

# **The Strengthening Supply Chains Through Truck Driver Incentives Act**

**Co-Leads: Reps. Abigail Spanberger (D-VA) and Mike Gallagher (R-WI)**

## **Background:**

The truck driver shortage impacts all Americans through delayed and more expensive shipping costs, leading to higher prices of consumer goods. Trucks move more than 72 percent of US freight, and truck driver shortages have significantly contributed to persistent supply chain issues.



In 2021, US trucking companies experienced a record deficit of 80,000 drivers. Additionally, a 2019 BLS report found that the average turnover rate was 94% across large freight carriers and 79.2% across smaller ones. The median age of truck drivers is 51-52 years old, and the industry will need to add even more new drivers in the coming years as thousands of drivers retire. To address this, the Department of Labor is working with trucking companies to expand trucking registered apprenticeship programs to recruit and train younger drivers. Trucking companies have also offered drivers incentives to stay in the industry and to attract new drivers.

While several factors impact prospective drivers' choice to pursue other fields, and drivers are leaving the profession, this bill will provide a short-term, fast, and straightforward incentive to attract and retain drivers.

## **What the bill does:**

- Create a new refundable tax credit of up to \$7,500 for truck drivers with a valid Class A commercial driver's license (CDL) who drive at least 1,900 hours annually.
- Create a refundable tax credit of up to \$10,000 for new truck drivers or individuals enrolled in a registered trucking apprenticeship.
- New truck drivers would be eligible for the credit if they did not drive a commercial truck in the previous year, drive for at least 1,420 hours in the current year, or may receive a proportion of the credit if they drive less than 1,420 hours in the year, but drove at least an average of 40 hours a week upon starting to drive.
- The tax credit will last two years (2023 and 2024).
- To be eligible, a driver's income may not exceed the following levels:
  - Individual: \$90,000
  - Head of household: \$112,500
  - Joint filer: \$135,000

## **Contact Info:**

For additional information or if you would like to endorse the legislation, please email Isabel Coughlin (Rep. Spanberger) at [isabel.coughlin@mail.house.gov](mailto:isabel.coughlin@mail.house.gov). I appreciate your consideration.