

Bill to repeal road-use tax touted as trucker job-saver

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PHOENIX - Arizona stands to lose scores of high-paying jobs unless it gets rid of a **tax** that costs truckers more than double the national average and nine times what they pay California, lawmakers say.

"Truckers have been avoiding Arizona for years," says Rep. Lela Steffey, R-Mesa.

Steffey wants to repeal a road-use **tax** she says costs each trucker driving in Arizona an average of \$13,500 a year, compared with about \$5,500 nationally.

The average for California is \$1,500, says Steffey, who heads the House Transportation Committee.

The measure is expected to come to a House vote this week.

Arizona's high **tax** cost Kingman 100 jobs when Yellow Freight moved its drivers to Barstow, Calif., and others also may be on their way out, says Rep. Joe Hart, R-Kingman.

Hart said last week that Consolidated Freightways is considering pulling 100 drivers out of Flagstaff, depending on what comes out of the Legislature, and three companies in Kingman also may leave.

"It's not just drivers," Hart said. "We've got hubs here where they've got fueling stations and everything; they've got 30 to 40 people at each of them.

"Truckers make \$50,000 or so a year. They pay **taxes**, buy homes and automobiles. The real trade-off is the jobs we're going to keep. Keep these hubs in Arizona and they'll be paying **taxes** for a long time."

A high **tax** on trucking will put Arizona even further behind in its attempt to take advantage of the proposed free trade agreement with Mexico and Canada, Steffey added.

The bill originally would have repealed the **tax**. That would have cost the state and its cities and counties \$127.3 million in its first year, according to legislative estimates.

State government would have lost \$49.8 million, more than half what Gov. Fife Symington hopes to save by the health care changes he proposed in his budget plan for next year.

To offset that loss, Steffey proposes to amend the bill to add 8 cents to the state **tax** on diesel fuel.

That would raise the **tax** to 26 cents a gallon - one of the highest rates among Western states.

But truckers support the change, Hart and Steffey said. The trucking industry expects revenue from the fuel- **tax** hike will replace the money lost by repealing the road-use **tax** , Hart said, but he said he expects it actually will give the state some additional revenue.

"They don't mind paying the fuel **tax** because they know that's a fair **tax** ," Hart said.

The current **tax** is based on weight and the distance traveled. It's difficult and costly to administer, and 30 percent of the trucks that might use Arizona roads escape it by detouring around the state, Steffey said.

"This is the only **tax** they really object to," Hart said.

A **tax** collected at the pump catches all truckers equally and eliminates much of the opportunity for fraud, said Rep. David **Schweikert** , R-Scottsdale, another sponsor.

The proposal exempts school buses, vehicles used in training drivers and non-commercial three-quarter-ton trucks, vans and station wagons, lawmakers said.

Hart said the ton-mileage **tax** is unfair because the charge is the same whether the rig is full or empty.

"In an ideal world, you'd drive full both ways, but the logistics of the trucking industry just don't allow that," he said. "To me, the fairest **tax** is a user **tax** . If you're running full, you use more fuel. If you're running light, you're easier on the road and don't use as much fuel."