To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the “Modern, Clean, and Safe Trucks Act of 2021”.

SEC. 2. FINDINGS.

Congress finds that—

1. the 12-percent Federal retail excise tax on certain new heavy trucks, tractors, and trailers, coupled with new regulatory mandates, significantly in-
creases the cost of new heavy-duty trucks, tractors, and trailers and discourages the replacement of older, less environmentally clean and less fuel economical vehicles;

(2) this 12-percent Federal retail excise tax is the highest percentage rate of any Federal ad valorem excise tax;

(3) the Federal excise tax was first levied by Congress in 1917 to help finance America’s involvement in World War I;

(4) the 12-percent Federal retail excise tax routinely adds between $12,000 and $22,000 to the cost of a new heavy truck, tractor, or trailer;

(5) more than half of the Class 8 trucks on the road are over 10 years old and lack a decade of environmental and safety technological advancements;

(6) since 2007, new trucks have achieved significant carbon dioxide reductions and fuel efficiency improvements, which have saved 296,000,000 barrels of crude oil;

(7) an owner of a single Class 8 truck powered by the latest clean diesel engine can expect to save about 2,200 gallons of fuel each year compared to previous generations of technology;
(8) over the past 3 decades, cleaner fuel and advanced engines have combined to reduce nitrogen oxide (NOx) emissions by 97 percent and particulate matter (PM) emissions by 98 percent;

(9) the Federal excise tax disproportionately impacts electric and alternative-fueled trucks, which currently have a higher up front cost, at a time when adoption of these technologies is needed to accelerate the transition to zero emission vehicles and the reduction of carbon pollution from transportation;

(10) there are approximately 1,300,000 United States manufacturing, supplier, dealership, and heavy-duty trucking and trailer related jobs;

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

(12) Congress should consider a more reliable and consistent revenue mechanism to fund the Highway Trust Fund;

(13) Congress should advance the deployment of the most modern, clean, and safe trucks through eliminating the Federal excise tax on trucks; and
(14) repealing the Federal excise tax would result in the replacement of older internal combustion engine trucks with new heavy duty trucks that employ the latest safety and environmental technologies.

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

(a) IN GENERAL.—Chapter 31 of the Internal Revenue Code of 1986 is amended by striking subchapter C (and by striking the item relating to such subchapter from the table of subchapters for such chapter).

(b) CONFORMING AMENDMENTS.—

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

“(c) TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.—

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

“(A) motor vehicles which are highway vehicles, or

“(B) vehicles of the type used in connection with motor vehicles which are highway vehicles.

“(2) EXCEPTION FOR MOBILE MACHINERY.—
“(A) IN GENERAL.—Such term shall not include tires of a type used exclusively on mobile machinery.

“(B) MOBILE MACHINERY.—For purposes of subparagraph (A), the term ‘mobile machinery’ means any vehicle which consists of a chassis—

“(i) to which there has been permanently mounted (by welding, bolting, riveting, or other means) machinery or equipment to perform a construction, manufacturing, processing, farming, mining, drilling, timbering, or similar operation if the operation of the machinery or equipment is unrelated to transportation on or off the public highways,

“(ii) which has been specially designed to serve only as a mobile carriage and mount (and a power source, where applicable) for the particular machinery or equipment involved, whether or not such machinery or equipment is in operation, and

“(iii) which, by reason of such special design, could not, without substantial structural modification, be used as a com-
ponent of a vehicle designed to perform a function of transporting any load other than that particular machinery or equipment or similar machinery or equipment requiring such a specially designed chassis.”.

(2) Section 4221 of such Code is amended—

(A) in subsection (a)—

(i) by striking “(or under subchapter C of chapter 31 on the first retail sale)”,

and

(ii) by striking “4051 or”,

(B) in subsection (c), by striking “and in the case of any article sold free of tax under section 4053(6),”, and

(C) in subsection (d)(1), by striking “, and, in the case of the taxes imposed by sub-
chapter C of chapter 31, includes the retailer with respect to the first retail sale”.

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

(4) Section 4293 of such Code is amended by striking “section 4051,”.
(5) Section 4483(g) of such Code is amended by striking “section 4053(8)” and inserting “section 4072(c)(2)”.

(6) Section 6416(b)(2) of such Code is amended by striking “or under section 4051”.

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

(8) Section 9503(b)(1) of such Code is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

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