LOUISIANA DEPARTMENT of REVENUE
Tax Policy & Planning
Revenue Information Bulletin

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November 2, 2026
Excise Tax

Renewal of Waiver of Dyed Diesel Fuel Penalty in Accordance with Executive Order Number JML 26-101

October 19, 2026 – November 18, 2026

On September 22, 2026, Governor Jeff Landry signed Executive Order Number JML 26-090, which declared a statewide state of emergency because of a shortage of diesel fuel supply. For vehicles registered as Class 2 and Class 5, the order suspended the state laws that make it unlawful to sell or use dyed diesel fuel on the highway and directed state agencies not to assess the state diesel fuel penalty for selling or using tax-exempt dyed diesel fuel on the highway. JML 26-090 was in effect from September 23, 2026, through October 22, 2026.[1]

On October 19, 2026, Governor Jeff Landry signed Executive Order Number JML 26-101 renewing the emergency declaration and continuing the dyed diesel relief from Monday, October 19, 2026, through Wednesday, November 18, 2026.

The penalty relief applies to owners and operators of Class 2 and Class 5 vehicles[2], and anyone who sells dyed diesel fuel to owners and operators of Class 2 and Class 5 vehicles.

The state Executive Orders do not suspend the Louisiana excise tax on diesel fuel used in highway vehicles.[3] Ordinarily, dyed diesel fuel is not taxed because it is sold for uses exempt from the excise tax, such as for off-road use or to farmers for farming purposes.

LDR will accept a retailer's ordinary business records as meeting the recordkeeping requirements of La. R.S. 47:818.23 for sales of dyed diesel for use in a Class 2 or Class 5 vehicle from September 23, 2026, through November 18, 2026, or the expiration date of any later executive order extending the penalty relief. The records do not need to show that excise tax has been paid. LDR will not challenge a failure to keep records pertaining to dyed diesel sold or delivered. Taxpayers will not be required to reconstruct these records during or after the relief period. All other record keeping requirements for motor fuel transactions remain in effect.

[1] See Revenue Information Bulletin 26-018 for more information.
[2] See La. R.S. 47:462
[3] See La. R.S 47:818.12(B) and 820.1.

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Federal relief

Separately, on October 5, 2026, the President of the United States issued Executive Order 14435, "Emergency Tax Relief on Diesel Fuel." The order instructs the Secretary of the Treasury, to the extent allowed by law, to defer payment of federal tax on dyed diesel fuel sold or used for highway use from October 5, 2026, through December 31, 2026.

On October 14, 2026, the IRS announced that it will not impose a federal penalty when dyed diesel fuel is sold for highway use or used on highways nationwide during the period October 1, 2026, through December 31, 2026. The federal relief applies to any person who sells dyed diesel fuel for highway use or uses dyed diesel fuel for highway use; it is not limited to Class 2 or Class 5 vehicles.

On October 21, 2026, the IRS announced temporary relief from federal reporting and record keeping taxable uses of dyed diesel during the same period. For the federal excise tax liability under Internal Revenue Code section 4041(a), the IRS will not challenge a failure to file Form 720 solely to report that liability, to report that liability on an otherwise required Form 720, or to create or keep records solely to support that liability. Taxpayers do not need to report that liability or reconstruct those records later. Taxpayers must continue to meet requirements that independently apply to other federal taxes or to claims for exemption, credit, or refund.

The federal relief does not change Louisiana's relief. It does not extend Louisiana's relief period, waive Louisiana excise tax or penalties, or change dyed fuel requirements or eligibility rules. Louisiana's relief ends on November 18, 2026, unless the Governor extends it. The federal relief period runs through December 31, 2026.

For more information about the federal relief visit the IRS website:

Temporary Reporting and Recordkeeping Relief for Certain Fuel Uses:
https://www.irs.gov/newsroom/temporary-reporting-and-recordkeeping-relief-for-certain-fuel-uses

Dyed Diesel Frequently Asked Questions:
https://www.irs.gov/newsroom/dyed-diesel-frequently-asked-questions

Send questions about Louisiana's relief of the dyed diesel fuel penalty to PolicySevExcise@la.gov.

Jarrod J. Coniglio
Secretary

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