

Figuring the credit. Use the partial-period rate tables on page 5 and follow the steps below:

1. Figure the number of months of use. Start counting from the first day of the month in the period in which the vehicle was first used to the last day of the month in which it was destroyed or stolen.
2. Find the number of months of use in the table on page 5. The months are shown in parentheses at the top of the table next to each month.
3. Find the taxable gross weight category of the vehicle.
4. Find where the category and months of use meet. This is the partial-period tax.
5. The difference between the annual tax and the partial-period tax is the amount that can be claimed as a credit. Enter the credit amount on line 4 of the **next** Form 2290 required to be filed. Attach this computation to the return.

Installment payment. If you are paying in installments, the credit may be less than the amount figured in 5 above because you cannot make a claim for unpaid installment amounts. If you still owe tax, include an explanation with the installment notice and reduced payment. If you do not owe or have overpaid, include an explanation with the installment notice. You may use Schedule 6 (Form 8849) to make a claim for refund instead of claiming a credit on Form 2290.

Vehicle used less than the mileage use limit. If the tax has been paid for a period on a vehicle that is used 5,000 miles or less (7,500 miles or less for agricultural vehicles), the person who paid the tax may make a claim for the credit. Claim a credit on line 4 of the first Form 2290 filed for the next period.

You may use Schedule 6 (Form 8849) to make a claim for refund instead of claiming a credit on Form 2290. Form 8849 **cannot** be filed until after June 30 of the period for this claim.

Part II. Statement in Support of Suspension

Line 7

Complete line 7 to suspend the tax on vehicles expected to be used less than the mileage use limit during a period.

You must also:

- Enter the total number of tax-suspended vehicles in category W, column (3), on page 2 of Form 2290 and
- List the vehicles on which the tax is suspended in Part II of Schedule 1. See the Schedule 1 instructions below.

Line 8

If in the prior period, line 7 of Form 2290 was completed, check the box on line 8a to verify that the vehicles were used less than the mileage use limit for that period. If any of the vehicles listed as suspended in the prior period exceeded the mileage use limit, list the vehicle identification numbers for those vehicles on line 8b. Attach a separate sheet if needed.

Line 9

If in the prior period, line 7 of Form 2290 was completed and the tax-suspended vehicles were sold or otherwise transferred, complete line 9.

Sales. If you sell a vehicle while under suspension, a statement must be given to the buyer and must show the seller's name, address, and EIN; VIN; date of the sale; odometer reading at the beginning of the period; odometer reading at the time of sale; and the buyer's name, address, and EIN. The buyer must attach this statement to Form 2290 and file the return by the last day of the month following the month the vehicle was purchased.

If, after the sale, the use of the vehicle exceeds the mileage use limit (including the highway mileage recorded on the vehicle by the former owner) for the period, and the former owner has provided the required statement, the new owner is liable for the tax on the vehicle. If the former owner has not furnished the required statement to the new owner, the former owner is also

liable for the tax for that period. See **Suspended vehicles exceeding the mileage use limit** on page 3.

Signature

Sign the return. Returns filed without a signature will be sent back to you for signing. An unsigned return is not considered filed.

Note: If you want someone other than yourself to discuss your tax information with any office of the IRS, see **Form 8821, Tax Information Authorization**.

Schedule 1 (Form 2290)

Complete both copies of Schedule 1 and file them with your return. Your return may be rejected if Schedule 1 is not attached to Form 2290. A copy of Schedule 1 will be stamped and returned to you.

Note: If you want a copy of a prior-period Schedule 1 returned to you, you must send a written request to the Internal Revenue Service Center, Cincinnati, OH 45999-0031.

Name and address. The first time you file, enter your name and address on Schedule 1 exactly as you entered it on Form 2290. See **Name and Address** on page 3.

Part I. Enter by category the VIN of each vehicle for which you are reporting tax. If you need more space, attach separate lists. Be sure to write your name and EIN on each list you attach.

Part II. Enter the VIN of each vehicle for which you are claiming suspension from the tax. If you need more space, attach separate lists. Be sure to write your name and EIN on each list you attach.

Note: Instead of completing Parts I and II, you may attach a statement to Schedule 1 that lists the VINs by category. You must attach two copies of the statement. Be sure to write your name and EIN on each statement you attach.

Part III. Complete as follows:

- Enter on line a, the total number of taxable vehicles that you reported on Form 2290, page 2, column (3), categories A-V.
- Enter on line b, the total number of taxable vehicles that you reported on Form 2290, page 2, column (3), category W.

Proof of payment for state registration. Generally, states will require verification of payment of the tax for any taxable vehicle before they will register the vehicle.

Use the stamped copy of Schedule 1 as proof of payment when:

- Registering vehicles with the state or
- Entering a Canadian or Mexican vehicle into the United States.

If you do not have the stamped copy, you may use a photocopy of Form 2290, Schedule 1, and both sides of your canceled check as proof of payment.

No proof of payment is required for a newly purchased vehicle, if you present to the state a copy of the bill of sale showing that the vehicle was purchased within the last 60 days. However, you must file a return and pay any tax due. See **When To File** on page 1.

A limited number of states have agreed to participate in an alternate proof of payment program with the IRS. In those states, the Department of Motor Vehicles (DMV) may forward your return to the IRS if certain requirements are met. If you give your Form 2290 (with voucher and payment) to your DMV to be forwarded to the IRS, no further proof of payment is needed to register your vehicle. Contact your local DMV to see if your state participates in this program.

If you give the DMV your Form 2290 to forward, your return is not considered filed until the IRS receives it. You are responsible for any penalties or interest if the return is filed late or lost by the DMV.