

# What the October 5 diesel order means for truckers, farmers, and drivers

On October 5, 2026, President Donald J. Trump signed Emergency Tax Relief on Diesel Fuel. The order tells the IRS not to impose the dyed-fuel penalty when red diesel is used on the highway through December 31, and it gives Treasury five days to determine whether the 24.4-cent federal tax on that use is deferred without interest or penalties. Deferred is not forgiven. State fuel taxes still apply unless a governor matches.

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On October 5, 2026, the White House said President Donald J. Trump signed an executive order titled Emergency Tax Relief on Diesel Fuel. The release says he signed it tonight. It quotes him speaking in Nebraska.

He described red-dye diesel as the fuel farm vehicles, construction equipment, and other off-road vehicles have used for years: the same diesel as the highway fuel, sold tax-free for off-road work. He said the order would waive the off-road requirement and let anyone buy that fuel for any reason.

The order's own text is tighter than that sentence. This paper follows the order, then the fact sheet and the release, and it says which sentence comes from which page.

## The short version

Signed: October 5, 2026. The release says tonight, and quotes him in Nebraska.

Highway window: October 5, 2026, through December 31, 2026.

Dyed-fuel penalty: Within five days, Treasury directs the IRS to announce it will not impose 26 U.S.C. 6715(a)(1) or 6715(a)(2) when dyed diesel is sold for use or used on the highway in that window.

Federal tax: The release states 24.4 cents a gallon, about \$60 on a 250-gallon fill. The order defers the tax imposed by 26 U.S.C. 4041(a)(1)(A) or 4041(b)(1)(B) if Treasury makes the determination below.

Treasury's five days: Determine whether relief is authorized under 26 U.S.C. 7508A, including whether a qualifying event occurred and which taxpayers are affected.

Interest and penalties on the deferred tax: None, to the extent authorized by law. Section 2(b).

If a state matches: The release says savings will top \$100 a fill.

Forgiven?: No. Deferred. Treasury is told to explore eliminating the obligation, including by legislation.

## What the red dye is for

Diesel is taxed by the job it is bought for. The fact sheet says highway diesel pays state and federal excise taxes. Diesel for farms, construction, or heating does not. That off-road fuel is dyed red so an inspector can see it, and so the penalty and the back tax have something to point at.

Red dye is not a flavor. It is the mark on the fuel.

## The penalty the order tells the IRS to drop

Section 2(c) gives the Secretary of the Treasury five days to direct the Internal Revenue Service to announce that it will not impose a penalty under 26 U.S.C. 6715(a)(1) or 26 U.S.C. 6715(a)(2) when dyed diesel fuel is sold for use, or used, on the highway from October 5, 2026, through December 31, 2026.

The same announcement is supposed to cover penalties for failing to make the semimonthly deposits of that tax.

For a trucker, a farmer who also runs the road, or a driver buying red diesel in this window, that is the line at the scale. The order tells the IRS not to assess that dyed-fuel penalty for highway use on those dates. The announcement is something the Secretary is directed to make within five days. The order does not amend the statute.

### **The federal tax is deferred, after Treasury says so**

Section 2(a) is a different clock, and it is conditional. Within five days the Secretary, consulting the Secretary of War as appropriate, shall determine whether relief is authorized under 26 U.S.C. 7508A. That includes whether a qualifying event has occurred and which taxpayers have been affected. If the Secretary makes those determinations, the Secretary shall, to the extent the law allows, defer payment of the taxes imposed by 26 U.S.C. 4041(a)(1)(A) or 26 U.S.C. 4041(b)(1)(B) that are incurred from October 5, 2026, through December 31, 2026.

Section 2(b) says amounts deferred that way are deferred without penalties, interest, any additional amount, or an addition to the tax, again to the extent authorized by law.

The fact sheet says the same step in shorter words: defer the federal excise tax on on-road use of dyed diesel for the rest of the year, without interest or penalties. The release prices that federal diesel tax at 24.4 cents a gallon, or about \$60 on a 250-gallon fill.

