

§ 48.4063-1

26 CFR Ch. I (4-1-06 Edition)

§ 48.4063-1 Tax-free sales of bodies to chassis manufacturers.

Under the provisions of section 4063(b), the tax imposed by section 4061(a) shall not apply to bodies sold by the manufacturer thereof to a manufacturer (but not an importer) of automobile trucks (as defined by § 48.4061(a)-3(a)) to be sold by the purchaser. Thus, a manufacturer of automobile truck bodies is permitted to sell such bodies tax free to manufacturers of automobile truck chassis. This section does not apply with respect to the sale of an automobile truck chassis to manufacturers of automobile truck bodies. However, see § 48.4061(a)-1(e) with respect to the sale of an automobile truck chassis for use in the manufacture or assembly of a non-highway vehicle (within the meaning of § 48.4061(a)-1(d)). In order to effect a tax-free sale of a body as provided in this section, both the seller and purchaser must comply with the registration and other requirements of section 4222 and the regulations thereunder. A chassis manufacturer who purchases a body tax free as provided in this section shall, for purposes of application of the tax imposed by section 4061(a), be considered the manufacturer of such body.

[T.D. 7461, 42 FR 2675, Jan. 13, 1977]

§ 48.4063-2 Tax-free sales of parts or accessories sold for resale on or in connection with the first retail sale of a light-duty truck.

(a) *In general.* Under section 4063(e), the 8-percent manufacturers excise tax imposed by section 4061(b) on the sale of truck parts or accessories does not apply to the sale by the manufacturer, producer, or importer of any parts which are to be resold by the purchaser on or in connection with the first retail sale of a light-duty truck as defined in section 4061(a)(2), or which are to be resold by the purchaser to a second purchaser for resale by the second purchaser on or in connection with the first retail sale of a light-duty truck. A tax-free sale is also allowed under section 4063(e) if an ultimate purchaser makes a direct purchase from a manufacturer of a part or accessory for use on or in connection with a substan-

tially contemporaneous purchase of a new light-duty truck.

(b) *Evidence required for tax-free sales of light-duty truck parts and accessories—*

(1) *In general.* The provisions of section 4063(e) do not apply with respect to any sale unless the manufacturer, the first purchaser, and the second purchaser, if any, are all registered as required under section 4222, and unless they comply with all the requirements under that section relating to tax-free sales. To effectuate a tax-free sale directly from the manufacturer, first or second purchaser to an ultimate purchaser, the ultimate purchaser must, in every case, satisfy the provisions of paragraphs (b)(3)(i), (ii) and (iii) of this section. Persons not required to be registered under section 4222(b) may purchase articles tax free by following the same procedures that apply to them in the case of other tax-free sales. See § 48.4222(b)-1.

(2) *Revocation or suspension of registration or right to use exemption certificate.*

A person's registration and right to sell or purchase articles tax free through the use of an exemption certificate may be revoked or suspended. See § 48.4222(c)-1. Such a revocation or suspension shall be in addition to any other penalties that may apply. Any person who purchases articles tax free and who sells or uses them for a non-exempt purpose shall notify its vendor of the taxable sale or use.

(3) *Exemption certificate.* (i) To establish exemption from tax under section 4061(b) in those instances where a sale is made directly to an ultimate purchaser, the manufacturer, first, or second purchaser must obtain (prior to or at the time of sale) from the ultimate purchaser and retain in its possession a properly executed exemption certificate in the form prescribed in paragraph (b)(3)(iii) of this section.

(ii) Where only occasional sales are made, a separate exemption certificate shall be furnished for each order. However, where sales are regularly or frequently made to a purchaser for such exempt use, a certificate covering all sales for a specified period not to exceed 12 calendar quarters will be acceptable. Such certificates and proper records of invoices, orders, etc. relative

to tax-free sales must be kept for inspection by the district director as provided in section 6001 and the regulations thereunder.

(iii) The following form of exemption certificate will be acceptable for purposes of this section and must be adhered to in substance.

EXEMPTION CERTIFICATE

(For use by ultimate purchaser who purchase parts or accessories from a manufacturer, producer, importer, first or second purchaser for use on or in connection with the first retail sale of a light-duty truck. (Section 4063 of the Internal Revenue Code.))

(Date) _____ 19 ____.

1. I, the undersigned, certify that I am, or the (Name of company _____ of which I am (Position held _____, is purchasing from the manufacturer, producer, importer, first or second purchaser the parts or accessories specified in section 2 below (or in the purchase order or invoice attached hereto) for use on or in connection with a substantially contemporaneous purchase of a new light-duty truck specified in section 3 below. I also certify that (check applicable type of certificate) _____ the article or articles specified in the accompanying order, as described below, or _____ all orders placed by the purchaser for the period commencing (Date) _____ and ending (Date) _____ (period not to exceed 12 calendar quarters), will be used only for the above stated tax-exempt purposes and will not be used as a replacement part.

I understand that the willful use of this exemption certificate to evade or defeat the manufacturers excise tax otherwise applicable to these parts or accessories will subject me to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, together with cost of prosecution.

(Signature) _____.

(Address) _____.

2. Description of parts and accessories

Type	Quantity	Price	Total
.....
.....

3. Description of new light-duty truck

- (a) Type: (b) Quantity, (c) Serial Number.
- (d) GVWR: (e) Date of Sale, (f) Invoice Number.
- (g) Name and Address of Vendor of Vehicle.

