TEAM KENTUCKY
TRANSPORTATION CABINET

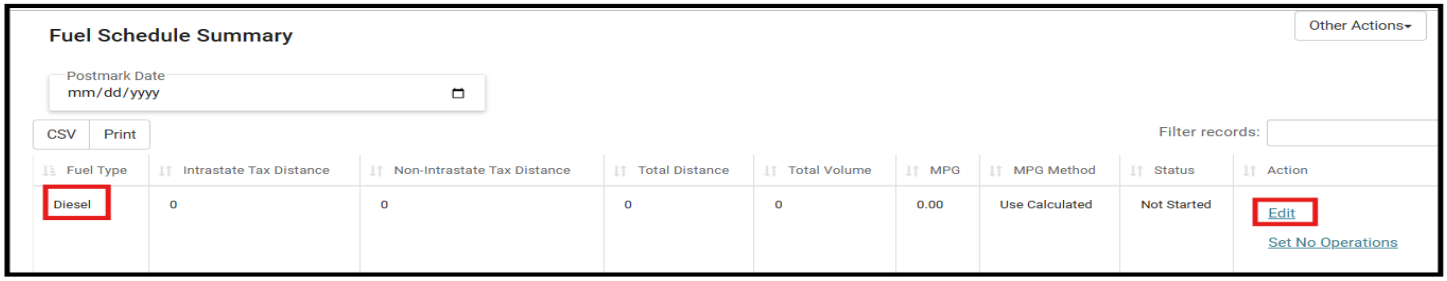
REPORTING DYED DIESEL ON THE INTRASTATE TAX RETURN

Use these instructions to report dyed diesel fuel purchased without tax and used in qualified vehicles during the period authorized under Kentucky's Executive Order 2026-667, effective October 8, 2026.

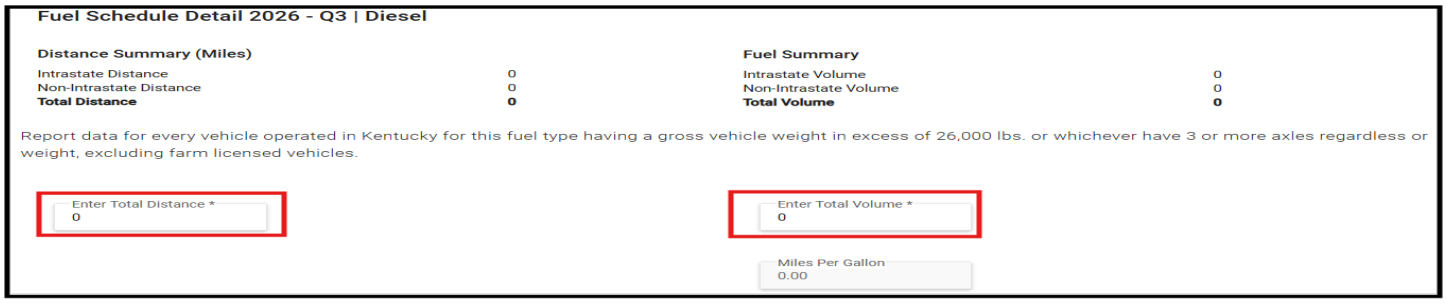
Dyed diesel purchased without tax must be included in the total volume reported and included as Non-Intrastate fuel. All highway miles will continue to be reported as taxable.

Reporting dyed diesel as Non-Intrastate fuel does not exempt the fuel or the highway mileage from Intrastate fuel-use taxes.

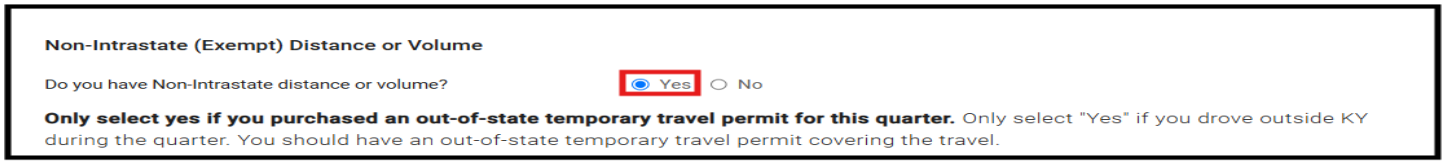
1. Start the Fuel Schedule Summary for Diesel Fuel Type and Select 'Edit'.



