



What Is The HVUT?

The heavy vehicle use tax or HVUT is a fee assessed annually on heavy vehicles operating on public highways at registered gross weights equal to or exceeding 55,000 pounds. The gross taxable weight of a vehicle is determined by adding the unloaded weight of the motor vehicle and any trailers together with the maximum load customarily carried on-road by the truck-trailer combination. The maximum HVUT is \$550 per year.

| Gross Taxable Weight | Heavy Vehicle Use Tax Rates |
|----------------------|--|
| Below 55,000 lbs | No tax |
| 55,000 – 75,000 lbs | \$100 plus \$22 per 1,000 pounds over 55,000 lbs |
| Over 75,000 lbs | \$550 |

A number of groups (e.g., Federal Government, mass transit authorities, American Red Cross) and certain vehicles (e.g., low mileage, vehicles not operating on highway systems) receive exemptions from the HVUT.

The HVUT Benefits the Nation

The nation benefits from enhanced HVUT collections. They help increase transportation infrastructure investments, which can:

- Save lives, time and money
- Reduce the number and severity of crashes
- Enhance the ability of emergency responders
- Lower fuel and insurance costs
- Increase mobility
- Ease congestion
- Decrease energy consumption
- Boost air quality
- Improve the efficient movement of goods
- Raise business productivity
- Strengthen the nation's economic productivity

Who Collects and Administers the HVUT?

The code of federal regulations establishes a framework for HVUT enforcement in 23 CFR 669 and assigns responsibilities to multiple federal and state agencies.

Internal Revenue Service

The IRS is responsible for HVUT collections and taxpayer audits.

Federal Highway Administration

The FHWA is required to conduct HVUT compliance reviews at least once every three years for each state in the nation. Responsibility for conducting these reviews falls to the division offices.

States

States are required to obtain proof of HVUT payments when registering heavy trucks subject to the tax. Further, the Governor of each state must certify compliance with the HVUT requirement prior to January 1 of each year.

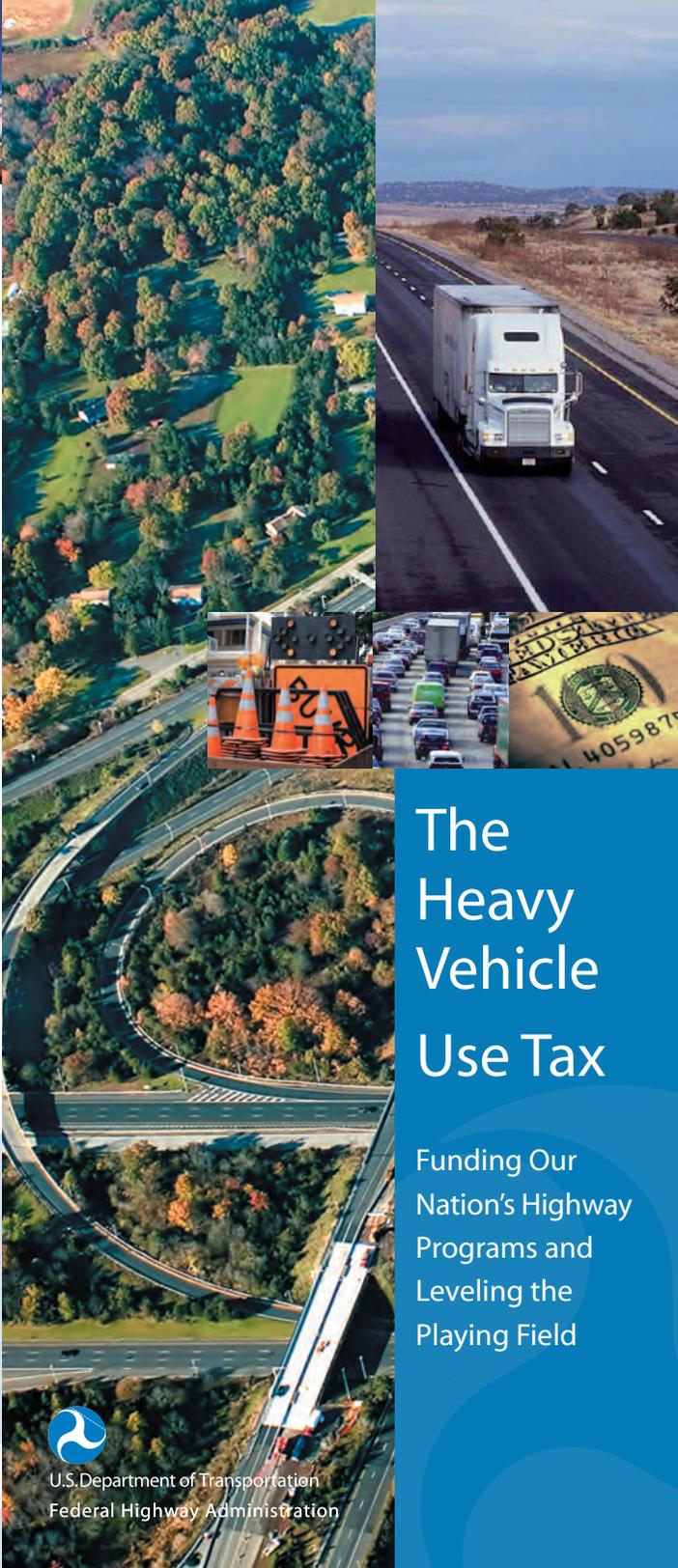
Please join in the effort to enhance HVUT enforcement.

