

COMPILATION OF HIGHWAY TRUST FUND ANNUAL REPORTS

The Highway Trust Fund was established by section 209 of the Highway Revenue Act of 1956, and §209(e)(1) required the Secretary of the Treasury to report to Congress by March 1 of every year on “the financial conditions and result of operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter” up until the statutory end date of the Trust Fund.

These reports to Congress were printed as House Documents and were included in the annual Serial Set distributed to all federal depository libraries.

The Highway Revenue Act of 1982 repealed the Highway Revenue Act and recodified its provisions, with some changes, in the Internal Revenue Code in [Subtitle I](#) of the Code with other federal trust funds. Section 209 of the Highway Revenue Act became [section 9503](#) of the Internal Revenue Code, but it removed the requirement for an annual report on HTF operations to be transmitted to Congress, so the report for fiscal year 1981 was the last such report.

But there is a general requirement in [section 9602](#) of the Code that requires the Treasury Secretary to send annual reports to Congress on “the results of the operations of each such Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years.” These reports have been combined with a lot of other miscellaneous Treasury information and are included in a quarterly report called the [Treasury Bulletin](#) (usually in the March issue).

This PDF file contains every annual Highway Trust Fund report sent by Treasury to Congress from 1957 to 1982, and the HTF report in the annual Treasury Bulletin for fiscal years 1982 to 2019.

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FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND

LETTER

FROM

THE SECRETARY OF THE TREASURY

TRANSMITTING

A REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, PURSUANT TO SECTION 209 (e) OF THE HIGHWAY REVENUE ACT OF 1956

MARCH 4, 1957.—Referred to the Committee on Ways and Means and ordered to be printed

TREASURY DEPARTMENT,
Washington, February 28, 1957.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

MY DEAR MR. SPEAKER: Section 209 (e) of the Highway Revenue Act of 1956 requires the Secretary of the Treasury to report to the Congress not later than the 1st day of March of each year on the financial condition and results of the operations of the highway trust fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter.

Since the trust fund was not in operation until this fiscal year, there is nothing to report on the financial condition and results of the operations during the preceding fiscal year.

With respect to the expected condition and operations of the trust fund during each fiscal year thereafter, the attached table presents the estimates of receipts and expenditures. Total receipts and expenditures for the entire period as presently estimated are essentially the same as the estimates prepared last year at the time the highway legislation was being considered. The limited actual experience covering the operation of the trust fund is not considered sufficient to require a substantial revision in estimates for the entire period. However, estimates for individual years have been revised to

2 FINANCIAL CONDITION AND OPERATIONS OF HIGHWAY TRUST FUND

reflect recent trends which indicate that receipts and expenditures in the earlier years will be somewhat higher than originally anticipated. Relatively minor reductions in later years which offset the higher amounts in the earlier years have been incorporated in the attached estimates.

Very truly yours,

G. M. HUMPHREY,
Secretary of the Treasury.

Estimated receipts, expenditures, and balance of highway trust fund, fiscal years 1957-72

[In millions of dollars]

Fiscal year	Receipts (including interest, after de- duction of refunds)	Expenditures			Status of trust fund	
		Interstate	Primary, secondary, and urban ¹	Total	Annual net credit (+) or charge (-)	Balance, credit (+) or debit (-) at end of year
1957	1,642	300	750	1,050	+492	+492
1958	2,070	1,100	900	1,900	+170	+662
1959	2,118	1,500	850	2,350	-232	+430
1960	2,159	1,600	900	2,500	-341	+89
1961	2,206	1,395	900	2,295	-89	
1962	2,258	1,358	900	2,258		
1963	2,313	1,413	900	2,313		
1964	2,370	1,470	900	2,370		
1965	2,429	1,529	900	2,429		
1966	2,490	1,590	900	2,490		
1967	2,553	1,653	900	2,553		
1968	2,619	1,719	900	2,619		
1969	2,686	1,786	900	2,686		
1970	2,755	1,855	900	2,755		
1971	2,820	1,920	900	2,820		
1972	² 3,139	2,941	198	3,139		
Total	38,533	25,135	13,398	38,533		

¹ Assuming primary, secondary, and urban authorizations totaling \$900 million annually, fiscal years 1960 to 1970, inclusive.

² Includes receipts and refunds after June 30, 1972, of taxes and refunds accrued on or before that date.

Source: Office of the Secretary of the Treasury, Analysis Staff, Tax Division, Feb. 28, 1957.

FINANCIAL CONDITION AND RESULTS
OF THE OPERATIONS OF THE
HIGHWAY TRUST FUND,
FISCAL YEAR 1957

LETTER

FROM THE

ACTING SECRETARY OF THE TREASURY

TRANSMITTING

A REPORT ON THE FINANCIAL CONDITION AND
FISCAL OPERATIONS OF THE HIGHWAY TRUST FUND
FOR THE FISCAL YEAR 1957, PURSUANT TO SECTION
209 (e) (1) OF THE HIGHWAY REVENUE ACT OF 1956



MARCH 8, 1958.—Referred to the Committee on Ways and Means
and ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE

WASHINGTON : 1958



LETTER OF SUBMITTAL

TREASURY DEPARTMENT,
Washington, February 28, 1958.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to provisions of section 209 (e) (1) of the Highway Revenue Act of 1956, I have the honor to submit herewith a report on the financial condition and fiscal operations of the highway trust fund for the fiscal year 1957.

Included in this report is a narrative summarizing the fiscal operations, together with a financial statement showing the operations and financial condition of the fund for the fiscal year. Also included are statements reflecting the estimated operations and condition of the fund through 1973, as required by the above-mentioned act.

Sincerely yours,

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1957

Public Law 627, approved June 29, 1956 (70 Stat. 374), amended and supplemented the Federal Aid Road Act approved June 11, 1916. Title II of the act, cited as the "Highway Revenue Act of 1956," provided in section 209 (a) for the establishment in the Treasury of the United States of a trust fund to be known as the "highway trust fund." This title also amended the Internal Revenue Code of 1954 to provide additional general fund revenue from increased or new taxes on certain vehicles and products connected with the use of public highways and also provided that amounts equal to specified percentages of these taxes, as hereinafter described, be transferred to the trust fund. The moneys so credited to the trust fund are for use in carrying out the Federal-aid highway program administered by the Department of Commerce.

The act further provides in section 209 (e) (1) that—

It shall be the duty of the Secretary of the Treasury to hold the trust fund, and (after consultation with the Secretary of Commerce) to report to the Congress not later than the 1st day of March of each year on the financial condition and the results of the operations of the trust fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter up to and including the fiscal year ending June 30, 1973. Such report shall be printed as a House document of the session of the Congress to which the report is made.

In addition to the provisions for reporting the financial condition and the results of the fiscal operations to the Congress, the act, under section 209 (e) covering the management of the fund, and section 209 (f) covering expenditures from the fund; places additional responsibility on the Secretary of the Treasury. These provisions include the investment of the available balances in the trust fund, the repayment of advances made from the general fund, and the payment from the trust fund to the general fund of amounts equal to refunds of specified taxes. These subjects are referred to in the following sections of the report.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

Section 209 (c) (3) of the act requires that the amounts appropriated be transferred from the general fund to the trust fund on the basis of estimates by the Secretary of the Treasury, subject to subsequent adjustment when actual amounts are determined, as follows:

The amounts appropriated by paragraphs (1) and (2) shall be transferred at least monthly from the general fund of the Treasury to the trust fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraphs (1) and (2), received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

The amounts mentioned in paragraphs (1) and (2) in the foregoing quotation refers to the appropriations equal to a specified part of taxes on gasoline, diesel fuel and special motor fuels, trucks, truck trailers, buses, tires, tread rubber, use of certain vehicles, and floor stocks referred to in sections 202 through 207 of the act. The amounts measured by the proportionate parts of these taxes to be credited to the trust fund are shown in schedule No. 1 of this report.

During the fiscal year 1957, amounts transferred to the trust fund amounted to \$1.5 billion. Of this total, the amount equivalent to the gasoline taxes represented approximately 87 percent, while that on tires was about 6 percent and all other categories made up the remaining 7 percent of the transfers. The quarterly adjustments made in the fiscal year to bring the estimates in agreement with the actual amounts of taxes collected reflected an overappropriation of slightly less than 3 percent of the transfers. Interest on moneys invested in public-debt securities amounted to \$3 million, making the total receipts for the year \$1,482,019,052 as follows:

Fiscal year 1957

Gross transfers based upon estimated tax receipts.....	\$1, 524, 205, 000
Less quarterly adjustments.....	45, 279, 950
Net transfers.....	1, 478, 925, 050
Interest on investments.....	3, 094, 002
Total receipts.....	1, 482, 019, 052

Further details are shown on statement No. 1, attached.

EXPENDITURES

In the transition of financing the road program from the general fund to the trust fund, authority was provided in section 209 (d) for advances from the general fund. However, this authority was not used. In lieu thereof, general fund appropriations for Federal-aid highways were provided in 1957 Appropriation Acts to cover the payment of obligations relating to the highway program pending the accumulation of sufficient funds in the trust account to enable operations to be financed directly. The Second Supplemental Appropriation Act of 1957, approved July 31, 1956 (70 Stat. 764), provided that the trust fund "* * * shall reimburse the appropriations for 'Federal-aid highways' for all expenditures subsequent to June 30, 1956." Accordingly, the expenditures from the trust fund in the fiscal year 1957 for the highway program show reimbursements to the general fund amounting to \$501 million, while payments directly from the trust fund for the road program amounted to \$464 million. These highway-program expenditures are made from an account under the administrative control of the Bureau of Public Roads of the Department of Commerce. Funds are transferred from the principal trust fund to a transfer trust account in amounts estimated by Public Roads to be required for monthly payments of highway obligations.

Other expenditures from the trust fund include a small amount for refunds of taxes and a net transfer of \$160,000 to the Department of Labor for expenses in connection with the administration and enforcement of labor standards. Refunds of taxes chargeable to the trust fund are authorized by sections 209 (f) (3) and (4), covering amounts

equivalent to the amounts paid for gasoline used on farms, for certain nonhighway purposes, or by local transit systems, and certain percentages of floor stocks refunds. On the basis of certifications of payments by the Internal Revenue Service, the trust fund is charged with the refunds and the amounts thereof are credited to the general fund of the Treasury. The total expenditures for the fiscal year 1957 amounted to \$966 million, summarized as follows:

Highway program.....	\$965, 506, 734
Refunds.....	16, 830
Administration and enforcement of labor standards.....	160, 000
Total.....	965, 683, 564

Further details are shown in statement No. 1 attached.

BALANCE IN THE FUND

As shown in statement No. 1, the excess of receipts over expenditures in the fiscal year 1957 resulted in a balance of \$516 million as of June 30, 1957. This balance is represented by investments of the trust fund in the amount of \$404 million and unexpended balances of \$27 million in the principal account and \$85 million in the transfer trust account administered by the Bureau of Public Roads, the latter two being shown on statement No. 1 as a single item under the classification "Undisbursed balance."

INVESTMENTS

The investments of \$404 million of the fund balance consisted of 2½ percent Treasury certificates of indebtedness which mature on June 30, 1958, and represent balances determined as not needed for the current operations of the fund. These investments are in special issues made by the Secretary of the Treasury as authorized by section 209 (e) (2) of the act, as follows:

(2) INVESTMENT.—It shall be the duty of the Secretary of the Treasury to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (a) on original issue at par, or (b) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Loan Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the trust fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest. Advances to the trust fund pursuant to subsection (d) shall not be invested.

In addition, the law authorized the Secretary of the Treasury to sell any obligations acquired at the market price, or to redeem special obligations at par plus accrued interest. No obligations were sold during the fiscal year 1957, but maturing special obligations were re-invested on June 30.

PROJECTION OF RECEIPTS AND EXPENDITURES

The amounts of expected receipts and expenditures and the condition of the fund for each year projected through the fiscal year 1973, as required by the Highway Revenue Act of 1956, have been compiled on the basis of existing legislation as well as under the legislation proposed in the 1959 Budget Document.

