Fix the Highway Trust Fund

Background:

• The enactment of the “Fixing America’s Surface Transportation Act,” or FAST Act, in December 2015 provided a temporary fix for federal highway and public transportation investment. Unfortunately, once the FAST Act expires in October 2020, the Highway Trust Fund revenue shortfalls that plagued surface transportation investment and forced multiple short-term program extensions over the last 11 years will return.

• Due to the inability to provide a permanent revenue stream for the Highway Trust Fund, Congress and the last two presidential administrations have transferred $143 billion from elsewhere in the federal budget to maintain highway and transit funding. Without a real, permanent solution before the FAST Act expires, Congress will once again be forced to choose between devastating investment cuts or additional temporary bailouts.

AGC Message:

• Several Proposals to Provide Much Needed Revenue to the Highway Trust Fund have been Introduced. During the 115th Congress, there were several missed opportunities to address the long-term solvency of the Highway Trust Fund – including as part of the comprehensive tax reform legislation, the Tax Cuts and Jobs Act. However, progress has been made as several members of Congress – Republicans and Democrats – and the broader business community have introduced infrastructure proposals that contain revenue for the Highway Trust Fund. For example:
  o House Transportation & Infrastructure Committee Chairman Bill Shuster recently called for a 15 cent and 20 cent increases for gas and diesel taxes, respectively;
  o In its Infrastructure Report, the bipartisan Problem Solvers Caucus proposed several solutions, including adjusting and indexing transportation user fees; and
  o The U.S. Chamber of Commerce and National Association of Manufacturers have proposed 25 cent and 15 cent increases, respectively.

• If Congress Fails to Act, the Highway Trust Fund will Face Annual Revenue Shortfalls of $18 Billion When the FAST Act Expires in 2020. Congress has a narrow window to address this situation before states will once again be forced to delay projects due to uncertainty about future federal funds.

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