

IRS News Release

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IRS Issues Guidance on Truck Sale Excise Tax

IR-2005-29, March 15, 2005

WASHINGTON — The Internal Revenue Service today issued guidance intended to help truck dealers determine whether a truck body is subject to federal excise tax.

Section 4051 of the Internal Revenue Code imposes a tax on the first sale of certain truck chassis and bodies. The excise tax does not apply to truck bodies and chassis suitable for use with vehicles that have a gross vehicle weight of 33,000 pounds or less or truck trailer and semi-trailer bodies and chassis suitable for use with vehicles that have a gross vehicle weight of 26,000 pounds or less.

In some cases, retailers do not know the gross vehicle weight of the vehicle on which the body will be mounted, making it difficult to determine whether the body meets the “suitable for use” standard.

The guidance issued today, Revenue Procedure 2005-19, establishes four classifications of truck body types that meet the “suitable for use” standard. Truck body types that meet these classifications are therefore excluded from the retail excise tax:

- Platform truck bodies 21 feet or less in length;
- Dry freight and refrigerated truck van bodies 24 feet or less in length;
- Dump truck bodies with load capacities of eight cubic yards or less; and
- Refuse packer truck bodies with load capacities of 20 cubic yards or less.

These classifications are effective for sales on or after April 4, 2005.

The guidance issued today is a result of the Industry Issues Resolution (IIR) Program. Under IIR, taxpayers, associations and other groups representing businesses submit frequently disputed or burdensome tax issues for review. The goal of an IIR, when possible, is to resolve these differences by providing more effective guidance.

Revenue Procedure 2005-19 will be published in Internal Revenue Bulletin 2005-14, dated April, 4, 2005, and will be posted at IRS.gov. Information on the IIR Program and how to submit business tax issues for the program can be found in Rev. Proc. 2003-36, 2003-18 I.R.B. 859, which is also available at IRS.gov.