RECEIPTS

The estimates of cumulative receipts through 1973, net of refunds, creditable to the trust fund under existing legislation, as shown in statement No. 2 of this report, are \$38.7 billion. This amount has not changed materially from the estimates in the initial report of the Secretary of the Treasury, dated February 28, 1957 (H. Doc. No. 105, 85th Cong., 1st sess.), which showed \$38.5 billion.

These estimates include taxes on aviation fuel, but legislation is proposed that, starting in fiscal year 1959, the receipts from taxes on aviation gasoline and tires are to be retained in general fund receipts. This proposal, stated on page 884 of the 1959 Budget document, is as follows:

These estimated increases also reflect * * * a new tax of 3½ cents a gallon on jet fuels and an increase in the existing tax rate on aviation gasoline to 3½ cents from the present 2 cents. Receipts from taxes on aviation gasoline and tires are presently transferred into the highway trust fund; it is also proposed that starting in 1959, receipts from aviation gasoline and tires be retained in general receipts.

Under this proposal the aggregate of receipts for the trust fund would be reduced by \$460 million, less reduced refunds of taxes estimated at \$152 million.

EXPENDITURES

The estimates of expenditures from the trust fund reflect disbursements in amounts equal to the receipts of the trust fund. Under existing legislation and the assumption that authorizations for primary, secondary, and urban highways will be continued, there remains an aggregate balance of \$25.4 billion available for the interstate and defense highway system, including small amounts for reimbursement of certain administrative expenses. This compares with the estimated aggregate of \$25.1 billion for interstate highway expenditures, contained in the initial report dated February 28, 1957. The authorizations for primary, secondary, and urban roads are estimated in an aggregate of \$13.3 billion as shown in statement No. 2 attached.

As outlined in the President's 1959 budget message (p. 421), legislation is proposed that the cost of the forest highway and public lands highway programs be financed from the trust fund as follows:

The budget proposes to transfer the financing of the Department of Commerce's forest and public lands highways programs from the general fund to the "Highway trust fund."

Such financing, including emergency disaster highway expenditures, and the reimbursements of certain administrative expenses, would involve an estimated total expenditure from the trust fund of \$668 million, as reflected in statement No. 3.

STATEMENT NO. 1

Status of highway trust fund, fiscal year ended June 30, 1957

Description	Internal Revenue Code section	Amount	Total
Receipts:			
Excise taxes (transferred from general fund receipts):			
Gasoline tax.....	4081.....	\$1, 295, 082, 186.85	
Diesel tax.....	4041.....	30, 475, 089.29	
Tires and inner tubes.....	4071 (a) (1).....	82, 185, 025.77	
Tread rubber.....	4071 (a) (4).....	11, 273, 518.77	
Trucks, buses, etc.....	4001 (a) (1).....	34, 410, 411.43	
Truck use tax.....	4481.....	25, 498, 818.10	
Total taxes.....		1, 478, 925, 050.21	
Interest.....		3, 094, 002.40	
Total receipts.....			\$1, 482, 019, 052.61
Expenditures (checks issued basis):			
Highway program:			
Payments from general fund re-imbursed.....		501, 018, 553.13	
Direct from trust fund.....		464, 488, 180.72	
Total highway program.....		965, 506, 733.85	
Refunds of taxes (reimbursed to general fund):			
Gasoline.....	4081.....	11, 332.10	
Gasoline for nonhighway purposes or local transit systems.....	6421.....	409.37	
Tires and tread rubber.....	4071 (a) (1) and (4).....	3, 172.30	
Trucks, buses, etc.....	4061 (a) (1).....	1, 865.91	
Total refunds of taxes.....		16, 829.68	
Administration and enforcement of labor standards, Department of Labor.....		160, 000.00	
Total expenditures.....			965, 683, 563.53
Balance in trust fund.....			516, 335, 489.08

FUND ASSETS

	Amount
Investments: 2½ percent U. S. Treasury special certificates of indebtedness, due June 30, 1958.....	\$404, 444, 000.00
Undisbursed balance.....	111, 891, 489.08
Total assets.....	516, 335, 489.08

Schedule of proportion of taxes credited to the highway trust fund

Highway Act section	Internal Revenue Code section	Tax source	Percentage applied	
			1957	1958-72
202.....	4041.....	Diesel fuel and special motor fuel.....	100	100
203.....	4061 (a) (1).....	Trucks, buses, etc.....	20	50
204.....	4071 (a) (1).....	Tires of type used on highway vehicles.....	37½	100
	4071 (a) (4).....	Tread rubber.....	100	100
205.....	4081.....	Gasoline.....	100	100
206.....	4481.....	Use tax on certain vehicles.....	100	100
207.....	4226 (a).....	Floor stock taxes.....	100	100

¹ Taxes credited after June 30, 1957, also includes the receipts of taxes on "other tires" and "inner tubes" under sec. 4071 (a) (2) and (3) of the 1954 Internal Revenue Code.

STATEMENT NO. 2

Highway trust fund receipts, expenditures, and balances, actual fiscal year 1957 and estimates 1958-73, under existing legislation

(In millions of dollars)

Fiscal year	Receipts			Expenditures				Balance in the fund
	Excise taxes	Interest	Total	Highway program		Refunds of taxes	Total	
				Inter-state ¹	Primary, secondary, and urban ²			
1957, actual.....	1,479	3	1,482	223	743	(³)	966	516
1958.....	2,120	18	2,138	961	813	95	1,869	785
1959.....	2,210	18	2,228	1,508	842	110	2,460	551
1960.....	2,262	10	2,272	1,491	850	112	2,453	370
1961.....	2,350	2	2,352	1,706	900	116	2,722	-----
1962.....	2,421	-----	2,421	1,403	900	118	2,421	-----
1963.....	2,493	-----	2,493	1,473	900	120	2,493	-----
1964.....	2,557	-----	2,557	1,536	900	121	2,557	-----
1965.....	2,612	-----	2,612	1,591	900	121	2,612	-----
1966.....	2,667	-----	2,667	1,645	900	122	2,667	-----
1967.....	2,719	-----	2,719	1,696	900	123	2,719	-----
1968.....	2,769	-----	2,769	1,745	900	124	2,769	-----
1969.....	2,820	-----	2,820	1,794	900	126	2,820	-----
1970.....	2,866	-----	2,866	1,839	900	127	2,866	-----
1971.....	2,917	-----	2,917	1,888	900	129	2,917	-----
1972.....	2,970	-----	2,970	2,641	198	131	2,970	-----
1973.....	456	-----	456	296	-----	160	456	-----
Total.....	40,688	49	40,737	25,436	13,346	1,955	40,737	-----

¹ Includes reimbursements for certain administrative expenses.

² Assuming authorizations will be extended for the fiscal years 1960-70.

³ Less than \$500,000.

FINANCIAL CONDITION OF HIGHWAY TRUST FUND

STATEMENT No. 3

Highway trust fund receipts, expenditures, and balances, actual fiscal year 1957 and estimates 1958-73, under existing and proposed legislation

[In millions of dollars]

Fiscal year	Receipts					Expenditures					Balance in the fund
	Excise taxes, gross	Less tax on aviation fuel ¹	Excise taxes, net	Interest on investment	Total receipts	Highway program			Re-funds of taxes	Total	
						Inter-state	Primary, secondary, urban ²	Other ³			
1957 actual	1,479	-----	1,479	3	1,482	219	743	4	(⁴)	966	516
1958	2,120	-----	2,120	18	2,138	945	813	16	95	1,869	785
1959	2,210	46	2,164	16	2,180	1,497	842	47	110	2,496	469
1960	2,262	48	2,214	10	2,224	1,480	850	46	97	2,473	220
1961	2,350	45	2,305	2	2,307	1,480	900	47	100	2,527	-----
1962	2,421	42	2,379	-----	2,379	1,328	900	48	103	2,379	-----
1963	2,493	39	2,454	-----	2,454	1,402	900	46	106	2,454	-----
1964	2,557	34	2,523	-----	2,523	1,469	900	46	108	2,523	-----
1965	2,612	30	2,582	-----	2,582	1,526	900	46	110	2,582	-----
1966	2,667	27	2,640	-----	2,640	1,582	900	46	112	2,640	-----
1967	2,719	26	2,693	-----	2,693	1,633	900	46	114	2,693	-----
1968	2,769	25	2,744	-----	2,744	1,683	900	46	115	2,744	-----
1969	2,820	24	2,796	-----	2,796	1,732	900	46	118	2,796	-----
1970	2,866	24	2,842	-----	2,842	1,777	900	46	119	2,842	-----
1971	2,917	23	2,894	-----	2,894	1,827	900	46	121	2,894	-----
1972	2,970	23	2,947	-----	2,947	2,580	198	46	123	2,947	-----
1973	456	4	452	-----	452	300	-----	-----	152	452	-----
Total	40,688	460	40,228	49	40,277	24,460	13,346	668	1,803	40,277	-----

¹ Tax on aviation fuel not to be transferred to the trust fund.
² Assuming authorizations will be extended for the fiscal years 1960-70.
³ Financing from the trust fund forest highway and public lands highway programs, and reimbursement for certain administrative expenses.
⁴ Less than \$500,000.



FINANCIAL CONDITION AND RESULTS
OF THE OPERATIONS OF THE
HIGHWAY TRUST FUND,
FISCAL YEAR 1958

LETTER

FROM THE

ACTING SECRETARY OF THE TREASURY

TRANSMITTING

THE THIRD ANNUAL REPORT ON THE FINANCIAL
CONDITION AND FISCAL OPERATIONS OF THE HIGH-
WAY TRUST FUND FOR THE FISCAL YEAR 1958,
PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY
REVENUE ACT OF 1956



MARCH 2, 1959.—Referred to the Committee on Ways and Means
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WASHINGTON : 1959

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LETTER OF SUBMITTAL

TREASURY DEPARTMENT,
Washington, February 27, 1959.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to provision of section 209(e)(1) of the Highway Revenue Act of 1956, I have the honor to submit herewith the third annual report on the financial condition and fiscal operations of the highway trust fund for the fiscal year 1958.

This report includes a narrative and statements relating to the current, comparative and cumulative operations and financial condition of the fund. There are also included comments and statements on the estimated operations and condition of the fund through 1973, as required by the act, on the basis of (a) existing legislation, (b) proposed legislation, and (c) additional requirements to complete the Interstate Highway System.

Sincerely yours,

JULIAN B. BAIRD,
Acting Secretary of the Treasury.

THIRD ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1958

The highway trust fund was established in the Treasury of the United States, pursuant to section 209(a) of the Highway Revenue Act of 1956, approved June 29, 1956 (70 Stat. 387). The act also amended the Internal Revenue Code of 1954, to provide additional general fund revenues from increased or new taxes on certain vehicles and products connected with the use of the public highways. The act further provided that amounts equal to specified percentages of these taxes be appropriated and transferred at least monthly to the highway trust fund on the basis of estimates by the Secretary of the Treasury. Adjustments are made in amounts subsequently transferred to the extent prior estimates are in excess of or less than the actual amounts collected by the Treasury. Moneys in the trust fund are made available to the Bureau of Public Roads, Department of Commerce, in carrying out the Federal-aid highway program.

Section 209(e) of the act requires the Secretary of the Treasury to hold the trust fund, and (after consultation with the Secretary of Commerce) to report to the Congress not later than the 1st day of March of each year on the financial condition and results of the operations of the fund during the preceding fiscal year. This section also requires the Secretary of the Treasury to report on its expected condition and operations during each fiscal year thereafter up to and including the fiscal year ending June 30, 1973. This section further requires the Secretary of the Treasury to invest in interest-bearing obligations of the United States available balances in the trust fund that are not required to meet current withdrawals. Section 209(f) requires the Secretary to pay from the trust fund to the general fund amounts equal to refunds of certain highway user taxes.

The following sections cover these legislative requirements.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

During the fiscal year 1958, amounts appropriated and transferred to the trust fund, including adjustments, amounted to \$2,116 million as compared with \$1,479 million in the fiscal year 1957, or an increase of over \$637 million. This increase was partially due to the increased proportion of taxes credited to the highway trust fund in 1958 in accordance with section 209(c)(1) of the act, and to increased consumption of the commodities or other items taxed. This increase also reflects the fact that the transfer of receipts in 1958 included a full fiscal year, whereas the amounts transferred in 1957 covered

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receipts attributable only to tax liabilities incurred after June 30, 1956, as provided by the same section of the act.

