

## **Business Tax Administrative Rule 610.16-2A(LIC-6.22)**

### **Petition for Reduction of Heavy Vehicle Use Tax**

The Portland Heavy Vehicle Use Tax (HVT) amount is the applicable rate for the tax year multiplied by the total Oregon Weight-Mile Tax for taxpayers otherwise subject to the Portland Business License Tax.

Applicable rate for 2016 through 2019	2.8%
Applicable rate for 2020 through 2022	3.0%
Applicable rate for 2023	1.25%
Applicable rate for 2024 through 2025	2.6%

The HVT is not due in cases where no heavy vehicles are operated on streets owned or maintained by the City of Portland. In cases where taxpayers only minimally operate heavy vehicles on streets owned or maintained by the City of Portland, a petition can be filed and, if approved, result in a reduction in the amount of HVT that would be due for a particular tax year.

Petitions will generally only be approved in cases where the total (all vehicles) amount of heavy vehicle miles driven on Portland owned or operated streets is less than or equal to 1% of the total heavy vehicle miles driven in Oregon. The reduction will be limited to 50% of the regularly computed HVT and will not reduce the HVT to below the \$100 minimum amount due under PCC 7.02.500 D 2. The HVT must be calculated at the regular amount (the applicable HVT rate multiplied by the total Oregon Weight-Mile Tax) and paid in full in order to petition for a reduction.

In extreme cases, generally defined as cases where a taxpayer drives less than one tenth of one percent (0.1%) of their Oregon heavy vehicle miles on Portland owned or operated streets, a taxpayer will be granted a reduction below the 50% limit. In these extreme cases, the taxpayer may calculate their HVT by multiplying their actual Portland/Oregon mile percentage by their total Oregon Weight-Mile Tax and then multiplying the result by the applicable rate divided by presumed miles driven in Portland (.01 of Oregon miles).\* If the result is less than \$100, they would still be subject to the \$100 minimum amount due under PCC 7.02.500 D 2. In cases where paying the regularly-calculated HVT in advance (of the petition) will place an undue financial burden on the taxpayer, the Revenue Division may waive the prepayment requirement.

The petition must include the following:

- 1) The name and account number of Portland Business License Tax taxpayer
- 2) The single tax year to which the petition applies
- 3) The name of entity paying the Oregon Weight-Mile Tax (if different)
- 4) The total amount of Oregon Weight-Mile Tax calculated for all periods within the tax year
- 5) A general description of the heavy vehicle activities in Oregon and in Portland

6) **For the 2016 tax year** – An estimate of the total heavy vehicle miles driven on streets owned or maintained by the City of Portland (This estimate must be reasonable and supportable with existing data and is subject to audit and other verification.)

7) **For tax years subsequent to 2016** - The total heavy vehicle miles driven on streets owned or maintained by the City of Portland (This total must be supported by actual driving records and all such records are subject to audit and other verification.)

8) The total heavy vehicle miles subject to the Oregon Weight-Mile Tax

9) The signature of owner/officer attesting that the mileage calculations (estimates and actuals) are substantially accurate/correct to the best of their knowledge and that due diligence has been performed in completing the calculations.

The petition should generally be filed with the original return, however it can be submitted separately. If submitted separately, it must be received by the Revenue Division within 60 days from the date the original return was filed.

The petition will be reviewed by the Revenue Division and a determination will be made by the Revenue Division within 90 days of the receipt of the petition. If more information is needed to make a determination, the taxpayer will be notified within the 90 day period and if needed, an extension will be granted. If the petition is granted, 50% of the amount of HVT paid will be refunded to the taxpayer. If the petition is denied, the taxpayer may request a redetermination from the Revenue Division Director within 30 days of the denial. The decision of the Revenue Division Director is final and cannot be appealed to the Business License Appeals Board.

Note: Some streets within the city limits of Portland are **not** “owned or maintained by the City of Portland”. These generally include the Interstate and State-Owned Highway System. For more information, visit this map.

\*The presumed rate of Oregon miles in Portland is .01. The HVT rate already presumes that only 1% of the taxpayer’s Oregon miles are being driven in Portland.

Example: A taxpayer drives 500 miles of their 1,000,000 Oregon miles in Portland. They pay \$100,000 in Oregon Weight-Mile Tax. They drive .05% (.0005), which is less than one tenth of one percent of their Oregon miles in Portland, so they can use the alternate calculation. Their 2024 HVT would be \$130 (.0005 x \$100,000 x 2.6).

XX-XX-2024

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Date

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Director, Revenue Division

Amended XX-XX-2024