, or between farm locations; or transporting products directly related to the growing or harvesting of agricultural commodities, livestock, and feed.

What records must I keep?

In addition to the recordkeeping requirements, the **IFTA Procedures Manual** Sections P500-570 and **IFTA Articles of Agreement Sections** R700 and R1020, you must maintain specific records of dyed diesel fuel use on Illinois highways and roadways for farming and agricultural purposes from October 6, 2026, through December 31, 2026.

To prove eligibility during the relief period, retain the receipt, invoice, or transaction listing the dyed diesel fuel acquired from the seller/ bulk storage dispenser. This documentation must contain:

- date of the fuel purchase;
- name and address of the seller of dyed diesel fuel;
- license plate number of the IFTA QMV using dyed diesel fuel; and
- gallons of dyed diesel fuel put into the supply tank of the IFTA QMV.

You must also retain proof the dyed diesel fuel was used for farming and agricultural purposes, including, but not limited to, as applicable:

- documentation showing source of origin of agricultural goods;
- invoices of agricultural goods either received or delivered;
- waybills or bills of lading;
- trip sheets;
- transportation contracts; and
- storage receipts (e.g. grain tickets).

Failure to provide required documentation during an audit may result in penalties. Users affected by Executive Order 2026-08 must maintain fuel records for a period of **four (4)** years.

Does the exemption cover empty return trips?

Transportation into and throughout Illinois using dyed diesel fuel for farming and agriculture purposes from October 6, 2026, through December 31, 2026, includes the empty return trip.

How do I report dyed diesel fuel used on highways and state roads for farming and agricultural purposes in Illinois during the relief period on Form MFUT-15, IFTA Quarterly Return?

Follow these instructions to calculate an accurate mile per gallon figure and for use in completing the IFTA Quarterly Return.

Include all the gallons (both clear and dyed diesel fuel) put into the supply tank of your IFTA qualified motor vehicles to calculate the fleet miles per gallon (MPG).

When you list the jurisdictional (state or province) details of your travel activity for the Illinois line, report:

- **Total Miles** – All the miles driven in Illinois.
- **Taxable Miles** – Subtract the miles where dyed diesel fuel was used from October 6, 2026, through December 31, 2026, for farming and agricultural purposes in Illinois from the total miles driven in Illinois.
- **Taxable Gallons** – Calculate your taxable gallons by dividing the taxable miles by the MPG.
- **Tax-paid Gallons** – Only report tax paid clear diesel gallons. Do **not** include any dyed diesel fuel gallons when you report tax-paid fuel.
- **Net Taxable Gallons** – Calculate your net taxable gallons by subtracting your tax-paid gallons from your taxable gallons.

Example: Illinois IFTA Licensee Bob's Farming LLC traveled 5,000 miles in two jurisdictions (IL and another jurisdiction "XX") during the fourth quarter.

- In jurisdiction "XX", they drove 1,100 **Total Miles**, all 1,100 miles were **Taxable Miles**, and they did not purchase any fuel.
- In Illinois, they drove 3,900 total miles, and 3,000 of the Illinois miles were for farming and agriculture purposes during October 6, 2026, through December 31, 2026, using dyed diesel fuel. They used 800 total gallons (300 gallons of clear diesel and 500 gallons of dyed diesel fuel, all acquired in Illinois).
- Their average fleet MPG was 6.25.

On the **Illinois** line, Bob's Farming LLC would report:

- **Total Miles** = 3,900
- **Taxable Miles** = (3,900 **Total Miles** – 3,000 miles during the penalty relief period) = 900
- **Taxable Gallons** = (900 **Taxable Miles** / 6.25 MPG) = 144
- **Tax-paid Gallons** = only clear diesel gallons, dyed diesel fuel gallons are not tax paid = 300
- **Net Taxable Gallons** = (144 **Taxable Gallons** – 300 **Tax-paid Gallons**) = -156

The system will calculate the tax or credit by multiplying the net taxable gallons by the state's motor fuel use tax rate. Continue to report the total travel in other jurisdictions by providing the details on each jurisdiction's line until finished with the return. Using the example with Bob's Farming LLC, they would enter the details of their travel in the other jurisdiction ("XX").

On jurisdiction "XX's" line, Bob's Farming LLC would report:

- **Total Miles** = 1,100
- **Taxable Miles** = 1,100
- **Taxable Gallons** = 176
- **Tax-paid Gallons** = 0
- **Net Taxable Gallons** = 176

The system will calculate the tax or credit by multiplying the net taxable gallons by the state's motor fuel use tax rate. Since they only traveled in two jurisdictions, their return would be complete.

Does the IFTA Quarterly Return impact my obligations to the Federal Government?

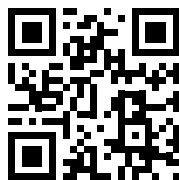
No. The IFTA Quarterly Return is a separate obligation pertaining to motor fuel use taxes of the states and Canadian provinces participating in the International Fuel Tax Agreement. The state's motor fuel use tax is different and separate from the Federal excise tax imposed for on-road use of dyed diesel fuel that has been deferred through President Donald J. Trump's **Executive Order**. The **IRS provided guidance on dyed diesel fuel relief** offered in the Presidential Executive Order on October 14, 2026.

Where can I find additional resources?

- For information regarding the Presidential Executive Order, see <https://www.irs.gov/newsroom/irs-provides-dyed-diesel-fuel-relief-related-to-excise-tax-following-president-trumps-executive-order>.

For information regarding Illinois Executive Order 2026-08:

- IDOR at tax.illinois.gov.
- For IFTA Questions, email IDOR at rev.ifta@illinois.gov or call 217-785-1397.



Printed by the authority of the State of Illinois, electronic only, one copy

This bulletin is written to inform of recent changes and does not replace statutes, rules and regulations, or court decisions.

Sign up for IDOR's email and SMS text subscription service to receive the latest news and updates. Visit tax.illinois.gov to learn more.