The collections by major tax sources and percentage of taxes applicable to the trust fund are as follows:

(Dollars in millions)

Item	1958		1957		Increase
	Percent of total collected	Taxes received	Percent of total collected	Taxes received	
Gasoline and diesel fuel.....	100	\$1,697.8	100	\$1,325.6	\$372.2
Highway tires.....	100	208.3	37½	82.2	126.1
Trucks, buses, etc.....	60	110.5	20	34.4	76.1
Inner tubes and other tires.....	100	53.4	0	0	53.4
Truck use and tread rubber.....	100	46.0	100	36.7	9.3
Total.....		2,116.0		1,478.9	637.1

Of the total transfers in 1958, gasoline taxes accounted for 77.3 percent, taxes on tires 9.8 percent, and other highway user taxes 12.9 percent.

Adjustments as required by section 209(c)(3) made in the fiscal year 1958 amounted to \$35.5 million and reflected an underappropriation of less than 2 percent of the transfers covered by such adjustments. Other credits to the fund consisted of interest on investments in public debt securities amounting to \$17.7 million, bringing the total credits for the year to \$2,133.7 million. The details are shown on statement No. 1 and are summarized as follows:

	Fiscal year 1958	Fiscal year 1957	Increase or decrease (-)
Gross transfers on basis of estimates.....	\$2,080,700,000	\$1,524,205,000	\$556,295,000
Plus or minus (-) quarterly adjustments.....	35,528,210	-45,270,950	80,808,160
Total transfers.....	2,116,028,210	1,478,925,050	637,103,160
Interest on investments.....	17,680,110	3,094,002	14,592,108
Total receipts.....	2,133,714,320	1,482,019,052	651,695,268

EXPENDITURES

During the fiscal year 1958, highway program disbursements from the trust fund by the Bureau of Public Roads amounted to \$1,511.4 million as compared with \$965.5 million in 1957. The increase of \$545.9 million in these expenditures is due to the accelerated activity in execution of the program by the Bureau of Public Roads.

Refunds of taxes chargeable to the trust fund, as certified by Internal Revenue Service in the amount of \$89.9 million, were reimbursed to the general fund. The reimbursements for 1957 were nominal as that was the first year of the trust fund operation. Normally refunds of taxes collected in 1 year are made in the subsequent years.

In addition, \$208,225 were transferred from the trust fund to the Department of Labor for expenses in connection with the administration and enforcement of labor standards in highway construction.

The total expenditures for the fiscal year 1958 amounted to \$1,601.5 million as compared with \$965.7 million in 1957, as shown in detail in statement No. 1 and summarized as follows:

	Fiscal year 1958	Fiscal year 1957	Increase or decrease (—)
Highway program.....	\$1,511,394,051	\$965,506,734	\$545,887,317
Refunds of taxes.....	89,013,009	16,839	89,096,179
Administration and enforcement of labor standards.....	208,225	160,000	48,225
Total expenditures.....	1,691,515,885	965,683,561	635,832,321

INVESTMENTS

As provided in section 209(e)(2) of the act, the Secretary of the Treasury is authorized to invest such portion of the fund as is not, in his judgment, required to meet current withdrawals. The Secretary is also authorized to sell any marketable obligations or redeem any special obligations held by the fund. During the fiscal year 1958, \$404.4 million 2½ percent Treasury certificates of indebtedness maturing on June 30, 1958, held for the trust fund were reinvested in 2½ percent certificates of indebtedness maturing on June 30, 1959. In addition, \$417.8 million were invested in such obligations bringing the total public debt securities held by the fund to \$822.2 million as of June 30, 1958. The rate of interest on these special issues of public debt obligations is determined on the basis of provision in section 209 (e)(2) of the act, namely:

* * * Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. * * *

BALANCE IN THE FUND

The excess of receipts over expenditures in the fiscal year 1958 amounted to \$532.2 million, compared with \$516.3 million in 1957, resulting in a balance in the trust fund for the 2 years of operation of \$1,048.5 million as of June 30, 1958. This balance is represented by the investments in public debt securities in the amount of \$822.2 million described above and unexpended cash balances of \$226.3 million. Details of the balance in the fund are shown in statement No. 1.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1958

CUMULATIVE SUMMARY

Since the establishment of the trust fund in 1956, the cumulative operations of the fund through June 30, 1958, are as follows:

[In millions,	
Receipts:	
Gasoline and oil taxes.....	\$3,023.3
Tires, tubes and tread rubber taxes.....	367.9
Trucks and truck use taxes.....	203.7
Interest on investments.....	20.8
Total receipts.....	3,615.7
Disbursements:	
Highway program.....	2,476.9
Refunds of taxes.....	89.9
Administration of labor standards.....	.4
Total disbursements.....	2,567.2
Balance in the fund:	
Undisbursed appropriations.....	226.3
Investments.....	822.2
Total balance.....	1,048.5
Total.....	3,615.7

Details of the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS OF OPERATION AND CONDITION

UNDER CURRENT LEGISLATION

As expressed in the message of the President in the budget for the fiscal year ending June 30, 1960, "The comprehensive highway program enacted in 1956 established the principle that highway users, rather than the general taxpayers, should pay the cost of Federal-aid highways."¹ It is estimated that revenues in 1959, plus the fund balance carried forward, will satisfy the expenditure requirements for the fiscal year 1959.² However, the act approved April 16, 1958 (Public Law 85-381, 72 Stat. 89), increased the authorizations for the interstate program and the primary, secondary, and urban authorizations for the fiscal years 1960 and 1961. It further suspended for the fiscal years 1959 and 1960 the provisions of section 209(g) of the Highway Revenue Act of 1956, which requires the Secretary of Commerce to reduce the apportionments to the States for the construction of the Interstate System of Highways when the Secretary of the Treasury determines that, after all other expenditures required to be made from the highway trust fund have been defrayed, the amounts which will be available in such fund will be insufficient to defray expenditures which will be required as a result of the apportionment to the States of the amounts authorized to be appropriated for any fiscal year. Consequently the receipts from taxes and other items available to the fund will be inadequate to cover the authorizations for the fiscal year 1960 and subsequent years. Unless action is taken to increase revenue, the fund would operate under cumulative deficits estimated to be \$241

¹ P. M49, 1960 budget document.

² P. 430, 1960 budget document.

million by the end of 1960, \$757 million by 1961, and \$662 million by 1962.

The estimated deficits through 1961 and 1962 differ somewhat from those stated in the 1960 budget message.¹ The amounts in the budget document represent estimates based upon the completion of the road mileage authorized under apportionments based upon revised estimates of cost as provided in section 108(d) of the Federal Highway Act as amended (70 Stat. 379), whereas the amounts included in this report are based upon the effect of the limitations of section 209(g) after 1959 and 1960. This basic legislation limits expenditures to the amount available in the trust fund and will not permit the Secretary of Commerce to apportion to the States the full authorization for 1961 and later years.

The total of receipts through 1973, including the 3-cent excise tax on aviation gasoline, is estimated to be \$40.5 billion, as compared with aggregate total of \$40.7 billion estimated in the 1957 report. Cumulative refunds of taxes are estimated at \$1.7 billion, as compared with \$2.0 billion estimated in the 1957 report. Highway program expenditures are estimated at \$38.8 billion, the same as estimated in the 1957 report. The estimates for highway program expenditures reflect the assumption that authorizations for primary, secondary, and urban roads will be extended for the fiscal years 1962-70.

UNDER PROPOSED LEGISLATION

In order to maintain the highway trust fund on a self-supporting basis, legislation is proposed² to temporarily increase motor-fuel taxes by 1½ cents per gallon, effective July 1, 1959, to extend through June 30, 1964. This increased tax is estimated to provide sufficient revenues to permit apportionment of all available Federal aid authorizations for 1961 and 1962. Legislation is also proposed³ that revenue from aviation gasoline tax be retained in the general fund for use in connection with a proposed "airways user charge program." This would reduce the total revenue available to the trust fund by about \$202 million. A further proposal⁴ is for legislation to finance forest highway and public lands highway programs from the trust fund. Statement No. 3 shows the estimated receipts, expenditures and balances in the fund through June 30, 1973 on the basis of the proposed legislation.

The aggregate total of receipts, net of aviation gasoline tax, is \$44.9 billion as compared with \$40.3 billion estimated in the 1957 report. Refunds of taxes are estimated to total \$1.8 billion, the same as in the 1957 report. Highway program expenditures, including the proposed financing of forest highway and public lands highway programs from the trust fund, are estimated in the amount of \$43.1 billion as compared with \$38.5 billion in the 1957 report. The proposed increase in motor-fuel taxes, mentioned above, is expected to provide sufficient revenues for the highway trust fund to be on a self-sustaining basis through 1964. For the ensuing years, the interstate highway program apportionments would have to be reduced in order to keep within the estimated available funds, and the additional amounts required to complete the program are shown separately in statement No. 3, as discussed below.

¹ P. M49, 1960 budget document.

² P. 435, 1960 budget document.

⁴ P. 431, 1960 budget document.

6 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1958

REQUIREMENTS TO COMPLETE HIGHWAY PROGRAM

Section 7 of the Federal-Aid Highway Act of 1944 (23 U.S.C. Supp. V, 157), as amended in the 1956 act, provides in part as follows:

There shall be designated within the Continental United States a National System of Interstate and Defense Highways not exceeding forty-one thousand miles in total extent * * *

also—

That the cost of completing any mileage designated from the one thousand additional miles authorized by this subsection shall be excluded in making the estimates of cost for completing the Interstate System as provided in subsection (d) of this section.

The Federal-Aid Highway Act of 1956, section 108(a), further provides as follows:

(a) INTERSTATE SYSTEM.—It is hereby declared to be essential to the national interest to provide for the early completion of the "National System of Interstate Highways," as authorized and designated in accordance with section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838). It is the intent of Congress that the Interstate System be completed as nearly as practicable over a thirteen-year period and that the entire system in all the States be brought to simultaneous completion. * * *

On the basis of existing and proposed legislation, as noted above, the revenues estimated to be available for highway purposes will not be sufficient to complete the road mileage designated in the act. In order to give effect to the expressed intent of Congress, statement No. 3 in this report contains estimates of the Bureau of Public Roads as to additional revenues that will be required for the fiscal years 1965 through 1972 to accomplish the construction of the 40,000 mile Interstate System. In this connection, section 209(b) of the Highway Revenue Act of 1956 provides as follows:

(b) DECLARATION of POLICY.—It is hereby declared to be the policy of the Congress that if it hereafter appears—

(1) that the total receipts of the Trust Fund (exclusive of advances under subsection (d)) will be less than the total expenditures from such Fund (exclusive of repayments of such advances); or

(2) that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable,

The Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures, or such equitable distribution, as the case may be.

