



June 22, 2024

Ms. Helen Hecht, Esq.  
Uniformity Counsel  
Multistate Tax Commission  
444. N. Capitol Street, N.W., Suite 425  
Washington, DC 20001

Sent via Electronic Mail

**RE: Model Receipts Sourcing Regulation Review Work Group**

Dear Ms. Hecht,

On behalf of the American Trucking Associations (ATA)<sup>1</sup>, I write to express concerns with recent developments relating to the Model Receipts Sourcing Regulation Review Work Group (MTC Workgroup). As the largest representative of the motor carrier industry, **ATA believes the potential change from the current mileage rule to a different sourcing (drop-off/pick up) is not a direction the trucking industry can support for several reasons.** As such, ATA will utilize the strength of our 50-state federation to ensure that all state representatives to the MTC are aware of, and understand, the oppose position of ATA vis-à-vis the recent direction of the Work Group.

Trucking is an industry that has extensive tax, regulatory, safety, and cost considerations to contend with on a daily basis. This is also true in an environment where many motor carriers are operating on very small margins in a complex freight market subject to global and domestic economic headwinds. Whenever there are potential changes to statutes, laws, and regulations that have generally worked for the industry and our customers, ATA will review with an eye towards whether proposed changes would benefit or harm the industry, or are simply not necessary given current sufficiency of existing regulations.

In reviewing the Work Group's efforts to create an alternate apportionment methodology for trucking services receipts, ATA is not aware of any large-scale disagreement among states as to where such a change is even needed. Indeed, ATA is aware of only 1 state<sup>2</sup> that would, more or less, be directly using the approach considered. This does not seem to indicate any broad based issues with uniformity- quite the opposite.

**In short, ATA and our 50-state federation will oppose this potential change for the following reasons:**

- The majority of member states have no disagreement that the mileage rule is working to service both states and the trucking industry
- The current rule, by wide agreement, achieves the uniformity upon which MTC was founded

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<sup>1</sup> American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight. Follow ATA on Twitter or on Facebook.

<sup>2</sup> ATA Federation records see that Massachusetts has adopted a pickups/delivery approaching since adopting market-based sourcing. ATA is also aware that the commonwealth is one of a few states in public support of the Work Group's potential approach.

- Mileage is representative of the trucking industry market. Transportation services move freight *to a destination*, however that destination signifies more the market for the property not the transportation services moving freight.
- ATA is aware that only 6 state representatives of MTC participated in voting to move forward with proposing an alternative model to source some/all trucking receipts based on pickups/deliveries. After following up with a few of those states, it seems even in that small sample size there was ambivalence with any wholesale changes (even two states that voted in favor noted that they would not move away from the mileage approach).

Given the considerable history that the mileage-based approach brings- along with the uniformity that states and the trucking industry desire- moving forward with these changes to create a likely division between coastal states and interior states is ill-advised and ATA would reiterate its opposition to the Working Group continuing to pursue this proposal.

Please reach out to me directly at [dbauer@trucking.org](mailto:dbauer@trucking.org) should you have any questions on our position.

David E. Bauer  
Vice President  
State & Tax Policy