Congress of the United States Washington, DC 20515

September 27, 2022

Cosponsor H.R. 8116, the Bipartisan "Modern, Clean, and Safe Trucks Act" Promote the Transition to a Cleaner, Greener and Safer Truck Fleet

Dear Colleague:

We invite you to cosponsor <u>H.R. 8116</u>, the *Modern, Clean, and Safe Trucks Act of 2022*, a bipartisan bill to repeal the 12% federal excise tax (FET) on most new heavy-duty trucks and trailers. The outdated FET on heavy-duty trucks was first imposed in 1917 to help pay for World War I. Since that time, the FET has increased from 3% to 12%. Today, this counterproductive tax is a barrier to replacing older trucks with newer, safer and cleaner trucks, and an obstacle to stabilizing the Highway Trust Fund (HTF).

This archaic levy is the highest excise tax that Congress assesses on a product, and routinely adds over \$20,000 to the price of a new heavy-duty truck. Additionally, the 12% FET can add more than \$50,000 to the price of a commercial electric vehicle or hydrogen fuel-cell truck, as these vehicles are more than twice the price of internal combustion engine vehicles. Further, the cost of a new truck includes about \$40,000 in recent federal emissions and fuel-economy mandates, which the FET also taxes. Despite more than half of the Class 8 trucks on the road being over 10 years old, truck buyers and small businesses are choosing to hold on to older trucks longer or purchase used trucks, rather than investing in the latest environmental and safety technologies.

The FET is also the most inconsistent source of revenue to the HTF over the past 20 years. Since FET revenue is based on annual truck sales, which can vary greatly, the tax contributes to the overall instability of the HTF. The FET is also unfair, as it taxes a purchaser the same amount whether the truck is driven 5,000 or 50,000 miles. To help establish long-term funding stability for America's highways, the FET should be replaced with a consistent revenue source based on usage.

Repealing the FET would help modernize the truck fleet by incentivizing the purchase of new trucks that include the latest emission-reduction technology and crash avoidance advancements. Today's new heavyduty trucks are extremely energy efficient and have made significant environmental gains, such as reducing nitrogen oxide emissions by 97% and particulate matter emissions by 98%; however, they are not reaching the road fast enough to fully realize the benefits of these significantly improved technologies.

The FET was last changed in 1982, and no longer serves today's goal of promoting the adoption of advanced technology trucks. We urge you to join us to repeal this tax by cosponsoring H.R. 8116. To cosponsor, or for more information, please have your staff contact John Veale (John.Veale@mail.house.gov) in Rep. LaMalfa's office or Nandini Narayan (Nandini.Narayan@mail.house.gov) in Rep. Pappas' office. Thank you for your consideration.

Sincerely,

Doug LaMalfa

MEMBER OF CONGRESS

Chris Pappas

MEMBER OF CONGRESS