### Extra T

#### Empirics prove – not all funds from the gas tax go to the HTF

DOT 11 (U.S. Department of Transportation, Federal Highway Administration, “Ask the Rambler”, <http://www.fhwa.dot.gov/infrastructure/gastax.cfm>, VG)

On November 5, 1990, President George H. W. Bush approved the Omnibus Budget Reconciliation Act of 1990. It embodied a compromise the Republican President had reached with the Democratic-controlled Congress to reduce the Federal budget deficit. The Act increased the Federal gas tax by 5 cents, with half the increase going to the Highway Trust Fund, the other half to deficit reduction. The Omnibus Budget Reconciliation Act of 1993, signed by President Bill Clinton on August 10, 1993, increased the gas tax by 4.3 cents, bringing the total tax to 18.4 cents per gallon. The increase was entirely for deficit reduction, with none credited to the Highway Trust Fund. However, the Taxpayer Relief Act of 1997, which President Clinton approved on August 5, 1997, redirected the 4.3-cents general fund gas tax increase to the Highway Trust Fund. That is where the gas tax remains today.

### **Limits (Effects T)**

Limits: They explode the topic, allowing for them to increase any possible sources of funding for the highway trust fund

DOT 11 (U.S. Department of Transportation, Federal Highway Administration, “Ask the Rambler”, <http://www.fhwa.dot.gov/infrastructure/gastax.cfm>, VG)

The gas tax is only one of several revenue sources for the Highway Trust Fund. The following table, from the Federal Highway Administration's *Financing Federal-Aid Highways*, lists the sources:

| **Federal Highway-User Tax Rates - Current and Enacted for the Future** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Fuel** | **Tax Rate** | **Effective Date** | **Distribution of Tax** | | | |
| **Highway Trust Fund** | | **Leaking Underground Storage Tank Trust Fund** | **General Fund** |
| **Highway Account** | **Mass Transit Account** |
| **Fuel Taxes (cents per gallon)** | | | | | | |
| **Gasoline** | 18.4 | 10/01/97 | 15.44 | 2.86 | 0.1 | 0 |
| **Gasohol** | 18.4 | 01/01/05 | 15.44 | 2.86 | 0.1 | 0 |
| **Diesel Fuel** | 24.4 | 10/01/97 | 21.44 | 2.86 | 0.1 | 0 |
| **Liquefied Petroleum Gas** | 13.6 *18.3* | 10/01/97 *10/01/06* | 11.47 *16.17* | 2.13 *2.13* | 0 *0* | 0 *0* |
| **Liquefied Natural Gas** | 11.9 *24.3* | 10/01/97 *10/01/06* | 10.04 *22.44* | 1.86 *1.86* | 0 *0* | 0 *0* |
| **M85 (85 percent methanol)** | 9.25 | 10/01/97 | 7.72 | 1.43 | 0.1 | 0 |
| **Compressed Natural Gas (cents per thousand cubic feet** | 48.54 *TBD*[*1*](http://www.fhwa.dot.gov/infrastructure/gastax.cfm#sup1) | 10/01/97 *10/01/06* | 38.83 *TBD* | 9.71 *9.71* | 0 *0* | 0 *0* |
| **Nonfuel Taxes (All proceeds to Highway Account)** | | | | | | |
| **Tires** | Maximum rated load capacity 0-3,500 pounds - No tax Maximum rated load capacity over 3,500 pounds - 9.45 cents per each 10 pounds in excess of 3,500. | | | | | |
| **Truck and Trailer Sales** | 12 percent of retailer's sales price for tractors and trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 GVW. | | | | | |
| **Heavy Vehicle Use** | Annual tax: Trucks 55,000-75,000 pounds GVW, $100 pus $22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds Trucks over 75,000 pounds GVW, $550 | | | | | |
| 1. The tax rate on compressed natural gas will be set on an energy equivalent basis to gasoline effective October 1, 2006. | | | | | | |

The Highway Trust Fund has an additional source of revenue. Since October 30, 1984, the proceeds from fines and penalties imposed for violation of motor carrier safety requirements are deposited in the Highway Account of the Highway Trust Fund.