

INTERNAL REVENUE SERVICE  
UIL: 4051.00-00  
NUMBER: **INFO 2000-0006**  
Release Date: 3/31/2000

MAR 22 2000

[REDACTED]

Dear [REDACTED]

On February 22, 2000, you forwarded to [REDACTED] two letters from your constituents, [REDACTED]

[REDACTED] Your constituents asked you to support S. 1056, The Highway Tax Equity and Simplification Act of 1999, and expressed concern that more guidance is needed regarding the taxability of certain vehicles.

As requested, we responded directly to your constituents. A copy of our letter is enclosed. If you need further assistance, please contact me or Cynthia McGreevy, Identification Number 50-04820, of my staff, at (202) 622-3130.

Sincerely,

Assistant Chief Counsel  
(Passthroughs and Special Industries)

By:

Richard A. Kocak  
Chief, Branch 8

Enclosure



OFFICE OF  
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

MAR 22 2000

[REDACTED]

Dear [REDACTED]

I am responding to your letters of July 21, 1999, and July 27, 1999, to [REDACTED] asking him to support S. 1056, The Highway Tax Equity and Simplification Act of 1999. [REDACTED], by letter dated February 22, 2000, asked me to respond directly to you.

The Internal Revenue Service has issued both regulations and revenue rulings interpreting § 4051 of the Internal Revenue Code. Without additional information about the vehicles that concern you, I can not provide you with specific citations to the applicable authorities. However, I can provide you with general information concerning § 4051 and guidance on how to request a private letter ruling to obtain a definite reply based on a specific set of facts.

There is a 12 percent excise tax on the first retail sale of certain articles including automobile truck chassis and bodies (including in each case parts or accessories sold on or in connection therewith or with the sale thereof). The tax does not apply to automobile truck chassis and bodies suitable for use with a vehicle that has a gross vehicle weight of 33,000 pounds or less. The sale of an automobile truck is considered the sale of a chassis and body. (See § 4051(a) and (d)).

Under § 145.4051-1(a)(2) of the Temporary Excise Tax Regulations, a chassis or body is taxable under § 4051(a)(1) only if it is sold for use as a component part of a highway vehicle (as described in § 48.4061(a)-1(d) of the Manufacturers and Retailers Excise Tax Regulations). These regulations define a "highway vehicle" as any self-propelled vehicle, or any trailer or semitrailer, designed to perform a function of transporting a load over public highways, whether or not also designed to perform other functions, but does not include a vehicle described in § 48.4061(a)-1(d)(2). The regulations specifically exempt certain specially designed mobile machinery, certain vehicles

specially designed for offhighway transportation, and certain stationary shelters from the definition of a highway vehicle.

Generally, the sale of a chassis or body shall be taxable if the chassis or body is, in any sense, suitable for use as a component part of a highway vehicle. However, chassis or bodies that are actually sold for use, or for resale for use, as a component part of a vehicle that is not a highway vehicle as defined in § 48.4061(a)-1(d), are excepted.

If you would like definitive guidance on whether tax is imposed on a particular vehicle, you may request a private letter ruling by following the provisions of Rev. Proc. 2000-1, 2000-1 I.R.B. 4. I have enclosed a copy of the revenue procedure for your use.

I hope this information is of help to you. If you have any questions or require further assistance, please contact me or Cynthia McGreevy, Identification Number 50-04820, at (202) 622-3130.

Sincerely,

Assistant Chief Counsel  
(Passthroughs and Special Industries)

By:

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