



ISSUE #11 TAX INCENTIVE SUPPORTING ADVANCED SAFETY TECHNOLOGIES IN CMVS

CVSA actively supports legislation recently re-introduced that aims to significantly reduce commercial vehicle crashes and save lives. The Commercial Motor Vehicle Advanced Safety Technology Tax Act of 2011 (H.R. 1706 / S. 1233) provides tax credits to help facilitate the accelerated adoption of advanced safety systems for commercial vehicles. Those systems included in the bill are: electronic brake stroke monitoring systems; vehicle stability systems; lane departure warning systems; and, collision warning systems.

The bill has been re-introduced in the House by Reps. Geoff Davis (R-KY) and Mike Thompson (D-CA) and in the Senate by Sen. Stabenow (D-MI). The House bill has gained 11 additional cosponsors since it was introduced.

An economic and market analysis of the legislation has been completed. The information in this analysis covers issues that are generally considered by the Joint Committee on Taxation when it is requested to “score” the bill to determine the revenue impact on the federal budget, in this case, the Highway Trust Fund.

CVSA believes this bill is the right thing to do. It is about encouraging investment in safety through the purchase and installation of technologies on trucks and buses that have been tested and proven to work. It will certainly help reduce heavy truck fatalities which have been hovering around 5000 per year for the last 10 years. Specifically, the bill provides tax credits for four safety technologies identified by the Federal Motor Carrier Safety Administration (FMCSA) in its recent Large Truck Crash Causation Study. The four identified technologies that would help reduce truck crashes and fatalities are: collision avoidance, lane departure warning, stability control, and brake stroke monitoring systems. The tax credit would be equal to 50 percent of the cost of a qualified system, up to \$1500; allow a total credit of up to \$3500 per vehicle; limit the qualifying taxpayer to a maximum credit to \$350,000 per taxable year; and extend credit eligibility for the purchase of school busses, intercity buses and vehicles used in commerce. The Bill's approach also has received support from the FMCSA and National Transportation Safety Board. In testimony in 2008 before the Senate Appropriations Subcommittee on Transportation, NTSB Chairman Mark Rosenker said the quickest way to promote widespread use of motor vehicle safety technologies was through the tax incentive approach. Former FMCSA Administrator John Hill in a variety of public comments has also been a proponent of tax incentives as an effective way to accelerate the widespread use of new safety technologies.