

MOTOR AND ALTERNATIVE FUELS TAXES TAX BULLETIN - 2015-02

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Specific Motor Vehicles Exempted from Pennsylvania Motor Carrier Road Tax and the International Fuel Tax Agreement

PURPOSE

The purpose of this bulletin is to inform Motor Carriers of changes to the treatment of certain motor vehicles exempted from Pennsylvania Motor Carrier Road Tax (“PA-MCRT”) and the International Fuel Tax Agreement (“IFTA”). These changes are warranted because of the Pennsylvania Supreme Court’s ruling in *Senex Explosives v. Commonwealth of Pennsylvania*, 91 A.3d 101 (Pa. 2014) (*aff’g Senex Explosives v. Commonwealth*, 67 A.3d 1268 (Commw. Ct. 2013)).

BACKGROUND

Pennsylvania’s Motor Vehicle Code, Title 75, provides for certain types of vehicles to be exempt from reporting and paying PA-MCRT. Specifically, 75 Pa.C.S. § 2105 exempts the following vehicles (“affected vehicles”) from these requirements:

- Qualified motor vehicles which are farm vehicles bearing farm plates
- Qualified motor vehicles exempted from registration as a farm vehicle
- Emergency vehicles
- Qualified motor vehicles operated by the Commonwealth, its political subdivisions, the Federal Government or its agencies, any foreign country, or any state or political subdivision which grants similar exceptions to publicly owned vehicles registered in this Commonwealth
- A school bus
- A motorbus owned by and registered to a church
- An implement of husbandry
- Special mobile equipment
- Unladen or towed motor vehicles or unladen trailers entering the Commonwealth solely for securing repairs or reconditioning
- A qualified motor vehicle needing emergency repairs which has secured authorization to enter the Commonwealth from the Pennsylvania State Police
- A commercial implement of husbandry

IMPACT OF COURT'S RULING

Prior to the Pennsylvania Supreme Court's ruling in *Senex*, affected vehicles could obtain IFTA credentials for travel in states other than Pennsylvania. Such vehicles would then participate in IFTA reporting and payment of motor carrier road taxes imposed by other states. However, because the Court ruled that no provisions of Title 75's motor carrier road tax and licensing (Chapters 21 and 96) shall apply to affected vehicles, it is no longer possible for the Department of Revenue ("Department") to issue IFTA decals for the affected vehicles while also allowing affected vehicles to be exempt from PA-MCRT.

As a result, Pennsylvania operators of affected vehicles now have the following options for engaging in out-of-state travel:

1. Obtain one-time trip permits from the state or states into which an affected vehicle intends to travel.
2. Make a specific request to the Department for IFTA credentials for the affected vehicle(s), also stating you are waiving that status of the affected vehicle(s) as protected by Chapters 21 and 96 of the Motor Vehicle Code. Election of this waiver shall mean the vehicle is subject to IFTA reporting and payment of taxes, but remains exempt from PA-MCRT.

Please contact this office if you have any questions.

Pennsylvania Department of Revenue
Bureau of Motor and Alternative Fuel Taxes
PO Box 280646
Harrisburg, PA 17128
Telephone: (800) 482-4382