

Owner-Operator Independent Drivers Association

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The Honorable Mike Johnson Speaker U.S. House of Representatives H-232, The Capitol Washington, DC 20515

The Honorable Hakeem Jeffries Minority Leader U.S. House of Representatives 2165 Rayburn House Office Building Washington, DC 2051

Re: Truckers Oppose Reconciliation in Current Form

Dear Speaker Johnson and Minority Leader Jeffries,

The Owner-Operator Independent Drivers Association, which represents 150,000 small-business truckers and professional drivers, opposes the House's reconciliation package in its current form. Not only does the legislation include a new and unnecessary tax on small trucking businesses, it makes permanent policies from the Tax Cuts & Jobs Act (TCJA) that increased employee drivers' tax burden and unfairly denies them new tax relief provisions that benefit all other blue-collar workers.

First, the bill includes a new and unexpected tax on motor carriers to establish a duplicative federal reporting system that does nothing more than help freight brokers limit their legal liability. Section 100006 of the Committee on Transportation & Infrastructure's portion of the bill would create a new public website to display a motor carrier's fitness to operate in interstate commerce – information the U.S. Department of Transportation already posts publicly. This system would be funded by a new \$100 annual fee on anyone accessing the information, including small business truckers. Our members already pay numerous federal taxes and fees, and as part of this reconciliation process, we believe Congress should be eliminating unnecessary taxes, not creating new ones. As a result, Section 100006 should be eliminated entirely.

Second, the bill makes permanent the elimination of the per diem deduction that benefitted many employee drivers who make their living on the road. We heard from members who received an unexpected tax hike after TCJA was enacted – for as much as thousands of dollars more than they had anticipated. As part of reconciliation, Congress should be restoring employee drivers' ability to deduct daily meal expenses while on the road, not permanently increasing their tax burden.

Finally, when President Trump first proposed eliminating taxes on overtime pay, we implored Congress to repeal the outdated exemption in the Fair Labor Standards Act (FLSA) that denies employee drivers

guaranteed overtime compensation. By failing to act and leaving this exemption in place, **truckers will not benefit from the proposal to exempt overtime wages from taxes.** Even if a motor carrier currently pays their drivers overtime (despite not being required), these overtime wages would still be taxed if the reconciliation package were enacted. **This means truckers will be denied a new tax benefit guaranteed to virtually every other every blue-collar worker in America.**

The trucking industry already struggles with persistently high turnover rates among drivers; diminishing their compensation compared to other blue-collar occupations will only make the job less attractive. Instead, Congress should be taking the necessary steps to ensure trucking is an appealing and sustainable career choice for Americans. If the House is unable to fix the FLSA's unfair motor carrier exemption through reconciliation, then you must promptly pass H.R. 1962, the GOT Truckers Act, bipartisan legislation that would ensure employee drivers are paid competitively and rightly qualify for the President's "no tax on OT" proposal.

For American truckers, whether owner-operators or employee drivers, this bill surprisingly looks far from beautiful. Not only has the House failed to include trucker's top priorities, some of which we have been imploring legislators to remedy since 2017, but you have astonishingly included new taxes on our members. Regrettably, we are forced to oppose the legislation in its current form.

Sincerely,

Todd Spencer President & CEO

Owner-Operator Independent Drivers Association, Inc.