Agricultural Diesel Fuel Supply, Executive Order No. 26-21 Information

Motor Fuels Tax Relief for Transportation of Agricultural Products

Who: Taxpayers who transport Nebraska sourced commercial agricultural products on Nebraska's highways and public roads, including interstate miles in Nebraska.

Agricultural products means the transportation of livestock, grain or other seasonally harvested products from the field where the products are harvested to storage, market, or stockpile and return trips.

In order to qualify for tax relief, the licensed vehicle must be used for transporting Nebraska agricultural products. The relief does apply to personal vehicles provided the vehicle is used to haul Nebraska agricultural product. Personal use miles do not qualify for the refund

What: Motor Fuels Tax Relief for diesel used in the transportation of Nebraska agricultural products and the dyed diesel penalty relief. Tax relief will be in the form of a refund of the Nebraska motor fuel tax paid on undyed diesel. It also includes a refund of the tax of $0.0025 per gallon paid on dyed diesel purchased beginning on October 1, 2026, as part of LB815.

The dyed diesel penalty relief only applies to the Nebraska penalties and not federal penalties. The Tax Commissioner has sent a request to the Internal Revenue Service requesting the same dyed diesel fuel penalty relief at the federal level.

When: Executive Order No. 26-21 is effective beginning September 24, 2026, and ending December 23, 2026. Qualified diesel used during this 90-day time period is eligible for a motor fuel tax refund.

How: Qualified taxpayers involved in the transportation of Nebraska agricultural products may file a Nebraska Ag Use Motor Fuels Tax Refund Claim, Form 84AG with the Nebraska Department of Revenue to claim the motor fuels tax refund.

Taxpayers must write EO 26-21 on the top of the submitted Form 84AG. Taxpayers may cross out Gasoline in the Refund Calculation section and write in Dyed Diesel for the dyed diesel refund. Taxpayers must provide supporting documentation to substantiate the tax paid on fuel used and to document the transportation of Nebraska agricultural products.

International Fuel Tax Agreement (IFTA) taxpayers - Taxpayers who are registered under the IFTA program that transport Nebraska sourced agricultural products within Nebraska using tax-paid undyed diesel may report qualified Nebraska miles as nontaxable miles for the claimed period on their IFTA return to obtain a credit for the associated Nebraska miles.

Contact the Nebraska Department of Motor Vehicles, Motor Carrier Division at 402-471-4436 for additional information.

STATE *of* NEBRASKA
OFFICE OF THE GOVERNOR
LINCOLN

EXECUTIVE ORDER NO. 26-21
Agricultural Diesel Fuel Supply

WHEREAS, The Governor shall be responsible for meeting the dangers to the State and people presented by disasters and emergencies. Neb Rev. Stat. § 81-829.40(3);

WHEREAS, when the Governor finds that a disaster or emergency has occurred or the occurrence or threat thereof is imminent, a state of emergency proclamation shall be issued. Neb Rev. Stat. § 81-829.40(3);

WHEREAS, on January 20, 2025, the President of the United States declared a national emergency with respect to energy by Executive Order 14156 pursuant to the National Emergencies Act, 50 U.S.C. 1601 et seq., finding, "[a]n affordable and reliable domestic supply of energy is a fundamental requirement for the national and economic security of any nation";

WHEREAS, that national emergency has been continued through January 20, 2027, finding that "[t]he circumstances related to this emergency continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States";

WHEREAS, on September 16, 2026, the Federal Motor Carrier Safety Administration issued an Hours of Service Waiver for the Transportation of Gasoline and Diesel Fuel "to address potential increases in transportation and agricultural harvesting demands";

WHEREAS, the United States Energy Information Administration reports that exports of distillate fuel oil from the United States reached 1,935,000 barrels per day for the week ending August 7, 2026, the highest weekly level recorded since the agency began publishing the series in June 2010, and exceeded 1,700,000 barrels per day in five of the eight weeks ending July 24th through September 11, 2026;

WHEREAS, the United States Energy Information Administration reports that for the week ending September 11, 2026, national distillate fuel oil inventories stood at 107,859,000 barrels, and days of supply fell to 29.9 days, each the lowest the agency has recorded for that week;

WHEREAS, the Energy Information Administration forecasts in its September 2026 Short-Term Energy Outlook that United States distillate fuel oil inventories "will remain below the five-year (2021-2025) low through much of 2027";

WHEREAS, Nebraska farmers and ranchers were expected to spend nearly $1 billion dollars on fuel and oil in 2026 based on University of Nebraska-Lincoln Center for Agricultural Profitability projections from earlier in the year before oil and diesel prices rose substantially, and;

WHEREAS, Nebraska farmers may use around 50 million gallons and spend more than $300 million dollars this fall just for fuel for harvesting and hauling grain to storage or market;

WHEREAS, Nebraska ranchers also face substantially increased costs for raising and hauling livestock between operations and to market;

WHEREAS, agriculture is the largest industry in Nebraska, and corn and soybean harvests are presently underway, and harvesting operations consume diesel fuel at their highest annual rate during these months;

WHEREAS, Nebraska farmers maintain on-farm and on-site storage of dyed diesel fuel for nontaxable off-road use, and allowing that fuel to be used in highway vehicles engaged in agricultural operations will make fuel immediately available to those operations;

WHEREAS, the Governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business or the orders, rules, or regulations of any state agency if strict compliance with the provisions of any statute, order, rule, or regulation would in any way prevent, hinder, or delay necessary action in coping with the disaster, emergency. Neb Rev. Stat. § 81-829.40(6)(a);

WHEREAS, Nebraska imposes motor fuels tax on diesel fuels used on highways and public roads under Neb. Rev. Stat. §§ 66-489(1), 66-489.02, 66-4,141,66-4,145, and any other applicable state statutes

WHEREAS, Neb. Rev. Stat. § 66-495.01(1) states, "the fuel supply tank of a motor vehicle registered or required to be registered for operation on the highway shall not contain or be used with undyed diesel fuel that has not been taxed or diesel fuel which contains any evidence of the dye or chemical marker added pursuant to the regulations promulgated under 26 U.S.C. 4082 or 42 U.S.C. 7545 indicating untaxed low-sulphur or high-sulphur diesel fuel"; and

WHEREAS, Neb. Rev. Stat. § 66-495.01(4) states, "Any person who violates any provision of this section or who refuses to permit an inspection authorized by this section shall be guilty of a Class IV misdemeanor and shall be subject to an administrative penalty of two hundred fifty dollars for the first such violation."