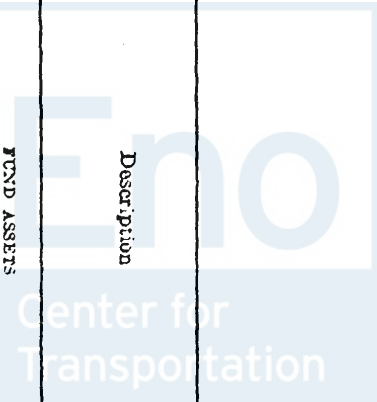
The annual report to Congress by the Bureau of Public Roads, House Document No. 74, 86th Congress, 1st session, contains detailed information on the progress and accomplishments in the road program:

STATEMENT NO. 1
Status of highway trust fund, June 30, 1958

Description	Internal Revenue Code section	Cumulative through June 30, 1958		Fiscal year 1958		Fiscal year 1957		Increase or decrease (-), 1958 over 1957
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general and receipts):								
Gasoline tax	4031	\$2,943,080,066.11	1.4	\$1,647,997,879.26	77.3	\$1,295,082,186.85	87.4	\$327,915,692.41
Diesel fuel tax	4041	80,238,193.90	2.2	46,788,078.61	2.2	30,175,089.29	2.0	19,307,990.32
Tires, highway vehicles	4071(a)(1)	290,469,839.16	8.0	208,284,833.59	9.8	52,185,025.77	3.5	126,099,807.82
Tires, other	4071(a)(2)	36,027,683.80	1.0	36,027,683.80	1.7	17,374,283.40	1.2	36,027,683.80
Inner rubber	4071(b)(3)	17,374,483.40	.5	17,374,483.40	.8	17,374,483.40	.7	17,374,483.40
Tread rubber	4071(b)(4)	24,087,280.94	.7	12,813,732.17	.6	11,273,518.77	.7	12,813,732.17
Trucks, buses, etc.	4061(a)(1)	144,330,367.30	4.0	110,320,153.87	5.2	34,410,411.43	2.3	76,109,744.44
Truck use tax	431	58,723,371.17	1.6	73,226,533.07	3.2	25,498,818.10	1.9	7,227,734.97
Total taxes		3,594,953,260.78	99.4	2,116,028,210.57	99.2	1,478,925,050.21	99.8	637,103,160.36
Interest on investments		20,780,112.83	.6	17,686,110.43	.8	2,694,002.40	.2	14,592,108.03
Total receipts		3,615,733,373.61	100.0	2,133,714,321.00	100.0	1,482,019,052.61	100.0	651,695,268.39
EXPENDITURES								
Highway program:								
Payments from general fund reimbursed		501,018,553.13		1,511,394,631.26		501,018,553.13		-501,018,553.13
Direct from trust fund		1,975,882,831.98	96.5	1,511,394,631.26	94.4	454,488,180.72	100.0	1,046,900,470.54
Refunds of taxes (reimbursed to general fund):								
Gasoline	4031	21,282.87		9,881.77		11,882.10		-1,500.33
Gasoline for nonhighway purposes or local transit	4421	16,311,227.70		16,310,818.33		403.37		16,310,408.95
Gasoline used on farms	6430	73,571,100.30		73,571,100.30		3,172.30		73,571,100.30
Tires and tread rubber	4071(a)	10,144.38		6,971.08		1,865.91		3,708.78
Trucks, buses, etc.	4061(a)	16,103.10		14,237.19				12,371.28
Total refunds of taxes		80,929,838.35	3.5	89,913,008.67	5.6	16,833.68		89,896,178.99
Administration and enforcement of labor standards		368,225.00		208,225.00		100,000.00		48,225.00
Total expenditures		2,567,199,448.46	100.0	1,601,515,884.93	100.0	985,683,563.53	100.0	635,832,321.40
Balance in trust fund		1,048,533,925.15		532,198,435.07		516,335,489.08		

Status of highway trust fund, June 30, 1958—Continued

Description	Internal Revenue Code section	Cumulative through June 30, 1958		Fiscal year 1958		Fiscal year 1957		Increase or decrease (+), 1958 over 1957
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
FUND ASSETS								
Investments (special issues). Treasury certifi-								
cates of indebtedness:								
2 1/4 percent maturing June 30, 1958		\$822,226,000.00		-\$404,444,000.00		\$404,444,000.00		
2 3/4 percent maturing June 30, 1959		226,307,925.15		822,226,000.00		111,891,489.08		
Undisbursed balances				114,416,436.07				
Total assets		1,048,533,925.15		532,198,436.07		516,335,489.08		



FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1958 9

STATEMENT No. 2

Status of highway trust fund, actual fiscal years 1957 and 1958, and estimates 1959-73; under existing legislation

[In millions of dollars]

Fiscal year	Receipts			Expenditures						Balance in the fund
	Excise taxes	Inter-est	Total	Highway program				Re-funds of taxes	Total	
				Inter-state	Primary, second-ary, and urban ¹	Other ²	Total			
Actual:										
1957.....	1,479	3	1,482	209	743	15	966	(³)	966	516
1958.....	2,116	18	2,134	675	809	27	1,511	90	1,601	1,049
Estimate:										
1959.....	2,130	13	2,143	1,400	1,043	8	2,451	102	2,553	639
1960.....	2,217	5	2,222	1,800	1,197	5	3,002	100	3,102	--241
1961.....	2,291		2,291	1,800	900	11	2,711	96	2,807	--757
1962.....	2,377		2,377	1,300	875	10	2,185	97	2,282	--662
1963.....	2,430		2,430	769	900	11	1,670	98	1,768	
1964.....	2,492		2,492	1,456	925	11	2,392	100	2,492	
1965.....	2,557		2,557	1,494	950	11	2,455	102	2,557	
1966.....	2,624		2,624	1,534	975	11	2,520	104	2,624	
1967.....	2,692		2,692	1,576	1,000	10	2,586	106	2,692	
1968.....	2,765		2,765	1,647	1,000	10	2,657	108	2,765	
1969.....	2,838		2,838	1,718	1,000	10	2,728	110	2,838	
1970.....	2,911		2,911	1,789	1,000	10	2,799	112	2,911	
1971.....	2,988		2,988	1,863	1,000	10	2,873	115	2,988	
1972.....	3,068		3,068	1,967	1,000	-16	2,951	117	3,068	
1973.....	480		480	328			328	152	480	
Total.....	40,455	39	40,494	23,314	15,317	154	38,785	1,709	40,494	

¹ Assuming authorizations will be extended for the fiscal years 1962-70.
² Includes emergency relief and bridge and dam design and construction funds and advances to States.
 Negative figure represents excess of repayments of advances.
³ Less than \$500,000.

STATEMENT NO. 3
 Status of highway trust fund, actual fiscal years 1957 and 1958, and estimates 1959-78 under existing and proposed legislation
 (In millions of dollars)

Fiscal year	Receipts				Expenditures						Balance in the fund			
	Excise taxes (net)	Less tax on aviation fuel (net)	Excise taxes (net)	Interest on investments	Total	Required to complete program ¹	Total	Highway program				Interstate program completion ¹	Refunds of taxes	Total
							Interstate	Primary, secondary, and urban ²	Other	Total				
Actual:														
1957	1,479		1,479	3	1,482		208	743	15	966		(9)	966	616
1958	2,116		2,116	18	2,134		675	809	27	1,511		90	1,601	1,049
Estimate:														
1959	2,130		2,130	13	2,143		1,400	1,043	8	2,451		102	2,553	639
1960	2,983		2,983	6	2,989		1,500	1,197	46	3,043		93	3,136	415
1961	3,190		3,190	18	3,208		2,100	900	47	3,047		132	3,179	411
1962	3,312		3,312	3	3,315		2,500	875	46	3,421		138	3,559	151
1963	3,360		3,360	2	3,362		2,400	960	47	3,347		138	3,485	40
1964	3,374		3,374	15	3,374		2,300	925	47	3,272		141	3,413	90
1965	3,478		3,478	15	3,463		2,300	925	47	3,272		141	3,413	90
1966	3,728		3,728	14	3,714		2,300	925	47	3,272		144	3,741	
1967	2,617		2,617	14	2,603		1,683	975	47	2,600		97	3,819	
1968	2,685		2,685	14	2,671		1,484	975	47	2,506		99	3,845	
1969	2,755		2,755	13	2,742		1,526	1,000	46	2,572		101	3,947	
1970	2,881		2,881	13	2,868		1,598	1,000	46	2,644		101	3,947	
1971	2,904		2,904	13	2,891		1,663	1,000	46	2,715		103	3,949	
1972	2,981		2,981	13	2,968		1,740	1,000	46	2,785		105	3,951	
1973	3,061		3,061	13	3,048		1,814	1,000	46	2,809		108	3,954	
1974	3,477		3,477	1	3,476		1,918	1,000	20	2,938		110	4,223	
1975							327			327		149	4,76	
Total	45,070	202	44,868	45	44,913	8,578	53,791	27,122	15,317	627	43,066	8,578	1,847	53,791

¹ Represents estimated requirements to complete the 40,000-mile Interstate System.
² Assuming authorizations will be extended for the fiscal years 1962-70.
³ Includes emergency relief, bridge and dam design and construction, forest and public lands highways, and advances to States net of repayments.
⁴ Less than \$500,000.

**FINANCIAL CONDITION AND FISCAL
OPERATIONS OF THE HIGHWAY
TRUST FUND**

Fiscal Year 1959

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

**THE FOURTH ANNUAL REPORT ON THE FINAN-
CIAL CONDITION AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND, PURSUANT TO SECTION
209 (e) (1) OF THE HIGHWAY REVENUE ACT OF 1956**



**MARCH 1, 1960.—Referred to the Committee on Ways and Means
and ordered to be printed**

**UNITED STATES
GOVERNMENT PRINTING OFFICE**

WASHINGTON : 1960

49011



LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
Washington, March 1, 1960.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I have the honor to transmit herewith the fourth annual report on the financial condition and fiscal operations of the Highway Trust Fund, as required by Section 209(e)(1) of the Highway Revenue Act of 1956.

The narrative of the report offers comment on the highlights of the fund with respect to the current year and comparative prior year operations and financial condition, the projections of operations and financial condition under existing legislation, and projections giving effect to proposed legislation. These comments are supported by statements containing figures on the estimated operations and financial condition for each fiscal year, through June 30, 1973, as required by the act.

Very truly yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

FOURTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1959

In accordance with requirements of section 209(a) of the Highway Revenue Act of 1956, approved June 29, 1956 (70 Stat. 387), the highway trust fund was established on the books of the Treasury of the United States as of July 1, 1956. The Internal Revenue Code of 1954 was amended by the act to provide additional general fund revenues from increased or new taxes on certain vehicles and products connected with the use of the public highways. Amounts equal to specified percentages of these and previously existing taxes were appropriated and authorized to be transferred at least monthly to the highway trust fund based on estimates by the Secretary of the Treasury. The act further provides that proper adjustments should be made in the amounts subsequently transferred to the extent prior estimates are in excess of or less than the amounts required to be transferred. The Bureau of Public Roads, Department of Commerce, is provided with money from the trust fund to carry out the Federal-aid highway program.

Under the provisions of section 209(e) of the act, the Secretary of the Treasury is required to hold the trust fund and (after consultation with the Secretary of Commerce) to report to the Congress not later than the 1st day of March of each year on the financial condition and results of operation of the fund during the preceding fiscal year. The Secretary of the Treasury is further required under this section, to report on the fund's expected condition and operations during each fiscal year thereafter up to and including the fiscal year ending June 30, 1973. The Secretary of the Treasury is required by this section to invest available balances in the trust fund, that are not required to meet current withdrawals, in interest-bearing obligations of the United States. Payments from the trust fund to the general fund of amounts equal to refunds of certain of the taxes are required to be made by the Secretary under the provisions of 209(f).

The information required under these legislative provisions is discussed in the following sections.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

The types and percentages of excise taxes on vehicles and products connected with the use of the highways that are the basis for appropriation and transfer to the highway trust fund remained unchanged during the fiscal year 1959. Transfers during the year amounted to \$2,171 million as compared with \$2,116 million in the fiscal year 1958. The increase of \$55 million resulted from increased collections of

gasoline and diesel fuel taxes as well as taxes on tires, while the tax collections on inner tubes and tread rubber, trucks, and buses were lower in 1959. The comparative transfers and net increase or decrease are shown in statement No. 1 and summarized below.

[Dollars in millions]

Type of tax and percent	1958		1959		Increase or decrease (-)
	Percent of total	Taxes transferred	Percent of total	Taxes transferred	
	<i>Percent</i>				
Gasoline and diesel fuel.....	80.2	\$1,697.8	80.8	\$1,753.5	\$55.7
Tires.....	11.6	244.3	11.4	247.2	2.9
Inner tubes and tread rubber.....	1.4	30.2	1.3	29.0	-1.2
Trucks, buses, etc.....	5.2	110.5	4.9	107.4	-3.1
Truck use.....	1.6	33.2	1.6	33.9	.7
Total.....	100.0	2,116.0	100.0	2,171.0	55.0

Under the provisions of section 209(c)(3) amounts are appropriated and transferred to the trust fund monthly on the basis of estimates. These estimates are adjusted periodically to an actual basis. Adjustments in amounts transferred resulted in additional net appropriations to the fund amounting to \$27.8 million during fiscal year 1959, included in the above totals. The adjustments were less than 1½ percent of the total transfers to the fund. Interest on investments of the fund in public debt securities was credited to the fund during the year in the amount of \$13.6 million, included in the following summary, bringing the total credits for the year to \$2,184.6 million. The amounts of receipts credited to the fund by type are shown in statement No. 1 and summarized as follows:

	Fiscal year 1958	Fiscal year 1959	Increase or decrease (-)
Gross transfers on basis of estimates.....	\$2,080,500,000	\$2,143,200,000	\$62,700,000
Plus quarterly adjustments.....	35,528,210	27,815,864	-7,712,346
Total transfers.....	2,116,028,210	2,171,015,864	54,987,654
Interest on investments.....	17,686,110	13,583,651	-4,102,459
Total receipts.....	2,133,714,320	2,184,600,515	50,886,195

EXPENDITURES

The Bureau of Public Roads, Department of Commerce, makes all highway program disbursements from the trust fund. In the fiscal year 1959, the highway program disbursements amounted to \$2,612.6 million as compared with \$1,511.4 million in 1958. The increase of \$1,101.2 million was due in part to the normal increase in expenditures under the originally authorized program and in part to measures taken under 1958 legislation as an antirecession measure.

