

Fuel Tax Evasion Unit

The Fuel Tax Evasion Unit is intended to promote compliance with fuel tax laws by providing important information about the laws, by increasing awareness of fuel-fraud schemes and by allowing online reporting of suspected fraud or other noncompliance.

Illegal/untaxed fuel is everyone's problem. It damages vehicle engines, gives violators an unfair price advantage, pollutes the air and soil due to high sulfur content, and robs funding intended for road construction.

Please report the violation if you are aware of attempts to

- use red-dyed fuel on the road.
- blend waste products or other untaxed products with fuel.
- bootleg fuel into Arizona without paying AZ fuel tax.
- file false claims for refunds of fuel taxes.
- otherwise evade fuel taxes.
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You can report violations by going [online](#) or calling 877.AZFuels (877.293.8357).

Civil and Criminal Penalties

Arizona statute prescribes both civil and criminal penalties for violations of the fuel tax laws and related offenses. Civil penalties are in addition to any taxes and interest due and may include a penalty of 50 percent of the tax assessed if any part of the deficiency is due to fraud.

Criminal violations include those involving fuel tax evasion; impeding or obstructing enforcement of the laws; illegally using (or assisting another in using) dyed fuel on a highway; attempting to remove or alter the strength or composition of dye contained in fuel; and the filing of false statements or reports, including false claims for tax refunds. Willful violations may result in imprisonment.

Fuel-Tax Rates in Arizona

The Arizona tax on gasoline (motor vehicle fuel) is 18¢ per gallon. Use fuel (diesel) is taxed at two rates in Arizona.

If the use fuel is used in the propulsion of a use class motor vehicle on a highway in this state, the tax rate is 26¢ for each gallon.

A "use class motor vehicle" means a motor vehicle that uses use fuel on a highway in this state and that is a road tractor, truck tractor, truck or passenger carrying vehicle having a declared gross vehicle weight of more than 26,000 pounds or having more than two axles.

If the use fuel is used in the propulsion of a light class motor vehicle (such as a pickup truck) or an exempt vehicle (certain school buses, government and non-profit vehicles, see [28-5432.C](#)) on a highway in this state, the use fuel is taxed at the same rate per gallon as the motor vehicle fuel tax (18¢ per gallon). (See [28-5601](#), [5605](#), [5606](#).)

Note: ADOT is not responsible for regulating the proper measurement (fuel volume) of motor fuels (gasoline, diesel, propane, etc) or for analyzing fuel octane levels. If you feel that a fuel pump is not dispensing the indicated volume of fuel, or that fuel fails to meet octane standards, you should contact the [Weights and Measures Division of the AZ Department of Agriculture](#). Also note that the state of Arizona does not regulate the price of fuel.