Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress

The Status of the Highway Trust Fund in 2026

June 16, 2026

Presentation at the
2026 Mileage-Based User Fee Alliance National Conference

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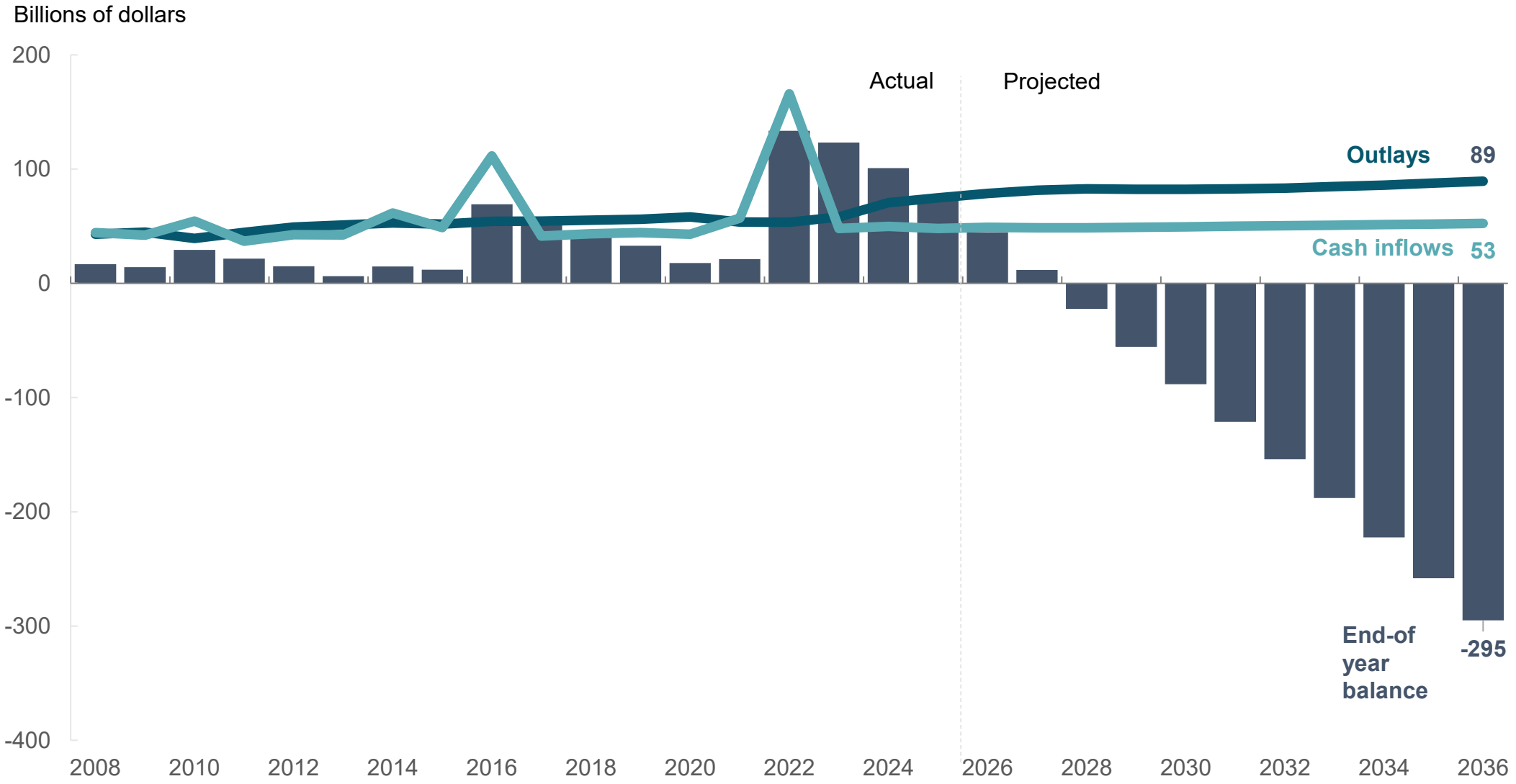
For information about the 2026 MBUFA Annual Conference, see https://mbufa.org/.

