



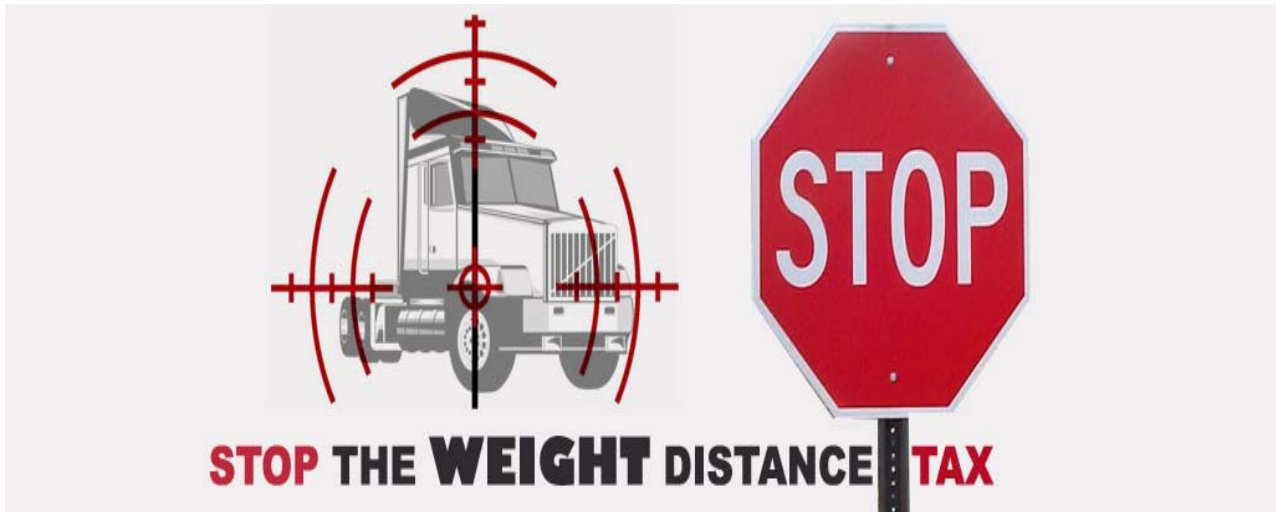
NMTA 511

Legislative Update April 9 - 13, 2007

Nevada Assembly Proposes a Weight Distance Tax

A.B. 595 was amended yesterday in the Assembly Committee on Transportation to implement the weight-distance tax at a rate of 15 cents per mile for vehicles over with a declared gross weight over 55,000 lbs.. The N.M.T.A. testified in opposition to the bill before the Assembly Transportation Committee stating that the tax would have a detrimental impact on the trucking industry. If the weight distance tax is implemented it will make the Nevada the most expensive state in the nation for truck taxes. The bill was re-referred to the Assembly Committee on Ways and Means without recommendation.

The N.M.T.A. greatly appreciates the help of the American Trucking Association and many of our members to assist us in opposing onerous and ill conceived tax scheme. We have included talking points below so that you may further assist us in opposing the weight/distance tax. We will be communicating with you via email and through our websites www.keepnevadatrucking.com and www.nmta.com to provide updates on this important issue. You can also contact our office at 775-673-6111.



WHAT'S WRONG WITH THE WEIGHT/DISTANCE TAX?

***Weight/distance tax is inherently unfair.**

According to 2005 data^[1], trucks *already pay their full share* of taxes based on our current two-structure tax system—registration fees and fuel taxes. The trucking industry in Nevada pays 37% of all state and federal highway taxes and user fees and only accounts for 8% of all vehicle miles traveled in Nevada.

For a vehicle that gets 6 miles per gallon a 15 cent per mile weight/distance tax amounts to a cost increase of 90 cents per gallon.

^[1] American Transportation Research Institute-Nevada Fast Facts updated 3/23/07

***Weight/distance tax is expensive for a state to administer.**

Nevada would need to build numerous ports of entry both internal and at its borders.^[2] Then the state must staff not only the ports, but the management, audit, maintenance and enforcement staff needed to administer the tax.

***Weight/distance tax is open to massive evasion.**

Since the weight/distance tax mainly relies on self reporting it is wide open to evasion. In the states where a weight distance tax exists, evasion rates are upwards of 30%. Even using technology does not fix the voluntary reporting problem. The honest carrier bares the full burden of the tax.

***Weight/distance tax places an unacceptable burden on the trucking industry.**

Trucking companies are currently required to complete a variety of reports. Adding an additional report creates one more paperwork burden.

***Weight/distance tax has a negative impact on economic development and competition.**

^[2] Fiscal Note on A.B. 374 of the 2007 Legislative Session showed ports of entry cost \$63.6 million per facility.

The cumulative effects of this inequitable tax on trucking will have to be passed on to shippers, customers and consumers; or small carriers will be driven out of business.

***Weight/distance tax is computed on registered gross vehicle weight, or number of axles.**

Registered gross vehicle weight is a maximum figure and often has no correlation to the actual weight of a commercial vehicle or the impact on the roads.

[1] American Transportation Research Institute-Nevada Fast Facts updated 3/23/07

² Fiscal Note on A.B. 374 of the 2007 Legislative Session showed ports of entry cost \$63.6 million per facility.

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