



Owner-Operator Independent Drivers Association

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January 22, 2021

The Honorable Chuck Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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

The Honorable Kevin Brady
Ranking Member
House Ways and Means Committee
1139 Longworth House Office Building
Washington, D.C. 20515

Dear Chairmen Grassley and Neal and Ranking Members Wyden and Brady:

Throughout the COVID-19 emergency, America's truckers have continued working to ensure grocery shelves stay stocked and hospitals have the supplies they need. Truckers have put their own health on the line to get the job done, but many face an uncertain future because of turbulent economic conditions and a significant downturn in business at times over the past year. Given the uneven recovery we've seen so far, it's likely they will see another downturn before year's end. While Congress has provided tens of billions of dollars to nearly every other mode of transportation, truckers were left out of the most recent pandemic relief bill and other legislation earlier in 2020.

Specific assistance to truckers **must** be part of any future COVID-relief package. Congress should provide targeted and immediate financial relief through a one-year suspension of the Heavy Vehicle Use Tax (HVUT) to assist owner-operators and small-business carriers, and enact a permanent reinstatement of the ability of employee drivers to deduct daily expenses for meals while on the road.

Offering a one-year suspension of the HVUT, also known as the 2290, is the most direct way Congress can help every single trucking business. While some trucking operations have been able to qualify for pandemic assistance through the Paycheck Protection Program, far too many have been ineligible because of the program's structure. Suspending the HVUT would bypass the complications of this program and provide a simple way to make sure that small-business truckers get relief.

The HVUT is required for vehicles operating at over 55,000 pounds. For Class 8 trucks, the fee is most commonly \$550. The fee is paid by the owner of the equipment and is required for every truck operated

by a carrier or owner-operator; therefore, it is applied equally to all trucking businesses. For small-business truckers, a suspension of the HVUT would provide immediate relief and help offset some of the unexpected challenges they've experienced, whether it be a significant decrease in business due to government-mandated lockdowns, increased delays due to supply chain disruptions, or increased costs for PPE.

To ensure that this relief is targeted to small-business truckers, Congress could consider limiting a motor carrier or tax filer to suspending the HVUT on up to 19 vehicles. 95% of registered motor carriers have 19 trucks or fewer, meaning this limit would provide complete HVUT relief for 95% of motor carriers while still providing some benefit to all carriers.

Although company drivers are not subject to the HVUT, Congress can provide direct assistance to them by restoring their ability to deduct meal expenses incurred while on the road. *The Tax Cuts and Jobs Act of 2018* eliminated the ability of company drivers, also known as employee drivers, to deduct 80% of up to \$66 in daily expenses for meals while on the road. While the bill did not modify the standard per diem deduction for owner-operators or drivers leased to motor carriers, truckers working as company drivers lost the ability to take this important deduction. For drivers who spend hundreds of days on the road annually, the per diem deduction for meals can easily exceed the new standard deduction. The elimination of the per diem for company drivers has unfortunately increased the tax exposure for many hard-working truckers.

Congress included a 100% deduction for business meal expenses in its end-of-year COVID-relief bill, but employee drivers are not eligible to take this deduction. Instead, this business meal tax break will be available to executives who have been able to work from home through the worst of this pandemic. Furthermore, these business meals would not be possible without truckers who keep the supply chain moving. The very least Congress can do right now is to help truckers who are still out on the road and away from their families by restoring the ability of employee drivers to deduct meal expenses.

While truckers certainly appreciate the thanks that Congress and the public have heaped on them for their work, that doesn't help keep their business alive or put food on their table. Congress has a real opportunity to demonstrate their support and commitment to hard-working truckers in any upcoming COVID-relief by embracing our recommendations.

If you have any questions, need additional information, or would like to work with OOIDA to advance these recommendation, please contact Bryce Mongeon, Director of Legislative Affairs, via email at bryce_mongeon@ooida.com.

Sincerely,



Todd Spencer
President & CEO
Owner-Operator Independent Drivers Association