2. Enter Total Distance and Total Volume in Fuel Schedule Detail for all Intrastate vehicles and all vehicles that purchased untaxed fuel in Kentucky.



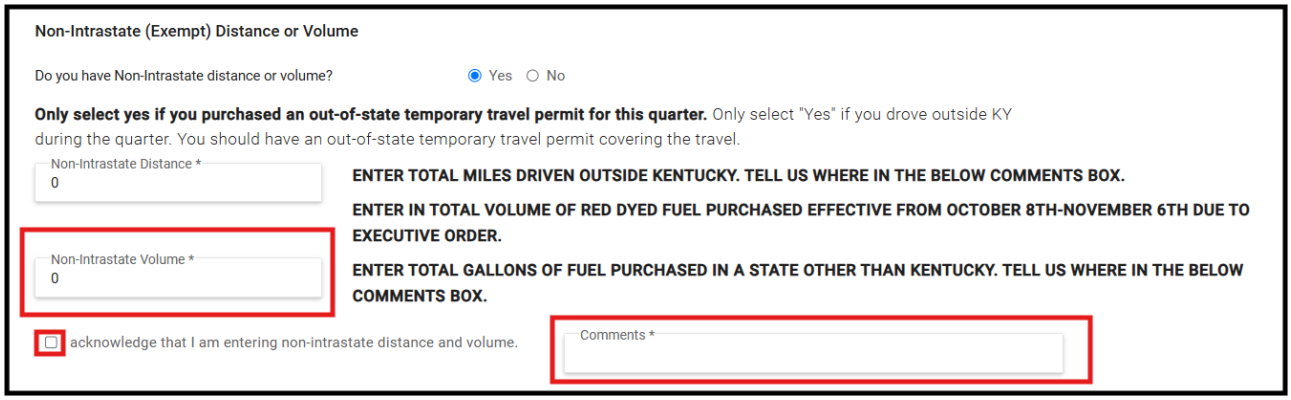
3. To report dyed diesel (fuel purchased without tax), select 'Yes' under Non-Intrastate (Exempt*) Distance or Volume.



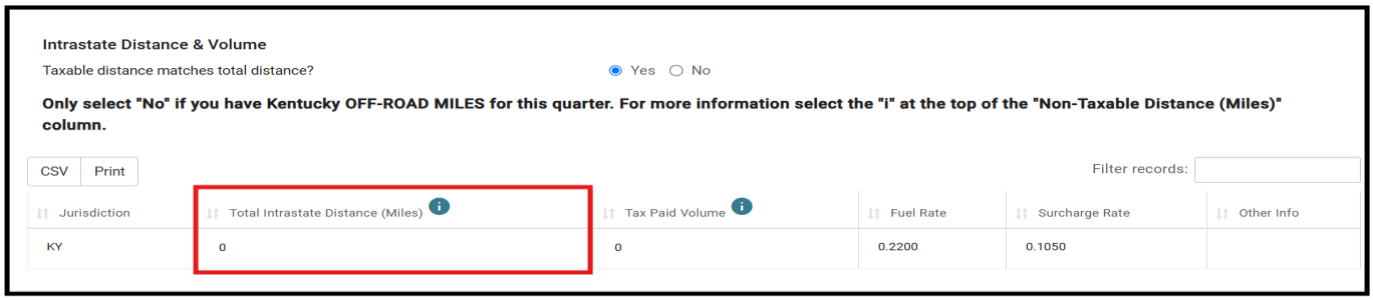
4. Under Non-Intrastate Distance or Volume, enter total amount of untaxed or dyed diesel purchased between October 8, 2026 – November 6, 2026, under 'Non-Intrastate Volume'.

