

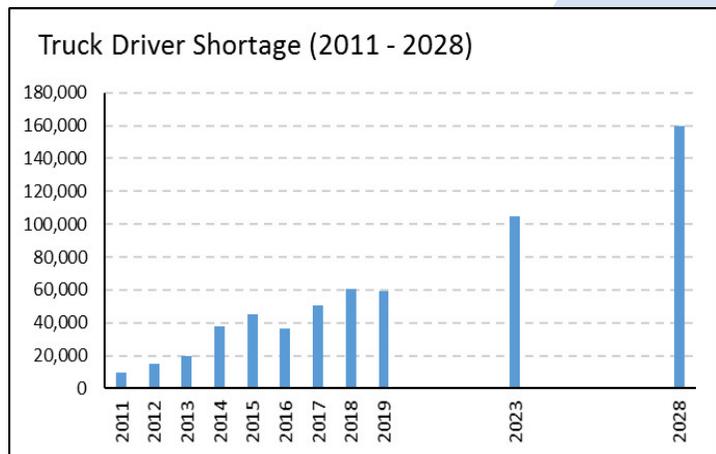


## HB 222 House Ways and Means Committee 10-14-2019

Chairman Merrin, Vice Chair LaRe, Ranking Member Rogers and members of the House Ways and Means Committee, my name is Tom Balzer and I am the President and CEO of the Ohio Trucking Association (OTA) and Ohio Association of Movers (OAM). Collectively, we represent over 1,000 trucking, moving, logistics, and warehouse companies and allied vendor members. 78% of our members have fewer than 50 trucks. I would like to thank you for this opportunity to present testimony in support of HB 222, which would establish a tax credit aimed at encouraging trucking companies to train drivers.

The trucking industry is truly the lifeblood of the U.S. economy. According to the American Trucking Association (ATA), over 70% of all freight tonnage in the U.S. is transported by trucks.<sup>1</sup> Not surprisingly, freight cannot move without drivers behind the wheel, which is what led to the introduction of HB 222.

Over the past 15 years, the trucking industry has struggled with a shortage of truck drivers. In 2017 the driver shortage skyrocketed to over 50,000. ATA recently did an analysis of the shortage and found that if recent trends continue, the shortage could swell to over 160,000 by 2028.<sup>2</sup> Ohio's proximity to large populations in the U.S. has not surprisingly made it a transportation hub. For this reason, Ohio has been especially impacted by the driver shortage, although an exact number is difficult to calculate given the ability of a trucking company to employ drivers in areas other than their home office.



As various industries compete for drivers, the compensation for their services has increased. The U.S. Department of Labor places the median pay for drivers at over

<sup>1</sup> ATA's Freight Transportation Forecast 2019 to 2030 - <https://www.atabusinesssolutions.com/Shopping/>

<sup>2</sup> ATA Truck Driver Shortage Analysis 2019 - <https://www.trucking.org/ATA%20Docs/News%20and%20Information/Reports%20Trends%20and%20Statistics/ATAs%20Driver%20Shortage%20Report%202019%20with%20cover.pdf>

\$43,000, and this can grow to much more.<sup>3</sup> Pay for drivers is often based on production, so entry level drivers can expect to make an increased wage shortly after entry into the industry. Salaries for drivers can even top \$100,000 per year. The Ohio Trucking Association has made addressing the driver shortage its primary objective. We have worked with legislators on multiple reforms aimed at attracting new drivers by removing barriers into the industry. HB 222 is one of those proposals, which would provide companies a tax credit for investing resources into training drivers. Companies throughout Ohio spend thousands of dollars on providing on the job training to future drivers. Other companies; however, simply do not have the resources to make such investment.

To encourage on the job training opportunities, HB 222 would make an employer eligible for a credit against the income tax. The credit would be equal to one-half of the employer's actual training expenses and would be capped at \$25,000. The total amount of credits that may be awarded a year would be limited to \$3 million per year.

On the job training to obtain a CDL or to build upon skills already obtained by a driver will open doors that lead to lifelong employment opportunities to the employee. Further, it shows an investment in the employee by the employer, which will ultimately assist in retaining drivers and stimulating the Ohio economy. We would like to thank the sponsors of the bill for their work on developing this legislation and I would be happy to answer any questions at this time.

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<sup>3</sup> United States Department of Labor - <https://www.bls.gov/OOH/transportation-and-material-moving/heavy-and-tractor-trailer-truck-drivers.htm>