

Highway Trust Fund Accounts—CBO’s April 2018 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.

Projections of Highway Trust Fund Accounts – CBO's April 2018 Baseline

(Billions of dollars, by fiscal year)

	ACTUAL												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
	Highway Account												
Start-of-Year Balance	51	41	32	21	10	a	a	a	a	a	a	a	
Revenues and Interest ^b	36	36	37	37	36	36	36	36	36	35	35	35	
Outlays	44	44	45	46	47	47	48	49	50	51	52	53	
End-of-Year Balance	41	32	21	10	a	a	a	a	a	a	a	a	
	Transit Account												
Start-of-Year Balance	18	15	12	8	4	a	a	a	a	a	a	a	
Revenues and Interest ^b	5	5	5	5	5	5	5	5	5	5	5	5	
Outlays	9	10	10	10	11	11	11	12	12	12	12	13	
End-of-Year Balance	15	12	8	4	a	a	a	a	a	a	a	a	
Memorandum:													
Cumulative Shortfall ^a													
Highway Account	n.a.	n.a.	n.a.	n.a.	n.a.	-2	-16	-30	-46	-62	-80	-99	-119
Transit Account	n.a.	n.a.	n.a.	n.a.	n.a.	-1	-6	-11	-17	-23	-29	-36	-42

Source: Congressional Budget Office

Notes: Details may not add to totals because of rounding; n.a. = not applicable; table incorporates the effects of the Consolidated Appropriations Act of 2018 (Public Law 115-141) as signed by the President on March 23, 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 levels consistent with levels contained in CBO's June baseline. Following the rules for baseline construction, those levels are estimated by adjusting the obligation limitations enacted in the Consolidated Appropriations Act of 2018 by projected inflation. The Fixing America's Surface Transportation Act (FAST Act, Public Law 114-94) authorized obligation limitations that are higher than the amounts contained in CBO's April 2018 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.