

119TH CONGRESS
1ST SESSION

S. 1111

To amend the Internal Revenue Code of 1986 to allow for payments to certain individuals who dye fuel, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2025

Mr. JOHNSON (for himself and Ms. BALDWIN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow for payments to certain individuals who dye fuel, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PAYMENT TO CERTAIN INDIVIDUALS WHO DYE**
4 **FUEL.**

5 (a) IN GENERAL.—Subchapter B of chapter 65 of the
6 Internal Revenue Code of 1986 is amended by adding at
7 the end the following new section:

8 **“SEC. 6434. DYED FUEL.**

9 “(a) IN GENERAL.—If a person establishes to the
10 satisfaction of the Secretary that such person meets the

1 requirements of subsection (b) with respect to diesel fuel
 2 or kerosene, then the Secretary shall pay to such person
 3 an amount (without interest) equal to the tax described
 4 in subsection (b)(2)(A) with respect to such diesel fuel or
 5 kerosene.

6 “(b) REQUIREMENTS.—

7 “(1) IN GENERAL.—A person meets the re-
 8 quirements of this subsection with respect to diesel
 9 fuel or kerosene if such person removes from a ter-
 10 minal eligible indelibly dyed diesel fuel or kerosene.

11 “(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL
 12 OR KEROSENE DEFINED.—The term ‘eligible indeli-
 13 bly dyed diesel fuel or kerosene’ means diesel fuel or
 14 kerosene—

15 “(A) with respect to which a tax under sec-
 16 tion 4081 was previously paid (and not credited
 17 or refunded), and

18 “(B) which is exempt from taxation under
 19 section 4082(a).

20 “(c) CROSS REFERENCE.—For civil penalty for ex-
 21 cessive claims under this section, see section 6675.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 6206 of the Internal Revenue Code
 24 of 1986 is amended—

1 (A) by striking “or 6427” each place it ap-
 2 pears and inserting “6427, or 6434”; and

3 (B) by striking “6420 and 6421” and in-
 4 serting “6420, 6421, and 6434”.

5 (2) Section 6430 of such Code is amended—

6 (A) by striking “or” at the end of para-
 7 graph (2), by striking the period at the end of
 8 paragraph (3) and inserting “, or”, and by add-
 9 ing at the end the following new paragraph:

10 “(4) which are removed as eligible indelibly
 11 dyed diesel fuel or kerosene under section 6434.”.

12 (3) Section 6675 of such Code is amended—

13 (A) in subsection (a), by striking “or 6427
 14 (relating to fuels not used for taxable pur-
 15 poses)” and inserting “6427 (relating to fuels
 16 not used for taxable purposes), or 6434 (relat-
 17 ing to eligible indelibly dyed fuel)”; and

18 (B) in subsection (b)(1), by striking
 19 “6421, or 6427,” and inserting “6421, 6427,
 20 or 6434,”.

21 (4) The table of sections for subchapter B of
 22 chapter 65 of such Code is amended by adding at
 23 the end the following new item:

“Sec. 6434. Dyed fuel.”.

24 (c) EFFECTIVE DATE.—The amendments made by
 25 this section shall apply to eligible indelibly dyed diesel fuel

- 1 or kerosene removed on or after the date that is 180 days
- 2 after the date of the enactment of this section.