Refunds of taxes relating primarily to gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f)(3) of the Highway Revenue Act, were charged to the trust fund in the amount of \$96.9 million during fiscal year 1959. This compares with \$89.9 million of refunds made in 1958. These refunds were charged to the trust fund and reimbursed to the general fund on the basis of certifications by the Internal Revenue Service.

The amounts of the expenditures charged to the fund are shown in statement No. 1 and are summarized as follows:

	Fiscal year 1958	Fiscal year 1959	Increase or decrease (-)
Highway program.....	\$1,511,394,651	\$2,612,576,423	\$1,101,181,772
Refunds of taxes.....	89,913,009	96,899,743	6,986,734
Administration and enforcement of labor standards.....	208,225		-208,225
Total expenditures.....	1,601,515,885	2,709,476,166	1,107,960,281

INVESTMENTS

Balances in the trust fund not required to meet current withdrawals were invested by the Secretary of the Treasury as authorized by section 209(e)(2) of the act in special issues of Treasury certificates of indebtedness. As of June 30, 1959, the holdings of such securities by the fund amounted to \$429.2 million, compared with holdings of \$822.2 million on June 30, 1958. This reduction in investments was necessary in order to provide funds to meet current withdrawals. The investments as of June 30, 1959, were in 2½-percent U.S. Treasury certificates of indebtedness maturing June 30, 1960.

BALANCE IN THE FUND

The balance in the fund as of June 30, 1958, was \$1,048.5 million. As set out in the preceding paragraphs, the total receipts were \$2,184.6 million, and the total expenditures were \$2,709.5 million during fiscal year 1959. This resulted in an excess of expenditures of \$524.9 million for the year and a balance as of June 30, 1959, of \$523.6 million. The balance consisted of the investments of \$429.2 million and unexpended cash balances of \$94.4 million. These fund assets are shown in statement No. 1.

CUMULATIVE SUMMARY

The cumulative operations of the fund from inception in 1956 through June 30, 1959, are as follows:

(In millions)	
Receipts:	
Gasoline and oil taxes.....	\$4,776.9
Tires, tubes, and tread rubber taxes.....	644.1
Trucks and truck use taxes.....	344.9
Interest on investments.....	34.4
Total receipts.....	\$5,800.3
Disbursements:	
Highway program.....	5,089.5
Refunds of taxes.....	186.8
Administration of labor standards.....	.4
Total disbursements.....	5,276.7
Balance in the fund:	
Undisbursed appropriations.....	94.4
Investments.....	429.2
Total balance.....	523.6
Total.....	5,800.3

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation enacted in the 86th Congress, 1st session, involving operations of the trust fund in the fiscal year 1960 and subsequent years consist of the following:

Public Law 86-88, approved July 13, 1959 (73 Stat. 205), authorized an expenditure limitation of \$2,840 million for Federal-aid highways, or so much thereof as may be available in the trust fund for the fiscal year 1960.

Public Law 86-383, approved September 28, 1959 (73 Stat. 723), increased the above authorization by \$188 million. This act also provided an appropriation of \$359 million for repayable advances to the trust fund as authorized by section 209(d) of the 1956 act.

Public Law 86-342, approved September 21, 1959 (73 Stat. 611-616), provided for adjustments in the Federal-aid highway program. Section 102 amended the provisions of the 1956 act by reducing the authorization of appropriations for the interstate system for the fiscal year ending June 30, 1961 from \$2,500 million to \$2,000 million. Section 201 amended the Internal Revenue Code of 1954 by providing for a temporary increase of 1 cent per gallon in the tax on gasoline and diesel fuel starting October 1, 1959, and continuing to July 1, 1961, which is to be available for transfer to the highway trust fund. Section 202 relating to transfers to the trust fund amended section 209(c) of the 1956 act by adding a paragraph providing for appropria-

tion to the trust fund of amounts equivalent to that portion of the taxes received in the Treasury after June 30, 1961, and before July 1, 1964 (representing tax on automobiles, parts, and accessories, etc.), which is equal to the amount which would have been so received if the tax rate under each such subsection had been 5 percent in lieu of the applicable rate.

Increased apportionments for highway construction which were authorized in 1958, as an anti-recession measure, caused the trust fund to be faced with a prospective deficit in 1960, in the absence of additional revenues. As a measure of temporary relief, Congress enacted an appropriation in Public Law 86-383, approved September 28, 1959, in the amount of \$359 million for repayable advances to the trust fund. Even with the rise in gasoline taxes, approved in Public Law 86-342, from October 1, 1959, until July 1, 1961, and the provision for transfer of part of the excise taxes on automobiles, parts and accessories, during the subsequent 3 years, the revenues are estimated at less than needed to maintain apportionments at the level authorized in the 1958 act. Accordingly, the interstate apportionment by the Bureau of Public Roads for the fiscal year 1961 was limited to \$1,800 million out of the \$2,000 million authorized by the 1959 act. This authorization was a reduction from the \$2,500 million authorized by the 1958 act mentioned in the preceding paragraph. The aggregate of authorizations provided for interstate highway construction by the Highway Acts of 1956, 1958, and 1959 amounts to \$25,125 million. These authorizations, plus \$315 million carryover from prior acts, have been apportioned or are scheduled for apportionment through the fiscal year 1971 in amounts that can be supported by the estimated availability of funds, as indicated in statement No. 2.

In order to avoid a deficit in the highway trust fund at the close of the fiscal year 1960 and subsequent years, it has been necessary to schedule the rate at which apportioned Federal-aid highway funds can be obligated during the year. Under the reimbursement planning schedule established by the Bureau of Public Roads, total obligations of \$2.7 billion are so scheduled that the resulting expenditures will not exceed the revenues available in the highway trust fund.

Statement No. 2 shows the actual and estimated receipts, expenditures, and balances for the fiscal years 1957 through 1973, under existing legislation. The total of receipts, including general fund advances as well as interest on investments, is estimated at \$45.7 billion, as compared with an estimated total of \$40.5 billion in the 1958 report. This increase, aside from the \$0.6 billion of temporary advances and slight increases in the estimated revenues from 1956 act tax sources, results primarily from the increased taxes approved in the 1959 act. Expenditures are estimated at \$43.3 billion for the highway program, \$1.8 billion for refunds of taxes, and \$0.6 billion for repayments of advances plus interest, for a total of \$45.7 billion. This compares with total expenditures of \$40.5 billion in the 1958 report. These estimates, on the basis of existing legislation, also assume the continuance of biennial congressional authorizations for primary, secondary, and urban roads and an appropriation of \$0.2 billion for temporary advances in 1961.

UNDER PROPOSED LEGISLATION

The Highway Revenue Act of 1956, section 209(b), sets forth the congressional policy on the highway program, as follows:

(b) **DECLARATION OF POLICY.**—It is hereby declared to be the policy of the Congress that if it hereafter appears—

(1) that the total receipts of the Trust Fund (exclusive of advances under subsection (d)) will be less than the total expenditures from such Fund (exclusive of repayments of such advances); or

(2) that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable, the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures, or such equitable distribution, as the case may be.

In line with the foregoing declaration of policy, the message of the President in the Budget (M-38) for 1961 points out the need for enactment of legislation that had been recommended in the 1960 budget but had not been voted by Congress. New legislation being recommended includes request for an appropriation of \$200 million as an additional temporary advance to the trust fund in the fiscal year 1961, repayable before the end of that year. The Budget further recommends a limitation on highway expenditures for fiscal year 1961 of \$2,689 million, exclusive of \$39 million for forest and public lands highways. Pending legislation includes a proposal for retention of aviation fuel tax revenues in the general fund, and a proposal to finance the forest and public lands highway programs from the highway trust fund. Additional recommendations will be made to the Congress for the ensuing conduct and financing of the program.

Statement No. 3 shows the actual and estimated receipts, expenditures, and balances for the fiscal years 1957 through 1973. Under existing and proposed legislation the highway program expenditures as shown are within the total of interstate highway program authorizations approved by Congress. The total of receipts, net of aviation fuel tax, and including general fund advances as well as interest on investments, is estimated at \$45.5 billion as compared with \$44.9 billion estimated in the 1958 report. Expenditures are estimated at \$43.2 billion for the highway program, \$1.8 billion for refunds of taxes, and \$0.6 billion for repayments of advances plus interest, for a total of \$45.5 billion. This compares with \$44.9 billion estimate shown in the 1958 report, exclusive of \$8.9 billion estimated for completion of the interstate program. Such estimates are not included in this report in view of the special studies being made by the Department of Commerce as mentioned in the next paragraph.

REQUIREMENTS TO COMPLETE INTERSTATE HIGHWAY SYSTEM

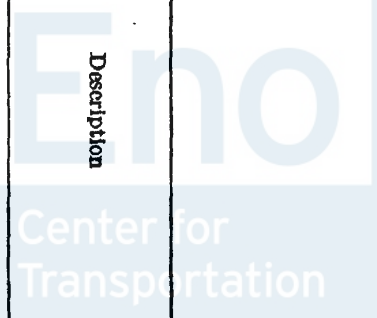
Authorizations for highway construction made by Congress are apportioned among the several States, at least 6 months before the beginning of the year for which authorized, and remain available for expenditure for 2 fiscal years following the close of the year for which authorized. Apportionments of interstate funds are made on the basis of estimates by the Secretary of Commerce in cooperation with each State highway department of the cost of completing the designated interstate system in each State. Such estimates of cost are subject to the approval of Congress prior to their use as a basis of

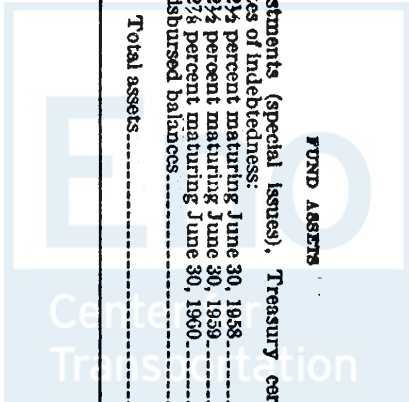
apportionment. The last estimate submitted to Congress was on January 12, 1958, and serves as the basis for apportionments for the fiscal years 1960, 1961, and 1962. Revised estimates of cost are due for submission to Congress within 10 days subsequent to January 2, 1961, applicable to apportionments for the years 1963-66. Subsequent revisions are due annually thereafter through 1968. While the Highway Act calls for construction of a 40,000-mile Interstate System, the annual dollar authorizations approved by Congress, in the aggregate of \$25,440 million will not provide for completion of the program. The Department of Commerce is now working on two basic reports for Congress covering (1) a revised estimate of cost of completing the Interstate System, and (2) a study of the beneficiaries of the highway systems. These reports are expected to be submitted in January 1961 and will afford Congress an opportunity to consider what continuing taxes should be imposed, the equitable distribution of such taxes for highway purposes, and to provide for appropriate financing and scheduling of apportionments required to complete the Interstate System.

