



## Jurisdiction Action Committee

We are writing to express our thoughts and opinion on the recently passed legislation which would implement a weight distance tax (VMT) effective January 1, 2023. NATSA represents hundreds of service bureaus and their clients, which includes thousands of trucking companies, many of whom will be subjected to this new tax. We acknowledge Connecticut's sovereign right to tax and collect; and we also acknowledge Connecticut's right to set the taxable event, tax rate, exemptions, and other substantive regulatory authority by legislative action.

However, we want to point out some areas of concern we have in going forward with this implementation:

- The direct language of the statute places a tax burden on all commercial motor vehicles (excepting as noted below) *weighing 26,000 lbs. and above*. This language, while certainly at the discretion of the Connecticut General Assembly, is similar to but slightly varying from the requirements to register for motor fuel use taxes (e.g. IFTA or Connecticut Motor Carrier Tax (CTMCRT)). As you know, the existing motor fuel use tax laws mirror IFTA; that is, a qualified motor vehicle is one that (in general) *exceeds* 26,000 lbs. GVW. NATSA views this difference as potentially confusing for all stakeholders, including those outlined below. We feel a slight change to the language to bring consistency between the various requirements can help avoid potential confusion:
  - The carrier and its service provider/tax practitioner. A vehicle required to be registered for the CT Weight Distance Tax would not necessarily be required to register for either IFTA or the CTMCRT. We question whether this was the intent.
  - CTDRS. While the VMT will apply to a far broader base of taxpayers (all carriers regardless of base jurisdiction), DRS will need to administer the tax based on a set of criteria separate and different from that utilized for IFTA. We understand this falls within Connecticut's rights, but we again question whether it was intended to create a very fine line of difference between administration criteria for their VMT and IFTA.
  - Law Enforcement, civil (audit) compliance programs. The conflicting language will likely confuse roadside enforcement. Possibly resulting in the issuance of citations that will serve no other purpose than to clog the judicial system. We saw this in the early days and months of IFTA's implementation. Law enforcement, at times, applied the law erroneously by holding a vehicle registered at 26,000lbs as "taxable". We fear the same type of confusion will occur with this implementation. Similar confusion could likely follow with the audit compliance program. Based on the direct language, a vehicle registered at exactly 26,000 lbs. would be subject to the VMT, but not IFTA or CTMCRT.
- There is an exemption for dairy haulers. Exemptions are certainly under the purview of the legislature, but we question the fairness of the tax application when the vehicles exempted are among those that contribute to the need for highway maintenance. Moreover, the tax is being imposed upon thousands of carriers who deliver equally vital goods and services to the State of Connecticut and traverse the state's highway system delivering goods within the I-95/I-84 corridors. There seems to be an inherent injustice in exempting one group of motor carriers to the detriment of the overwhelming majority.
- Several mechanisms exist today which allow states to collect taxes on trucking companies, namely IFTA and IRP. We would much prefer an increase in these tax rates over a new tax with additional filing and record keeping requirements. IFTA and IRP were founded with the intention of allowing states to set their own tax rates while streamlining the process for motor carriers to pay those taxes. The addition of

this one-off mileage based tax threatens to bring us back to the days of overly burdensome licensing and record keeping requirements for trucking companies.

We appreciate you taking the time to evaluate our concerns. We hope that CTDRS and the Connecticut General Assembly will reconsider implementing this new tax. If it is determined this tax is required, we strongly request you consider creating “cleanup” language in the 2022 Legislative Session to result in a more fair and equitable statute for the VMT and that you also examine the possibility of mirroring the registration and recordkeeping requirements for IFTA and the CTMCRT.

Thank you,

A handwritten signature in black ink, appearing to read 'Casey', written in a cursive style.

NATSA Jurisdiction Action Committee  
Casey Bullard, NATSA Secretary and JAC Chair.

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# Jurisdiction Action Committee

## What is the JAC?

The North American Transportation Services Association (NATSA) consists of Service Agents and Transportation Professionals who share a common interest in expanding their regulatory compliance expertise and influence to promote and protect the interests of their individual companies and the transportation industry as a whole.

NATSA's cumulative influence over 75,000 motor carriers, operating 1,000,000 trucks, provides the basis of influence to promote and protect our interests with jurisdictional agencies. Our Jurisdiction Action Committee (JAC) spearheads these efforts.

## What does the JAC do?

We currently have several projects in the works - Serving the Customer Best Practices, the GPS Standardization Project, the Universal Power of Attorney Project, and the Consistency in Recordkeeping Project, and the Connecticut VMT Project. These all aim to help agents streamline their workflows, work with the jurisdictions, and serve the industry by taking advantage of technology to create efficiencies. Read below for a brief summary of each project. Please let us know if you'd like to help with any of these ongoing projects or if you have projects for us to consider.

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### Serving the Customer Best Practices

1. Replace Paper POA With Carrier Granting Electronic Account Access
2. Service Provider System Login Level
3. Computer to Computer Data Transfer
4. Access to Account Status and History
5. Intuitive and Default Data Fields, Multiple Transactions
6. System Rejections Clearly Identified; Backup Process For System Failure
7. Allow Tech Level Red-Flag Override
8. Allow User Password Management
9. Printable Transaction Acknowledgments
10. IFTA e-Filing Must Allow Non-Receipted/Non-Tax Paid Fuel and Debits/Credits To Be Used

### GPS Standardization Project

ELD and GPS providers use many of the same terms IFTA and IRP use, but their use doesn't match the recordkeeping requirements for IFTA and IRP. Terms like: Ping, Sufficient Interval or Significant Event, Time of event, Date of event, Route, Location, Beginning, Ending and the collection of Odometers, and Distance, need to be defined by the jurisdictions so these tools can be used by the carriers for their IFTA and IRP reporting without creating nightmares for auditors and industry alike.

### Universal POA Project

Many agents need a different POA for each task they perform on behalf of a client. NATSA would like to see one standard form that is accepted for all IFTA/IRP transactions and accepted in all jurisdictions. Such a universally accepted form would streamline operations for both the carrier and the jurisdictions by minimizing paperwork, improving transparency, and providing a simple revocation procedure.

### Consistency in Recordkeeping

Wherever possible, new and existing legislation and taxes should take advantage of existing recordkeeping requirements. This would ensure ease of use for all and prevent unnecessary confusion. As more VMTs are proposed, and the question of taxing electronic vehicles gets more important, these well understood requirements are more valuable than ever to both government and the industry.

### Contact Us!

**Chair:** Casey Bullard, 2290Tax. **Co-Chair:** Jackie Polk, Lee Trans Inc.

Contact us today at [JAC@MyNATSA.org](mailto:JAC@MyNATSA.org) with ideas, questions, or to help support our projects.