

119TH CONGRESS
2^D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. YOUNG (for himself and Ms. ALSOBROOKS) introduced the following bill; which was read twice and referred to the Committee on

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Modern, Clean, and
5 Safe Trucks Act of 2026”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the 12-percent Federal retail excise tax on
9 all new heavy trucks, tractors, and trailers, coupled

1 with new regulatory mandates, significantly in-
2 creases the cost of new heavy-duty trucks, tractors,
3 and trailers and discourages the replacement of
4 older, less environmentally clean and less fuel eco-
5 nomical vehicles;

6 (2) this 12-percent Federal retail excise tax is
7 the highest percentage rate of any Federal ad valo-
8 rem excise tax;

9 (3) the Federal excise tax was first levied by
10 Congress in 1917 to help finance America's involve-
11 ment in World War I;

12 (4) the 12-percent Federal retail excise tax rou-
13 tinely adds \$7,000 or more to the cost of new trail-
14 ers, \$20,000 or more for new clean diesel trucks,
15 and as much as \$50,000 to the next generation of
16 trucks with advanced engine technologies;

17 (5) nearly 34 percent of the Class 8 trucks on
18 the road are pre-MY2010 trucks and lack more than
19 a decade of environmental and safety technological
20 advancements;

21 (6) from 2011 through 2030, this generation of
22 diesels will save approximately 1,300,000,000 tons
23 of carbon dioxide emissions and 130,000,000,000
24 gallons of fuel, while yielding cumulative savings of

1 1,000,000 tons of particulate matter and 18,000,000
2 tons of nitrogen oxide;

3 (7) an owner of a single Class 8 truck powered
4 by the latest clean diesel engine can expect to save
5 about 2,200 gallons of fuel each year compared to
6 previous generations of technology;

7 (8) since the late 1990s, cleaner fuel and ad-
8 vanced engines have combined to reduce nitrogen
9 oxide (NO_x) emissions and particulate matter (PM)
10 emissions by 98 percent;

11 (9) 60 trucks manufactured today emit the
12 same amount as 1 truck manufactured in 1988;

13 (10) the Federal excise tax disproportionately
14 impacts electric and alternative-fueled trucks, which
15 currently have a higher up front cost, at a time
16 when adoption of these technologies is needed to ac-
17 celerate the transition to zero emission vehicles and
18 the reduction of carbon pollution from transpor-
19 tation;

20 (11) in 2020, there were approximately
21 1,300,000 United States manufacturing, supplier,
22 dealership, and heavy-duty trucking and trailer re-
23 lated jobs;

24 (12) since the Federal retail excise tax on cer-
25 tain new heavy trucks, tractors, and trailers is based

1 on annual sales, receipts from the tax deposited in
2 the Highway Trust Fund can vary greatly;

3 (13) Congress should consider a more reliable
4 and consistent revenue mechanism to fund the High-
5 way Trust Fund;

6 (14) Congress should advance the deployment
7 of the most modern, clean, and safe trucks through
8 eliminating the Federal excise tax on trucks; and

9 (15) repealing the Federal excise tax would re-
10 sult in the replacement of older internal combustion
11 engine trucks with new heavy duty trucks that em-
12 ploy the latest safety and environmental tech-
13 nologies.

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

16 (a) IN GENERAL.—Chapter 31 of the Internal Rev-
17 enue Code of 1986 is amended by striking subchapter C
18 (and by striking the item relating to such subchapter from
19 the table of subchapters for such chapter).

20 (b) CONFORMING AMENDMENTS.—

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

23 “(c) TIRES OF THE TYPE USED ON HIGHWAY VEHI-
24 CLES.—

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

4 “(A) motor vehicles which are highway ve-
5 hicles, or

6 “(B) vehicles of the type used in connec-
7 tion with motor vehicles which are highway ve-
8 hicles.

9 “(2) EXCEPTION FOR MOBILE MACHINERY.—

10 “(A) IN GENERAL.—Such term shall not
11 include tires of a type used exclusively on mo-
12 bile machinery.

13 “(B) MOBILE MACHINERY.—For purposes
14 of subparagraph (A), the term ‘mobile machin-
15 ery’ means any vehicle which consists of a chas-
16 sis—

17 “(i) to which there has been perma-
18 nently mounted (by welding, bolting, riv-
19 eting, or other means) machinery or equip-
20 ment to perform a construction, manufac-
21 turing, processing, farming, mining, drill-
22 ing, timbering, or similar operation if the
23 operation of the machinery or equipment is
24 unrelated to transportation on or off the
25 public highways,

1 “(ii) which has been specially designed
2 to serve only as a mobile carriage and
3 mount (and a power source, where applica-
4 ble) for the particular machinery or equip-
5 ment involved, whether or not such ma-
6 chinery or equipment is in operation, and

7 “(iii) which, by reason of such special
8 design, could not, without substantial
9 structural modification, be used as a com-
10 ponent of a vehicle designed to perform a
11 function of transporting any load other
12 than that particular machinery or equip-
13 ment or similar machinery or equipment
14 requiring such a specially designed chas-
15 sis.”.

16 (2) Section 4221 of such Code is amended—

17 (A) in subsection (a)—

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

21 (ii) by striking “4051 or”,

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

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

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

7 (4) Section 4293 of such Code is amended by
8 striking “section 4051,”.

9 (5) Section 4483(g) of such Code is amended
10 by striking “section 4053(8)” and inserting “section
11 4072(e)(2)”.

12 (6) Section 6416(b)(2) of such Code is amend-
13 ed by striking “or under section 4051”.

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

16 (8) Section 9503(b)(1) of such Code is amend-
17 ed by striking subparagraph (B) and by redesignig-
18 nating subparagraphs (C), (D), and (E) as subpara-
19 graphs (B), (C), and (D), respectively.

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