116TH CONGRESS
1ST SESSION

H. R. 2381

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2019

Mr. LaMalfa (for himself, Mr. Peterson, Mr. O'Halleran, Mr. Pence, and Mr. Cuellar) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Modern, Clean, and Safe Trucks Act of 2019”.

SEC. 2. FINDINGS.

The Congress finds that—

(1) there is a 12-percent Federal retail excise tax on certain new heavy trucks, tractors, and trail-
ers, coupled with new regulatory mandates, significantly increasing the cost of new heavy-duty trucks, tractors, and trailers, and discourages the replacement of older, less environmentally clean and less fuel economical vehicles;

(2) this 12-percent Federal retail excise tax is the highest percentage rate of any Federal ad valorem excise tax;

(3) the Federal excise tax was first levied by Congress in 1917 to help finance America’s involvement in World War I;

(4) the 12-percent Federal retail excise tax routinely adds between $12,000 and $22,000 to the cost of a heavy truck, tractor, or trailer;

(5) the average in-use, heavy truck is 9.6 years old, close to the historical all-time high;

(6) the Environmental Protection Agency’s model year 2002–2010 tailpipe emissions rules account for $20,000 of the average price of today’s new heavy-duty trucks;

for Medium and Heavy-Duty Engines and Vehicles”, model year 2014–2018 EPA–Department of Trans-
portation fuel economy rules will add up to approxi-
mately $6,683 to the price of new heavy-duty trucks;

(8) according to the 2016 Environmental Pro-
tection Agency and National Highway Traffic Safety
Administration Final Rule entitled “Greenhouse Gas
Emissions and Fuel Efficiency Standards for Me-
dium and Heavy-Duty Engines and Vehicles—Phase
2”, model year 2021–2027 fuel economy rules will
add up to approximately $12,500 to the price of new
heavy-duty trucks;

(9) the $39,183 average per truck cost of these
regulatory mandates results in an additional $4,700
Federal excise tax, on average;

(10) since the Federal retail excise tax on cer-
tain new heavy trucks, tractors, and trailers is based
on annual sales, receipts from the tax deposited in
the Highway Trust Fund can vary greatly;

(11) Congress should consider a more reliable
and consistent revenue mechanism to protect the
Highway Trust Fund; and

(12) Congress should advance the deployment
of the most modern, clean, and safe trucks through
eliminating the Federal excise on trucks.
SEC. 3. REPEAL OF EXCISE TAX ON HEAVY TRUCKS AND TRAILERS.

(a) In general.—Chapter 31 of the Internal Revenue Code of 1986 is amended by striking subchapter C (and by striking the item relating to such subchapter from the table of subchapters for such chapter).

(b) Conforming amendments.—

(1) Section 4072(c) of such Code is amended to read as follows:

“(c) TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.—

“(1) In general.—For purposes of this part, the term ‘tires of the type used on highway vehicles’ means tires of the type used on—

“(A) motor vehicles which are highway vehicles, or

“(B) vehicles of the type used in connection with motor vehicles which are highway vehicles.

“(2) Exception for mobile machinery.—

“(A) In general.—Such term shall not include tires of a type used exclusively on mobile machinery.

“(B) Mobile machinery.—For purposes of subparagraph (A), the term ‘mobile machin-
‘‘(i) to which there has been permanently mounted (by welding, bolting, riveting, or other means) machinery or equipment to perform a construction, manufacturing, processing, farming, mining, drilling, timbering, or similar operation if the operation of the machinery or equipment is unrelated to transportation on or off the public highways,

‘‘(ii) which has been specially designed to serve only as a mobile carriage and mount (and a power source, where applicable) for the particular machinery or equipment involved, whether or not such machinery or equipment is in operation, and

‘‘(iii) which, by reason of such special design, could not, without substantial structural modification, be used as a component of a vehicle designed to perform a function of transporting any load other than that particular machinery or equipment.
requiring such a specially designed chassis.”.

(2) Section 4221 of such Code is amended—

(A) by striking “4051 or” in subsection (a), and

(B) by striking “and in the case of any article sold free of tax under section 4053(6),” in subsection (c).

(3) Section 4222(d) of such Code is amended by striking “4053(6),”.

(4) Section 4293 of such Code is amended by striking “section 4051,.”.

(5) Section 6416(b)(2) of such Code is amended by striking “or under section 4051”.

(6) Section 6416(b) of such Code is amended by striking paragraph (6).

(7) Section 9503(b)(1) of such Code is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and installations on or after the date of the introduction of this Act.