Annual Cash Inflows, Outlays, and Balances of the Highway Trust Fund in CBO's February 2026 Baseline Projections



Data source: Congressional Budget Office, "Details About Baseline Projections for Selected Programs: Highway Trust Fund Accounts" (February 2026), www.cbo.gov/publication/51300.

Things to Know About CBO's Projections for the Highway Trust Fund Accounts

- Under current law, the Highway Trust Fund cannot incur obligations that would result in a negative balance. However, the rules governing baseline projections in the Balanced Budget and Emergency Deficit Control Act of 1985 require that CBO's baseline projections for surface transportation spending reflect the assumption that obligations presented to the Highway Trust Fund will be paid in full.

- The figure on the previous slide shows the cumulative shortfall of fund balances in CBO's February 2026 baseline projections. In accordance with the rules for baseline construction, outlays are projected from obligation limitations enacted under the Continuing Appropriations Act, 2026 (Public Law 119-37), and adjusted annually at the projected rate of inflation.

- Some of the taxes that are credited to the Highway Trust Fund are scheduled to expire on September 30, 2028, including the taxes on tires and all but 4.3 cents of the federal tax on motor fuels. However, as required by the Deficit Control Act, the projections shown here reflect the assumption that all the expiring taxes credited to the fund will continue to be collected after fiscal year 2028.

Selected Options for Highway Trust Fund Spending and Revenues

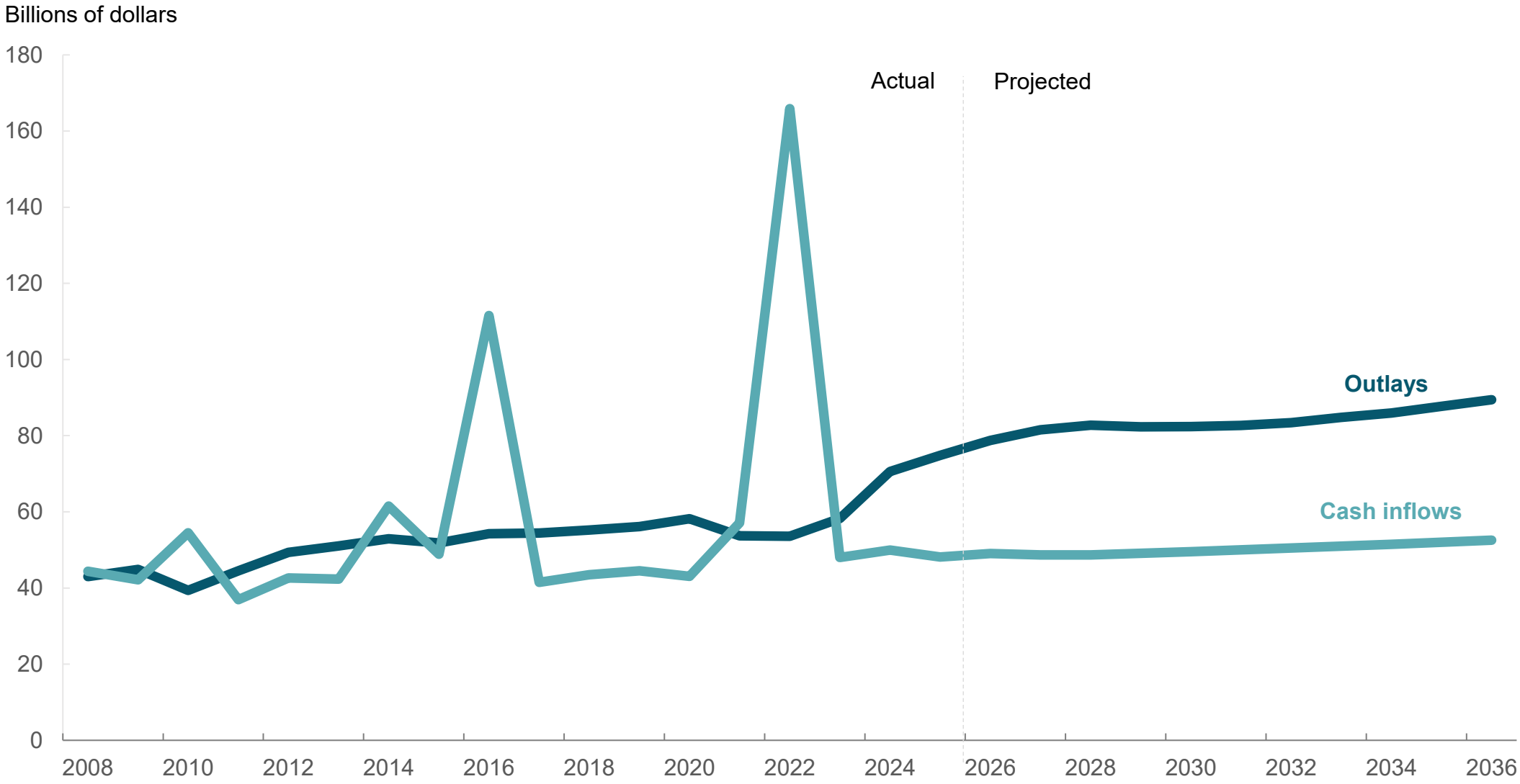
Options affecting spending (outlays):

