

114TH CONGRESS
2D SESSION

S. CON. RES. 40

Expressing the sense of Congress that the Federal excise tax on heavy-duty trucks should not be increased.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2016

Mr. GARDNER submitted the following concurrent resolution; which was referred to the Committee on Finance

CONCURRENT RESOLUTION

Expressing the sense of Congress that the Federal excise tax on heavy-duty trucks should not be increased.

Whereas there is a 12-percent Federal excise tax on new tractor trailer trucks and certain other heavy-duty trucks;

Whereas the 12-percent Federal excise tax is the highest percentage rate of any Federal ad valorem excise tax;

Whereas the Federal excise tax was first levied by Congress in 1917 to help finance the involvement of the United States in World War I;

Whereas, in 2015, the average manufacturer suggested retail price for a heavy-duty truck was more than \$178,000;

Whereas the 12-percent Federal excise tax adds, on average, an additional \$21,360 to the cost of a heavy-duty truck;

Whereas the average in-use, heavy-duty truck is 9.3 years old, close to the historical all-time high;

Whereas the Federal excise tax, by significantly increasing the cost of new heavy-duty trucks, keeps older, less environmentally clean, and less fuel efficient heavy-duty trucks in service for longer periods of time;

Whereas the model year 2002–2010 tailpipe emissions rules of the Environmental Protection Agency (in this preamble referred to as the “EPA”) account for \$20,000 of the average price of a new heavy-duty truck;

Whereas, according to the 2011 EPA and National Highway Traffic Safety Administration Regulatory Impact Analysis entitled “Final Rulemaking to Establish Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles”, model year 2014–2018 EPA-Department of Transportation fuel economy rules will add approximately \$8,000 to the price of a new heavy-duty truck;

Whereas the \$28,000 average per truck cost of these regulatory mandates results, on average, in an additional \$3,360 in Federal excise taxes;

Whereas achieving the goal of deploying cleaner, more fuel efficient heavy-duty trucks, given the \$30,000 average per truck regulatory cost, would be slowed even further if the Federal excise tax were increased;

Whereas achieving the goal of deploying heavy-duty trucks with the latest safety technologies, such as lane departure warning systems, electronic stability control, and automatic braking for reduced stopping distance, would be slowed if the Federal excise tax were increased;

Whereas all of the heavy-duty trucks sold in the United States are manufactured in North America; and

Whereas more than 8,000,000 people in the United States are employed in the United States trucking industry:
Now, therefore, be it

1 *Resolved by the Senate (the House of Representatives*
2 *concurring), That—*

3 (1) the Federal excise tax under section 4051
4 of the Internal Revenue Code of 1986 on new tractor
5 trailer trucks and certain other heavy-duty
6 trucks inhibits the sale of the cleanest, safest, and
7 most fuel efficient heavy-duty trucks and trailers;

8 (2) the Federal excise tax on new tractor trailer
9 trucks and certain other heavy-duty trucks adds un-
10 certainty and volatility to the Highway Trust Fund
11 due to the cyclical nature of heavy-duty truck and
12 trailer sales;

13 (3) the Federal excise tax on new truck trac-
14 tors, heavy-duty trucks, and certain truck trailers
15 should not be increased; and

16 (4) Congress should carefully review the detri-
17 mental impacts of the Federal excise tax when con-
18 sidering future transportation policy.

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