

CHAPTER 5

REPORT IDENTIFYING STATE TAXATION OF MOTOR CARRIERS

Form FHWA-571, Receipts from State Taxation of Motor Vehicles Operated for Hire and Other Motor Carriers, is designed to show the taxes and fees associated with the operation of motor carriers.

The Trucking Industry Regulatory Reform Act of 1994, effective January 1, 1995, abolished the necessity to register and collect fees and taxes on motor carriers by category or type of vehicle.

Although the States are no longer required to register and collect fees and taxes on motor carriers by category or type of vehicle the States have the option of continuing to do so.

Vehicles operated for hire and certain other vehicles that, because of the special character of their operations, are subject to taxation not imposed on motor vehicles in general, are known as motor carriers.

A microcomputer template using Lotus 1-2-3 is available for form FHWA-571. States are encouraged to use the microcomputer template. See Appendix B for information about the template and options for electronic transmission of data to FHWA.

INSTRUCTIONS FOR FORM FHWA-571

Form FHWA-571 is designed to provide a record of the special State taxes, in addition to registration fees, paid by each type and class of motor carrier. All State-imposed motor-carrier taxes should be reported regardless of the collecting agency. Taxes imposed by county or municipal governments on motor vehicles operated for hire and on other motor carriers should not be reported.

In some States, special motor-carrier taxes, although imposed by the State, may be collected by county or local officers who deduct certain amounts for collection expenses (or for other purposes) and forward the net collections to the State collecting agency. If this is the case, the amounts deducted should be included. If the deductions are not of State record, an estimate should be supplied.

Registration fees received for vehicles with base plates from other States under a proration agreement such as the International Registration Plan (IRP) should be reported on this form either in one of the columns or by a

notation on the front of the form. If a State is not required to submit this form for reporting other data a separate notation showing these fees should be entered on form FHWA-561.

Page 1 of form FHWA-571 provides space for entering the State name, the year being reported, notes and comments, and a reference to identify the source of the records.

The following instructions apply to the entries to be made on page 2. Motor-carrier taxes are divided into the following general types and a column is provided for each:

Column (1) Gross receipts taxes.—Only taxes levied specifically on motor carriers should be shown. Receipts from general taxes, such as State sales taxes or gross receipts taxes applying to business operations in general (or to a restricted class of business operations such as public utilities) should not be reported as special taxes on motor carriers.

Column (2) Distance taxes.—Show distance, weight-distance, or passenger-distance taxes.

Column (3) Weight or capacity taxes.—Show special-license taxes based upon weight or capacity, but separate from registration fees.

Column (4) Flat rate fees.—Show flat business fees or occupation license fees.

Column (5) Certificate or permit fees.—Show fees imposed for the issuance of certificates of convenience and necessity.

Column (6) Miscellaneous fees.—Show receipts that do not fit in other categories.

Column (7) Total motor-carrier taxes paid.—Enter the sum of columns (1) through (6).

No specific place is provided on FHWA-571 to show delayed collections of motor-carrier taxes. However, these should be included, and notes should be given to show the amounts that relate to the taxation of prior years.

Type of vehicle and class of service.—The classification scheme is intended to provide for all the major classes of motor carriers found in the States. It should be followed as closely as the data will permit, but the *classification headings on the left side of form FHWA-571* may be modified as necessary to report correctly the classification in effect in any given State. A full explanation of the modification should be given in a note.

Item 1. Passenger cars for hire.—Include taxicabs, livery cars, U-Drive-It cars and other automobiles operated for hire.

Items 2., 4., 5., and 7. provide for reporting two classes of service by for-hire carriers, intrastate and interstate. This information should be reported to the extent that the data are available.

Item 2. Motor buses.—All motor vehicles that seat more than 11 passengers and that are operated for hire or are otherwise subject to taxation as motor carriers should be included here. School buses should not be included on this form unless they are subject to special motor-carrier taxes, in which case, the details should be given in notes to the form.

Items 2.A., 4.A., 5.A., and 7A. Common carriers.—The term "common carrier" is applied to vehicles that are offered indiscriminately to the public for hire at published rates. (The term "public carrier," often applied to buses, is interchangeable with the term "common carrier.") The term is commonly restricted to those carriers that operate over regular routes or between fixed termini and under schedules, but some States recognize a class of common carriers that does not operate over regular routes or between fixed termini. Those vehicles that are defined under State laws as common carriers in addition to those whose operations conform, in general, to the definition of a common carrier given above should be listed as such on form FHWA-571.

Item 2.B. Other motor-carrier buses.—Include here all sightseeing, charter and contract buses.

Item 3. Total passenger motor carriers.—Enter the sum of items 1. and 2.C.

Item 4. Motor trucks.—Enter motor-carrier taxes imposed on single-unit (straight) trucks.

In some States, certain classes of commercial operators who transport their own goods or property are required to pay motor-carrier taxes. Items 4.C., 5.C., and 7.C.,

"Private motor carriers," are reserved for this class of carrier.

In a few States, the term "private carrier" is used to distinguish for-hire carriers other than common carriers. Care should be taken that such vehicles are reported as for-hire carriers, in items 4.B., 5.B., or 7.B., and not as private carriers.

Item 5. Tractor trucks, road tractors, etc.—Report motor-carrier taxes on all trucks equipped as power units for combination vehicles.

In many States, tractor trucks, road tractors, etc., are not segregated from trucks. If such is the case, the fact should be noted. If tractor-semitrailer combinations are registered as trucks, that fact should also be explained. If, as is sometimes the case, tractor-semitrailer combinations are not reported separately but as single entities, the fees paid by such combinations should be recorded in item 5. and so indicated. Extra trailer units should be reported in item 7.

In some States, motor-carrier taxes are imposed on trailers and semitrailers as separate vehicles. In other States, the tax that would ordinarily be charged against the trailer or semitrailer is included in the tax imposed on the hauling vehicle. If, in a given State, the charges against trailers and semitrailers are included in the payments of motor-carrier taxes reported for trucks (item 4.) or tractors (item 5.), the fact should be explained in a note.

Items 6., 8., and 9.—Intended as summary entries. In item 9., enter the total figures for all motor carriers—passenger and freight.

Item 10.—The instructions for the completion of form FHWA-561 (Chapter 3) state that motor-carrier taxes imposed in lieu of registration fees on State-based vehicles should be included with the registration fees reported on that form. On form FHWA-571, such payments should be reported as motor-carrier taxes with a note explaining that they are imposed in lieu of registration fees and are included on form FHWA-561. This procedure is adopted so that the total of motor-carrier taxes, as such, may be obtained. Taxes imposed in lieu of registration fees on out-of-State vehicles should be reported on form FHWA-571.