STATEMENT NO. 1

Status of highway trust fund, June 30, 1959

Description	Internal Revenue Code section	Cumulative through June 30, 1959		Fiscal year 1959		Fiscal year 1958		Increase or decrease (-), 1959 over 1958
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund receipts):								
Gasoline tax	4081	\$4,045,659,812.33	80.1	\$1,702,579,746.22	77.9	\$1,647,997,879.26	77.3	\$54,581,866.96
Diesel fuel	4041	131,213,431.74	2.3	50,955,262.94	2.3	49,783,079.61	2.3	1,172,183.23
Tires, highway vehicles and other	4071(6) (1) (2)	873,755,441.36	9.9	247,257,898.40	11.3	244,312,517.19	11.5	2,945,381.21
Inner tubes	4071(3) (3)	32,248,754.25	.5	14,874,490.85	.7	17,374,283.40	.8	-2,495,772.55
Tread rubber	4071(3) (4)	38,189,127.93	.7	14,101,846.99	.7	12,813,762.17	.6	1,288,084.82
Trucks, buses, etc.	4061(6) (1)	252,324,822.63	4.3	107,394,255.33	4.9	110,520,155.87	5.2	-3,125,900.54
Truck use tax	4481	92,577,734.69	1.6	33,882,363.52	1.6	33,226,553.07	1.5	625,810.45
Total taxes		5,765,969,124.93	90.4	2,171,015,894.15	99.4	2,116,029,210.57	99.2	54,937,653.58
Interest on investments		34,363,764.02	.6	13,583,651.19	.6	17,686,110.43	.8	-4,102,459.24
Total receipts		5,800,332,888.95	100.0	2,184,599,545.34	100.0	2,133,714,321.00	100.0	50,885,194.34
EXPENDITURES								
Highway Program:								
Payments from general fund reimbursed		501,018,553.13	96.5	2,612,576,423.10	96.4	1,511,394,651.26	94.4	1,101,181,771.84
Direct from trust fund		4,588,459,255.08						
Refunds of taxes (reimbursed to general fund):				16,507.92		9,891.77		6,626.15
Gasoline	4081	37,771.79						
Gasoline for nonhighway purposes or local transit	6421	34,586,178.79		18,274,951.09		16,310,913.33		1,964,132.76
Gasoline used on farms	6420	152,165,085.23		78,596,984.93		73,571,100.30		6,025,884.63
Tires and tread rubber	4071(3)	13,666.15		3,522.77		6,971.08		-3,448.31
Trucks, buses, etc.	4061(3)	23,879.34		7,776.24		14,237.19		-6,460.95
Total refunds of taxes		186,829,581.30	3.5	96,899,742.95	3.6	89,913,008.67	4.6	6,986,734.28
Administration and enforcement of labor standards		368,225.00				208,225.00		-208,225.00
Total expenditures		5,276,675,614.51	100.0	2,709,476,166.05	100.0	1,601,515,894.93	100.0	1,107,960,281.12
Balance in trust fund		623,657,274.44		-524,876,650.71		632,198,436.07		





FUND ASSETS						
Investments (special issues), Treasury certificates of indebtedness:						
2 1/2 Percent maturing June 30, 1958	-----			429,214,000.00		404,444,000.00
2 1/2 Percent maturing June 30, 1959	-----			429,214,000.00		822,228,000.00
2 7/8 Percent maturing June 30, 1960	-----			131,864,650.71		114,416,438.07
Undisbursed balances	-----					
Total assets	-----	523,657,274.44		524,876,650.71		532,198,486.07

STATEMENT No. 2
 Status of highway trust fund, actual fiscal years 1967-69, and estimates 1960-73, under existing legislation
 [In millions of dollars]

Fiscal year	Receipts				Expenditures						Balance in the fund		
	Exercise taxes	Interest on investments	General fund advances	Total	Highway program			Total	Refunds of taxes	Repayment of advances and interest			
					Interstate	Available for additional authorizations	Primary, secondary, and urban					Other	
Actual:													
1967	1,470	3		1,482	208		743	15	966	109		966	516
1968	2,116	18		2,134	675		809	27	1,511	90		1,601	1,049
1969	2,171	14		2,185	1,501		839	273	2,618	97		2,710	634
Estimate:													
1960	2,627	1	359	2,987	1,770		813	251	2,028	109	365	3,502	9
1961	2,984		200	3,184	1,770		924	10	2,704	130	203	3,037	156
1962	3,384			3,384	2,150		915	10	3,075	132		3,207	333
1963	3,356			3,356	2,200		907	11	3,118	100		3,218	471
1964	3,438	6		3,444	2,200		900	11	3,111	102		3,213	702
1965	2,636	6		2,642	1,700		900	11	2,611	104		2,715	632
1966	2,703	9		2,712	1,700		900	11	2,611	106		2,717	627
1967	2,770	9		2,779	1,800		900	11	2,711	109		2,820	586
1968	2,838	9		2,847	1,800		900	11	2,711	112		2,823	608
1969	2,908	9		2,917	1,900		900	11	2,811	115		2,926	609
1970	2,979	9		2,988	1,900		900	10	2,810	118		2,928	639
1971	3,049	9		3,058	1,972		900	10	2,882	121		3,003	714
1972	3,119	9		3,128			900	10	3,042	124		3,166	676
1973	4,478	3		4,481		999			999	158		1,157	
Total	45,035	115	539	45,709	25,440	3,131	14,050	698	43,314	1,827	568	44,709	

¹ Assuming authorizations will be extended for the fiscal years 1962-70 at rate of \$900,000,000 annually.
² Includes emergency relief funds, bridge and dam design and construction funds, advances to States and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958.

³ Less than \$500,000.
⁴ Receipts on tax liabilities accrued prior to July 1, 1972.

STATEMENT No. 3
Status of highway trust fund, actual fiscal years 1967-69, and estimates 1960-73 under existing and proposed legislation
(In millions of dollars)

Fiscal year	Receipts					Expenditures					Balance in the fund												
	Excise taxes	Less tax on aviation fuel	Excise taxes (net)	Interest on investments	General fund advances	Highway program																	
						Total	Interstate	Available for additional authorizations	Primary, secondary, and urban ¹	Other ²		Total	Refunds of taxes	Repayment of advances and interest									
Actual:																							
1967	1,479	---	1,479	3	---	1,482	208	---	743	15	966	(3)	---	---	966	90	---	---	---	---	---	515	
1968	2,116	---	2,116	18	---	2,134	675	---	809	27	1,511	90	---	---	1,601	97	---	---	---	---	---	1,049	
1969	2,171	---	2,171	14	---	2,185	1,501	---	839	273	2,613	---	---	---	2,710	---	---	---	---	---	---	524	
Estimate:																							
1960	2,627	---	2,627	1	359	2,987	1,904	---	813	251	3,028	109	---	---	3,502	---	---	---	---	---	---	9	
1961	2,984	34	2,950	---	200	3,150	1,735	---	924	49	2,728	123	---	---	3,054	---	---	---	---	---	---	105	
1962	3,384	26	3,358	---	---	3,384	2,075	---	915	46	3,036	116	---	---	3,152	---	---	---	---	---	---	311	
1963	3,356	21	3,335	---	---	3,356	2,100	---	907	47	3,054	92	---	---	3,146	---	---	---	---	---	---	500	
1964	3,438	19	3,419	---	---	3,425	2,200	---	900	47	3,147	95	---	---	3,242	---	---	---	---	---	---	683	
1965	2,636	16	2,620	6	---	2,639	1,600	---	900	47	2,547	98	---	---	2,645	---	---	---	---	---	---	667	
1966	2,703	14	2,689	9	---	2,698	1,700	---	900	47	2,647	101	---	---	2,748	---	---	---	---	---	---	617	
1967	2,770	13	2,757	9	---	2,766	1,700	---	900	47	2,647	104	---	---	2,751	---	---	---	---	---	---	632	
1968	2,838	12	2,826	9	---	2,835	1,800	---	900	47	2,747	108	---	---	2,855	---	---	---	---	---	---	612	
1969	2,908	12	2,896	7	---	2,903	1,800	---	900	47	2,747	111	---	---	2,858	---	---	---	---	---	---	657	
1970	2,979	12	2,967	9	---	2,976	1,900	---	900	46	2,846	114	---	---	2,960	---	---	---	---	---	---	673	
1971	3,049	12	3,037	9	---	3,046	2,030	---	900	46	2,946	117	---	---	3,063	---	---	---	---	---	---	636	
1972	3,119	2	3,117	9	---	3,116	462	---	900	46	2,976	120	---	---	3,096	---	---	---	---	---	---	636	
1973	4,478	12	4,476	3	---	4,479	1,000	---	900	46	1,000	155	---	---	1,155	---	---	---	---	---	---	676	
Total	45,035	205	44,830	115	559	45,504	25,440	2,508	14,050	1,128	43,186	1,750	---	---	45,504	---	---	---	---	---	---	---	

¹ Assuming authorizations will be extended for the fiscal years 1962-70 at the rate of \$900,000,000 annually.
² Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds.
³ Less than \$500,000.
⁴ Receipts on tax liabilities accrued prior to July 1, 1972.

**FINANCIAL CONDITION
AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND
FISCAL YEAR 1960**

LETTER
FROM
ACTING SECRETARY OF THE TREASURY
TRANSMITTING
**THE FIFTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND, PURSUANT TO SECTION
209(e) (1) OF THE HIGHWAY REVENUE ACT OF 1956**



**MARCH 1, 1961.—Referred to the Committee on Ways and Means
and ordered to be printed**

**U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1961**

57011



LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, March 1, 1961.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I have the honor to transmit herewith the fifth annual report on the financial condition and fiscal operations of the Highway Trust Fund, as required by Section 209(e)(1) of the Highway Revenue Act of 1956.

The narrative of the report offers comment on the highlights of the fund with respect to the current year and comparative prior year operations and financial condition, the projections of operations and financial condition under existing legislation, and projections giving effect to proposed legislation. These comments are supported by statements containing figures on the estimated operations and financial condition for each fiscal year, through June 30, 1973, as required by the act.

Sincerely yours,

HENRY H. FOWLER,
Acting Secretary of the Treasury.



FIFTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1960

Section 209(a) of the Highway Revenue Act of 1956, approved June 29, 1956 (23 U.S.C. 120 note), provided for the establishment of the highway trust fund on the books of the Treasury. Certain taxes on vehicles and products connected with the use of the public highways are credited to the general fund of the Treasury and amounts equal to specified percentages of such taxes are transferred to the trust fund. The transfers to the fund are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to reflect actual receipts. There are also credited to the fund certain advances from the general fund as authorized and made available by law. Amounts required for disbursements to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Funds in excess of disbursement requirements are invested in public debt securities and interest thereon is credited to the fund. Other charges to the trust fund are made by the Secretary of the Treasury for refunds of certain of the taxes, repayments of advances from the general fund, and the interest on such advances.

Pursuant to section 209(e) of the act, the Secretary of the Treasury is required, after consultation with the Secretary of Commerce, to report to the Congress, not later than the 1st day of March of each year, on the financial condition and the results of operations of the fund during the preceding fiscal year, and on the expected condition and operations of the fund during each fiscal year following, up to and including the fiscal year ending June 30, 1973.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

Motor fuel taxes were increased by 1 cent per gallon, in fiscal year 1960, by the act approved September 21, 1959, effective October 1, 1959. Other excise taxes on vehicles and products connected with highway use remained unchanged. Transfers to the trust fund during the year amounted to \$2,642.5 million as compared with \$2,171 million in fiscal year 1959. The increase of \$471.5 million over fiscal year 1959 reflects the rise in the tax rate and consumption of motor fuel (aggregating over \$393.6 million) and a higher level of sales of tires, tubes and tread rubber, trucks, buses, etc. (aggregating almost \$77.9 million). The comparative transfers and net increases are shown in statement No. 1 and summarized below.

2 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1960

[Dollars in millions]

Type of tax and percent	1960		1959		Increase
	Percent of total	Taxes transferred	Percent of total	Taxes transferred	
Gasoline and diesel fuel.....	81.2	\$2,147.1	80.8	\$1,753.5	\$393.6
Tires.....	10.7	281.2	11.4	247.2	34.0
Inner tubes and tread rubber.....	1.3	34.5	1.3	29.0	5.5
Trucks, buses, etc.....	5.4	141.9	4.9	107.4	34.5
Truck use.....	1.4	37.7	1.6	33.9	3.9
Total.....	100.0	2,642.5	100.0	2,171.0	471.5

Under the provisions of section 209(c) amounts are appropriated and transferred to the trust fund monthly on the basis of estimates. These estimates are adjusted periodically to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred resulted in additional net appropriations to the fund of \$24.2 million during fiscal year 1960, included in the above totals. The adjustments were less than 1 percent of the total transfers to the fund.

