

115TH CONGRESS
1ST SESSION

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Heavy Truck, Tractor,
5 and Trailer Retail Federal Excise Tax Repeal Act of
6 2017”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds that—

9 (1) there is a 12-percent Federal retail excise
10 tax on certain new heavy trucks, tractors, and trail-

1 ers, coupled with new regulatory mandates, signifi-
2 cantly increasing the cost of new heavy-duty trucks,
3 tractors, and trailers, and discourages the replace-
4 ment of older, less environmentally clean and less
5 fuel economical vehicles;

6 (2) this 12-percent Federal retail excise tax is
7 the highest percentage rate of any Federal ad valo-
8 rem excise tax;

9 (3) the Federal excise tax was first levied by
10 Congress in 1917 to help finance America's involve-
11 ment in World War I;

12 (4) in 2016, the average manufacturer sug-
13 gested retail price for heavy trucks was over
14 \$175,921;

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

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

20 (7) the Environmental Protection Agency's
21 model year 2002–2010 tailpipe emissions rules ac-
22 count for \$20,000 of the average price of today's
23 new heavy-duty trucks;

24 (8) according to the 2011 Environmental Pro-
25 tection Agency and National Highway Traffic Safety

1 Administration Regulatory Impact Analysis entitled
2 “Final Rulemaking to Establish Greenhouse Gas
3 Emissions Standards and Fuel Efficiency Standards
4 for Medium and Heavy-Duty Engines and Vehicles”,
5 model year 2014–2018 EPA-Department of Trans-
6 portation fuel economy rules will add up to approxi-
7 mately \$6,683 to the price of new heavy-duty trucks;

8 (9) according to the 2016 Environmental Pro-
9 tection Agency and National Highway Traffic Safety
10 Administration Final Rule entitled “Greenhouse Gas
11 Emissions and Fuel Efficiency Standards for Me-
12 dium and Heavy-Duty Engines and Vehicles—Phase
13 2”, model year 2021–2027 fuel economy rules will
14 add up to approximately \$12,500 to the price of new
15 heavy-duty trucks;

16 (10) the \$39,183 average per truck cost of
17 these regulatory mandates results in an additional
18 \$4,700 Federal excise tax, on average;

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

23 (12) Congress should consider a more reliable
24 and consistent revenue mechanism to protect the
25 Highway Trust Fund.

1 **SEC. 3. REPEAL OF EXCISE TAX ON HEAVY TRUCKS AND**
2 **TRAILERS.**

3 (a) IN GENERAL.—Chapter 31 of the Internal Rev-
4 enue Code of 1986 is amended by striking subchapter C
5 (and by striking the item relating to such subchapter from
6 the table of subchapters for such chapter).

7 (b) CONFORMING AMENDMENTS.—

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

10 “(c) TIRES OF THE TYPE USED ON HIGHWAY VEHI-
11 CLES.—

12 “(1) IN GENERAL.—For purposes of this part,
13 the term ‘tires of the type used on highway vehicles’
14 means tires of the type used on—

15 “(A) motor vehicles which are highway ve-
16 hicles, or

17 “(B) vehicles of the type used in connec-
18 tion with motor vehicles which are highway ve-
19 hicles.

20 “(2) EXCEPTION FOR MOBILE MACHINERY.—

21 “(A) IN GENERAL.—Such term shall not
22 include tires of a type used exclusively on mo-
23 bile machinery.

24 “(B) MOBILE MACHINERY.—For purposes
25 of subparagraph (A), the term ‘mobile machin-

1 ery’ means any vehicle which consists of a chas-
2 sis—

3 “(i) to which there has been perma-
4 nently mounted (by welding, bolting, riv-
5 eting, or other means) machinery or equip-
6 ment to perform a construction, manufac-
7 turing, processing, farming, mining, drill-
8 ing, timbering, or similar operation if the
9 operation of the machinery or equipment is
10 unrelated to transportation on or off the
11 public highways,

12 “(ii) which has been specially designed
13 to serve only as a mobile carriage and
14 mount (and a power source, where applica-
15 ble) for the particular machinery or equip-
16 ment involved, whether or not such ma-
17 chinery or equipment is in operation, and

18 “(iii) which, by reason of such special
19 design, could not, without substantial
20 structural modification, be used as a com-
21 ponent of a vehicle designed to perform a
22 function of transporting any load other
23 than that particular machinery or equip-
24 ment or similar machinery or equipment

1 requiring such a specially designed chas-
2 sis.”.

3 (2) Section 4221 of such Code is amended—

4 (A) by striking “4051 or” in subsection
5 (a), and

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

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

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

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

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

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

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

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