



*“Wisconsin’s Economic Engine”*

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[nkedzie@witruck.org](mailto:nkedzie@witruck.org)

July 5, 2017

***Op-Ed Piece - Wisconsin Motor Carriers Association***

Neal Kedzie, President  
608.833.8200 x 16  
[nkedzie@witruck.org](mailto:nkedzie@witruck.org)

After reading the Milwaukee Journal Sentinel opinion column article, **A Heavy Truck Fee Could Help Pay for Wisconsin Roads** (6/30/17) I believe a number of inaccuracies and unsubstantiated claims need to be addressed and corrected. At issue is a proposed tax on trucks of 2.85 cents-per-mile on commercial trucks weighing 59,000 pounds gross vehicle weight rating (GVWR) or more. The only class of trucks in this weight category is semi-trucks. This type of tax exists in only four other states: Kentucky, Oregon, New York and New Mexico and would be assessed both on interstate (travel outside state borders) and intrastate carriers (only traveling within the borders of the state). This massive tax increase on the trucking industry may raise hundreds of millions of dollars for the transportation fund, but in my opinion, will come with a much greater and harmful cost.

The author of the opinion piece believes this idea "seems the most fair" and trucking companies should "do their part" to appropriately fund Wisconsin roads. What she fails to understand is the trucking industry is currently the single largest payer into the transportation fund and singling out one industry and one type of vehicle is neither fair nor equal treatment. According to the American Transportation Research Institute, the trucking industry paid 38 percent of all taxes and fees owed by Wisconsin motorists as of January 2016, which averages out to \$7,874 for a typical five-axle tractor-semitrailer in addition to \$8,906 in federal user fees and taxes. Thus, those companies are already "doing their part" to appropriately fund transportation projects and if the Legislature adopts this proposed tax, Wisconsin will jump from the 15th highest state for taxes and fees placed on trucking companies in nation to the 4th highest. Such a move would not only be bad for trucking companies, but Wisconsin as a whole.

The author further stated she could "honestly see no other good way" to increase transportation funding. But there are other options which can be implemented to both generate more revenue and address years of spending abnormalities by the Wisconsin DOT. For additional revenue, we could follow the Minnesota idea whose legislature recently voted to dedicate a portion of sales tax from auto parts to their transportation budget as well as all sales taxes from rental cars and leased vehicles. In regards to spending, the Legislature should allow the Department the opportunity to implement numerous cost saving measures identified in a recent comprehensive audit that could bring in an additional 100 million dollars of revenue, while at the same time, deal with a long list of inefficiencies that have cost Wisconsin motorists hundreds of millions of dollars over the last two decades.

PO Box 44849 \* Madison, WI 53744-4849 \* Phone: (608) 833-8200 \* Fax: (608) 833-2875

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Trucking companies understand the need for safe and reliable roadways, especially in our consumer-driven economy which relies on trucking to move 84 percent of manufactured tonnage in Wisconsin and nearly 70 percent of all goods. In regards to a funding solution for transportation, the industry has expressed its willingness to accept a modest increase in the fuel tax which would be shared by all highway users, not just one category of user. In fact, the Wisconsin Motor Carriers Association has been on record for several years now in support of a five cent increase to the fuel tax. A 2.85 cent-per-mile tax on trucks, however, would be the equivalent of a twenty cent fuel tax hike and that is simply too much and too sudden of an impact to the trucking industry.

Wisconsin trucking companies are committed to working with the legislature and interested parties in finding equitable and long-term solutions to funding our highway infrastructure. They have a vested interest in doing so, as it's where they work and how they deliver goods from producers to consumers. But a new super tax that targets one type of vehicle and industry is not the solution and it is certainly not equitable. Wisconsin's economy depends on the efficient movement of products to market and trucks are the key component to achieving that goal. The massive tax on trucks will only harm those efforts and ultimately harm Wisconsin consumers.

Respectfully submitted,



**Neal Kedzie**

President

Wisconsin Motor Carriers Association