Congressional Budget Office
Cost Estimate

July 9, 2026

Estimated Effects of Selected Provisions of H.R. 8870, the BUILD America 250 Act

This document provides CBO's estimates for selected provisions in H.R. 8870, as ordered reported by the House Committee on Transportation and Infrastructure on May 22, 2026. Specifically, the bill's estimated effects on the Highway Trust Fund are shown in Table 1. In addition, enacting section 1129 would have revenue effects because it would impose fees on electric and plug-in hybrid vehicles, shown in Table 2. The bill would not require those amounts to be deposited into the Highway Trust Fund. The estimates shown are based on CBO's baseline budgetary projections. CBO expects to transmit a separate estimate of the bill's complete budgetary effects.

Effects on the Highway Trust Fund

CBO estimates that enacting H.R. 8870, including the bill's proposed changes to permitting requirements, would affect the highway and transit accounts of the Highway Trust Fund. The estimate incorporates amounts provided in the Consolidated Appropriations Act, 2026, and amounts specified in H.R. 8870 for the fund over the 2027-2031 period.

CBO's baseline projections for the Highway Trust Fund accounts, as published in June 2026, include a cumulative shortfall of $86.0 billion for the highway account and $45.2 billion for the transit account at the end of 2031.[1] Those are the amounts by which projected outlays outstrip revenues and other amounts credited to the fund under current law, given authorized and projected spending authority.

Using historical spending rates, which are adjusted for changes to permitting requirements for programs funded through obligation limitations specified in the bill, CBO estimates that cumulative shortfalls at the end of 2031 would be $99.5 billion for the highway account and $48.2 billion for the transit account.

Consistent with the scoring conventions for all discretionary programs, CBO's estimates reflect the assumption that the pace of spending under H.R. 8870 would not be affected by the shortfall in the Highway Trust Fund.

Revenue Effects for Section 1129

CBO estimates that enacting section 1129 would affect federal revenue collections. Under the bill, through September 30, 2036, states would be required to collect registration fees on electric and plug-in hybrid vehicles. Such indirect taxes and regulatory fees tend to reduce collections of income and payroll taxes. As a result, CBO expects that the new fee collections would be partially offset by decreases in tax receipts of about 25 percent of gross fee collections in each year.[2] CBO estimates that enacting section 1129 would increase revenues, on net, by $12 billion over the 2026-2036 period. The total amount collected in fees, before the offset is applied, is estimated to be $17 billion. CBO's estimate incorporates the assumption that revenues collected from the vehicle registration fees would be deposited into the Highway Trust Fund, although H.R. 8870, as reported, contains no such requirement.

1. See Congressional Budget Office, "Details About Baseline Projections for Selected Programs—Highway Trust Fund Accounts" (June 2026), https://tinyurl.com/2msyk4fz.
2. For more information, see Congressional Budget Office, *CBO's Use of the Income and Payroll Tax Offset in Its Budget Projections and Cost Estimates* (October 2022), www.cbo.gov/publication/58421.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Table 1.
Status of the Highway Trust Fund Under H.R. 8870, the BUILD America 250 Act

	By Fiscal Year, Millions of Dollars					
	2026	2027	2028	2029	2030	2031
Highway Account						
Start-of-Year Balance	56,418	35,980	11,463	a	a	a
Flexed Balances[b]	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
Receipts[c]	41,560	42,269	42,826	43,297	43,738	44,174
Interest	1,415	589	23	a	a	a
Outlays	62,213	66,176	69,174	69,687	70,096	71,249
End-of-Year Balance	35,980	11,463	a	a	a	a
Transit Account						
Start-of-Year Balance	17,861	8,173	a	a	a	a
Flexed Balances[b]	1,200	1,200	1,200	1,200	1,200	1,200
Receipts[c]	5,662	5,731	5,770	5,795	5,814	5,831
Interest	399	66	a	a	a	a
Outlays	16,949	18,279	18,541	18,061	18,063	18,399
End-of-Year Balance	8,173	a	a	a	a	a
Memorandum:						
Cumulative Shortfall[a]						
Highway Account	n.a.	n.a.	-16,063	-43,653	-71,211	-99,486
Transit Account	n.a.	-3,110	-14,680	-25,746	-36,795	-48,164

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, in keeping with the rules for baseline projections contained in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline for federal spending on surface transportation 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, under the assumption that H.R. 8870 will be enacted by the end of fiscal year 2026.

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, 2028, including taxes on tires and all but 4.3 cents of the federal tax on motor fuels. However, under the rules governing baseline projections in the Deficit Control Act, these estimates reflect the assumption that all expiring taxes credited to the fund will continue to be collected after fiscal year 2028.

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Table 2.
Estimated Increases in Revenues Under H.R. 8870, the BUILD America 250 Act

	By Fiscal Year, Millions of Dollars												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-2031	2026-2036
Section 1129, Registration Fees on Motor Vehicles													
Estimated Increases	0	0	152	534	868	1,220	1,440	1,690	1,888	2,174	2,421	2,774	12,387

Section 1129(e) of H.R. 8870 states that the sense of the Committee on Transportation and Infrastructure is that revenues collected from registration fees would be deposited into the Highway Trust Fund. H.R. 8870 does not provide for that deposit. This estimate incorporates the assumption that revenues collected under section 1129 would, in fact, be dedicated to the Highway Trust Fund.

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