

ACTION: Hurricanes Katrina and Rita Affected
Areas--Extension of Proof of Payment of the Heavy
Vehicle Use Tax (HVUT) Due Dates

October 7, 2005

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Associate Administrator Office of Policy and Governmental Affairs (HPL) HPPI-10

Federal Highway Administration (FHWA)
Division Administrators
Alabama, Florida, Louisiana, Mississippi, and Texas

Under section 7508A of the Internal Revenue Code, the Internal Revenue Service (IRS) extended the time for filing and paying taxes for persons located in the Presidential-declared disaster areas caused by Hurricanes Katrina and Rita. Congress further extended the relief until February 28, 2006. The extension applies to the HVUT, which the FHWA enforces in accordance with 23 U.S.C. 141(c), and 23 CFR Part 669.

The extension applies to HVUT due on heavy trucks used on the highways between July 2005 and January 2006 in the counties and parishes affected by Hurricanes Katrina and Rita. Ordinarily, State Departments of Motor Vehicles must require truck owners to show proof of payment of the HVUT (processed IRS Form 2290, Schedule 1) before registering their trucks. The Federal law requires the withholding of up to 25 percent of Interstate System maintenance funds apportioned under 23 U.S.C. Section 104(b) from any State where a vehicle subject to the HVUT may be lawfully registered without having presented proof of payment of the HVUT.

Because of the relief granted by the IRS Commissioner and Congress to counties and parishes affected by Hurricanes Katrina and Rita, Departments of Motor Vehicles will not be required to demand proof of payment of the HVUT until February 28, 2006 for heavy vehicles with business addresses or tax records within the affected counties. (Additional information regarding who qualifies for relief can be found in IRS Notice 2005-73 located at www.irs.gov under Katrina News Releases and Legal Guidance.) Such an action will not result in the funds reduction procedure required by 23 U.S.C. Section 141(c) and 23 CFR Section 669.15.

I have enclosed the link to an earlier IRS news release (IR-2005-96), dated September 9, 2005 on this item. <http://www.irs.gov/newsroom/article/0,id=147371,00.html>. IRS news release IR-2005-110 discusses the extension by Congress until February 28, 2006.

I would ask you to share this information with your partners in the Federal Motor Carrier Safety Administration, the States, and others who could benefit from this relief. You may wish to suggest to them that they share this information with affected persons/business by making this information available on their websites or posting in appropriate public venues.

This material has been coordinated with IRS.