



**Before the Joint Committee On Transportation
House Bill 4060
February 7, 2015**

**Testimony of Jana Jarvis, President
Oregon Trucking Associations**

Section 14 of House Bill 4060 changes the distribution of expenditures for ODOT's portion of the revenues derived from House Bill 2017 that was passed during the 2017 session. I believe this change may have unintended consequences and is unnecessary.

A change in the distribution of expenditures will result in different cost allocation ratios. As you are aware, the Oregon Constitution requires the Legislature to "balance the books" between cars and trucks to ensure that each group is paying their fair share. The cost assigned to cars or trucks is based on the projects that are scheduled to be completed. Changing the mix of expenditures will change the costs assigned to both cars and trucks. This will require a recalculation of the tax rates contained in House Bill 2017.

Until the model is run with the new expenditures, it is difficult to say whether it will increase the cost shares of cars or trucks but in either case you will have two choices. One, you can increase the taxes of either cars or trucks based on which group falls below their cost responsibility. As this will be a tax increase, it may require a bill for raising revenue. Two, you can reduce the taxes for the group that would be over paying. This will result in a reduction of the overall revenue produced by House Bill 2017.

Neither option seems desirable to me. Certainly, the trucking industry would not appreciate an additional increase in taxes beyond the 53% increase in the weight mile tax we supported in House Bill 2017. This is on top of what was already the highest truck operating taxes in the country. (See attached.)

Leaving the distribution of revenues in House Bill 2017 unchanged will not preclude the Oregon Transportation Commission from expending both state and federal revenues in the appropriate categories. The distribution of expenditures in House Bill 2017 only applies to new revenues raised by the bill. The Commission still has hundreds of millions of dollars in state and federal revenues that they can program as they deem most appropriate. Then, the overall distribution of expenditures will be captured in the next Cost Allocation Study and the report will be presented to you during the 2019 legislative session to ensure that cars and trucks continue to pay their fair share.

There are a couple of other issues in House Bill 4060 that are not controversial but they are important to the trucking industry. First, Sections 10, 11, 12 and 13 repeal fee increases for a variety of permits we are required to obtain from the Department of Transportation. I believe that these fee increases in House Bill 2017 were inadvertent as we had requested that all of the trucking industry's cost responsible share of the revenues derived from the bill be raised through increases in the weight mile tax system only. My understanding is that the repeal of these fees does not change the cost responsible revenue shares between cars and trucks.

I understand that Section 9 is a placeholder to correct the truck tax rates that were in error in House Bill 2017. These tax rates include the optional flat fee weight mile tax rates that apply to the transportation of certain commodities and the Road Use Assessment Fee that applies on heavy haul movements over 98,000 pounds. It is acceptable to us that the corrected tax rates include those that are effective on January 1, 2020, 2022 and 2024. Not changing the rates that went into effect on January 1 of this year will reduce the administrative burden on the industry and the Department. The change in these fees also will not change the relative cost responsibility shares between cars and trucks.

This concludes my prepared testimony.

Annual State Highway User Taxes On A Typical 5-Axle Tractor-Semitrailer Combination

