

Red-Dyed Diesel Fuel in Arizona

The Arizona Department of Transportation (ADOT) is responsible for providing a safe, efficient, cost-effective transportation system. To achieve this mission, ADOT is funded primarily by taxes generated from the sale of gasoline and diesel fuel.

Arizona state law allows for a certain type of diesel fuel to be exempt from motor fuel taxes. This fuel, called "red-dyed diesel fuel" because of the red dye added to it by the supplier, is designed for a **non-highway-use** vehicle, such as farm or roadway construction equipment.

Sometimes individuals and businesses use red-dyed diesel fuel in an **on-highway-use** vehicle, such as a personal pickup truck or commercial vehicle, to avoid paying motor fuel taxes. This is illegal per state law (the Arizona Revised Statutes) and reduces the amount of revenue available to fund the state transportation system.

What Is Red-Dyed Diesel Fuel?

This is diesel fuel with a special red dye added to identify it from standard diesel. The red dye means the fuel is to be used in vehicles not driven on public streets or highways.

Red-Dyed Diesel Fuel Is Not Taxed (A.R.S. § [28-5610](#))

Money collected from taxes on the sale of gasoline and normal, "clear" diesel fuel goes into the state highway fund to pay for the design, construction and maintenance of Arizona's roads and bridges. Red-dyed diesel fuel is not taxed because the vehicles that legally use it are not putting wear and tear on public roads.

What Is the Problem?

Red-dyed diesel fuel is being illegally used in vehicles and equipment that should be using standard diesel fuel while traveling on public streets and highways. Violations of the red-dyed diesel regulations result in Arizona losing millions of dollars in revenue that is needed to pay for roadway maintenance and improvements. This is real money that could be used to repair or replace roadways, remodel highway rest areas and refurbish bridges.

When people don't pay their fair share, Arizona's honest people and businesses are hurt.

Fuel Tax Evasion Tip Line
877.293.8357

Arizona Department of
Transportation
Fuel Tax Evasion Unit
P.O. Box 2100
Mail Drop 514M
Phoenix, AZ 85001-2100



Red Diesel is ^{Not} Street Diesel

YES!

Legal Use of Red-Dyed Diesel Fuel

Off-road vehicles and equipment used in agriculture (farming and ranching), mining and roadway construction:



NO!

Illegal Use of Red-Dyed Diesel Fuel

On-road vehicles:



Enforcement of the Law (A.R.S. § [28-5620](#) and [28-5648](#))

The Arizona Department of Transportation Enforcement and Compliance Division, with other state and federal agencies, are responsible for the enforcement of federal and state laws governing dyed diesel fuels.

- Penalties for Illegal Use of Red-Dyed Diesel Fuel (A.R.S. § [28-5647](#))

First Offense

- Minimum penalty of \$1,000 or \$10 per gallon of red-dyed diesel fuel involved, whichever is more.

Multiple Offenses

- The first offense penalties are multiplied by the number of occurrences.

There can be criminal charges and civil penalties.

What Can You Do?

- Use red-dyed diesel fuel legally — not on the street, and only in certain off-road vehicles.
- Report violators of the law to ADOT.

How Can the Public Help?

Public awareness, education and involvement are essential in eliminating fuel tax evasion.

<http://azdot.gov/apps/reportfueltaxevasionviolator>