

Highway Trust Fund Accounts—CBO’s January 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.

Highway Trust Fund Accounts—CBO's January 2019 Baseline

Billions of Dollars, by Fiscal Year

January 28, 2019

	Actuals,											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Highway Account												
Start-of-Year Balance	41	33	24	14	4	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	45	46	46	47	47	48	49	50	51	52	52	53
End-of-Year Balance	33	24	14	4	a	a	a	a	a	a	a	a
Transit Account												
Start-of-Year Balance	15	12	9	5	0	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	10	10	10	11	11	11	11	12	12	12	12	12
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.	-7	-20	-33	-47	-62	-78	-95	-113
Transit Account	n.a.	n.a.	n.a.	n.a.	-5	-10	-15	-21	-27	-33	-39	-46

Components may not sum to totals because of rounding; n.a. = not applicable; * = between 0 and \$500 million.

CBO's January 2019 baseline estimate assumes that the 2019 obligation limitations are equal to the levels specified under Public Law 115-245, making further continuing appropriations for fiscal year 2019, which expired on December 21, 2018.

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 January 2019 baseline. Following the rules for baseline construction, those amounts are estimated by adjusting the obligation limitations enacted under P.L. 115-245, making further continuing appropriations for fiscal year 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 January 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 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.