



Legislative Bulletin.....June 24, 2007

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H.R. 6327—The Federal Aviation Administration Act of 2008

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: No CBO score is available, but at least \$3.7 billion.

Effect on Revenue: Compared to the CBO baseline, which presumes that expiring taxes dedicated to a trust fund are extended, the impact on revenue is \$0. However, the taxes that this legislation extends, amount to approximately \$11 billion on an annual basis.

Total Change in Mandatory Spending: \$0.

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 1

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

H.R. 6327—Federal Aviation Administration Act of 2008
(Rangel, D-NY)

Order of Business: H.R. 6327 is scheduled to be considered on Tuesday, June 24, 2008, under a motion to suspend the rules and pass the bill.

Summary: H.R. 6327 would extend the Federal Aviation Administration's (FAA) authority to collect taxes and administer FAA programs through September 30, 2008 (under current law this authority lapses on July 1, 2008). Specifically, the legislation would:

- **Extend expiring aviation taxes:** H.R. 6327 extends the federal taxes dedicated to the FAA's Airport and Airway Trust Fund (AATF), through the end of the current fiscal year, at *current rates*. Present-law taxes extended by the bill include the 7.5% Passenger Ticket Tax, the \$3.40 per flight Segment Tax, and the 6.25% Cargo Waybill Tax. According to CBO, in FY 2007, AATF-dedicated taxes amounted to \$11 billion.
- **Extend FAA spending authority:** H.R. 6327 extends present-law spending authority for the AATF through the end of the current fiscal year. This spending authority is used to pay for most of the FAA's functions including the FAA's facilities and equipment program, the research, engineering and development (RE&D) program, and the operations and maintenance program.
- **Airport Improvement Program authorization:** H.R. 6327 sets an authorized spending level (subject to appropriation) for the airport improvement program equal to \$3.675 billion. In FY 2007, the airport improvement program was authorized at \$3.7 billion, and \$3.515 billion was obligated through the appropriations process.

Additional Background: The FAA's authority to collect taxes and administer AATF programs has been extended four times since FY 2007. The last such extension, [the Airport and Airway Extension Act of 2008](#), was enacted on February 28, 2008. Without an extension, the FAA's authority to collect and spend these taxes will expire on June 30, 2008. On September 20, 2007, the House passed H.R. 2881, its version of a long-term FAA reauthorization (see [here](#) for more information on this legislation). The Senate has yet to act on the legislation.

Possible Conservative Concerns: Potential conservative concerns on this legislation include:

- **Extension of Excise Taxes:** Section 257 of the Budget Act requires CBO to assume that expiring excise taxes dedicated to a trust fund will continue beyond the scheduled expiration date. Consequently, though H.R. 6327 will cause federal tax collections to increase by about \$11 billion on annual basis compared to current law, this legislation will actually be scored as having no impact on federal revenue. But since expiring tax cut provisions are scored in the opposite manner by CBO, some conservatives may argue that an extension of aviation taxes should be offset with equal tax reductions.

Committee Action: H.R. 6327 was introduced on June 20, 2008, and was referred to the Committee on Ways and Means as well as the Committee on Transportation and Infrastructure. Neither committee took any official action.

Cost to Taxpayers: A CBO score for H.R. 6327 is not currently available. However, the legislation extends current law with regard to the FAA tax and spending authority. In

addition, the bill reauthorizes the airport improvement program at \$3.675 billion in FY 2008.

Does the Bill Expand the Size and Scope of the Federal Government? No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? A Committee report designating compliance with clause 9 of rule XXI is unavailable.

Constitutional Authority: A Committee report citing Constitutional authority is unavailable. House Rule XIII, Section 3(d)(1), requires that all committee reports contain a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution. [*emphasis added*]

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