



**MODERNIZE
THE TRUCK FLEET**
CLEANER • SAFER

Repeal the Federal Excise Tax (FET) on New Heavy-Duty Trucks – Cosponsor H.R. 1440/S. 694
Accelerate the Deployment of Safer Trucks on the Highways

ISSUE

The trucking industry continues to make roadway safety and crash avoidance top priorities and 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% federal excise tax (FET). **Members of Congress are urged to cosponsor H.R. 1440/S. 694, a bill which would repeal the FET and spur the replacement of older trucks with newer trucks equipped with the latest safety features to help increase highway safety.**

BACKGROUND

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 because each safety feature added to the truck is also subject to the FET. The 12% FET routinely adds approximately \$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.

KEY POINTS

- **Repealing the 12% FET, a tax which delays the deployment of the newest, safest trucks, will help the trucking industry update its fleet.** Paying the 12% 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, or purchase used trucks.
- **Accelerating heavy-duty truck fleet turnover will have a significant impact on highway safety.** New trucks offer the latest safety options that help prevent trucks from drifting into other lanes or alert drivers to potentially unsafe driving conditions such as blind spot warnings or tire pressure monitoring.
- **Eliminating the 12% FET would encourage the upgrading of new heavy-duty vehicles, with significant improvements from earlier generations in safety technology, at a faster pace.** With more than half of the Class 8 trucks on the road today over 10 years old, FET repeal would increase highway safety by incentivizing the replacement of older trucks with safer advanced technology trucks. Many trucks in service today lack the benefits offered by nearly a decade of technological advancements in safety. The use of newer, safer trucks will help reduce roadway crashes and related injuries and fatalities.