

**INTERNAL REVENUE SERVICE**

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CC:DOM:P&SI:8/PLR-105234-00

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 9844036, dated August 5, 1998, the Service concluded that the vehicles on which Taxpayer had installed cranes, aerial units, and digger derricks and subsequently sold at retail are not taxable highway vehicles under § 4051 of the Internal Revenue Code.

Because this matter is now being reconsidered, the Service is revoking LTR 9844036 effective May 15, 2000. Consequently, Taxpayer may no longer rely on LTR 9844036 with respect to the sale of certain trucks on which Taxpayer installs cranes, aerial units, and digger derricks.

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