Expenditures representing refunds of highway revenue taxes, formerly shown as part of the gross expenditures of the fund, are shown separately in this report as reductions of transfers to the fund. These refunds, which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f)(3) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service. The refunds amounted to \$103.5 million in fiscal year 1960, compared with \$96.9 million in 1959. Thus, the transfers to the fund in fiscal year 1960, net of refunds, amounted to \$2,539 million, as against net transfers of \$2,074.1 million in 1959.

During fiscal year 1960, there was credited to the trust fund a total of \$359 million, as interest-bearing repayable advances from the general fund, appropriated by Public Law 86-383, approved September 28, 1959. There was also credited \$1.9 million in interest on investments of the fund in public debt securities, bringing the total credits to \$2,899.9 million as compared with the total of \$2,087.7 million in 1959.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

[In millions]

	Fiscal year 1960	Fiscal year 1959	Increase or decrease (-)
Transfers on basis of estimates.....	\$2,018.3	\$2,143.2	\$475.1
Plus quarterly adjustments.....	24.2	27.8	-3.6
Total transfers.....	2,642.5	2,171.0	471.5
Less refunds of taxes.....	103.5	96.9	6.6
Net transfers.....	2,539.0	2,074.1	464.9
Interest on investments.....	1.9	13.6	-11.7
General fund advances.....	359.0		359.0
Total receipts.....	2,899.9	2,087.7	812.2

EXPENDITURES

Federal-aid highway program disbursements are made by the Treasury Department, as vouchered by the Bureau of Public Roads, Department of Commerce, from the uninvested trust funds available for disbursement. During fiscal year 1960, these disbursements amounted to \$2,940.3 million, an increase of \$327.7 million over the program disbursements of \$2,612.6 million in 1959. Repayments of general fund advances and the interest thereon in fiscal year 1960, not included in the program disbursements, amounted to \$359.0 million and \$5.1 million, respectively. Total disbursements from the fund thus amounted to \$3,304.3 million, as shown in statement No. 1, and summarized as follows:

[In millions]

	Fiscal year 1960	Fiscal year 1959	Increase
Highway program.....	\$2,940.3	\$2,612.6	\$327.7
Repayment of advances.....	359.0	-----	359.0
Interest on advances.....	5.1	-----	5.1
Total disbursements.....	3,304.3	2,612.6	691.7

INVESTMENTS

Balances in the trust fund not required to meet current withdrawals for disbursement are invested by the Secretary of the Treasury in interest-bearing obligations of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. On June 30, 1960, the fund held \$1.3 million in special issues of Treasury certificates of indebtedness bearing interest at 3½ percent per annum, maturing June 30, 1961. This compares with holdings of \$429.2 million on June 30, 1959, in Treasury certificates of indebtedness at 2¾ percent per annum. The reduction of investments during the year provided funds needed for current program disbursements.

BALANCE IN THE FUND

The balance of the fund as of June 30, 1959, was \$523.6 million. As stated above, the total receipts were \$2,899.9 million, and the total disbursements were \$3,304.3 million during fiscal year 1960. This resulted in an excess of disbursements of \$404.4 million for the year and a balance of \$119.2 million as of June 30, 1960. The balance consisted of the investments of \$1.3 million and a total of \$117.9 million available for disbursement.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1960

CUMULATIVE SUMMARY

Cumulative operations of the fund from inception in 1956 through June 30, 1960, are summarized as follows:

[In millions]

	Receipts and expenditures			
	Total	Program operations	Interest	Advances
Receipts:				
Gasoline and diesel fuel taxes.....	\$6,924.0	\$6,924.0		
Tires, tubes, and tread rubber taxes.....	959.9	959.9		
Trucks, buses, etc., and truck use taxes.....	524.6	524.6		
Total tax receipts.....	8,408.5	8,408.5		
Less refunds of taxes.....	290.3	290.3		
Net tax receipts.....	8,118.2	8,118.2		
Interest on investments.....	36.2		36.2	
Advances from general fund.....	359.0			359
Total receipts.....	8,513.4	8,118.2	36.2	359
Expenditures:				
Highway program.....	8,029.7	8,029.7		
Repayment of advances.....	359.0			359
Interest on advances.....	5.1		5.1	
Administration of labor standards.....	.4	.4		
Total expenditures.....	8,394.2	8,030.1	5.1	359
Balance in the fund.....	119.2	88.1	31.1	
Fund assets:				
Undisbursed appropriations.....	117.9			
Investments.....	1.3			
Total.....	119.2			

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislative enactments of the 86th Congress, 2d session, involving operations of the trust fund in the fiscal year 1961 and subsequent years consist of the following:

Public Law 86-440, approved April 22, 1960 (74 Stat: 81), amended the Internal Revenue Code of 1954 by adding a new paragraph to section 4071(a) which fixed a tax of 1 cent per pound on laminated tires produced from used rubber and provided that the amendment shall apply to the items relating to transfer to the highway trust fund.

Public Law 86-451, approved May 13, 1960 (74 Stat. 93), appropriated \$2,688,691,500 for Federal-aid highways, or so much thereof as may be available in the trust fund for the fiscal year 1961. This act also provided the appropriation of \$160 million for repayable advances to the trust fund as authorized by section 209(d) of the 1956 act, of which \$60 million was advanced in October 1960, and repaid in full, with interest, in January 1961.

Public Law 86-657, approved July 14, 1960 (74 Stat. 522) authorized the appropriation of Federal-aid highway funds totaling \$925 million for continuation of the primary, secondary, and urban program

for each of the fiscal years 1962 and 1963. Resulting expenditures are to be paid from revenues accruing to the highway trust fund. Section 8(g) of this act extended Federal financing to the full 41,000-mile Interstate System as authorized by the 1956 act, which provided for an additional 1,000 miles of designated Interstate System but did not include financing provisions for the additional 1,000 miles.

Increased apportionments for highway construction which were authorized in 1958 as an antirecession measure caused the trust fund to be faced with a prospective deficit in 1960. As a measure of temporary relief Congress enacted an appropriation in the amount of \$359 million for repayable advances to the trust fund during fiscal year 1960. This amount was advanced and subsequently repaid in full, with interest, before the close of the fiscal year. Even with 1 cent per gallon raise in gasoline taxes approved in Public Law 86-342 from October 1, 1959, through June 30, 1961, and the provision for transfer of part of the excise tax on automobiles, parts, and accessories during the 3 subsequent years, the revenues were estimated at less than needed to maintain apportionments at the level authorized in the 1958 act. Accordingly, the interstate apportionment for the fiscal year 1961 was limited by the Secretary of Commerce to \$1,800 million out of the \$2 billion authorized by the 1959 act.

The full amount of \$2,200 million authorized by the 1956 act for the Interstate System for fiscal year 1962 was apportioned to the States by the Secretary of Commerce, effective August 1, 1960.

The aggregate of authorizations provided for interstate highway construction by the Highway Acts of 1956, 1958, and 1959 amounts to \$25,125 million. These authorizations plus \$315 million carryover of unliquidated authorizations from prior acts have been apportioned or are scheduled for apportionment through fiscal year 1971 in amounts that can be supported by the estimated availability of funds as indicated in statement No. 2.

Highway expenditures during fiscal year 1960 of \$2,940 million were covered by net revenues of \$2,541 million collected during the year, including \$2 million interest on invested funds, plus the \$523 million balance carried over from the previous year. The trust fund balance at the close of 1960 amounted to \$119 million. Statement No. 2 shows the actual and estimated receipts, expenditures, and balances for fiscal years 1957 through 1973 under existing legislation. The total net receipts including interest on investments is estimated at \$42,811 million as compared with an estimated net total of \$43,323 million in the 1959 report. The decrease results primarily from lower estimates of revenue from the motor-fuel tax expected to result from increased use of compact cars. Expenditures are estimated at \$40,485 million for the highway program, with interstate expenditure included at \$25,440 million, the total authorized amount. This total compares with estimated expenditures of \$40,183 million in the 1959 report. The primary, secondary, and urban expenditures are estimated to total \$14,370 million, an increase of \$320 million over the amount included in the 1959 report by reason of projecting the ABC program at the level of \$925 million a year as authorized by the 1960 act instead of at the previously estimated level of \$900 million annually.

UNDER PROPOSED LEGISLATION

The Highway Revenue Act of 1956, section 209(b), sets forth the congressional policy on the highway program, as follows:

(b) **DECLARATION OF POLICY.**—It is hereby declared to be the policy of the Congress that if it hereafter appears—

(1) that the total receipts of the Trust Fund (exclusive of advances under subsection (d)) will be less than the total expenditures from such Fund (exclusive of repayments of such advances); or

(2) that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable, the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures, or such equitable distribution, as the case may be.

This policy of the Congress is amended by section 209(g) of the act, providing for adjustment of apportionments to States of interstate funds so that expenditures would not exceed receipts in any fiscal year, as follows:

SEC. 209. (g) ADJUSTMENTS OF APPORTIONMENTS.—The Secretary of the Treasury shall from time to time, after consultation with the Secretary of Commerce, estimate the amounts which will be available in the Highway Trust Fund * * *. In any case in which the Secretary of the Treasury determines that * * * the amounts available will be insufficient to defray the expenditures * * * he shall so advise the Secretary of Commerce and * * * as to the amounts which * * * will be available * * * to defray the expenditures required as a result of apportionments * * *. The Secretary of Commerce * * * shall thereafter apportion to the States for such fiscal year * * * in lieu of the amount which * * * would be so apportioned. * * * Whenever the Secretary of the Treasury determines that there will be available * * * to defray expenditures * * * previously withheld from apportionment * * * the Secretary of Commerce shall apportion to the States such portion of the funds so withheld from apportionment * * * without causing expenditures from the Highway Trust Fund for the Interstate System to exceed the amounts available * * *.

In line with the foregoing declarations of policy, the message of the President in the budget (M-11) for 1962 again points out the need for enactment of legislation that had been recommended in the 1960 budget and included in the 1961 budget document but had not been voted by Congress. The 1962 budget document further recommends an appropriation for fiscal year 1962 of \$2,991 million, exclusive of \$37 million for forest and public lands highways. The budget message also includes a proposal for retention of aviation fuel tax revenues in the general fund and a proposal to finance the forest and public lands highway programs from the highway trust fund.

The message of the President in the budget (M-11) for 1962 further proposes that the motor-fuel tax be raised to 4½ cents per gallon and proposes repealing the transfer of excise taxes on automobiles, parts, and accessories from the general fund during fiscal years 1962, 1963, and 1964. It also proposes a 4½-cents-per-gallon tax on aviation fuels with the receipts to be directed to the general fund. The foregoing proposals have not yet been covered by formal legislative bills in the 87th Congress.

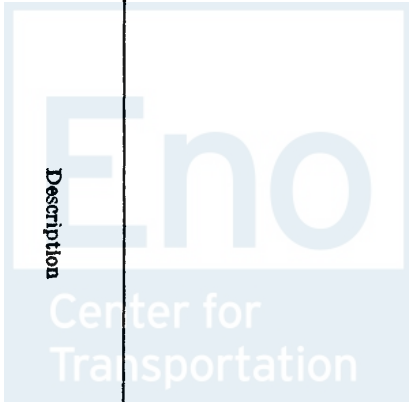
Statement No. 3 shows the actual and estimated receipts, expenditures, and balances for fiscal years 1957 through 1973 under existing and proposed legislation. The net receipts from excise taxes available for highways total an estimated \$51,413 million, including interest, as compared with \$43,195 million in the 1959 report. Estimated expenditures total \$14,370 million for the ABC program and

\$1,072 million for the emergency relief, forest highways, and public lands highway programs. Revenues that would accrue to the highway trust fund through fiscal year 1972 from existing trust fund sources and as augmented by revenues from the 4½-cent motor fuel tax, as presently estimated, are not sufficient to finance estimated Federal highway costs, but adequate revenues could be provided by the extension of the proposed tax program for 6 months beyond June 30, 1972.

