



## **URGENT: To Editorial Writers** **Congressional Conference Considering Two-Year** **Extension of Tax Boondoggle for Heaviest SUVs**

A conference committee in the U.S. Congress is considering the extension of a Bush tax cut that allows businesses to immediately deduct up to \$100,000 from their taxable income for purchasing an SUV or other light truck over 6,000 pounds. The provision is set to expire at the end of 2005, but under section 201 of H.R. 4520, the American Jobs Creation Act, a provision tacked on in the House of Representatives by Rep. Philip Crane (R-IL, 8<sup>th</sup> district) would be extended until the end of 2007.

This provision is a terrible idea. It encourages small businesses to purchase gas-guzzling SUV that are a danger to the car's occupants because of their propensity for rollovers and enormous size. Motor vehicle accidents, in total, cost Illinois alone more than \$9 billion in 2000.

This provision also costs the federal government hundreds of millions of dollars annually. The tax break has made the purchase of at least 55 large SUVs, passenger vans, and trucks completely deductible in the first year — only the Hummer H1 would still exceed the deduction cap.<sup>1</sup> **In all, this tax break will cost the government \$1.4 billion for every 100,000 taxpayers that take advantage of the loophole.**

<b>Vehicle Model</b>	<b>Weight (lbs.)</b>	<b>Sticker Price<sup>2</sup></b>
Cadillac Escalade ESV	7200	\$56,160
Ford Excursion	8900	\$43,650
Hummer H1	10300	\$111,845
Hummer H2	8600	\$50,590
Land Rover Range Rover	6724	\$71,865

“This is stunning, especially considering that so many lawmakers and members of the Bush administration profess grave concern over our dependence on foreign oil and the size of the deficit,” said Joan Claybrook, president of Public Citizen.<sup>3</sup> “The giveaway is also contributing to the high fatality rate on our highways, because the heaviest SUVs are also the most dangerous in crashes with other vehicles on the road. Apparently, lawmakers can't reconcile their concern over energy dependence and the deficit with their allegiance to the auto and the energy industries alike. We urge members of Congress to act responsibly before they go home for the election and remove this costly provision immediately.”

Please consider writing an editorial or article on this topic. The full Congress will likely be addressing the issue on Thursday, October 7.

<sup>1</sup> Taxpayers for Common Sense. “A Hummer of a Tax Break.” December 12, 2003.

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

<sup>3</sup> Joan Claybrook was administrator of the National Highway Traffic Safety Administration from 1977-1981.