

HIGHWAY TRUST FUND AND TAXES

Statutory References: MAP-21 Division D; Internal Revenue Code (26 U.S.C.)

Extension of Highway-User Taxes

Generally, extends the imposition of highway-user taxes through September 30, 2016 with no change to the tax rates. These taxes consist of gallonage taxes on highway motor fuel and truck related taxes, including an annual tax on heavy vehicle use, a load rating-based tax on heavy truck tires and a retail sales tax on truck and trailer sales. The heavy vehicle use tax is extended through September 30, 2017. The taxes on highway motor fuel will continue past September 30, 2016, but at a reduced rate of 4.3 cents per gallon. [§ 40102]

The imposition of the Leaking Underground Storage Tank Trust Fund tax is also extended without rate change. [§ 40102, 26 USC 4081]

Transfer of Taxes to the Highway Trust Fund

The deposit to the Highway Trust Fund of amounts equivalent to the proceeds of the highway-user taxes is extended through September 30, 2016. [§ 40102, 26 USC 9503]

Generally, the Leaking Underground Storage Tank Trust Fund receives 0.1 cent per gallon of the fuel tax, the Mass Transit Account of the Highway Trust Fund receives 2.86 cents per gallon and the Highway Account of the Highway Trust Fund receives the remainder. [26 USC 9503, 9508] All proceeds of the non-fuel taxes are deposited in the Highway Account. (See table below for details.)

The transfer of estimated motorboat gasoline taxes and taxes on small-engine fuel to the Sport Fish Restoration and Boating Trust Fund is extended. The Land and Water Conservation Fund will continue to receive \$1 million per year of motorboat gasoline receipts. [26 USC 9503]

Additional Revenues for the Highway Trust Fund

To supplement the proceeds of the highway-user taxes deposited in the Highway Trust Fund, the following additional transfers are to be made to the Highway Trust Fund:

- \$2.4 billion from the Leaking Underground Storage Tank Trust Fund, effective upon enactment, to be deposited in the Highway Account of the Trust Fund [§ 40201, 26 USC 9503]
- From the General Fund of the Treasury— [§ 40251, 26 USC 9503]
 - \$6.2 billion to be deposited in the Highway Account in FY 2013
 - \$10.4 billion to be deposited in the Highway Account in FY 2014
 - \$2.2 billion to be deposited in the Mass Transit Account in FY 2014

Expenditures from the Highway Trust Fund

Authority to make expenditures from the Highway Account of the Highway Trust Fund for authorized purposes is extended through September 30, 2014. After the specified date, expenditures from the Trust Fund are authorized only to liquidate obligations made before that date. Any other expenditure will cause the cessation of deposits of highway-user taxes to the Trust Fund. [§40101, 26 USC 9503]

Federal Highway User Taxes

Fuel Type	Effective Date	Tax Rate (cents per gallon)	Distribution of Tax		
			Highway Trust Fund		Leaking Underground Storage Tank Trust Fund
			Highway Account	Mass Transit Account	
Gasoline	10/01/1997	18.4	15.44	2.86	0.1
Diesel	10/01/1997	24.4	21.44	2.86	0.1
Gasohol	01/01/2005	18.4	15.44	2.86	0.1
Special Fuels:					
General rate	10/01/1997	18.4	15.44	2.86	0.1
Liquefied petroleum gas	10/01/2006	18.3	16.17	2.13	-
Liquefied natural gas	10/01/2006	24.3	22.44	1.86	-
M85 (from natural gas)	10/01/2009	18.4	15.44	2.86	0.1
Compressed natural gas ¹					
Truck Related Taxes – All Proceeds to Highway Account					
Tire Tax	9.45 cents for each 10 pounds so much of the maximum rated load capacity thereof as exceeds 3,500 pounds				
Truck and Trailer Sales Tax	12 percent of retailer's sales price for tractors and trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 pounds GVW				
Heavy Vehicle Use Tax	Annual tax: Trucks 55,000 pounds and over GVW, \$100 plus \$22 for each 1,000 pounds (or fraction thereof, in excess of 55,000 pounds). Maximum tax: \$550				

¹ Effective October 1, 2006, the tax rate for compressed natural gas is required to be set on an energy equivalent basis to gasoline. This rate has been determined to be 18.3 cents per 126.67 cubic feet. The Mass Transit Account receives 9.71 cents per thousand cubic feet and the Highway Account receives the remainder.