State	Annual Registration & Weight Fees ¹ (As of 1/1/2017)	State Ranking by Annual Registration & Weight Fees	Diesel Fuel Tax Rate (\$) ² (As of 7/1/2017)	State Ranking by Diesel Fuel Tax Rate	Fuel Tax on 16,000 Gallons	Third Structure Tax Rate (\$/mile)	Third Structure Tax on 100,000 Miles (\$)	Total Annual State Hwy User Fees (\$)	Federal Fuel, Heavy Vehicle Use, and Excise Taxes ³	Total State and Federal Hwy User Fees	State Ranking by \$ Total
Alabama	\$836	46	0.2075	40	\$3,320	-	-	\$4,156	\$8,906	\$13,062	45
Alaska	\$351	49	0.0895	49	\$1,432	-	-	\$1,783	\$8,906	\$10,689	50
Arizona	\$4,202	2	0.2700	29	\$4,320	-	-	\$8,522	\$8,906	\$17,428	11
Arkansas	\$1,573	28	0.2280	36	\$3,648	-	-	\$5,221	\$8,906	\$14,127	38
California	\$2,975	6	0.3700	8	\$5,920	-	-	\$8,895	\$8,906	\$17,801	8
Colorado	\$5,084	1	0.2050	41	\$3,280	-	-	\$8,364	\$8,906	\$17,270	13
Connecticut	\$1,586	26	0.4170	5	\$6,672	-	-	\$8,258	\$8,906	\$17,164	16
Delaware	\$1,430	31	0.2200	38	\$3,520	-	-	\$4,950	\$8,906	\$13,856	40
Florida	\$1,336	34	0.3387	13	\$5,419	-	-	\$6,755	\$8,906	\$15,661	25
Georgia	\$1,012	43	0.2940	23	\$4,704	-	-	\$5,716	\$8,906	\$14,622	35
Hawaii	\$970	45	0.1526	47	\$2,442	-	-	\$3,412	\$8,906	\$12,318	48
Idaho	\$3,400	4	0.3200	18	\$5,120	-	-	\$8,520	\$8,906	\$17,426	12
Illinois	\$3,210	5	0.3450	11	\$5,520	-	-	\$8,730	\$8,906	\$17,636	9
Indiana	\$1,866	21	0.4700	3	\$7,520	-	-	\$9,386	\$8,906	\$18,292	6
Iowa	\$1,725	24	0.3350	14	\$5,360	-	-	\$7,085	\$8,906	\$15,991	24
Kansas	\$2,315	13	0.2700	29	\$4,320	-	-	\$6,635	\$8,906	\$15,541	26
Kentucky	\$2,126	17	0.3320	15	\$5,312	0.0285	\$2,850	\$10,288	\$8,906	\$19,194	4
Louisiana	\$514	48	0.2000	42	\$3,200	-	-	\$3,714	\$8,906	\$12,620	47
Maine	\$4,002	3	0.3187	20	\$5,099	-	-	\$9,101	\$8,906	\$18,007	7
Maryland	\$1,877	20	0.3455	10	\$5,528	-	-	\$7,405	\$8,906	\$16,311	21
Massachusetts	\$1,920	19	0.2400	32	\$3,840	-	-	\$5,760	\$8,906	\$14,666	34
Michigan	\$2,292	14	0.3998	6	\$6,397	-	-	\$8,689	\$8,906	\$17,595	10
Minnesota	\$1,773	22	0.2850	25	\$4,560	-	-	\$6,333	\$8,906	\$15,239	28
Mississippi	\$2,927	7	0.1840	45	\$2,944	-	-	\$5,871	\$8,906	\$14,777	33
Missouri	\$1,727	23	0.1700	46	\$2,720	-	-	\$4,447	\$8,906	\$13,353	43
Montana	\$1,296	35	0.3000	21	\$4,800	-	-	\$6,096	\$8,906	\$15,002	30
Nebraska	\$1,281	36	0.2730	28	\$4,368	-	-	\$5,649	\$8,906	\$14,555	36
Nevada	\$2,896	8	0.2781	27	\$4,450	-	-	\$7,346	\$8,906	\$16,252	22
New Hampshire	\$1,091	38	0.2383	34	\$3,813	-	-	\$4,904	\$8,906	\$13,810	41
New Jersey	\$1,255	37	0.4420	4	\$7,072	-	-	\$8,327	\$8,906	\$17,233	15
New Mexico	\$185	50	0.2200	38	\$3,520	0.0438	\$4,380	\$8,085	\$8,906	\$16,991	17
New York	\$1,581	27	0.3845	7	\$6,152	0.0390	\$3,900	\$11,633	\$8,906	\$20,539	3
North Carolina	\$1,623	25	0.3430	12	\$5,488	-	-	\$7,111	\$8,906	\$16,017	23
North Dakota	\$1,018	42	0.2300	35	\$3,680	-	-	\$4,698	\$8,906	\$13,604	42

