

These instructions were prepared for Personal Property Clerks in the Commissioner of the Revenue office of Frederick County, Virginia. Reference to "class codes" is only for the particular system of personal property identification used by Frederick County. All other information would apply to any jurisdiction in Virginia providing they have a reduced machinery and tools rate that would therefore apply as the maximum that could be charged for a contract carrier rate.

TRUCKS & OVER THE ROAD TRACTORS - THOSE BIG GUYS!

TRAINING DOCUMENT
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Information is gathered from DMV. If registered out of state, trucker must provide same information from state of registry. Caution: If a locality only taxes those trucks with Virginia registration they will miss a large percentage of their taxable interstate trucks and trailers!

The student is cautioned to remember that ONLY those vehicles that have situs in their locality may be taxed under any of these rules. To have situs any interstate vehicle must be directed and controlled from a sited location in the locality taxing it.

ASK THREE QUESTIONS:

WEIGHT
PLATE TYPE
LOAD OWNERSHIP

TERMS:

Apportioned – The use of fractional values by taking the normal assessed value of vehicles or trailers that travel in interstate commerce and multiplying it by the percentage of Virginia miles divided by all interstate miles traveled by the vehicle.

Class Codes – Method of assigning a searchable number to specify particular types of personal property and may relate to affective tax rate charged.

Contract Carrier (CT) – A motor carrier that has an agreement (contract) to transport goods over interstate routes for someone else.

Contract Carrier Rate (CT) – The tax rate required to apply to qualifying contract carrier trucks and trailers in a locality that has a machinery and tools rate lower than the personal property rate. The contract carrier rate cannot exceed the locality's machinery and tools rate.

Decals – For purposes of this lesson, decals refer to the locality sticker purchased from Treasurers or Commissioners of the Revenue in those localities still requiring them. Under Federal law trucks and trailers traveling in interstate commerce cannot be required to purchase a locality decal even if directed and controlled solely in that locality.

FOB – Freight On Board – The cargo for which the truck has a bill of lading on the current trip. This freight may be owned by the trucking company or for a load they are only delivering for the owner.

For Hire – Identifies a truck, the owner or lessee of which, is carrying the freight for a fee only and has no ownership of the goods themselves.

GVW – Gross Vehicle Weight – The weight of a truck or trailer including its full load. Full load includes any weight being pulled as well as weight contained in or on the vehicle itself.

IFTA Report – A report filed with the trucking company's state department of motor vehicles. Report is designed by the Federal Land Transportation Board (formerly by the Interstate Commerce Commission) and is specifically designed to show the miles traveled and gasoline purchased by each truck that travels in interstate commerce. Trucking companies must keep a copy of each such report – most are quarterly, some monthly.

Interstate Routes – The use of highways within Virginia and at least one other state for travel of goods in interstate commerce.

Private Load - Identifies the type of license on a truck, the owner or lessee of which, is carrying the FOB of his own or is owned by the company operating the truck. This would be typical of gravel trucks, manufacturer's own trucks or trucks such as Walmart IF they are not registered as "For Hire". (Assessors will find most big box store owned trucks are registered as "For Hire" so they can transport the load of someone else when they head back to their "home" terminal instead of "dead heading" which means driving empty. Such licensing for hire is legal as long as the additional fee has been paid and the proper registration provided to the home state department of motor vehicles. The states do not care who owns the load if a "for hire" tag is applicable.)

Trailers or semi-trailers – Identifies the large non-motorized but wheeled cargo containers or beds that are pulled behind large trucks for hauling goods in interstate commerce and that are qualifying under these rules. Trailers by Virginia rules must be treated in the same manner as the trucks pulling them. However if a company has both qualifying and non-qualifying tractors, then trailers may be assigned as indicated in the instructions below.

TRUCKS

Class Codes available: #14 (locally assigned routes and freight only), #17 (interstate freight but freight is owned by trucking company), and #50 (interstate freight and the goods are not owned by trucking company or the truck is so licensed.)

1 - What is the **Weight** of the tractor or heavy truck? Is it 10,000 pounds GVW or more? (Federal requires 23,000 GVW but Virginia rule begins at 10,000 – therefore some Virginia vehicles will qualify under these rules where they may not qualify under Federal reporting rules. This often applies to tow trucks and large dump trucks. A report similar to the IFTA report is required by VA DMV for such qualifying vehicles.)

YES - May qualify for special treatment - continue to #2. (Cannot determine class code yet - must answer #2 and #3 first.)

NO - Regular personal property. (Gets class 22 if business use, gets class 02 if personal use)

2 - What is the **Plate Type** (PLT TYP)? Is it "APP"? Will download from DMV as Plate Type "APPORTIONED" (or an abbreviation such as "APP"). Other states will also indicate if the vehicle is apportioned.

YES - Does travel in interstate commerce. Does qualify for a percentage of (apportionment) value based on Virginia miles divided by all miles traveled from IFTA report generated by DMV or other state where registered. Taypayer must provide IFTA report. May qualify for CT rate - see #3. (Cannot determine Class Code yet will be 17 or 50.) Does NOT need a decal if 17 or 50!

NO - Does NOT qualify for apportionment. Will NOT qualify for CT rate regardless of vehicle use in #3! Class Code 14. Does need a decal.

3 - What is the Vehicle Use (VEH USE)? Is it "H" or "P"?

"H" = For hire - qualifies for CT rate if it is "YES" in #2. (Gets Class 50)

"P" - Private load - NO CT Rate. (Gets Class 14 if NO in #2) (Gets Class 17 if "YES" in #2) (Needs decal if class 14 - NO decal if Class 17)

NOTE: This is how they are LICENSED – not necessarily how the cargo is actually owned. See above definitions. A trucker may purchase the “for hire” tags and still carry his own freight. He may NOT however carry someone else’s freight using a “private load” vehicle use tag.

TRAILERS - WHAT ABOUT THEM?

Class Codes Available - #09 (locally assigned only or interstate tractor/truck tagged as if goods owned by trucking company) and #51 (interstate routes and freight not owned by trucking company or licensed as if they were owned by someone else). No decals on any trailer in Frederick County.

This lesson refers to semi-trailers or over-the-road trailers only. (All will usually carry a GVW of over 33,000 pounds - usually 80,000 pounds.) (Almost all will have a renewal date of 99/99/99 and say "Permanent" plate but “permanent” registration is not required to use these classifications.)

1 - If trucking company has BOTH class 50 and 17 or 14 tractors, then the trailers are assigned as follows:

One trailer is Class 09 for each Class 14 or 17 tractor owned by the same company.

All remaining trailers are Class 51 and given the CT rate like the Class 50 tractors that pull them. Trailers are apportioned.

2 - Trucking company only has Class 50 tractors.

ALL trailers are Class 51. All are CT rate, all are apportioned

3 - Trucking company only has Class 17 or 14 tractors (all of one or some of both 14 & 17)

All trailers are Class 09. None get CT rate. One trailer for every Class 17 tractor gets apportioned.

Staff should be certain to read message on Code sections that apply and why the above decisions have been made.

References: Code of Virginia §§58.1-3503, 3506.25 & 3506.B, &3511.B and §46.2-100
Federal Code takes precedence on any interstate travel regulations. Some information above is generated from Federal Code Sections.