

DOUG LaMALFA

1ST DISTRICT, CALIFORNIA

COMMITTEE ON
NATURAL RESOURCES

COMMITTEE ON AGRICULTURE

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE

Congress of the United States
House of Representatives
Washington, DC 20515-0501

May 21, 2018

The Honorable Paul D. Ryan
Speaker of the House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin Brady
Chairman
Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Bill Shuster
Chairman
Transportation and Infrastructure Committee
2251 Rayburn House Office Building
Washington, D.C. 20515

Dear Speaker Ryan, Chairman Brady and Chairman Shuster,

As you consider an infrastructure plan, I am writing to urge you to consider repealing the overly burdensome 12 percent federal excise tax on heavy-duty trucks (FET) which makes it harder for small businesses to afford a new heavy-duty truck. With the consensus that the Highway Trust Fund must be fixed, funding alternatives that do not depress new heavy-duty truck sales and delay the sale of cleaner and safer trucks should be considered.

First imposed in 1917 to help fund World War I, the FET is the highest excise tax levied by the federal government. Since then, the FET has quadrupled, increasing the cost of new heavy-duty trucks by as much as \$22,000. New trucks sales are also under a tremendous regulatory burden, estimated to be around \$40,000. These factors heavily depress the market for the purchase of new heavy-duty trucks – which are cleaner, more efficient, and safer – hurting truck retailers, hauling businesses of all sizes, and the drivers themselves.

As you consider a plan to modernize infrastructure funding, I respectfully urge you to include bipartisan legislation I introduced, H.R. 2946, which repeals the onerous and antiquated FET. This legislation would spur new truck sales, jump-start American manufacturing, and promote the entry of cleaner and safer trucks on our roads.

H.R. 2946 has bipartisan support and is backed by the American Truck Dealers, Baker Commodities, Bendix Commercial Vehicles, Daimler Trucks North America, Mack Trucks, National Trailer Dealers Association, Navistar, NTEA – the Association for the Work Truck Industry, Recreational Vehicle Dealers Association, Truck and Engine Manufacturers Association, Truck Renting and Leasing Association, Truck Trailer Manufacturers Association, and Volvo Trucks North America. Many other stakeholders want Congress to consider a more

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reliable and consistent revenue mechanism to protect the Highway Trust Fund rather than relying on the volatility of trucks sales for highway revenue. (See attached U.S. retail sales of heavy duty trucks.)

Inclusion of H.R. 2946 in a potential infrastructure package would end this punitive, arbitrary tax that hampers economic growth. Congress has an ideal opportunity to address this issue, create jobs and put safer, more efficient trucks on the road immediately by repealing the FET. Thank you for your consideration of this request. I look forward to working with all of you on this issue in the coming weeks.

Sincerely,

A handwritten signature in blue ink that reads "Doug LaMalfa". The signature is fluid and cursive, with the first name "Doug" being the most prominent.

Doug LaMalfa
Member of Congress