



U.S. Department
of Transportation
**Federal Highway
Administration**

South Carolina

November 9, 2016

1835 Assembly Street, Suite 1270
Columbia, SC 29201
803-765-5411
803-253-3989

Mr. Kevin A. Shwedo
Executive Director
South Carolina Department of Motor Vehicles
Post Office Box 1498
Blythewood, South Carolina 29016

Dear Mr. Shwedo:

The South Carolina Division of the Federal Highway Administration (FHWA) conducted a compliance review of the State of South Carolina's proof of payment procedures for the Heavy Vehicle Use Tax (HVUT) on September 6, 2016. The HVUT is a fee assessed annually on heavy vehicles operating on public highways at registered gross weights equal to or exceeding 55,000 pounds. A framework for HVUT enforcement is established in 23 CFR 669, and assigns responsibilities to multiple federal and state agencies.

Observations include one recommendation and two commendations which are outlined in the report entitled "Heavy Vehicle Use Tax - Proof of Payment Compliance Review - South Carolina Division." FHWA recommends SCDMV coordinate with the IRS to schedule an IRS Form 2290 training to ensure headquarters and field staff are up to date with any changes or any new developments. FHWA commends SCDMV for their efforts for incorporating technology to improve efficiency and provide excellent customer service to motor carriers. In addition, with more taxpayers submitting their 2290 payments through SCDMV rather than paying them directly to the IRS, FHWA commends SCDMV staff for their hard work and dedication for ensuring the increased volume of IRS payments are processed while continuing to maintain a high level of compliance for proof of payment for HVUT.

Compliance Determination: FHWA has evaluated and discussed the HVUT components for the state of South Carolina and finds that the SCDMV is obtaining proof of payment, has a process to seek documentation from those HVUT in-state registrants who do not provide the information to SCDMV in a timely manner, and has a process to suspend registration if proof of payment is not received.

FHWA thanks Leroy Johnson, Director of Motor Carrier Services/Customer Service Delivery and his staff for their tremendous assistance and cooperation in making the compliance review informative, productive, and a positive exchange of frank discussions. The next compliance review of the state's procedures for complying with HVUT requirements will be scheduled in 2019.

Sincerely yours,

Emily O. Lawton
Division Administrator

cc:

Steve Ikerd, Director of Engineering and Operations, FHWA
Yolanda Morris, Community Planner, FHWA
Lou Burch, Program Management Analyst, FHWA
Jessica Hekter, Planning, Air Quality, & Right of Way Programs Manager, FHWA
Leroy Johnson, Director of Motor Carrier Services, SCDMV
Larry Murray, Director of Customer Service Delivery, SCDMV

*John - please
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share w/ others - story
good never - story
Thank to Leroy!*