

Appendix G

SUVs are Regulatory Renegades

SUVs are loophole vehicles across-the-board, but SUVs over 6,000 lbs. collect special exemptions like candy. These wasteful, dangerous vehicles are not held to some of the same crash safety standards as cars and are given outrageously exorbitant tax breaks — creating incentives to churn out more of them while public safety suffers.

Special favors for Large SUVs:

Side Impact Crash Protection

- Large SUVs are held to a less protective side impact standard than applies to cars.

Roof Strength Protection

- Large SUVs need not meet *any* roof strength standard.

Tax Breaks

- When businesses purchase an SUV (or other light truck) over 6,000 lbs., they can immediately deduct \$25,000 off of the vehicle's price.
- The Bush stimulus package of 2002 granted another 30 percent deduction off of the balance of a vehicle's sticker price.
- The administration's latest stimulus package seeks to raise the initial deduction up to 75,000 dollars.¹ It would pay in full for every vehicle over 6,000 lbs. except the Hummer.
- These special interest tax breaks do not preclude businesses from taking the standard 20 percent deduction annually over five years.

Above 8,500 lbs., SUVs are also exempt from:

Fuel Economy Standards

- Vehicles need not comply with the extremely low federal fuel economy standards for light trucks, nor must they report production numbers, miles-per-gallon, or total sales to regulatory agencies.

Emissions

- Currently all vehicles over 8,500 lbs are treated as medium duty passenger vehicles, which have *significantly more lax emission requirements*. Under EPA's Tier 2 rules, medium duty passenger vehicles (between 8,500 and 10,000 pounds) will be phased into the passenger vehicle emission requirements over time. Light trucks, as classified by EPA, also are permitted to emit more pollutants than cars, an exemption also currently scheduled for phase out.



Child Restraint Anchorage Systems

- Requirements do not apply to vehicles greater than 8,500 lbs., meaning they need not install anchorage systems to accommodate child restraints.

Below is a table of the SUVs eligible for luxury loophole tax breaks:

Sample List of Vehicles that Would Qualify for the SUV Tax Break²			
Vehicle Model	Weight (lbs.)	Sticker Price	2003 Deductions <i>without Bush tax break</i>
Caddilac			
Escalade ESV	7200	\$56,160	\$38,710
Chevrolet			
Suburban 2500	8600	\$41,280	\$32,160
Tahoe	6800	\$38,530	\$30,955
Dodge			
Durango	6400	\$33,280	\$28,645
Ford			
Excursion	8900	\$43,650	\$33,205
Expedition	6650	\$37,185	\$30,360
GMC			
Yukon XL Denali	7200	\$44,695	\$33,665
Hummer			
H1	10300	\$111,845	\$63,210
H2	8600	\$50,590	\$36,260
Land Rover			
Discovery	6064	\$37,995	\$30,720
Range Rover	6724	\$71,865	\$45,620
Lincoln			
Navigator 4WD	7450	\$51,960	\$36,860
Mercedes			
M-Class	6283	\$51,970	\$36,865
Toyota			
Land Cruiser	6860	\$53,915	\$37,725
Sequoia 4WD	6600	\$38,080	\$30,755

¹ McCarthy, Sheryl, "Eliminate SUV Tax Giveaway Which Helps Rich and Busts Budget," *The Detroit News*, Feb. 14, 2003.

²Roder, Aileen, Moinster, Lucas, Taxpayers for Common Sense, <http://www.taxpayer.net/TCS/whitepapers/SUVtaxbreak.htm#12>, (visited on February 20, 2003)

