



## Repeal the Federal Excise Tax (FET) To Help Increase the Deployment of Safer Trucks and Trailers on the Highways

### ISSUE

Repealing the federal excise tax (FET) on heavy-duty trucks and trailers would increase the purchase of trucks equipped with the newest safety features that increase highway safety and reduce crashes. The trucking industry continues to make roadway safety and crash avoidance top priorities and continues to apply new safety technologies to keep drivers and other road users safe. While new commercial trucks and trailers are the safest they have ever been, deployment of new safety equipment can be delayed due to the high cost of a new truck, which includes the 12% FET. Congress should repeal the FET in upcoming infrastructure legislation to modernize America's truck fleet, replace older trucks and deploy the newest, safest trucks on our roads.

New trucks and trailers have several mandated safety features to help the driver maintain control of the vehicle and prevent a collision, such as anti-lock braking systems and electronic stability control. Additionally, new truck buyers can choose from an array of innovative, new safety technologies like adaptive cruise control, automatic emergency braking systems, and other advanced driver assistance systems that help reduce crashes.

The FET constrains the ability of businesses to afford new trucks and deters the selection of additional safety features that could be purchased with a new truck because the tax is applied to the cost of each safety feature the customer may decide to add to the vehicle at the point of sale. In fact, the FET routinely adds \$10,000 - \$22,000 to the price of a new truck or trailer—on top of the nearly \$40,000 in regulatory costs for recent federal emissions and fuel-efficiency mandates.

Repealing the 12% FET will help spur the sale of new trucks, which offer the latest safety options, such as: lane departure warning, and lane-keeping assist (with intervention); forward collision mitigation; blind spot warning; traction control; tire pressure monitoring, automatic tire inflation; automatic wipers and headlamps; and side airbags for rollovers.

### KEY POINTS

- **Repealing the 12% FET, a tax which delays the deployment of the newest, safest trucks and trailers, will help the trucking industry update its fleet and adopt safety equipment at a faster pace.** Paying the FET, which often exceeds \$20,000 per truck, discourages fleet owners and trucking companies from purchasing new trucks. As a result, owners hold on to older trucks longer.
- **Accelerating heavy-duty truck fleet turnover will have a significant impact on highway safety.** More than half of the Class 8 trucks on the road are over 10 years old. Therefore, many trucks in service today lack the benefits offered by nearly a decade of technological advancements in safety.
- **The federal government should encourage the sale of new heavy-duty vehicles, which utilize the significant improvements from earlier generations in safety technology.** The use of newer, safer trucks will help reduce roadway crashes and related injuries and fatalities.

### STATUS

On July 22, Sens. Young (R-Ind.) and Cardin (D-Md.) introduced [S. 2435](#), a bill to repeal the FET. On July 29, Rep. Chris Pappas (D-N.H.) led 30 House Democrats in a [letter](#) to House Democratic leaders in support of repealing and replacing the FET in upcoming infrastructure legislation. **To promote the deployment of safer trucks, spur new truck sales, and modernize the truck fleet, Members are urged to repeal the FET in upcoming infrastructure legislation.**

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