Promote the Adoption of Cleaner and Greener Advanced Technology Trucks
Repeal the Federal Excise Tax on New Heavy-Duty Trucks – S. 2435

ISSUE
As Congress considers reconciliation legislation, it should repeal the 12% federal excise tax (FET) on new trucks and trailers. Because of the development of new technology and the implementation of stringent emissions standards, new trucks are drastically reducing the transportation sector’s environmental footprint. FET repeal would help modernize America’s truck fleet and further reduce emissions by incentivizing the purchase of newer, cleaner trucks to replace older trucks.

New trucks and semi-trailers are not reaching the road fast enough to reap the benefits of emerging green technologies. More than half of the Class 8 trucks on the road today are over 10 years old. According to a 2020 survey conducted by the American Trucking Associations, over 60% of fleets were somewhat likely or very likely to purchase additional trucks and trailers beyond their scheduled buy if the FET was eliminated. To reduce fuel consumption and slash emissions, Congress should repeal the FET to spur the purchase of cleaner, more efficient trucks and trailers.

BACKGROUND
The Environmental Protection Agency’s (EPA) and the National Highway Traffic Safety Administration’s (NHTSA) mandates, which govern greenhouse gas emissions and fuel efficiency (GHG/FE), will apply to all new trucks, with standards that become steadily more stringent through 2027 and beyond and ensure continued progress.

In 2011, EPA and NHTSA announced the first-ever program to reduce GHG emissions and improve fuel efficiency in heavy-duty trucks. Phase 1 of the program established standards for model-years 2014 through 2018, which alone was expected to save 530 million barrels of oil and reduce carbon dioxide (CO₂) emissions by 270 million metric tons. Phase 2 will address model-years 2021 and beyond and will further improve upon these advancements, establishing standards that will rely upon the adoption of both currently available technologies and those not yet developed or widely deployed.

Since 2007, the newest generation diesel trucks on U.S. roads have reduced emissions by 126 million metric tons of CO₂, 18 million metric tons of nitrogen oxides (NOₓ) 1 million metric tons of particulate matter (PM) and saved 12.4 billion gallons of diesel and 296 million barrels of crude oil. Emissions reductions and efficiency improvement standards can be found on the next page.

KEY POINTS
• **FET repeal would accelerate fleet turnover and new trucks have contributed significantly to environmental quality improvements.** Since 2010, new trucks have achieved significant CO₂ and fuel efficiency improvements. As more than half of the Class 8 trucks on the road today are over 10 years old, repealing the FET would incentivize the purchase of new trucks with the latest emission-reduction technology and crash avoidance advancements to modernize America’s trucking fleet.

• **The commercial truck fleet has an outsized impact on the transportation sector.** Trucks consume over 20% of the nation’s transportation fuel or approximately 22 billion gallons of diesel fuel every year while traveling over 200 billion miles annually. Small improvements in the fuel economy of the truck fleet can yield large results, and the final Phase 2 standards are expected to reduce oil consumption by up to two billion barrels over the lifetime of the vehicles sold under the program.

• **Repealing the 12% FET would quicken the deployment of newer, cleaner trucks on the road.** For three decades, cleaner fuel and advanced engines have combined to reduce NOₓ emissions by 97% and particulate matter emissions by 98%. To put that in perspective, it would take 60 of today’s new trucks to generate the same level of emissions as a single truck manufactured in 1988. New trucks have contributed significantly to environmental quality improvements. For example, a new heavy-duty truck will save about 960 gallons of fuel for each year over a model year 1998 truck. In fact, the American Lung Association has credited fleet turnover as an integral factor in helping to improve U.S. air quality.
CO₂ and Fuel Efficiency Improvements From Medium- and Heavy-Duty Vehicle Standards

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