



Department of Motor Vehicles
Tax Services
P.O. Box 27422
Richmond, VA 23269-7422

**SECOND NOTICE
ADDITIONAL OPTION
FOR
FUEL SUPPLIERS, DISTRIBUTORS
AND IMPORTERS REGARDING HURRICANE
KATRINA AND TAXABILITY OF DYED DIESEL
September 9, 2005**

On September 2, 2005, the Department of Motor Vehicles issued an urgent notice to fuel suppliers, distributors and importers regarding the taxability of dyed diesel fuel in response to fuel supply issues created by Hurricane Katrina and subsequent action taken by the EPA, IRS and Governor Warner. In response to concerns expressed by some suppliers, DMV is offering an additional option to address the taxability of dyed diesel and the reporting requirements during this emergency time.

**Effective immediately and through September 15, 2005
suppliers may sell dyed diesel as a non-taxable product.**

Purchases and sales of dyed diesel during this emergency period for this option should be reported on the designated lines on the September tax return.

Reporting Instructions for Suppliers

Suppliers should report dyed diesel as a non-taxable product in the same manner in which it was reported prior to the emergency situation.

Reporting Instructions for Distributors and Importers

Distributors and importers should report dyed diesel on the distributor or importer report in the same manner in which it was reported prior to the emergency situation. The only exception is when the product is being sold for a taxable use.

Dyed diesel on which tax has not been paid that is sold for a taxable purpose by the distributor or importer during this period should be reported on a FT218 Tax and Tank Fee Assessment and FT474 Fuel Tax Payment form. The form and payment should be remitted to the DMV on or before November 21, 2005.

Distributor and Importer Refunds

In an effort to provide timely refunds for taxes that may have been charged on dyed diesel under the options outlined in the September 2nd Notice, distributors and importers are asked to submit September returns on or before November 1, 2005. September refunds on returns submitted by this date will be processed such that payment will be received by the distributor or importer on or before November 18, 2005.

Contact Information

If you have any questions about any information on this document, contact DMV's Tax Services at:

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