



# Special Notice to Farmers

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STATE BOARD  
OF EQUALIZATION

450 N Street  
Sacramento, CA 95814

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**Board website and  
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information:**  
[www.boe.ca.gov](http://www.boe.ca.gov)

**Taxpayer's Rights  
Advocate:** 888-324-2798

## Federal Excise Tax Will Apply to Your Clear Diesel Fuel Purchases Starting October 1, 2005

We are sending you this notice to inform you of a change in the federal fuel tax law that will take effect October 1, 2005. *Only the federal law will change.* The change is part of the Safe, Accountable, Flexible and Efficient Transportation Equity Act (SAFETEA) passed by Congress in August 2005. California diesel fuel tax law that applies to farmers is *not* affected by this change.

### Does the change in the federal law affect my purchases of clear diesel fuel?

Yes. Current law allows you to buy clear diesel fuel without paying state or federal excise taxes by giving an exemption certificate to your fuel vendor. Starting October 1, 2005, you must pay the *federal* excise tax of 24.4 cents per gallon when you buy clear diesel fuel. If you use the tax-paid clear diesel fuel in a nontaxable way (off-highway), you may file a claim for refund with the Internal Revenue Service. For more information, visit the IRS website at [www.irs.gov](http://www.irs.gov).

You may continue to purchase clear diesel fuel without paying *California* excise tax by giving your vendor a *Certificate of Farming Use* (Form BOE-608). If you purchase clear diesel fuel in this way, you *must* use it on a farm for farming purposes. You must pay tax to your vendor for any fuel you use on the road.

### Can I buy dyed diesel fuel without paying federal excise tax?

Yes. You may buy dyed diesel fuel for use on your farm without paying federal or state excise tax. However, you may not place dyed diesel fuel in any registered vehicle or use it on a road. The penalty for illegal use of dyed diesel fuel is \$10 per gallon, or \$1,000 multiplied by the number of violations, whichever is greater. The penalty is imposed by both state and federal law.

### For more information

If you have questions about this notice, please call our Fuel Taxes Division at 916-322-9669 or toll-free at 800-400-7115 (follow the prompts to fuel taxes). Staff are available to help you weekdays from 8:00 a.m. to 5:00 p.m., except state holidays.