

ST 26-0012-GIL 04/22/2026 MOTOR FUEL TAX

A legible and conspicuous notice stating “Dyed Diesel Fuel, Non-taxable Use Only, Penalty For Taxable Use” must appear on all bills of lading and invoices accompanying any sale of dyed diesel fuel. 35 ILCS 505/4e. (This is a GIL).

April 22, 2026

NAME
TITLE
COMPANY
ADDRESS

Dear NAME:

This letter is in response to your letter dated March 9, 2026, in which you requested information. The Department issues two types of letter rulings. Private Letter Rulings (“PLRs”) are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department’s regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter (“GIL”) is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at <https://tax.illinois.gov/> to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL.

INQUIRY:

I am reaching out on behalf of COMPANY to request a General Information Letter under 2 Ill. Adm. Code 1200.120 regarding the Dyed Diesel Fuel Enforcement Program and the appropriate process for disputing or seeking review of related communications from the Illinois Department of Revenue (the "Department").

On or about October 30, 2025, COMPANY received a letter (Letter ID NUMBER) citing COMPANY's noncompliance with 35 ILCS 505/4e due to the placement of the required dyed diesel notice on the back of its invoices. COMPANY has, for years, placed such notice on the reverse side of its

invoices. However, to remedy the issue and meet the "conspicuous notice" requirement under the statute, COMPANY proposed adding the following statement to the front of its invoices: "DETAILED HAZARDOUS MATERIAL, EPA, AND IRS WARNINGS AND INFORMATION ON REVERSE SIDE." The Revenue Tax Specialist assigned to this matter rejected this proposal, asserting that "conspicuous" requires the dyed diesel notice itself to appear on the front of the invoice.

We are writing to request clarification and supporting authority regarding the interpretation of "conspicuous" under 35 ILCS 505/4e. We disagree with the assertion that our invoices fail to meet the statutory standard with the addition of our proposed language. From our review, it appears common within the industry for the required dyed diesel notice to be placed on the back of an invoice as long as a disclaimer to view additional terms on the reverse side is included on the front of the invoice.

If the submission of this General Information Letter is not the preferred avenue to obtain clarification of the statute and/or dispute the Revenue Tax Specialist's interpretation of the "conspicuous" term, we ask that you please provide direction on how to proceed with such.

We appreciate any guidance the Department can provide on this issue.

DEPARTMENT'S RESPONSE:

Section 4e of the Motor Fuel Tax Law states that "[a] legible and conspicuous notice stating 'Dyed Diesel Fuel, Non-taxable Use Only, Penalty For Taxable Use' must appear on all bills of lading and invoices accompanying any sale of dyed diesel fuel." 35 ILCS 505/4e. The word "conspicuous" is not defined in Section 4e. Black's Law Dictionary defines "conspicuous" as clearly visible or obvious. Black's Law Dictionary 305 (7th ed. 1999). Factors in considering whether a term or clause is conspicuous include type size and boldness, placement such as front or back of the page, and relative sophistication of the parties. *Sierra Diesel Injection Service, Inc. v. Burroughs Corp.*, 890 F.2d 108, 114-115 (9th Cir. 1989) (holding that district court's finding that the warranty disclaimer clauses were not conspicuous is not erroneous). A reviewing court must ascertain that a reasonable person in the buyer's position would not have been surprised to find the warranty disclaimer clauses. *Id.* at 115.

Placing language on the front of an invoice advising the purchaser of EPA and IRS warnings without mention of the Illinois Department of Revenue is not a conspicuous display of Section 4e notice. It is not obvious to a reader that Section 4e notice will be on

the reverse side. A reasonable person in the purchaser's position would be surprised to find a Section 4e notice on the reverse side of such an invoice based on the statements made on the front. Generally, descriptions of fuel purchased on the front of the invoice should match any numbered headings pertaining to the warnings and notices on the back of the invoice for the reader to discern which warnings and notices apply to the purchased fuel. Further, wording, acronyms, and abbreviations used inconsistently throughout the invoice impede the visibility of the pertinent language and decrease the likelihood of its discovery.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

Katarzyna Kowalska
Associate Counsel

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