

## Senate Bill 697

*Testimony regarding the periodic study of flat fee tax rates.*

*To be delivered by Mike Marsh, Executive Director,  
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### **INTRODUCTION**

Senate Bill 697 requires the Oregon Department of Transportation (ODOT) to make specific determinations when completing flat fee studies. Implementation of these requirements has an impact on the Motor Carrier Audit Program.

### **DISCUSSION**

ODOT is responsible for completing the statutorily mandated flat fee study. The study is completed every two years. Currently, audit staff analyze tax report information filed by motor carriers that have elected to report their weight-mile taxes under the flat fee option. Based on the miles that are reported by these motor carriers, we compute what their tax would have been if calculated on a mileage basis. A report is submitted to the Department of Administrative Services (DAS) for inclusion in the Highway Cost Allocation Study.

SB 697 requires staff to send questionnaires and conduct interviews with each motor carrier paying weight-mile taxes under the flat fee option. The purpose of the questionnaire and interview would be to verify the percentage of Oregon miles traveled, the percentage of fully loaded and empty miles and the number of axles per vehicle for vehicles operated above 80,000 pounds.

### **SUMMARY**

In order to comply with SB 697, it will cost approximately \$19,000. Nearly all of the additional costs are related to personal service expenses. The staff will need to develop the survey, analyze survey results and conduct telephone interviews with approximately 1,000 truck firms.