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NSTA Protects Fuel Tax Exemption for
Small School Buses Benefitting School Bus Contractors

The National School Transportation Association, in concert with its members, successfully protected the fuel tax exemption for the small school bus.

Earlier this spring, some NSTA members were informed by the U.S. Internal Revenue Service that fuel used in small school buses was not considered exempt from the federal fuel tax. These members informed the NSTA Government Relations team about this challenge its members faced. NSTA’s Government Relations mobilized quickly and took the issue straight to the United States Congress and urged them to weigh in with the Treasury Department and the IRS. Subsequently, the Secretary of the Treasury, Timothy Geithner, issued a letter reaffirming that the federal fuel tax exemption applies to all school buses regardless of size. Since then, all NSTA members’ issues with the IRS on this topic have been dismissed.

“NSTA and its members protected all school transportation contractors from losing the fuel tax exemption for small school buses. This exemption not only saves money but also keeps a level playing field between private school bus companies and our public counterparts providing school transportation. If we had lost the exemption for small school buses, we would be less able to provide safe student transportation services in the most cost-effective manner,” says Donald Fowler, president of NSTA.

“NSTA’s Government Relations team’s connections on Capitol Hill were instrumental in getting our voices heard on this major issue impacting our entire industry. The diligent efforts of our counsel and CPA firm resulted in adjudicating this matter in our favor,” said Bob Pape of Dell Transportation, one of the affected companies.

About NSTA
The National School Transportation Association is a trade organization representing school bus contractors; that is, private companies that own and operate school buses and contract with school districts to provide pupil transportation. For 40 years, it has been dedicated to safe, secure and efficient transportation of children, and works to foster improvements in all areas of pupil transportation. Members range from small one- or two-bus companies to larger corporate entities operating more than 1,000 school buses in multiple states. Offices are at 113 South West St., 4th Floor, Alexandria, VA 22314. Phone: (703) 684-3200 or (800) 222-NSTA. Fax (703) 684-3212. E-mail: info@yellowbuses.org