

Delays in Returning Paper IRS-stamped Schedule 1 (Form 2290) Receipt for Highway Use Tax Payments

Due to the current health crisis, taxpayers who filed a paper Form 2290 to report and pay the highway use tax for the taxable period July 1, 2020, through June 30, 2021, can expect a significant delay in receiving their IRS-stamped Form 2290 Schedule 1 receipt. This communication summarizes alternative documentation that meets the proof of payment requirement in the Treasury Regulations and, accordingly, the requirement of 23 U.S.C. § 141(c) that State Departments of Motor Vehicles (DMVs) secure proof of payment of the highway use tax in order to avoid a potential reduction in Federal-aid highway funds apportioned under 23 U.S.C. 104(b). The acceptable forms of alternative documentation are described below and in Treasury Regulation § 41.6001-2.

Background

Certain taxpayers must file Form 2290 and Schedule 1 for the tax period beginning on July 1, 2020, and ending on June 30, 2021, if a taxable highway motor vehicle is registered, or required to be registered, in the taxpayer's name under state or District of Columbia law at the time of its first use during the tax period and the vehicle has a taxable gross weight of 55,000 pounds or more. This generally includes large trucks, truck tractors and buses. Vans, pickup trucks, panel trucks, and similar trucks generally aren't subject to this tax. The tax is based on the taxable gross weight of the vehicle. See the Instructions for Form 2290 for additional information on the highway use tax. Note that this communication does not address vehicles registered or required to be registered under Canadian or Mexican law, to which different rules apply.

Upon processing a taxpayer's Form 2290 and highway use tax payment, the IRS stamps the Form 2290 Schedule 1 and returns the Schedule 1 to the taxpayer, as proof that the taxpayer paid the tax with respect to the vehicle or vehicles listed on the stamped Schedule 1. A taxpayer then presents the Schedule 1 as proof of payment of the tax when registering the vehicle(s) with a state's DMV. Such proof of payment is required in order to register vehicles the use of which is subject to the tax.

Generally, taxpayers must file Form 2290 and pay the tax by August 31, 2020, for vehicles used on the road during July 2020.

Acceptable Documentation

Depending on a taxpayer's circumstances, a taxpayer may have one or more alternatives available if they have not received their current year IRS-stamped Schedule 1 when they seek to register a highway motor vehicle subject to the tax.

- If a state receives an application for registration for a highway motor vehicle during the months of July, August or September, a state may accept from the taxpayer, as proof of payment for the current taxable period, the stamped Schedule 1 that was originally provided by IRS as proof of taxpayer's

payment of tax for the immediately preceding taxable period. The preceding period's Schedule 1, however, must include the VIN number of the vehicle that the taxpayer seeks to register in the current period.

Taxpayers must still file Form 2290 for the current period by the due date of the return. See Excise Tax on Use of Certain Highway Motor Vehicles Treasury Regulation § 41.6001-2(b)(4).

- A state must accept as proof of payment a photocopy of the Form 2290 (with the Schedule 1 attached) that was filed with the IRS for the vehicle being registered, along with sufficient documentation that the taxpayer paid the tax due at the time the Form 2290 was filed. For example, this documentation may consist of (i) if a taxpayer has paid by paper check, a photocopy of both sides of a cancelled check; (ii) if a taxpayer has paid using the Electronic Federal Tax Payment System, a copy of the acknowledgment of payment; or (iii) if the taxpayer has paid using an Electronic Funds Withdrawal, a copy of the taxpayer's monthly bank statement indicating "IRS USA Tax Payment," "IRS USA Tax Pymt," or similar language.

This substitute proof of payment may be used to register a vehicle when, for example, the receipted Schedule 1 has been lost, or when at the time required for registration of a vehicle, a stamped Schedule 1 has not been received by a taxpayer who has filed a Form 2290 with respect to such vehicle. See Treasury Regulation § 41.6001-2(c)(2)

- A state may register a highway motor vehicle without proof of payment of the tax if the taxpayer registering the vehicle presents the original or a photocopy of a bill of sale (or other document evidencing transfer) indicating that the vehicle was purchased by the owner either as a new or used vehicle during the preceding 60 days before the date that the state receives the application for registration of the vehicle. However, taxpayers must file Form 2290 and submit any tax due (if applicable) by the due date. See Treasury Regulation § 41.6001-2(b)(1).

IRS e-file for convenience, fast Schedule 1

The IRS encourages all owners to take advantage of the speed and convenience of e-file and paying any tax due electronically. Some taxpayers have the option of filing Form 2290 on paper, but for those with 25 or more taxed vehicles they must [e-file Form 2290](#).

There is no need to visit an IRS office because the form can be e-filed, and any required tax payment can be made online. Visit [IRS.gov](#) for a list of IRS-approved [e-file providers](#) and to find an approved provider for Form 2290 on the [2290 e-file partner's page](#).

For more information about the highway use tax, visit the [Trucking Tax Center](#) at [IRS.gov/trucker](#).

