



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Advances Tax Fairness for Rural Letter Carriers

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, has won near-final approval of his bipartisan proposal to give tax fairness to rural letter carriers.

“Rural letter carriers use their own vehicles for delivering the mail,” Grassley said. “They drive through all kinds of weather and road conditions. Unfortunately, they’re not fully compensated for their expenses. That’s wrong. Rural letter carriers deliver the mail. We should deliver tax fairness to them.”

Grassley was the lead Senate negotiator working on a House-Senate conference committee to reconcile differences between each chamber’s manufacturing tax and trade bill. Today, the conference committee is close to finishing its work. By 5 p.m., the conferees will finish voting on the final conference report. If they approve it, as expected, their action will clear the conference report for consideration in each chamber later this week. Grassley secured inclusion of his rural letter carriers provision in the conference report, which faces an up or down vote in each chamber and can’t be amended.

Grassley said the U.S. Postal Service recognizes that in rural areas, it is often more practical for letter carriers to use their personal vehicle rather than a post office vehicle. The Postal Service pays an equipment maintenance allowance for letter carriers to use their vehicles.

However, in rural areas, this allowance often does not cover the entire cost of using the vehicle, Grassley said. Because of various factors like terrain and weather conditions, letter carriers often need personal vehicles that are large, and therefore more expensive to run than what the equipment maintenance allowance covers.

Grassley’s bill allows the carriers’ expenses that are not covered by the equipment maintenance allowance to be deductible because they are business expenses that are not reimbursed by the employer.

Rural mail carriers serve more than 68,000 routes in the United States, driving more than three million miles a day to deliver letters and packages to more than 30 million families. Iowa has 2,800 rural mail carriers.