LEXSTAT 2009 TNT 232-22

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Tax Notes Today

DECEMBER 07, 2009, MONDAY

DEPARTMENT: IRS Legal Memorandums

CITE: *2009 TNT 232-22*

LENGTH: 1640 words

HEADLINE: #22 2009 TNT 232-22 VIRGINIA LOGGING TRUCKS TYPICALLY WILL QUALIFY FOR REDUCED HEAVY VEHICLE TAX RATE. (Section 4483 -- Vehicle Tax Exemptions) (ILM 200949037) (Release Date: JULY 01, 2009) (Doc 2009-26606)

CODE: *Section 4483* -- Vehicle Tax Exemptions;
Section 4481 -- Highway Use Tax

ABSTRACT: In a legal memorandum, the IRS has concluded that a state-registered logging vehicle used exclusively for transporting forested products from a forested site qualifies as a logging vehicle under *section 4483(e)* and is eligible for the reduced heavy vehicle use tax rate.

SUMMARY: Published by Tax Analysts(R)

In a legal memorandum, the IRS has concluded that a state-registered logging vehicle used exclusively for transporting forested products from a forested site qualifies as a logging vehicle under *section 4483(e)* and is eligible for the reduced heavy vehicle use tax rate.

In a request for non-taxpayer-specific legal advice, the chief of the IRS excise tax program described a typical Virginia logging operation, noting that trucks in the state are registered as logging vehicles by a check off on the annual state registration form. The trucks typically travel from a home or shop location on public roads and then enter the forest to reach the harvest or loading location. The loaded truck then travels on public roads to a mill to unload, and then travels back to its home or shop location, repeating the trip about three times a day. The truck typically travels between 40,000 miles under the threshold for the imposition of the *section 4481* heavy vehicle use tax and 30,000 miles above the threshold in an average year.

Section 4483(e) provides for a 25 percent reduction in the *section 4481* tax if qualifying vehicles are used exclusively during any tax period for the transportation of harvested products to and from a point located in a forested site and if the vehicles are registered with the state as highway motor vehicles used to transport harvested forest products. The IRS concluded that the vehicles described in Virginia logging operations qualify for the reduced tax rate based on the statutory language and its legislative history.
Internal Revenue Service