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Commissioner

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To: International Fuel Tax Association, Inc., and all IFTA member jurisdictions

Re: Executive Directive 5 (2026) and IFTA reporting of dyed fuel purchased and used in Virginia

On October 16, 2026, Governor Abigail Spanberger issued Executive Order 5, which waives civil penalties for the use of dyed diesel fuel on the highways of the Commonwealth, provided that the backup tax levied under § 58.1-2225 of the *Code of Virginia* is first paid on such fuel. This waiver became effective on October 16, 2026, and will remain in effect until December 31, 2026, unless extended or rescinded.

Executive Order 5 does not waive Virginia's road tax on motor carriers. Accordingly, *all* fuel used by qualified highway vehicles in Virginia remains subject to the tax imposed and collected pursuant to Chapter 27 of Title 58.1 of the *Code of Virginia* and the provisions of the International Fuel Tax Agreement, regardless of where the fuel was purchased or whether the fuel is clear or dyed.

When filing tax returns that include activity for the period covered by the directive, IFTA licensees should include all diesel fuel purchased and all distance traveled—for both dyed and undyed fuel—in the summary section of the return that is used to calculate the licensee's overall diesel fleet MPG.

In addition, in the portion of the return reporting jurisdiction-by-jurisdiction use and purchases of diesel fuel, IFTA licensees should:

- report *all* distance traveled in Virginia—including miles traveled using dyed diesel fuel—in the “total miles” and “taxable miles” columns, and
- report *all* tax-paid fuel purchased in Virginia—including dyed diesel on which the backup tax has been paid—in the “tax-paid gallons” column.

To satisfy the recordkeeping requirements for tax-paid fuel, licensees should retain documentation demonstrating payment of the backup tax on any dyed fuel used on the highway. The retention period for this documentation is the same as for other tax-paid fuel receipts: four years from the later of the due date or the actual filing date of the quarterly return.