



A NATIONAL PLAN TO REINVEST IN AMERICA

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H.R.4321: HEAVY TRUCK TAX FAIRNESS ACT OF 2012

Nothing is more essential to restore the economy, revitalize our communities, and protect the planet than the effort to rebuild and renew America.

The United States faces steep infrastructure challenges, where our inventory is in poor repair and much of it is aged—too often dating not just to earlier decades, but to earlier centuries. The effort to rebuild and renew that infrastructure is stalled because of a funding impasse. Among our major challenges, the Highway Trust Fund has neared exhaustion several times recently and the existing funding mechanism is insufficient to meet our needs.

Not only should Congress be considering new revenue sources to meet these challenges, but it should also consider increasing the flexibility of its existing sources of revenue.

Background

One of the limitations facing the Highway Trust Fund is that its funding sources can be volatile, depending on the health of the economy. An excise tax of 12%, applied to the sale of new heavy trucks, trailers, and certain tractors is a source of Highway Trust Fund revenues. In times of economic stress, these sales fall, limiting resources for the Trust Fund. These declining sales also limit the productivity of the U.S. economy and, because older trucks are dirtier trucks, penalize our environment in terms of reduced air quality and fuel efficiency.

What the Legislation Would Do

H.R. 4321, the Heavy Truck Fairness Act of 2012 would replace the excise tax currently imposed on the sale of new trucks, trailers, and tractors, and replace it with a modest increase in the diesel fuel excise tax.

This change will be revenue neutral and will largely be assessed against the same parties. However, it will have the effect of smoothing the resources available to the Highway Trust Fund and ensuring that the U.S. can continue investing in our vital transportation infrastructure.

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