

[H.R. 3038, Highway and Transportation Funding Act of 2015, Part II](#)

FLOOR SITUATION

On Wednesday, July 15, 2015, the House will consider [H.R. 3038](#), *the Highway and Transportation Funding Act of 2015, Part II*, under a [closed rule](#). H.R. 3038 was introduced on July 13, 2015, by Rep. Paul Ryan (R-WI) and was referred to the Committee on Transportation and Infrastructure, and in addition, to the Committees on: Ways and Means; Natural Resources; Science, Space, and Technology; Energy and Commerce; Homeland Security; and, Education and the Workforce.

SUMMARY

H.R. 3038 extends the programmatic and expenditure authority of the Highway Trust Fund (HTF) through December 18, 2015. The bill also authorizes appropriations for Federal-aid highway, highway safety, and public transportation programs. The bill subjects funding for these programs generally to the same manner of distribution, administration, limitation, and availability for obligation, but at a specified pro rata of the total amount as funds authorized for appropriation out of the HTF for such programs and activities for the current fiscal year. The bill also transfers approximately \$6.1 billion from Treasury's General Fund to the HTF's Highway Account and \$2 billion to its Mass Transit Account. Click [here](#) for an explanation of the offsets for this transfer.

BACKGROUND

Under current law, the federal government levies an excise tax of 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel.¹ Federal motor fuels excise tax collections are credited to the Highway Trust Fund (HTF), with the exception of 0.1 cent per-gallon of the fuel taxes deposited in the Leaking Underground Storage Tank (LUST) Trust Fund.² The HTF, the primary federal fund for surface transportation, is divided into two accounts: the highway account, and the mass transit account.³ Fuel taxes have historically provided approximately 90 percent of the receipts to the HTF.⁴

¹ See CRS Report—[“The Federal Excise Tax on Motor Fuels and the Highway Trust Fund: Current Law and Legislative History,”](#) June 12, 2015 at 1.

² Id.

³ Id.

In recent years, tax collections have not kept pace with spending on federally-funded transportation projects due to the effect of inflation on both project costs and the real value of non-indexed tax rates; reductions in vehicle miles travelled; and improved corporate average fuel economy (CAFE) standards.⁵ These developments have imperiled the sustainability of the Fund.

According to the Congressional Budget Office (CBO), spending from the HTF is projected to be roughly \$53 billion per year after FY 2014 (growing to \$59 billion in 2024), while receipts coming into the HTF are projected to be approximately \$39 billion per year after FY 2014.⁶ HTF outlays will exceed revenues by \$167 billion over the 2015 to 2024 period if obligations from the Fund continue at the 2014 rate.⁷ Since 2008, Congress has prevented projected HTF shortfalls by transferring \$63 billion from Treasury's General Fund to the HTF.⁸

In 2012, President Obama signed into law H.R. 4348 ([Public Law 112-141](#)), the Moving Ahead for Progress in the 21st Century Act, or MAP-21. MAP-21 authorized Federal surface transportation programs through September 30, 2014 and tax collection authority through September 30, 2016.⁹ To offset the cost of reauthorization, the bill transferred \$18.8 billion for fiscal years 2013 and 2014 from Treasury's General Fund to the HTF, and \$2.4 billion from the LUST Trust Fund to the HTF.¹⁰

In the 113th Congress, the House passed legislation (H.R. 5021) that extended the programmatic authority and expenditure authority of the HTF through May 31, 2015. Additionally, H.R. 5021 transferred \$7.8 billion from Treasury's General Fund to the Highway Account of the HTF and \$2 billion to its Mass Transit Account. H.R. 5021 also transferred \$1 billion in gas-tax-funded monies in the LUST Trust Fund to the HTF. The House approved H.R. 5021 by a vote of [367 to 55](#) on July 15, 2014. The bill was enacted into law on August 8, 2014. ([Public Law 113-159](#)).

In the 114th Congress, the House passed [H.R. 2353](#), *the Highway and Transportation Funding Act of 2015*, by a vote of [387 to 35](#) on May 19, 2015. The bill, which extended the programmatic and expenditure authority of the HTF through July 31, 2015, was signed into law on May 29, 2015. ([Public Law 114-21](#)). The bill did not transfer any money from Treasury's General Fund because the HTF had sufficient resources to fund its obligations through that period.

Ways and Means Committee Chairman Paul Ryan and Transportation and Infrastructure Committee Chairman Bill Shuster issued a [joint statement](#) upon introduction of H.R. 3038, noting that the country "needs a long-term plan to fix our roads, bridges, and other infrastructure, and this bill gives us our best shot at completing one this year. By providing resources through the end of the year, we can ensure construction continues while we work toward a package that could close the trust fund's shortfall for as many as six years. We urge all members who want some long-sought stability in our highway and transit programs to support this critical extension."

⁴ U.S. Government Accountability Office, Highway Trust Fund: Options for Improving Sustainability and Mechanisms to Manage Solvency, GAO-09-845T, June 25, 2009, p. 4, at <http://www.gao.gov/new.items/d09845t.pdf>; and CRS Report R42877, Funding and Financing Highways and Public Transportation, by Robert S. Kirk and William J. Mallett.

⁵ See [CRS Report](#) at 2.

⁶ [The Highway Trust Fund and the Treatment of Surface Transportation Programs in the Federal Budget](#), Congressional Budget Office (Jun. 11, 2014).

⁷ Id.

⁸ Id. at 2.

⁹ Id. at 5.

¹⁰ See Id., Table 3.

COST

A cost estimate from the Congressional Budget Office (CBO) is currently unavailable.

STAFF CONTACT

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.