

Highway Trust Fund Accounts—CBO’s January 2020 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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Millions of Dollars, by Fiscal Year

January 28, 2020

| | Actual, 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------------------------------|-----------------|--------|--------|--------|---------|---------|---------|---------|---------|---------|----------|----------|
| Highway Account | | | | | | | | | | | | |
| Start-of-Year Balance | 32,605 | 24,652 | 15,727 | 5,933 | a | a | a | a | a | a | a | a |
| Flexed Balances ^b | -1,331 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 | -1,200 |
| Revenues and Interest ^c | 38,985 | 38,241 | 38,119 | 37,841 | 37,658 | 37,499 | 37,324 | 37,226 | 37,219 | 37,265 | 37,348 | 37,457 |
| Outlays | 45,607 | 45,966 | 46,714 | 47,788 | 48,832 | 49,677 | 50,955 | 51,947 | 52,739 | 53,678 | 54,654 | 55,645 |
| End-of-Year Balance | 24,652 | 15,727 | 5,933 | a | a | a | a | a | a | a | a | a |
| Transit Account | | | | | | | | | | | | |
| Start-of-Year Balance | 11,902 | 8,254 | 4,313 | a | a | a | a | a | a | a | a | a |
| Flexed Balances ^b | 1,331 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Revenues and Interest ^c | 5,536 | 5,374 | 5,291 | 5,226 | 5,181 | 5,133 | 5,079 | 5,033 | 4,998 | 4,966 | 4,938 | 4,915 |
| Outlays | 10,515 | 10,515 | 11,039 | 11,364 | 11,558 | 11,759 | 12,049 | 12,233 | 12,500 | 12,670 | 12,891 | 13,115 |
| End-of-Year Balance | 8,254 | 4,313 | a | a | a | a | a | a | a | a | a | a |
| Memorandum: | | | | | | | | | | | | |
| Cumulative Shortfall ^a | | | | | | | | | | | | |
| Highway Account | n.a. | n.a. | n.a. | -5,214 | -17,588 | -30,966 | -45,797 | -61,718 | -78,438 | -96,051 | -114,556 | -133,944 |
| Transit Account | n.a. | n.a. | -235 | -5,173 | -10,350 | -15,776 | -21,546 | -27,545 | -33,847 | -40,351 | -47,104 | -54,104 |

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, 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 2020 baseline. Following the rules for baseline construction, those amounts are estimated by adjusting the obligation limitations enacted under P.L. 116-94, the Further Consolidated Appropriations Act, 2020, by projected inflation.

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.