- Limiting outlays to current revenues from fuel and other taxes
- Maintaining the current conditions and performance of the highway system
- Funding all projects for which the expected benefits meet or exceed the costs

Options affecting revenues (cash inflows):

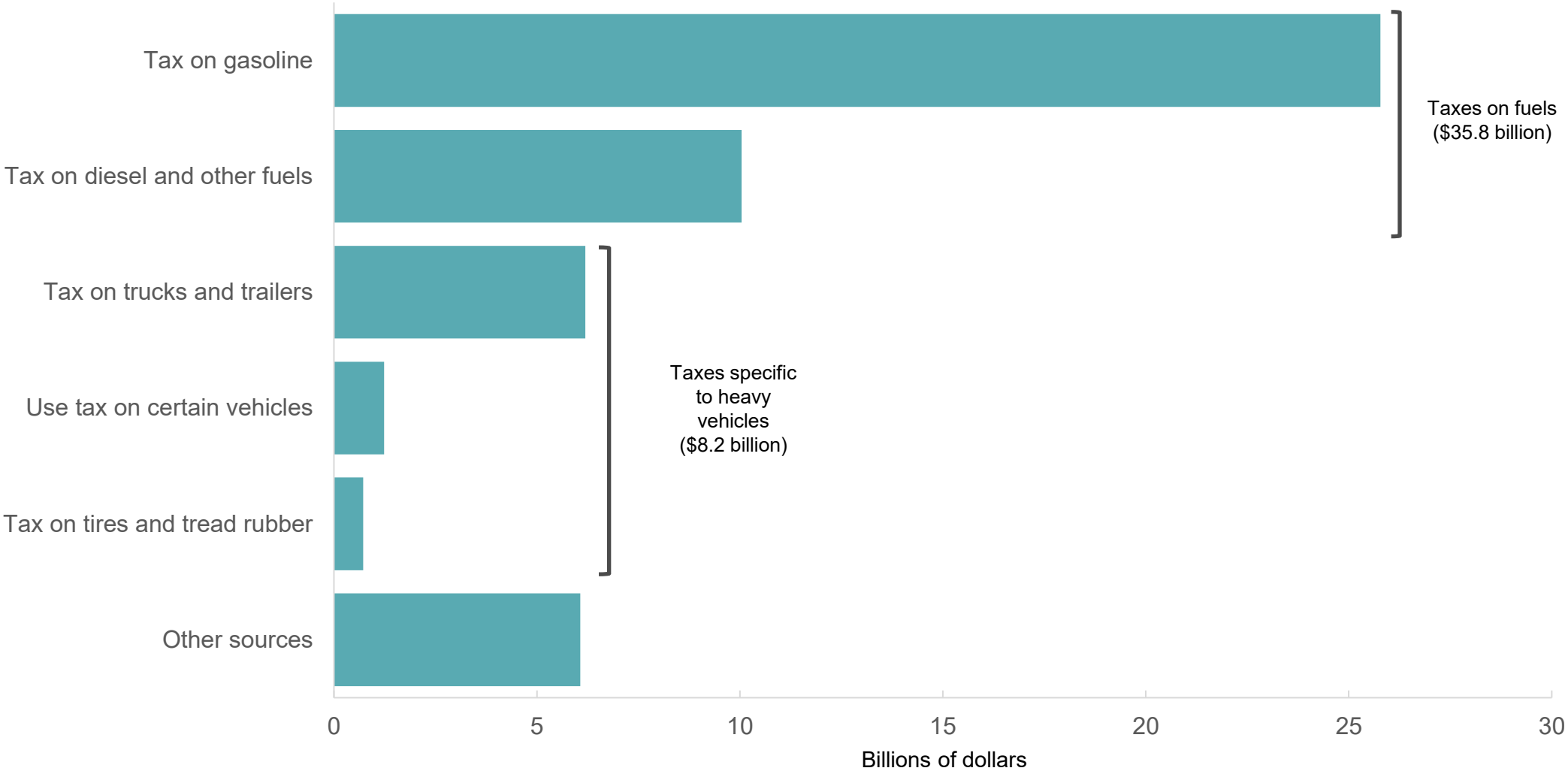
- Increasing the existing fuel taxes
- Instituting new taxes or fees
- Transferring money from the Treasury's general fund

Annual Cash Inflows and Outlays of the Highway Trust Fund in CBO's February 2026 Baseline Projections



Data source: Congressional Budget Office, "Details About Baseline Projections for Selected Programs: Highway Trust Fund Accounts" (February 2026), www.cbo.gov/publication/51300.

