H. R. 2946

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2017

Mr. LaMalfa (for himself and Mr. Francis Rooney of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Heavy Truck, Tractor, and Trailer Retail Federal Excise Tax Repeal Act of 2017”.

SECTION 2. FINDINGS.

The Congress finds that—

(1) there is a 12-percent Federal retail excise tax on certain new heavy trucks, tractors, and trail-
ers, coupled with new regulatory mandates, significantly increasing the cost of new heavy-duty trucks, tractors, and trailers, and discourages the replacement of older, less environmentally clean and less fuel economical vehicles;

(2) this 12-percent Federal retail excise tax is the highest percentage rate of any Federal ad valorem excise tax;

(3) the Federal excise tax was first levied by Congress in 1917 to help finance America’s involvement in World War I;

(4) in 2016, the average manufacturer suggested retail price for heavy trucks was over $175,921;

(5) the 12-percent Federal retail excise tax routinely adds between $12,000 and $22,000 to the cost of a heavy truck, tractor, or trailer;

(6) the average in-use, heavy truck is 9.5 years old, close to the historical all-time high;

(7) the Environmental Protection Agency’s model year 2002–2010 tailpipe emissions rules account for $20,000 of the average price of today’s new heavy-duty trucks;

(8) according to the 2011 Environmental Protection Agency and National Highway Traffic Safety
Administration Regulatory Impact Analysis entitled “Final Rulemaking to Establish Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium and Heavy-Duty Engines and Vehicles”, model year 2014–2018 EPA-Department of Transportation fuel economy rules will add up to approximately $6,683 to the price of new heavy-duty trucks;

(9) according to the 2016 Environmental Protection Agency and National Highway Traffic Safety Administration Final Rule entitled “Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium and Heavy-Duty Engines and Vehicles—Phase 2”, model year 2021–2027 fuel economy rules will add up to approximately $12,500 to the price of new heavy-duty trucks;

(10) the $39,183 average per truck cost of these regulatory mandates results in an additional $4,700 Federal excise tax, on average;

(11) since the Federal retail excise tax on certain new heavy trucks, tractors, and trailers is based on annual sales, receipts from the tax deposited in the Highway Trust Fund can vary greatly; and

(12) Congress should consider a more reliable and consistent revenue mechanism to protect the Highway Trust Fund.
SEC. 3. REPEAL OF EXCISE TAX ON HEAVY TRUCKS AND TRAILERS.

(a) In General.—Chapter 31 of the Internal Revenue Code of 1986 is amended by striking subchapter C (and by striking the item relating to such subchapter from the table of subchapters for such chapter).

(b) Conforming Amendments.—

(1) Section 4072(c) of such Code is amended to read as follows:

“(c) TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.—

“(1) In General.—For purposes of this part, the term ‘tires of the type used on highway vehicles’ means tires of the type used on—

“(A) motor vehicles which are highway vehicles, or

“(B) vehicles of the type used in connection with motor vehicles which are highway vehicles.

“(2) Exception for Mobile Machinery.—

“(A) In General.—Such term shall not include tires of a type used exclusively on mobile machinery.

“(B) Mobile Machinery.—For purposes of subparagraph (A), the term ‘mobile machin-
‘vehicle’ means any vehicle which consists of a chassis—

“(i) to which there has been permanently mounted (by welding, bolting, riveting, or other means) machinery or equipment to perform a construction, manufacturing, processing, farming, mining, drilling, timbering, or similar operation if the operation of the machinery or equipment is unrelated to transportation on or off the public highways,

“(ii) which has been specially designed to serve only as a mobile carriage and mount (and a power source, where applicable) for the particular machinery or equipment involved, whether or not such machinery or equipment is in operation, and

“(iii) which, by reason of such special design, could not, without substantial structural modification, be used as a component of a vehicle designed to perform a function of transporting any load other than that particular machinery or equipment or similar machinery or equipment
requiring such a specially designed chass-

is.”.

(2) Section 4221 of such Code is amended—

(A) by striking “4051 or” in subsection

(a), and

(B) by striking “and in the case of any ar-
ticle sold free of tax under section 4053(6),” in
subsection (c).

(3) Section 4222(d) of such Code is amended
by striking “4053(6),”.

(4) Section 4293 of such Code is amended by
striking “section 4051,”.

(5) Section 6416(b)(2) of such Code is amend-
ed by striking “or under section 4051”.

(6) Section 6416(b) of such Code is amended
by striking paragraph (6).

(7) Section 9503(b)(1) of such Code is amend-
ed by striking subparagraph (B) and by redesig-
nating subparagraphs (C), (D), and (E) as subpara-
graphs (B), (C), and (D), respectively.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to sales and installations on or
after the date of the introduction of this Act.