5. Select the checkbox acknowledging the data entered and add a required comment.
   E*xample: Purchased dyed diesel*

> **Entering dyed diesel in this section identifies fuel purchased without tax and not fuel exempt from Kentucky highway fuel-use tax. Non-Intrastate Distance does not apply to dyed diesel purchases.**



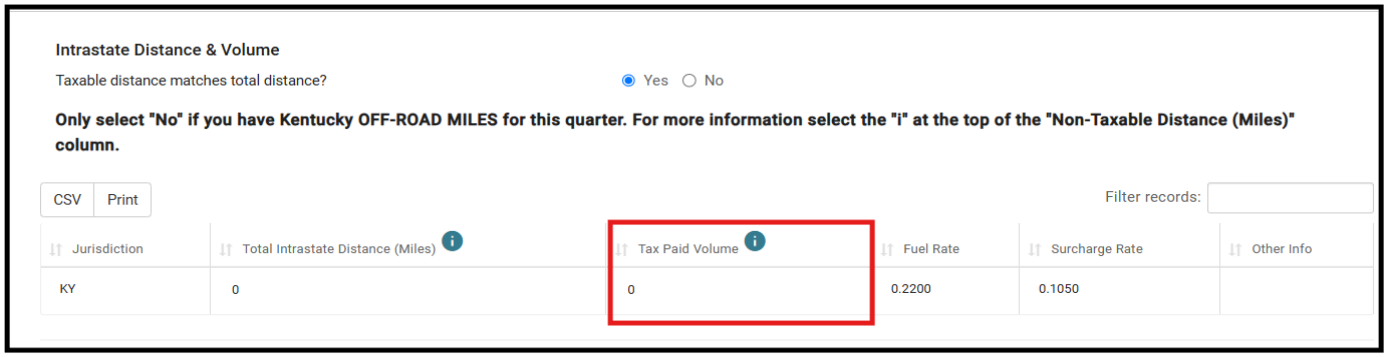
6. Under Intrastate Distance & Volume, enter 'Total Intrastate Distance (Miles)' and include all miles traveled in Kentucky, regardless of if vehicle used regular or dyed diesel.



7. Next, enter 'Tax Paid Volume' for all qualifying tax-paid fuel purchases in Kentucky.

   For fuel purchased in Kentucky:

   - If <u>only</u> untaxed dyed diesel was purchased in Kentucky, enter '0' for Kentucky Tax-Paid Volume.
   - <u>If both</u> regular diesel and untaxed dyed diesel were purchased, enter only the volume of regular diesel purchased. Do not include untaxed dyed diesel volume.



8. Once all data is entered and verified, select 'Save and Continue'.



IMPORTANT INFORMATION

- Dyed Diesel and Intrastate Taxes: Dyed diesel purchased without tax is not automatically exempt from Intrastate fuel-use tax. Applicable taxes will be calculated based on taxable highway operations.
- Travel in Other Jurisdictions: Kentucky's executive order does not exempt carriers from fuel-use taxes imposed by other jurisdictions. Carriers must report their mileage and fuel purchases accordingly.
- Recordkeeping Requirements: Carriers must maintain accurate records of dyed diesel purchases, tax-paid fuel purchases, and mileage to support the information reported on their IFTA returns.

