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High Fuel Prices Prompt Tax Evasion Attempts

Department of Revenue Increases Motor Fuel Checks

SPRINGFIELD – Skyrocketing diesel fuel prices are prompting truckers to try to evade motor fuel taxes by burning untaxed diesel fuel intended for use off the highway.

During the first eight months of 2008, agents for the Department of Revenue's Bureau of Criminal Investigation (BCI) have already caught 117 trucks using untaxed diesel fuel for highway use. Agents caught 111 trucks with untaxed diesel fuel in all of 2007 and only 46 trucks in 2006.

"Our stepped up enforcement is a matter of simple fairness," said Revenue Director Brian Hamer. "The motor fuel taxes being evaded pay for the very roads these trucks use. Honest truckers who pay the tax want to know we are pursuing those who do not."

Drivers offer a variety of excuses after being caught with the untaxed diesel fuel. Drivers usually blame others such as an employee or the fuel delivery person. Drivers frequently say they have absolutely no idea how the untaxed fuel found its way into their fuel tank even though they own the vehicle and nobody else drives it.

On occasion a driver will readily admit the use of the tax-free fuel to save money:

- When stopped by agents near Cairo, for a fuel inspection recently, the driver just lowered his head and stated, "I'm as guilty as a four-legged possum."
- Just prior to a fuel inspection near Bloomington, another driver told an agent, "I'll save you the trouble; I've got dyed fuel in my truck". After the inspection which confirmed untaxed fuel the driver told the agent, "See, I told you so."
- The owner of a trucking business in Chicago was recently caught with dyed fuel in two of his semi trucks. When questioned about where he got the dyed fuel, the owner finally admitted he siphoned the dyed fuel from his neighbor's bulk fuel storage tank

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Diesel fuel that is to be used for off-road purposes only must contain a red dye and is not subject to U.S. and Illinois motor fuel taxes of 45 cents per gallon. A licensed motor vehicle operating on the highway cannot use dyed (untaxed) diesel fuel. Examples of diesel powered equipment that may legally use dyed diesel fuel include agriculture field equipment, bulldozers, backhoes, graders, industrial forklifts, generators, and commercial marine equipment.

The Department of Revenue enforces the dyed diesel law by stopping vehicles on the highway and testing for the presence of the red dye in their fuel. The first-time penalty for use of dyed diesel on the highway is \$2,500 and subsequent penalties are \$5,000. There are also criminal penalties.

BCI has been conducting fuel tax evasion special enforcement details throughout the state since 2000. However, due to the significant increase in motor fuel tax evasion, enforcement efforts are being increased. Thus far in 2008, special enforcement details have been conducted throughout Chicago, Metro-East St. Louis area, southeastern Illinois, southern Illinois, and the Quad Cities area. Investigators plan to travel to every county in the state to ensure equal and fair enforcement.