

Written Statement of
62 State and Metro Automobile Dealer Associations
Submitted to the U.S. House of Representatives
Committee on Ways and Means
For the Hearing Titled, "Paving the Way for Funding and Financing Infrastructure Investments"
January 29, 2020

Mr. Chairman, thank you for the opportunity to submit comments on the future of federal infrastructure funding. Our trade associations represent new car and heavy-duty truck dealerships across America. Nationally, heavy-duty truck dealerships employ more than 144,000 Americans in good-paying jobs, providing economic security and opportunity for employees' families and communities. As Congress considers comprehensive infrastructure legislation and potential changes to how the Highway Trust Fund (HTF) is funded, we urge the Committee to repeal the federal excise tax (FET) on the sale of new heavy-duty trucks and trailers and replace it with a more fair and consistent revenue source that does not discourage the adoption of cleaner, more fuel efficient, and safer trucks.

The FET was first enacted in 1917 to help fund the cost of World War I. This tax began as a 3% levy and has ballooned to 12%. Recent environmental and safety mandates have added nearly \$40,000 to the price of a new truck, and the FET also taxes those regulatory costs. The FET, now the largest tax Congress imposes on a percentage basis, has not been modified by Congress since 1982. The FET is an upfront charge, and this tax can add more than \$22,000 to a truck's sale price. The tax is also inequitable, as it does not reflect road use or impact over the lifetime of a truck.

Additionally, the FET has also been the most inconsistent revenue stream paid into the HTF over the past twenty years, ranging from as low as 3.7% of total HTF receipts in 2008 to as high as 10.9% in 2015. As FET collections are dependent on fluctuating annual truck sales, the volatility of this revenue contributes to the overall instability of the HTF.

For these reasons, we urge the Ways and Means Committee to repeal this outdated tax. By repealing the FET and identifying a viable, equitable source of replacement revenue, Congress can encourage the deployment of today's safer and cleaner heavy-duty trucks onto America's roads. We urge the committee to modernize America's truck fleet by repealing the FET. Thank you for your consideration.

Sincerely,

Massachusetts State Automobile Dealers Association
Automobile Dealers Association of Alabama
Arizona Automobile Dealers Association
Arkansas Automobile Dealers Association
California New Car Dealers Association
Colorado Auto Dealers Association
Connecticut Automotive Retailers Association
Delaware Automobile and Truck Dealers' Association, Inc.
Washington Area New Automobile Dealers Association (Metro Washington, D.C. Region)
Florida Automobile Dealers Association
Central Florida Auto Dealers Association, Inc.
Tampa New Auto Dealers Association
Georgia Automobile Dealers Association
Metro Atlanta Automobile Dealers Association
Hawaii Automobile Dealers Association

Illinois Automobile Dealers Association
Automobile Dealers Association of Indiana
Iowa Automobile Dealers Association
Kansas Automobile Dealers Association
Kentucky Automobile Dealers Association
Louisiana Automobile Dealers Association
Maine Automobile Dealers Association
Maryland Automobile Dealers Association
Michigan Automobile Dealers Association
Detroit Automobile Dealers Association
Minnesota Auto Dealers Association
Missouri Automobile Dealers Association
Automobile Dealers Association of Kansas City
Mississippi Automobile Dealers Association
Montana Automobile Dealers Association
Nebraska New Car and Truck Dealers Association
Nevada Franchised Auto Dealers Association
New Hampshire Automobile Dealers Association
New Jersey Coalition of Automotive Retailers
Greater New York Automobile Dealers Association
Niagara Frontier Automobile Dealers Association
Rochester Automobile Dealers Association, Inc.
North Carolina Automobile Dealers Association
Automobile Dealers Association of North Dakota
Ohio Automobile Dealers Association
Greater Cleveland Automobile Dealers' Association
Oregon Auto Dealers Association
Metro Portland New Car Dealers Association
Pennsylvania Automotive Association
Rhode Island Automobile Dealers Association
South Carolina Automobile Dealers Association
South Dakota Automobile Dealers Association
Tennessee Automotive Association
Texas Automobile Dealers Association
Austin Automobile Dealers Association
El Paso New Car Dealers Association
Houston Automobile Dealers Association
North Texas Automobile Dealers
San Antonio Automobile Dealers Association
Valley Automobile Dealers Association
New Car Dealers of Utah
Vermont Vehicle and Automotive Distributors Association
Washington State Auto Dealers Association
West Virginia Automobile Dealers Association
Wisconsin Automobile & Truck Dealers Association
Auto Dealers Association of Metro Milwaukee
Wyoming Automobile Dealers Association