

Highway Trust Fund Accounts—CBO’s May 2019 Baseline

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.

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Billions of Dollars, by Fiscal Year

May 2, 2019

	Actuals, 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Highway Account												
Start-of-Year Balance	41	33	24	14	2	a	a	a	a	a	a	a
Revenues and Interest ^b	38	38	38	37	37	37	37	37	36	36	37	37
Intragovernmental Transfers	*	0	0	0	0	0	0	0	0	0	0	0
Outlays ^c	45	46	47	48	48	49	50	51	52	53	54	55
End-of-Year Balance	33	24	14	2	a	a	a	a	a	a	a	a
Transit Account												
Start-of-Year Balance	15	12	9	5	*	a	a	a	a	a	a	a
Revenues and Interest ^b	6	6	5	5	5	5	5	5	5	5	5	5
Intragovernmental Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Outlays ^c	10	10	10	11	11	11	12	12	12	12	12	13
End-of-Year Balance	12	9	5	*	a	a	a	a	a	a	a	a
Memorandum:												
Cumulative Shortfall ^a												
Highway Account	n.a.	n.a.	n.a.	n.a.	-10	-23	-38	-53	-70	-87	-105	-124
Transit Account	n.a.	n.a.	n.a.	n.a.	-5	-10	-15	-21	-27	-34	-40	-47

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$500 million.

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 May 2019 baseline. Following the rules for baseline construction, those amounts are estimated by adjusting the obligation limitations enacted under P.L. 116-6, the Consolidated Appropriations Act, 2019, by projected inflation. The Fixing America's Surface Transportation Act (FAST Act, P.L. 114-94) authorized obligation limitations that are higher than the amounts contained in CBO's May 2019 baseline.

b. 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.

c. Outlays also include amounts transferred from the highway account to the transit account. CBO estimates that those amounts would total about \$1 billion annually.