

Release of Form 2290 for the taxable period July 1, 2011 thru June 30, 2012 includes guidance about registering vehicles

The purpose of this document is to provide state motor vehicle licensing offices with guidance on acceptable proof of payment upon release of Form 2290 for the taxable period beginning July 1, 2011.

On July 20, 2011, the IRS published temporary regulations that postpone the due date for Form 2290 ("Heavy Highway Vehicle Use Tax Return,") returns and payment where the first taxable use of a vehicle occurs in July, August or September of 2011. Where the first taxable use occurs in the first three months of the current taxable period (July 1, 2011 through June 30, 2012) the return and payment are due on Nov. 30, 2011. (Normally the Form 2290 return and payment are due by the end of the month following the month of the first taxable use.) The regulations also provide guidance to states to accept a receipted (stamped) Schedule 1 of Form 2290 for the tax period July 1, 2010 thru June 30, 2011 for applications of registration received during the months of July thru Nov. 30, 2011.

The temporary regulations also provide information that between July 1, 2011, and Nov. 30, 2011, a state must register a highway motor vehicle without proof of payment if the person registering the vehicle presents the original or a photocopy of a bill of sale or other document evidencing the sale. The bill of sale must show that the owner purchased the vehicle, either as a new or used vehicle, within 150 days of the date that the state receives the application for registration, and that the vehicle has not been registered in any state since the purchase date.

The IRS will release Form 2290 for the taxable period July 1, 2011 in late October 2011. The IRS will start accepting this form on Nov.1, 2011. During the period Nov.1, 2011 thru Nov. 30, 2011, a state must accept as proof of payment either a receipted Schedule 1 (Form 2290) for the **taxable period** beginning **July 1, 2010** or a receipted Schedule 1 (Form 2290) for the **taxable period** beginning **July 1, 2011**. Alternatively, the state must accept the bill of sale in accordance with the paragraph outlined above.

After Nov. 30, 2011, a receipted Schedule 1 (Form 2290) for the taxable period beginning **July 1, 2011** must be presented as proof of payment. If a taxpayer does not have an IRS receipted Schedule 1 (Form 2290), they may provide a photocopy of the Form 2290 along with Schedule 1 that was filed with the IRS along with proof that the tax was paid. This may happen when a taxpayer mails in Form 2290 and has not yet received their receipted Schedule 1 (Form 2290) from the IRS prior to registering their vehicle.

State motor vehicle licensing offices are reminded that the 150 day rule as described above will no longer be effective after Nov.30, 2011, and the 60 day rule will take effect.

The 60 day rule confirms that a state may register a highway motor vehicle without proof of payment if the person registering the vehicle presents the original or a photocopy of a bill of sale (or another document evidencing transfer). The document should indicate that the vehicle was purchased by the owner either new or used during the preceding 60 days before the date the state receives the application for registration of such vehicle

If you have any questions or concerns, please contact Excise Tax Policy analyst Joseph Mazzuca at 630-493-5008 or by e-mail (preferred method) at joseph.a.mazzuca@irs.gov