Section 3 tells the Secretary to issue guidance. The guidance is supposed to name the relief, any conditions, the legal basis, who is covered, and the date by which the postponed tax must be paid. That pay-by date is not in the order. Until the guidance is published, the window is the window the order names, and the due date is still to come.

### **What this means at the pump**

- Highway use of dyed diesel from October 5 through December 31, 2026, is the use the order tells the IRS not to penalize under 26 U.S.C. 6715(a)(1) and 6715(a)(2).

- The federal excise tax the release prices at 24.4 cents a gallon is the tax the order tells Treasury to defer, without interest or penalties, if the five-day determination under 26 U.S.C. 7508A is made.

- The release says that federal piece is about \$60 on a 250-gallon fill. Where states match the federal action, it says savings will top \$100 a fill.

- State fuel taxes are not in the federal deferral. The fact sheet says highway diesel is subject to state and federal excise taxes, and that governors can use enforcement discretion to halt inspections and waive the tax liability for on-road use of dyed diesel.

The order tells the White House Office of Intergovernmental Affairs to encourage states to adopt a matching policy. A state that does not match leaves its own tax in place.

- The Secretary of Agriculture is told to coordinate with cooperatives, rural fuel distributors, and farm suppliers so dyed diesel reaches high-demand areas, and to encourage corresponding state action.

- The Secretary of Transportation, through the Federal Motor Carrier Safety Administration, is told to work with states, industry leadership, and labor organizations. The same section says the agency continues audits, inspections, and monitoring programs the law already provides. This is not a pause on those.
- The Secretary is also told to decide how the IRS should use tank inspections and fuel sampling during any relief under section 2, and to announce that decision in public.

## **Deferred, not forgiven**

Section 4 tells the Secretary to explore avenues, including legislation, to eliminate the obligation to pay the amounts deferred under section 2. The fact sheet uses the same verb: explore pathways to eliminate the obligation to pay the deferred taxes.

Explore is not forgive. A deferred tax is a tax with a later date. The order does not say the bill is gone. It says Treasury should look for a way, including a statute, to take it off the books.

A postponed bill is still a bill. It just stopped tapping its watch.

## **One hundred million barrels**

The fact sheet, not the order, says that in October 2026 the President negotiated with Europe to release 100 million barrels of refined diesel from its strategic reserves within the next four months. The fact sheet says that release will increase supply and bring diesel prices down for Americans. It is a supply sentence. It does not change the tax dates above.

## **What was said in Nebraska, and what the order does**

That sentence is from the White House release, which says President Trump said it in Nebraska. The release's longer quotation also calls red-dye diesel the same as normal diesel, sold tax-free for off-road vehicles and big trucks.

Tax-free, and for any reason, are the words said in Nebraska. The order defers a specified federal tax after a Treasury determination under 26 U.S.C. 7508A, and it directs an IRS announcement on the dyed-fuel penalty for a dated window. Section 9 says the order does not create a right a person can enforce in court. It is to be carried out consistent with applicable law and the money available.

Read the order for the duty. Read the Nebraska remarks for what was said at the signing.

"Tonight, I am going to sign a historic Executive Order to officially waive the off-road requirement and allow anyone to purchase tax-free red dye diesel for any reason."

## **Notes and sources**

Executive order, Emergency Tax Relief on Diesel Fuel, October 5, 2026. [whitehouse.gov](https://www.whitehouse.gov)

(<https://www.whitehouse.gov/presidential-actions/2026/10/emergency-tax-relief-on-diesel-fuel/>)

Fact sheet, President Donald J. Trump Promotes Diesel Affordability, October 5, 2026. [whitehouse.gov](https://www.whitehouse.gov)

(<https://www.whitehouse.gov/fact-sheets/2026/10/fact-sheet-president-donald-j-trump-promotes-diesel-affordability/>)

Release, President Trump Takes Decisive Action to Lower Diesel Costs for American Truckers, Farmers, October 5, 2026. [whitehouse.gov](https://www.whitehouse.gov)

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Photograph: Official White House Photo by Abe McNatt, Oval Office, September 4, 2026. Gallery

(<https://www.whitehouse.gov/gallery/president-donald-j-trump-signs-executive-orders-in-the-oval-office-friday-september-4-2026/>).

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