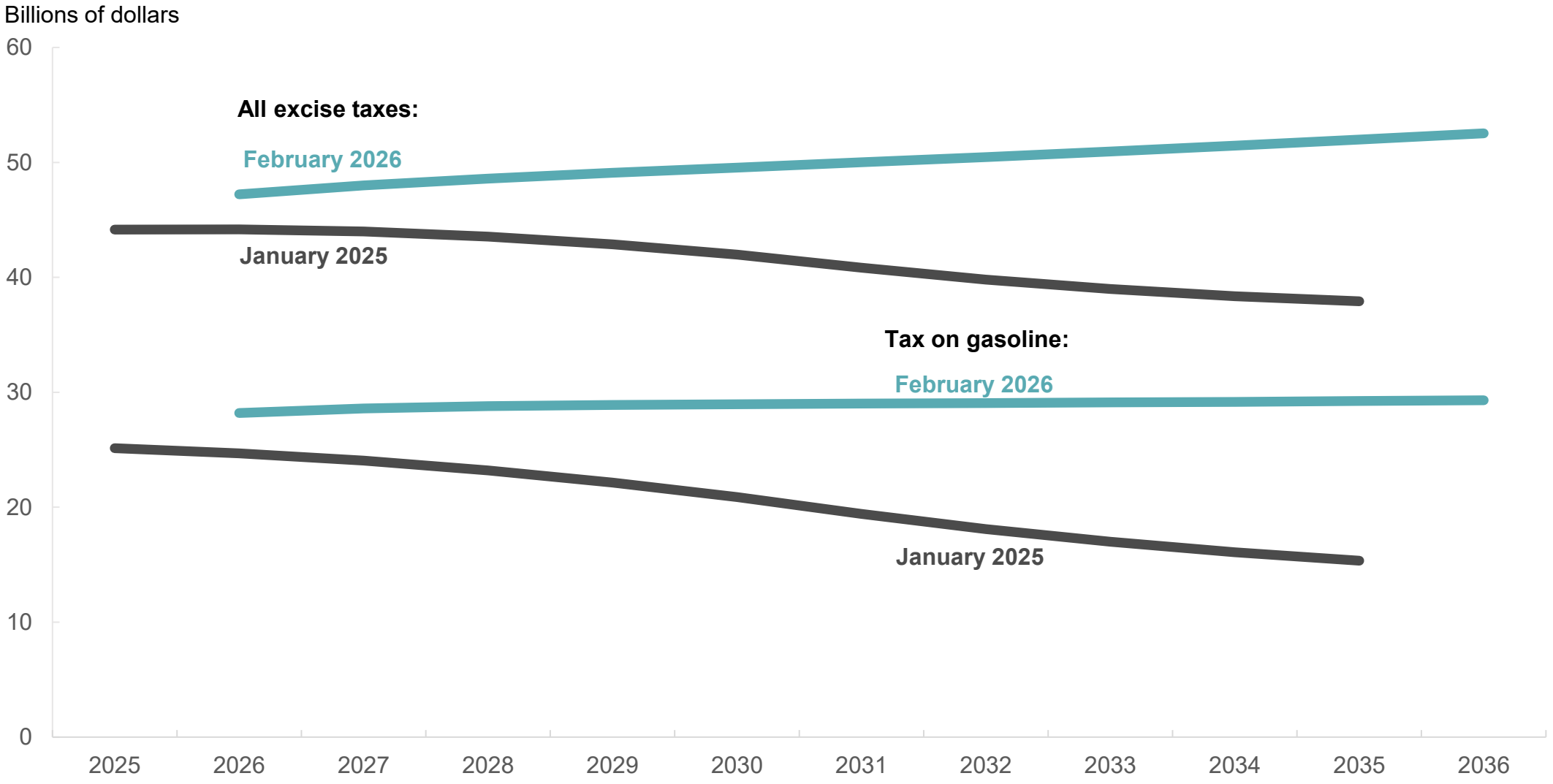
Sources of Revenues Credited to the Highway Trust Fund, 2024



Data source: Congressional Budget Office, using data from the Federal Highway Administration and the Internal Revenue Service.

"Other sources" includes interest income credited on accumulated balances in the trust fund.

CBO's January 2025 and February 2026 Projections of Revenues Credited to the Highway Trust Fund



Data sources: Congressional Budget Office, "Revenue Projections, by Category" (January 2025 and February 2026), www.cbo.gov/publication/51138.

Proposals for a Federal Fee on Electric Vehicle Registration

2025 reconciliation bill:

- States would collect and remit annual registration fees of $250 for electric vehicles and $100 for hybrid vehicles.
- Policy would add $39 billion to net revenues over the 2025–2034 period (after interactions with other policies in the legislation are accounted for).

H.R. 8870, BUILD America 250 Act:

- States would collect and remit annual registration fees of $130 for electric vehicles and $35 for plug-in hybrid vehicles.
- Rates would increase by $5 per year starting in 2029 until they reached a maximum of $150 for electric vehicles and $50 for plug-in hybrids.

See Congressional Budget Office, cost estimate for the reconciliation recommendations of the House Committee on Transportation and Infrastructure, as ordered reported on April 30, 2025 (May 13, 2025) www.cbo.gov/publication/61400, and "Estimated Budgetary Effects of a Bill to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, the One Big Beautiful Bill Act" (May 20, 2025), www.cbo.gov/publication/61420.