

INTERNAL REVENUE SERVICE

Number: **200023046**
Release Date: 6/9/2000
Index No.: 4051.00-00

CC:DOM:P&SI:8/PLR-105230-00

MAR 15, 2000

In re:

Legend:

Taxpayer =

Dear

This is to notify you that the Internal Revenue Service (Service) is reconsidering the applicability of the tax exception in § 48.4061(a)-1(d)(2)(i) of the Manufacturers and Retailers Excise Tax Regulations to trucks on which cranes are installed.

In letter ruling, LTR 199917048, dated February 1, 1999, the Service concluded that vehicles purchased by the Taxpayer, modified by the installation of cranes, and subsequently leased or sold at retail by Taxpayer are not taxable highway vehicles under § 4051 of the Internal Revenue Code.

Because this matter is now being reconsidered, the Service is revoking LTR 199917048 effective May 15, 2000. Consequently, Taxpayer may no longer rely on LTR 199917048 with respect to the purchase and the subsequent sale or lease of certain trucks on which Taxpayer has cranes installed.

We recognize the significance of this development to you and will attempt to resolve this matter as soon as possible.

Sincerely,
Assistant Chief Counsel
(Passthroughs & Special Industries)
By: Richard A Kocak
Chief, Branch 8