

# FLEET TAX COMPLIANCE MANUAL

## I. FEDERAL TAXES

### A. Federal Heavy Vehicle Use Tax

The 1982 Highway Revenue Act (Title V of the Surface Transportation Assistance Act) was amended May, 1985 to change the regulations covering heavy vehicle use tax. This tax is levied against certain heavy motor vehicles, including trucks, truck tractors and buses, and is imposed for the use of public highways. The tax, however, only applies to highway vehicles with a taxable gross weight of 55,000 pounds or more, and it is payable to the Department of the Treasury, Internal Revenue Service.

Effective July 1, 1987, taxable vehicles with base registration in Canada or Mexico also became subject to the heavy vehicle use tax, regardless of whether they were also required to be registered in a U.S. state. The rate of tax imposed on Canadian and Mexican vehicles is the same rate applicable to U.S. vehicles (there is a reduced rate for logging vehicles).

The following information explains just which trucks, truck tractors and buses are subject to the tax and just how to figure and pay the tax due. Form 2290, the Heavy Vehicle Use Tax Return, is used to figure and report this tax.

Immediately following the general information explanation, are the actual regulations of the Internal Revenue Service 26 CFR, Chapter 1, Subchapter D — Miscellaneous Excise Taxes; Part 41 — Excise Tax on Use of Certain Highway Motor Vehicles.