Annual State Highway User Taxes On A Typical 5-Axle Tractor-Semitrailer Combination

State	Annual Registration & Weight Fees ¹ (As of 1/1/2017)	State Ranking by Annual Registration & Weight Fees	Diesel Fuel Tax Rate (\$) ² (As of 7/1/2017)	State Ranking by Diesel Fuel Tax Rate	Fuel Tax on 16,000 Gallons	Third Structure Tax Rate (\$/mile)	Third Structure Tax on 100,000 Miles (\$)	Total Annual State Hwy User Fees (\$)	Federal Fuel, Heavy Vehicle Use, and Excise Taxes ³	Total State and Federal Hwy User Fees	State Ranking by \$ Total
Ohio	\$1,414	32	0.2800	26	\$4,480	-	-	\$5,894	\$8,906	\$14,800	32
Oklahoma	\$1,001	44	0.1300	48	\$2,080	-	-	\$3,081	\$8,906	\$11,987	49
Oregon	\$1,024	41	0.0000	50	\$0	0.1638	\$16,380	\$17,404	\$8,906	\$26,310	1
Pennsylvania	\$2,132	16	0.7470	1	\$11,952	-	-	\$14,084	\$8,906	\$22,990	2
Rhode Island	\$1,056	40	0.3300	16	\$5,280	-	-	\$6,336	\$8,906	\$15,242	27
South Carolina	\$820	47	0.1875	44	\$3,000	-	-	\$3,820	\$8,906	\$12,726	46
South Dakota	\$1,467	29	0.3000	21	\$4,800	-	-	\$6,267	\$8,906	\$15,173	29
Tennessee	\$1,441	30	0.2240	37	\$3,584	-	-	\$5,025	\$8,906	\$13,931	39
Texas	\$1,065	39	0.2000	42	\$3,200	-	-	\$4,265	\$8,906	\$13,171	44
Utah	\$2,872	9	0.2940	23	\$4,704	-	-	\$7,576	\$8,906	\$16,482	19
Vermont	\$2,377	12	0.3200	18	\$5,120	-	-	\$7,497	\$8,906	\$16,403	20
Virginia	\$1,362	33	0.2430	31	\$3,888	-	-	\$5,250	\$8,906	\$14,156	37
Washington	\$2,067	18	0.4940	2	\$7,904	-	-	\$9,971	\$8,906	\$18,877	5
West Virginia	\$2,645	10	0.3570	9	\$5,712	-	-	\$8,357	\$8,906	\$17,263	14
Wisconsin	\$2,610	11	0.3290	17	\$5,264	-	-	\$7,874	\$8,906	\$16,780	18
Wyoming	\$2,231	15	0.2400	32	\$3,840	-	-	\$6,071	\$8,906	\$14,977	31

¹ The fees listed here are those charged in each state for the full annual registration of a tractor-semitrailer combination with a gross combined weight of 80,000 pounds, based in the state and operated by a for-hire motor carrier. Weight fees are included, but, unlike earlier versions of this chart, miscellaneous, nonapportioned fees are not included.

Semitrailer fees are annual fees, if the state charges one, even where a state also offers an option of multi-year plates for trailing equipment. Where no annual trailer registration is offered, the state's lowest multiyear fee is used.

In-lieu ad valorem fees are included for states that collect such a fee through IRP. Where the state charges an in-lieu fee for vehicles based elsewhere, and a property tax for those bases with it, the property tax is used. For these purposes, the combination is assumed to have a purchase price of \$145,000 (\$115,000 for the tractor and \$30,000 for the semitrailer) and to be in its first year of operation.

² The diesel fuel tax rates listed represent the total state or provincial fuel tax paid by motor carriers in each jurisdiction. Local taxes are not included, except where they are uniform statewide.

³ Federal taxes and fees include federal diesel tax paid on 16,000 gallons, heavy vehicle use tax on 80,000 pounds, excise tax paid on a combination unit with a purchase price of \$145,000 (amortized over 4 years) and excise tax paid on four new tires (assuming the other 14 are recapped).