

PLATEZ NEWS

Truck Permitting & Licensing News



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Changes to the Heavy Vehicle Use Tax (HVUT)

The Heavy Vehicle Use Tax (HVUT) credit initiative, passed as part of the American Jobs Creation Act, was signed into law by President Bush on October 22, 2004. The new law makes several modifications to the HVUT and takes effect on July 1, 2005 and will apply to HVUT paid after that date.

Good News:

The new law provides for a prorated tax credit to truck owners who have paid HVUT on a vehicle that is sold during the tax year. A proposed requirement to put a decal or transponder on trucks to show proof of HVUT payment was strongly opposed by TRALA and the American Trucking Association and was eliminated from the bill by Congress.

Bad News:

Another provision of the law strongly pushed by both Congress and the Department of Treasury eliminates the option to pay the HVUT in quarterly installments. So all motor carriers need to get prepared and start accruing funds now for the HVUT tax due next July 2005.

In addition, the reduced rates for both Canadian and Mexican vehicles have been eliminated. For example, a vehicle with a GVW greater than 75000 lbs. presently pays \$412.50 US per year. This will be increasing to \$550.00 US per year, the rate US vehicles pay.

Manitoba Eliminates Operating Authority

Effective January 1, 2005, operating authorities will no longer be required in the Province of Manitoba by any for-hire carrier. All carriers operating within the Province of Manitoba will be required to have a valid safety rating from their base jurisdiction.



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