



The Professional Logging Contractors of the Northeast (PLC) is advocating for log hauling trucks; log, pulp, and chip trailers; service trucks, and support vehicles, to be eligible for a tax exemption from Vermont’s Purchase and Use Tax (administered by the Department of Motor Vehicles) and Sales and Use Tax (administered by the Department of Taxes). The General Assembly exempted logging equipment from these taxes in 2017 and 2018 but did not include motor vehicles or trailers associated with forest operations.

Why are these exemptions important to all Vermonters?

- **Essential Equipment for Production**

Transportation vehicles in the logging industry are not just for getting from point A to B, but are essential tools in the production and transport of raw materials (timber) to mills. Since trucks are integral to the supply chain, similar to machinery used in manufacturing or farming, they can be classified as production equipment, which is often tax-exempt in other industries. Vermont is surrounded by states ¹that exempt these vehicles from taxation and the state’s forest economy is at a disadvantage in a competitive regional economy.

- **Support for Responsible Resource Management**

In 2014, Congress mandated the use of Tier IV heavy duty engines. These engines have reduced emissions by 98%. However, that has come with a cost. Heavy duty trucks have doubled in price over the last 10 years. For contractors that cannot afford to invest in this technology, they are using older, more fuel and emission inefficient technology for longer periods of time. By reducing the financial burden for new investment on vehicles and related parts associated with forest operations, the exemption will encourage investment in modern, efficient, and environmentally sensitive equipment. This supports responsible forest management practices, helping contractors minimize their climate impact while adhering to environmental regulations.

- **Economic and Competitive Necessity**

Logging and trucking contractors operate in a highly competitive and capital-intensive market. Profit margins are razor thin and close to non-existent. Inflation in the last four years for all logging inputs has added a 40% increase in cost across the board. Additionally, the cost of trucks has risen by 100% in the last 10 years. Currently, new heavy duty trucks and parts are subject to an 18% tax rate (12% federal and 6% state). Exempting trucks from state taxes will help contractors maintain lower operating costs, improve profitability, and remain competitive regionally and in the global marketplace. This can also support local economies by protecting jobs in rural areas that are the homebase for these companies. Repairs and maintenance are one of the largest expenses for these vehicles and exempting repair parts from sales and use tax will bring immediate relief to eligible companies.

State	Logging Vehicles Exempted	Tax Rate on Vehicles	Repair Parts Tax Rate
NH	Yes	\$0	0%
NY	Yes	\$0	0%
ME	Legislation pending to exempt		
VT	No	6% up to \$2,486 for vehicles 10,100 lbs or more	6%