

## HIGHWAY USE TAX EVASION PROJECTS

Year	2013	2014
Funding	NTE \$10 M	NTE \$10 M

### Program purpose

The Highway Use Tax Evasion Projects program provides funding to the Internal Revenue Service, other Federal agencies and the States to carry out intergovernmental enforcement efforts along with training and research to reduce evasion of payment of motor fuel and other highway use taxes.

**Statutory citation(s):** MAP-21 §1110; 23 USC 143

### Funding features

Funds for this program are in the form of a deduction not to exceed \$10 million per year for each of FYs 2013 and 2014 from the funds authorized for FHWA's administrative expenses. Funds are available until expended.

The Secretary has discretion in the allocation of funds to the Internal Revenue Service, other Federal agencies and the States, except that \$2 million must be made available only to carry out intergovernmental enforcement efforts, including research and training.

In addition, each State is permitted to use up to ¼ of 1 percent of the funds apportioned to the State each fiscal year for the Surface Transportation Program on initiatives to halt the evasion of payment of motor fuel taxes.

**Federal share:** Federal share is 100 percent.

### Eligible activities

Funds may be used to:

- Expand efforts to enhance motor fuel tax enforcement.
- Supplement motor fuel tax examinations and criminal investigations.
- Fund additional Internal Revenue Service staff for functions related to highway use tax evasion.
- Develop automated data processing tools to monitor motor fuel production and sales.
- Evaluate and implement registration and reporting requirements for motor fuel taxpayers.
- Reimburse State expenses that supplement existing fuel tax compliance efforts.
- Analyze and implement programs to reduce tax evasion.
- Support efforts between States and Indian tribes to address issues relating to State motor fuel taxes.
- Analyze and implement programs to reduce tax evasion associated with imported fuel.