

**Proposals Affecting the Highway Trust Fund Accounts—
CBO’s Estimate of the President’s Fiscal Year 2021 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.

These estimates are based on CBO’s baseline budget projections as of March 6, 2020, which do not incorporate 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.

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Millions of Dollars, by Fiscal Year

March 25, 2020

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Highway Account										
Start-of-Year Balance	15,264	4,448	a	a	a	a	a	a	a	a
Flexed Balances ^b	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
Revenues and Interest ^c	38,104	37,837	37,658	37,499	37,324	37,226	37,219	37,265	37,348	37,457
Outlays	47,720	49,976	52,087	53,894	56,189	58,267	60,216	62,365	64,636	66,986
End-of-Year Balance	4,448	a	a	a	a	a	a	a	a	a
Transit Account										
Start-of-Year Balance	3,708	a	a	a	a	a	a	a	a	a
Flexed Balances ^b	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Revenues and Interest ^c	5,283	5,226	5,181	5,133	5,079	5,033	4,998	4,966	4,938	4,915
Outlays	11,309	11,660	12,073	12,491	13,023	13,457	13,963	14,382	14,864	15,364
End-of-Year Balance	a	a	a	a	a	a	a	a	a	a
Memorandum:										
Cumulative Shortfall ^a										
Highway Account	n.a.	-8,892	-24,520	-42,115	-62,181	-84,421	-108,618	-134,918	-163,406	-194,134
Transit Account	-1,117	-6,351	-12,043	-18,201	-24,945	-32,169	-39,934	-48,150	-56,876	-66,125

These estimates are based on CBO’s baseline budget projections as of March 6, 2020, which do not incorporate 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.

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

The President’s budget proposes providing \$755 billion of obligation authority to programs funded by the Highway Trust Fund over the 2021-2030 period. Of that amount, \$624 billion would be provided to programs funded from the highway account and \$131 billion would be provided to programs funded from the transit account. In 2020, the Congress provided close to \$58 billion of obligation authority for those programs.

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 estimate of the President’s fiscal year 2021 budget.

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.