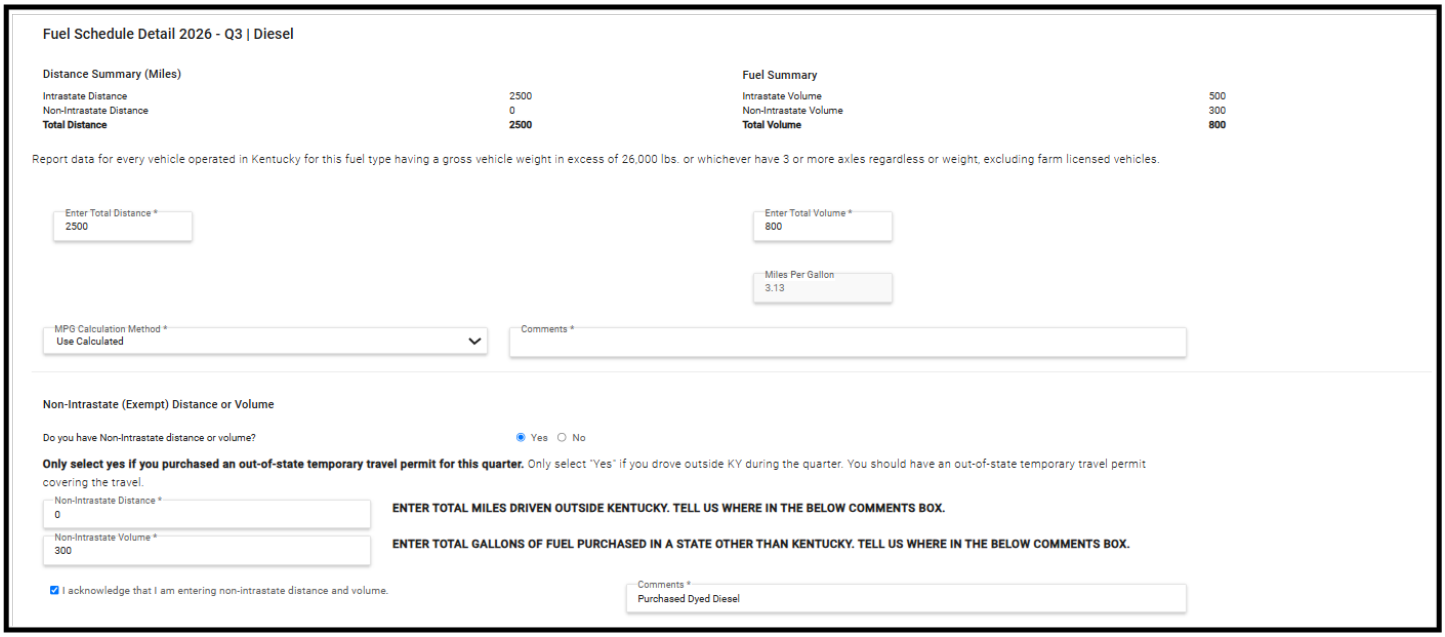
SCENARIOS

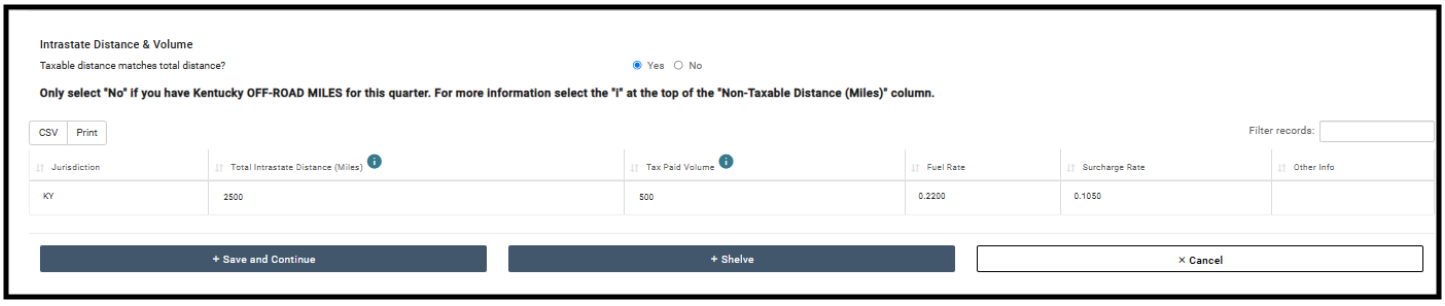
For demonstration purposes only

Scenario #1 – Mixed Fuel Purchases

I have two trucks. One purchased 300 gallons of untaxed dyed diesel in Kentucky, and one purchased 500 gallons of regular diesel in Kentucky. They traveled 2500 miles in Kentucky during quarter four.

Total Distance:	2500	Total Volume:	800
Non-Intrastate Volume:	300	Tax Paid Volume:	500





Scenario #2 – Dyed Diesel Purchases Only

I have one truck that purchased all 800 gallons of dyed diesel in Kentucky and operated 2500 miles in Kentucky during quarter four.

Total Distance:	2500	Total Volume:	800
Non-Intrastate Volume:	800	Tax Paid Volume:	0

