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Grassley Works on Tax Fairness for Rural Letter Carriers

WASHINGTON – Sen. Chuck Grassley, ranking member of the Committee on Finance, is working to advance his bipartisan bill 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. No one should lose money working for the government. Rural letter carriers deliver the mail. We should deliver tax fairness to them.”

Grassley’s legislation to provide tax fairness for rural letter carriers is included in the small business tax relief package nearing finalization in the Committee on Finance. 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, introduced last year, 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.