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The Heavy Vehicle Use Tax

Funding Our Nation's Highway Programs and Leveling the Playing Field



U.S. Department of Transportation
Federal Highway Administration



Why Is the HVUT Important?

Federal HTF Faces Shortfall

The Federal Highway Trust Fund (HTF) finances the federal highway program through fuel and other highway-use taxes. The funds are invested in our nation's transportation infrastructure.

In 2008, Federal HTF receipts topped \$38.7 billion, with \$33.5 billion specifically dedicated to the HTF's Highway Account. As motor fuel prices have topped \$4 per gallon in the U.S., consumption of motor fuels, and consequently receipts from motor fuel taxes, have declined. In July 2008, the Office of Management and Budget (OMB) projected a \$3.1 billion shortfall in receipts into the Federal HTF's Highway Account for 2009.

Due to the way that highway funds are allocated, every \$1 of shortfall translates into a \$4 dollar drop in spending. If the shortfall is not addressed, federal highway aid to states would be slashed by approximately \$12 billion in 2009. The severity of the problem is apparent when noting that total federal highway aid to states was expected to be \$41 billion in 2009.

Shortfall Costs Are High

As conditions of our roads and bridges continue to deteriorate, congestion will grow, the U.S. economy will lose billions in productivity, and fuel consumption will increase.

Substandard highway infrastructure also reduces roadway safety, increases vehicle maintenance costs, damages the environment due to pollution caused by vehicle emissions, expands energy consumption, and increases emergency response time.

HVUT Generates Billions for HTF

The HVUT is a significant source of transportation funding in the U.S. In 2008 alone, the HVUT generated more than \$1.0 billion in Federal HTF revenue.

The HVUT Levels the Playing Field

The need for road surface maintenance is greatly attributable to the heaviest vehicles. The U.S. Department of Transportation in its most recent Highway Cost Allocation Study estimated that light single-unit trucks, operating at less than 25,000 pounds, pay 150 percent of their road costs while the heaviest tractor-trailer combination trucks, weighing over 100,000 pounds, pay only 50 percent of their road costs.

The volume of truck freight has grown significantly over the past few decades. Between 1975 and 1995, domestic intercity tonnage carried by trucks grew 52 percent over a fairly static system of highways. Looking forward, the freight tonnage carried by trucks is expected to increase 50 percent between 2002 and 2035.

The HVUT levels the playing field by ensuring that operators of heavy trucks pay a little more for the highway network relative to motorists and light trucks, which do less damage to the system.

HVUT Suffers from Non-Compliance and Evasion

In spite of the best efforts of federal and state compliance officers, a number of HVUT evasion methods have recently been detected in IRS audits and FHWA compliance reviews. To combat these methods, the IRS, FHWA, state and local agents must work collaboratively to identify and address HVUT evasion.

Who Should Care About the HVUT?

Citizens: Mobility Impact is Wide-Ranging

HVUT compliance ultimately impacts every individual, organization and industry that relies on the transportation network. Anyone wanting to reduce traffic congestion, improve economic productivity, increase roadway safety and mobility, decrease emergency response time, and reduce fuel consumption has an interest in enhancing HVUT compliance.

Carriers: Penalties are Costly

Penalties for HVUT non-compliance are costly. In addition to federal monetary penalties, states also suspend the registrations of vehicles for which proof of HVUT payments has not been provided. HVUT evasion penalties can be even more significant, resulting in fines and incarceration.

States: Highway Funding Withheld

The vast majority of all funds contributed by states to the Federal HTF are returned through highway fund apportionments. Up to 25 percent of a state's Interstate Maintenance funds can be withheld if it fails one of the periodic compliance reviews. A finding of non-compliance could, therefore, cost the state millions in lost highway funding.

FHWA: Increasing Funding for Highways

There is a renewed commitment to the HVUT program at the national level. Federal agents are recognizing the importance of the program in light of current funding limitations and are taking the steps needed to enhance compliance. To support this effort, the FHWA offers several instructional tools that are collectively designed to enhance HVUT enforcement.