

ODOT Funding Package Resource Library

Weight-Mile Tax Simplification

The weight-mile tax (WMT) includes 85 different rates between two tables representing multiple configurations and weights. Motor carriers traveling on Oregon freeways and highways must track and report multiple configurations and weight and pay the corresponding mileage rate. This results in a complex weight-mile tax structure and significant administrative burden for both the regulated industry and the agency.

The current weight-mile tax consists of two separate tables:

- Table A for vehicles between 26,001 pounds and 80,000 pounds. Table A has 27 rates in 2,000-pound increments. Trucks weighing between 78,001 pounds and 80,000 pounds were responsible for 63% of all miles travelled and 67% of all weight-mile revenue.
- Table B for vehicles between 80,001 pounds and 105,500 pounds. Table B is based on both weight and axle configuration. Table B has 58 rates.

Table B has significantly more rates than Table A because it also includes axle configuration to determine the appropriate fee. This design financially incentivizes spreading out a truck's load across more axles, thus reducing the wear to the road for that trip. However, research indicates the relatively modest additional cost per mile to use fewer axles does not significantly change trucking company behavior, which is driven by weight limits and business considerations. Table B was also included to increase equity amongst heavy truck users to appropriately assess fees. However, keeping track of a truck's configuration for every trip creates a burden on carriers who may be changing configurations frequently.

While these rates provide an equitable way to recover costs associated with road usage in Oregon, the complexity of the tax also creates an administrative burden on both carriers and ODOT. One solution would be to reduce the number of rates across both tables to simplify how carriers travelling through Oregon pay fees. However, it's critical that any changes made to the rate tables not significantly impact carriers by minimizing those who would pay much more or less than today while also not impacting ODOT's ability to properly maintain, operate, or construct roads due to decreases in overall heavy vehicle revenue.

Simplifying the Tax Rate Structure

There are multiple ways to simplify the rate structure, and ODOT has worked with the trucking industry to develop options. In general, the fewer the rates, the more carriers will pay either significantly more or less than they do today. To reduce the number of rates without significant impacts on what most trucks pay, ODOT developed an option to reduce the total number of rates to just ten—nine for the current Table A and a single rate for all of Table B.

This ten-rate structure uses anchor rates based on the most used Table A weight classes. These include the 26,001-28,000 pounds weight class, the 54,001-56,000 pounds weight class, and the

78,001-80,000 pounds weight class. By setting their rates to be the current 2024 statutory rates, we can seek to minimize the number of carriers who would pay much more or less than before.

This simplified structure also eliminates the number of axles as a factor in Table B. While there are numerous ways to simplify the 58 rates of Table B, one option would be to create a single rate that would apply to any heavy vehicle over 80,000 pounds regardless of axle configuration.

Assuming revenue neutral rates, this ten-rate structure would ensure no weight classes currently under Table A would pay more than an extra 10% over what they do today; the largest increase would be 9.2% for 74,001-76,000 pound trucks, but these make up just 0.4% of Table A miles.

Under a single rate, only 1.28% of all Table B miles would pay 10% more than they do today, while many carriers would pay less to maintain revenue neutrality. These relatively minor impacts might make a significant simplification of Table B worthwhile. Other options explored for Table B—such as creating five weight-based rates—result in very similar rates across all the weight classes; the rates under a five-tier option differ by less than a penny a mile.

Simplified Ten Weight Class Structure

Rate	Weight Class
1	26,001 – 32,000 pounds
2	32,001 – 38,000 pounds
3	38,001 – 44,000 pounds
4	44,001 – 50,000 pounds
5	50,001 – 56,000 pounds
6	56,001 – 62,000 pounds
7	62,001 – 68,000 pounds
8	68,001 – 74,000 pounds
9	74,001 – 80,000 pounds
10	80,001 – 105,500 pounds

Final rates cannot yet be determined until after the Legislature determines any additional investments that will be made in the transportation system and after the next Highway Cost Allocation Study determines the appropriate mix of revenue from passenger vehicles and heavy trucks.

Other Ways of Simplifying the Weight-Mile Tax

ODOT has identified other ways of simplifying the administration of the weight-mile tax.

- Changing the statutory definition of combined weight to use the registered vehicle weight. This change would end the ability for a single truck to pay weight-mile tax at different rates with different configurations. Carrier recordkeeping and reporting would be significantly simplified, as would agency audit processes.
- Allowing automatic enrollment in the weight-mile tax program upon registration in the carrier's base state using the data recorded by each base state and listed on vehicle cab

cards. This data is uploaded at least daily into federal databases and could be downloaded through Oregon CVIEW system. This change would remove the current requirement for carriers to separately obtain a tax credential in Oregon. This would also simplify/streamline roadside enforcement, potentially removing the need to cite for not having an Oregon tax credential.

- Remove unused chip and farm flat fee statutes.
- Remove unused annual reporting statute.
- Eliminate \$5 charges for each enrolled vehicle when account reinstatement is necessary.