NOW, THEREFORE, I, Jim Pillen, Governor of the State of Nebraska, under and pursuant to the authority vested in the Governor by the Constitution and the laws of the State of Nebraska, hereby Order and direct as follows:

1. Pursuant to the provisions of Neb. Rev. Stat. §81-829.40, which confers emergency responsibilities and powers upon the Governor, I, Jim Pillen, as Governor of the State of Nebraska do hereby declare that a state of emergency exists within Nebraska as a result of the emergency conditions created by the shortage of distillate fuel supply described above.
2. The designated emergency area is the State of Nebraska.
3. Effective immediately and for 90 days beginning on the date of this Order, the provisions of Neb. Rev. Stat. § 66-495.01(1) and Neb. Rev. Stat. § 66-495.01(2), and any other applicable state statutes which incorporate federal diesel fuel sulphur content standards, are hereby suspended to the extent that they make unlawful, or subject to penalty, any of the following:
    a. The holding of or use of a motor vehicle registered or required to be registered for operation on the highway, with undeyed diesel fuel that has not been taxed or diesel fuel which contains any evidence of the dye or chemical marker required under 26

U.S.C. 4082 or 42 U.S.C. 7545 indicating untaxed low-sulphur or high-sulphur diesel fuel.

b. The sale, offer for sale, or holding for sale of such fuel to the owner or operator of a vehicle so registered.

4. No state department or agency shall assess the penalty imposed by Neb. Rev. Stat. § 66-495.01(4) against any person for conduct within the scope of Section 3 of this Order.
5. The Tax Commissioner, or their designee, shall request dyed diesel fuel penalty relief from the Internal Revenue Service in accordance with Internal Revenue Manual 25.16.1.5, within three (3) business days of the effective date of this Order.
6. Effective immediately and for 90 days beginning on the date of this Order, the provisions of Neb. Rev. Stat. § 66-489(1), 66-489.02, 66-4,141, 66-4,145, and any other applicable state statutes which incorporate tax on diesel fuel used in Nebraska to transport Nebraska sourced agricultural products on Nebraska's highways and public roads will be eligible for a refund. Taxpayers transporting Nebraska agricultural products on Nebraska's highways and public roads may file a Nebraska Ag Use Motor Fuels Tax Refund Claim, Form 84AG with the Nebraska Department of Revenue to claim a refund of said taxes.
7. All departments, commissions, boards, agencies, and officers of the State, or any political subdivision thereof, are authorized and directed to cooperate in actions the State may take in response to this event.
8. This Order is effective immediately and shall remain in effect for 90 days, unless amended, modified, terminated, or rescinded earlier by the Governor, or terminated by operation of law.
9. For purposes of this Order agricultural product shall mean transportation of livestock, grain or other seasonally harvested products from the field where such grain or products are harvested to storage, market, or stockpile, or from stockpile or farm storage to market, and subsequent return trips from any delivery qualified for relief under this order.

IN WITNESS THEREOF, I hereunto set my hand and cause the Seal of the State of Nebraska to be affixed on this 24th day of September 2026.

Jim Pillen, Governor
State of Nebraska

Attest:

Callie Byelick, Chief Deputy
Robert Evnen, Secretary of State
State of Nebraska

STATE *of* NEBRASKA
OFFICE OF THE GOVERNOR
LINCOLN

EXECUTIVE ORDER NO. 26-20

Emergency Relief for Transportation of Seasonally Harvested Products

WHEREAS, the State of Nebraska is experiencing environmental and market factors impacting the cost and efficiency of agricultural transportation, making the hauling of harvested products to market cost-inefficient; and

WHEREAS, mitigating these challenges requires temporary administrative relief and relaxation of commercial motor vehicle weight limitations governed by Neb. Rev. Stat. § 60-6,294;

NOW, THEREFORE, I, Jim Pillen, Governor of the State of Nebraska, under and pursuant to the authority vested in the Governor by the Constitution and the laws of the State of Nebraska, do hereby declare and order as follows:

1. Any motor vehicle, semitrailer, or trailer transporting livestock, grain or other seasonally harvested products may operate from the field where such grain or products are harvested to storage, market, or stockpile, or from stockpile or farm storage to market, to be up to 25% over gross and axle group weight limits as required by Neb. Rev. Stat. § 60-6,294, without the requirement of obtaining a permit or paying associated fees for the duration of this Executive Order.

2. This Executive Order applies to loads transported on all highways and local roads within Nebraska, excluding the interstate system. No single axle shall exceed the maximum axle weight limit of 20,000 pounds, and vehicles must comply with all posted weight limits on roads and bridges.

This order is effective immediately and shall remain in effect for 90 days.

IN WITNESS THEREOF, I hereunto set my hand and cause the Seal of the State of Nebraska to be affixed on this 24th day of September, 2026.

Jim Pillen, Governor
State of Nebraska

Attest: Callea Buzlick, Chief Deputy
Robert Evnen, Secretary of State
State of Nebraska