(c) Information; records—(1) Information to be furnished to vendee. A vendor (including the manufacturer) selling light-duty truck parts and accessories tax free under section 4063(e) shall indicate to its vendee that the vendee is

obtaining the parts or accessories tax free for the purpose of resale (or use) on or in connection with the first retail sale of a light-duty truck. This information may be transmitted by any convenient means, such as coding of sales invoices, provided that the information is presented with sufficient particularity so that the purchaser is informed that the purchaser has obtained the light-duty truck parts or accessories tax free.

(2) Records of vendor. A manufacturer or vendor selling light-duty truck parts or accessories tax free under section 4063(e) shall maintain in its records the identity of the purchaser, a signed statement of the exempt purpose for purchasing the light-duty truck parts or accessories, and the quantity of light-duty truck parts or accessories sold tax free to each purchaser.

(3) Records of vendee. A person purchasing light-duty truck parts or accessories tax free under section 4063(e) must maintain sufficient records to establish that the parts or accessories purchased tax free have actually been resold (or used) on or in connection with the first retail sale of a light-duty truck or have been resold to a second purchaser for such a resale by the second purchaser.

(d) Duty of selling manufacturer to ascertain validity of tax-free sale. The selling manufacturer of light-duty truck parts is not relieved of liability under the provisions of section 4063(e) by reason of section 4221(c) for the tax imposed by section 4061(b) if at the time of sale the selling manufacturer has knowledge or reason to believe that the light-duty truck parts or accessories sold by it to the purchaser are not intended for resale (or use) on or in connection with the first retail sale of a light-duty truck. The selling manufacturer is also not relieved of liability if it has knowledge or reason to believe that the purchaser has failed to register, refused to execute an exemption certificate, or that its registration or its right to purchase tax free through the use of an exemption certificate has been revoked or suspended.

(e) Cross reference. For credit or refund, see section 6416(b)(2).

§ 48.4063-3

26 CFR Ch. I (4-1-06 Edition)

(f) *Effective date.* Section 4063(e) (relating to light-duty truck parts and accessories) applies to sales on or after December 1, 1978. Light-duty truck parts or accessories sold prior to that date are not exempt from tax under section 4061(b) by reason of section 4063(e).

[T.D. 7834, 47 FR 42344, Sept. 27, 1982]

§ 48.4063-3 Other tax-free sales.

For provisions relating to tax-free sales of articles referred to in section 4061, see:

(a) Section 4221, relating to certain tax-free sales;

(b) Section 4222, relating to registration; and

(c) Section 4223, relating to special rules pertaining to further manufacture;

and the regulations thereunder contained in Subpart N of this part.

[T.D. 7727, 28 FR 3633, Apr. 13, 1963. Redesignated by T.D. 7834, 47 FR 42344, Sept. 27, 1982]

§ 48.4064-1 Gas guzzler tax.

(a) *General rule*—(1) *In general.* Section 4064 imposes on the sale by the manufacturer of an automobile a tax determined in accordance with the tables in section 4064(a) (1) through (7), and in paragraph (a)(2) of this section. The tax is applicable to model types of 1980 and later model year automobiles that have a fuel economy level below the applicable tax-free fuel economy level. Paragraph (b) of this section defines the following terms: sale, manufacturer, automobile, model year, model type, fuel economy, and fuel. Paragraph (c) of this section contains rules relating to the determination of fuel economy. Paragraph (d) of this section contains a special rule for certain small manufacturers. Paragraph (e) of this section contains rules relating to the tax-free sales of emergency vehicles.

(2) *Tables.* (i) In the case of a 1980 model year automobile:

If the fuel economy of the model type in which the automobile falls is:

	<i>The tax is—</i>
Miles per gallon:	
At least 15	0
At least 14 but less than 15	\$200

The tax is—

At least 13 but less than 14	300
Less than 13	550

(ii) In the case of a 1981 model year automobile:

If the fuel economy of the model type in which the automobile falls is:

The tax is—

Miles per gallon:	
At least 17	0
At least 16 but less than 17	\$200
At least 15 but less than 16	350
At least 14 but less than 15	450
At least 13 but less than 14	550
Less than 13	650

(iii) In the case of a 1982 model year automobile:

If the fuel economy of the model type in which the automobile falls is:

The tax is—

Miles per gallon:	
At least 18.5	0
At least 17.5 but less than 18.5	\$200
At least 16.5 but less than 17.5	350
At least 15.5 but less than 16.5	450
At least 14.5 but less than 15.5	600
At least 13.5 but less than 14.5	750
At least 12.5 but less than 13.5	950
Less than 12.5	1,200

(iv) In the case of a 1983 model year automobile:

If the fuel economy of the model type in which the automobile falls is:

The tax is—

Miles per gallon:	
At least 19	0
At least 18 but less than 19	\$350
At least 17 but less than 18	500
At least 16 but less than 17	650
At least 15 but less than 16	800
At least 14 but less than 15	1,000
At least 13 but less than 14	1,250
Less than 13	1,550

(v) In the case of a 1984 model year automobile:

If the fuel economy of the model type in which the automobile falls is:

The tax is—

Miles per gallon:	
At least 19.5	0
At least 18.5 but less than 19.5	\$450
At least 17.5 but less than 18.5	600
At least 16.5 but less than 17.5	750