

Highway Trust Fund Accounts—CBO’s Estimate of the President’s Fiscal Year 2019 Budget

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.

Proposals for Highway Trust Fund Accounts—CBO's estimates of the President's Fiscal Year 2019 Budget^a
(Billions of Dollars, by Fiscal Year)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Highway Account										
Start-of-Year Balance	32	21	10	b	b	b	b	b	b	b
Revenues and Interest ^c	37	37	36	36	36	36	36	35	35	35
Outlays	45	46	46	46	46	45	45	45	45	45
End-of-Year Balance	21	10	b	b	b	b	b	b	b	b
Transit Account										
Start-of-Year Balance	12	8	4	b	b	b	b	b	b	b
Revenues and Interest ^c	5	5	5	5	5	5	5	5	5	5
Outlays	10	10	11	11	11	11	11	11	11	11
End-of-Year Balance	8	4	b	b	b	b	b	b	b	b
Memorandum:										
Cumulative Shortfall ^b										
Highway Account	n.a.	n.a.	-1	-13	-24	-36	-48	-60	-72	-84
Transit Account	n.a.	n.a.	-0	-5	-10	-15	-21	-26	-31	-37

Components may not sum to totals because of rounding. This table incorporates the effects of the Consolidated Appropriations Act, 2018 (Public Law 115-141), as signed by the President on March 23, 2018.

n.a. = not applicable

a. The President's budget proposes providing \$57 billion in every year from 2020 through 2028 for programs funded by the Highway Trust Fund. That amount consists of \$47 billion for programs funded from the highway account and \$10 billion for programs funded from the transit account. In the Consolidated Appropriation Act, 2018, the Congress provided \$56 billion for such programs.

b. 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 shows the cumulative shortfall of fund balances, assuming spending levels consistent with those levels in CBO's estimate of the President's fiscal year 2019 budget.

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 certain heavy vehicles and 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.