10/07/2026

President Trump's Dyed Diesel Executive Order

On October 5, the President issued an **Executive Order** that, according to the White House, “temporarily opens highway use of tax-free dyed diesel, deferring the federal diesel tax on that fuel through the end of the year — no interest, no penalties.”

Specifically, the Order directs the Secretary of the Treasury to use his authority to defer **(not waive)** federal diesel fuel tax payments without penalty or interest for the period of October 5 through December 31, 2026.

The Treasury Secretary is also directed to “explore avenues, including legislation” to forgive the deferred tax payments. The Transportation Secretary is directed to engage with state governments to coordinate policies.

What does this mean for California?

For California carriers, **the federal order does not override California’s restrictions on the use of dyed diesel in on-road vehicles.** Dyed diesel remains prohibited for regular on-road trucking operations under state law.

California would need to separately authorize this use, such as through an executive order from the Governor temporarily suspending the state’s restrictions on the on-road use of red-dyed diesel.

Until California authorizes this use, carriers should continue using standard on-road diesel fuel. CTA will notify members if the Governor issues such an order or exemption.

Carriers remain subject to enforcement by the California Department of Tax and Fee Administration, including fuel inspections at roadside inspection stations and fueling facilities. Unauthorized use can result in state penalties regardless of the temporary federal relief.