

Highway Trust Fund Accounts—CBO’s Baseline as of March 6, 2020

The federal government’s surface transportation programs are financed mostly through the Highway Trust Fund, which has two accounts, one for highways and one for mass transit. The fund records inflows from revenues collected through excise taxes on the sale of motor fuels, trucks and trailers, and truck tires; taxes on the use of certain kinds of vehicles; and interest credited to the fund. It records cash outflows for spending on designated highway and mass transit projects, mostly in the form of grants to state and local governments. Most of the authority to spend is controlled by limitations on obligations contained in appropriation acts.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

Highway Trust Fund Accounts—CBO's Baseline as of March 6, 2020
 Millions of Dollars, by Fiscal Year

March 19, 2020

	Actuals,											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Highway Account												
Start-of-Year Balance	32,605	24,652	15,264	5,205	a	a	a	a	a	a	a	a
Flexed Balances ^b	-1,331	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
Revenues and Interest ^c	38,985	38,238	38,110	37,839	37,658	37,499	37,324	37,226	37,219	37,265	37,348	37,457
Outlays	45,607	46,426	46,969	47,766	48,811	49,667	50,945	51,937	52,729	53,668	54,644	55,645
End-of-Year Balance	24,652	15,264	5,205	a	a	a	a	a	a	a	a	a
Transit Account												
Start-of-Year Balance	11,902	8,254	3,708	a	a	a	a	a	a	a	a	a
Flexed Balances ^b	1,331	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Revenues and Interest ^c	5,536	5,369	5,284	5,226	5,181	5,133	5,079	5,033	4,998	4,966	4,938	4,915
Outlays	10,515	11,115	11,239	11,364	11,558	11,759	12,049	12,233	12,500	12,670	12,891	13,115
End-of-Year Balance	8,254	3,708	a	a	a	a	a	a	a	a	a	a
Memorandum:												
Cumulative Shortfall ^a												
Highway Account	n.a.	n.a.	n.a.	-5,923	-18,276	-31,644	-46,465	-62,375	-79,085	-96,689	-115,184	-134,571
Transit Account	n.a.	n.a.	-1,047	-5,985	-11,162	-16,588	-22,358	-28,357	-34,659	-41,163	-47,916	-54,916

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Components may not sum to totals because of rounding; n.a. = not applicable.

a. Under current law, the Highway Trust Fund cannot incur negative balances. However, following the rules governing baseline projections in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline for surface transportation spending reflects the assumption that obligations presented to the Highway Trust Fund will be paid in full. The memorandum to this table shows the cumulative shortfall of fund balances, assuming spending amounts consistent with CBO's March 2020 baseline. Following the rules for baseline construction, those amounts are estimated by adjusting the obligation limitations enacted under P.L. 116-94, the Further Consolidated Appropriations Act, 2020, by projected inflation.

b. Flexed balances are amounts transferred from the highway account to the transit account.

c. Some of the taxes that are credited to the Highway Trust Fund are scheduled to expire on September 30, 2022, including the taxes on tires and all but 4.3 cents of the federal tax on motor fuels. However, under the rules governing baseline projections, these estimates reflect the assumption that all of the expiring taxes credited to the fund will continue to be collected after fiscal year 2022.