REQUIREMENTS TO COMPLETE THE INTERSTATE HIGHWAY SYSTEM

Federal funds authorized by Congress for highway construction are apportioned among the several States at least 6 months before the beginning of the year for which authorized and remain available for expenditure for 2 fiscal years following the close of the year for which authorized. Apportionments of interstate funds are made on the basis of estimates by the Secretary of Commerce in cooperation with each State highway department of the cost of completing the designated Interstate System in each State. Such estimates of cost are subject to the approval of Congress prior to their use as a basis of apportionment. The first such estimate was submitted to Congress on January 12, 1958, and served as the basis of interstate apportionments for fiscal years 1960, 1961, and 1962. A revised estimate of cost was submitted to the Congress on January 11, 1961, and, subject to the approval of Congress, is expected to serve as the basis of apportionments for years 1963 through 1966. Subsequent reports are due annually thereafter through 1968. The 1961 Interstate System cost estimate, printed as House Document No. 49, 87th Congress, 1st session, indicates that \$37 billion of Federal funds will be required for completion of the 41,000-mile Interstate System at a total cost, including State matching funds, of \$41 billion. It further indicates that additional Federal funds totaling \$11.56 billion need to be authorized, to complete the Federal financing of the system. Proposed legislation, possibly with extension for 6 months beyond June 30, 1972, would provide required revenues.

Due to the statutory requirement that this report be submitted to the Congress not later than the 1st day of March of each year, the projections included herein under "Proposed Legislation" have been made without reference to the recommendations included in the President's special message on highways, addressed to the Congress on February 28, 1961.



STATEMENT NO. 1
 Status of highway trust fund, June 30, 1960

Description	Internal Revenue Code section	Cumulative through June 30, 1960		Fiscal year 1960		Fiscal year 1959		Increase or decrease (-) 1960 over 1959
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline (including floor taxes)	4081, 4426(a)-1	\$6,711,181,294.42	78.8	\$2,065,521,482.09	71.3	\$1,702,579,746.22	81.6	\$362,941,735.87
Diesel fuel	4081	212,841,772.65	2.5	81,628,340.91	2.8	50,955,262.84	2.4	30,673,078.07
Tires, highway vehicles and other	4071(a)-2	854,939,672.23	10.0	281,184,230.87	9.7	247,257,898.40	11.8	33,926,332.47
Inner tubes	4071(a)3	51,078,962.98	.6	18,630,208.73	.7	14,874,480.85	.7	3,755,717.88
Tread rubber	4071(a)4	53,865,045.64	.7	15,675,917.71	.6	14,101,946.99	.7	1,574,070.72
Trucks, buses, etc.	4061(a)1	394,271,645.89	4.7	141,946,823.26	4.9	107,394,255.33	5.1	34,552,567.93
Truck use	4481	130,289,849.18	1.5	37,712,114.49	1.3	33,852,363.82	1.6	3,859,750.67
Total highway taxes		8,408,468,242.99	98.8	2,642,489,118.06	91.4	2,171,015,864.15	103.9	471,483,253.91
Less refund of taxes (reimbursed to general fund):								
Gasoline use on farms	6420	234,066,871.44	2.7	81,918,786.21	3.1	78,596,984.93	3.7	3,321,801.28
Gasoline for nonhighway purposes or local transit	6421	56,052,961.12	.7	21,466,182.33	.7	18,274,951.09	.8	3,191,231.24
Gasoline, other	4081	38,814,16	(*)	1,042.37	(*)	16,507.92	(*)	-15,493.55
Tires and tread rubber	4071(a)	97,416.90	(*)	83,750.75	(*)	3,522.77	(*)	80,227.98
Trucks, buses, etc.	4061(a)	26,660.21	(*)	2,780.87	(*)	7,776.24	(*)	-4,995.37
Total refunds of taxes		290,302,123.83	3.4	103,472,542.53	3.9	96,899,742.95	4.5	6,572,799.58
Net highway taxes								
Interest on investments		8,118,166,119.16	95.4	2,539,026,575.53	87.5	2,074,116,121.20	99.4	464,910,454.33
Advances from general fund		36,213,565.44	.4	1,854,801.42	.1	13,583,651.19	.6	-11,728,849.77
Total receipts		8,513,384,684.60	100.0	2,899,881,376.95	100.0	2,087,699,772.39	100.0	812,181,604.56
EXPENDITURES								
Highway program		8,029,728,938.35	95.7	2,940,251,130.14	89.0	2,612,576,423.10	100.0	327,674,707.04
Repayment of general fund advances		359,000,000.00	4.3	359,000,000.00	10.8			359,000,000.00
Interest on advances		5,096,704.82	(*)	5,096,704.82	.2			5,096,704.82

Administration and enforcement of labor standards								
Total expenditures	368,225.00	(*)						
Balance in trust fund	8,394,183,868.17	100.0	3,304,317,834.96	100.0	2,612,576,423.10	100.0	691,741,411.86	
	119,220,816.43		-404,436,458.01		-524,876,650.71			
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
2 1/2 percent maturing June 30, 1959			-428,214,000.00		-822,226,000.00			
2 1/2 percent maturing June 30, 1960	1,335,000.00		1,335,000.00		428,214,000.00			
3 1/4 percent maturing June 30, 1961	117,885,816.43		23,442,541.99		-131,864,650.71			
Undisbursed balances								
Total assets	119,220,816.43		-404,436,458.01		-524,876,650.71			

* Less than \$50,000.

STATEMENT NO. 2
Status of highway trust fund, actual fiscal years 1957-60, and estimates, 1961-73, under existing legislation
 [In millions of dollars]

Fiscal Year	Receipts					Expenditures							Balance in the fund	
	Gross excise taxes	Refunds of taxes	Net excise taxes	Interest on invest- ments	General fund ad- vances	Total	Highway program			Repay- ment of general fund ad- vances with interest	Total			
							Interstate Author- ized	Available for addi- tional authori- zations	Primary, second- ary, and urban 1			Other 2		
Actual:														
1957	1,479	90	1,479	3	60	1,482	208	743	15	966	63	966	516	
1958	2,116	97	2,026	18	---	2,044	675	809	27	1,511	---	1,511	1,049	
1959	2,171	97	2,074	13	---	2,087	1,501	839	273	2,613	---	2,613	523	
1960	2,642	103	2,539	2	---	2,900	1,861	879	200	2,940	364	3,304	119	
Estimate:														
1961	2,967	128	2,839	1	60	2,920	1,901	923	44	2,868	63	2,931	108	
1962	3,346	132	3,214	2	---	3,216	2,078	902	11	2,991	---	2,991	333	
1963	3,313	93	3,220	3	---	3,223	2,278	901	11	3,190	---	3,190	366	
1964	3,399	95	3,304	4	---	3,308	2,141	917	11	3,069	---	3,069	505	
1965	2,608	95	2,513	4	---	2,517	1,838	929	11	2,778	---	2,778	344	
1966	2,665	96	2,569	4	---	2,573	1,670	933	11	2,611	---	2,611	306	
1967	2,722	97	2,625	4	---	2,629	1,673	933	10	2,617	---	2,617	318	
1968	2,778	99	2,679	4	---	2,683	1,705	933	10	2,648	---	2,648	353	
1969	2,836	101	2,735	4	---	2,739	1,795	933	10	2,738	---	2,738	354	
1970	2,895	102	2,793	4	---	2,797	1,746	933	10	2,689	---	2,689	462	
1971	2,961	104	2,857	4	---	2,861	1,746	933	10	2,689	---	2,689	462	
1972	3,031	105	2,926	4	---	2,930	1,997	933	10	3,564	---	3,564	634	
1973	4,489	138	4,351	4	---	4,355	3,321	933	10	4,321	---	4,321	---	
Total	44,410	1,677	42,733	78	419	43,230	25,440	14,370	675	42,803	427	43,230	---	

1 Assuming authorizations will be extended for fiscal years 1964-72 at rate of \$925,000,000 annually.
 2 Includes emergency relief funds, bridge and dam design and construction funds, ad-

STATEMENT NO. 3
 Status of highway trust fund, actual fiscal years 1957-60, and estimates 1961-73, under existing and proposed legislation
 (In millions of dollars)

Fiscal year	Receipts					Expenditures							Balance in the fund		
	Gross excise taxes	Deductions: Refunds of taxes	Tax on aviation fuel	Net excise taxes	Interest on investments	General fund advances	Total	Highway program			Repayment of general fund advances with interest	Total			
							Present authorizations	Available for additional authorizations	Total	Primary, secondary, and urban	Other	Total			
Actual:															
1957	1,478	90	---	1,478	3	---	208	---	208	743	15	966	---	966	516
1958	2,116	97	---	2,098	18	---	675	---	675	909	27	1,511	---	1,511	1,048
1959	2,171	87	---	2,074	13	---	1,501	---	1,501	839	273	2,613	---	2,613	523
1960	2,642	103	---	2,539	2	359	1,861	---	1,861	879	200	2,940	304	3,304	119
Estimate:															
1961	2,987	128	---	2,859	1	60	1,901	---	1,901	923	44	2,868	63	2,931	108
1962	3,326	129	---	3,156	2	---	2,078	---	2,078	902	48	3,028	---	3,028	241
1963	3,467	128	---	3,297	3	---	2,278	38	2,316	901	47	3,264	---	3,264	277
1964	3,555	130	---	3,367	4	---	2,141	243	2,384	917	47	3,348	---	3,348	320
1965	3,638	132	---	3,474	4	---	1,838	632	2,470	929	47	3,446	---	3,446	352
1966	3,719	134	---	3,555	4	---	1,670	880	2,550	930	47	3,527	---	3,527	384
1967	3,797	137	---	3,630	4	---	1,673	974	2,647	933	47	3,627	---	3,627	391
1968	3,875	139	---	3,706	4	---	1,705	1,036	2,741	933	46	3,720	---	3,720	381
1969	3,956	141	---	3,785	4	---	1,795	1,030	2,825	933	46	3,804	---	3,804	369
1970	4,042	143	---	3,869	4	---	1,746	1,151	2,897	933	46	3,876	---	3,876	363
1971	4,135	146	---	3,959	4	---	1,746	1,250	2,996	933	46	3,975	---	3,975	351
1972	4,233	148	---	4,055	4	---	624	2,372	2,996	933	46	3,975	---	3,975	435
1973	4,233	148	---	4,055	4	---	917	2,464	2,996	933	46	3,975	---	3,975	435
1973	4,233	148	---	4,055	4	---	917	2,464	2,996	933	46	3,975	---	3,975	435
Total	53,909	2,108	366	51,335	78	419	51,832	25,440	35,963	14,370	1,072	51,405	427	51,832	---

1 Assuming authorizations will be extended for fiscal years 1964-72 at the rate of \$825,000,000 annually.
 2 Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958, forest highways and public lands highways beginning July 1, 1961.
 3 Receipts on tax liabilities accrued prior to July 1, 1972.
 4 Extension of the highway revenue taxes to Dec. 31, 1972, may be necessary to complete the \$37,000,000,000 estimated cost of the Interstate program.

FINANCIAL CONDITION
AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND

FISCAL YEAR 1961

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

THE SIXTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND, PURSUANT TO SECTION
209(e) (1) OF THE HIGHWAY REVENUE ACT OF 1956



MARCH 1, 1962.—Referred to the Committee on Ways and Means
and ordered to be printed

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LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1962.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER. In accordance with the provisions of section 209(e)(1) of the Highway Revenue Act of 1956, I have the honor to submit the sixth annual report on the financial condition and fiscal operations of the highway trust fund.

Comments on the highlights of the fund are made in the narrative discussing the current and prior year operations and financial condition, as well as the estimated operations and financial condition for the ensuing years. As required by the act, supporting statements in the report contain annual and cumulative data on the operations and financial condition, on the basis of existing and proposed legislation, for each fiscal year through June 30, 1973.

Sincerely yours,

DOUGLAS DILLON,
Secretary of the Treasury.

SIXTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1961

Section 209(a) of the Highway Revenue Act of 1956, approved June 29, 1956 (23 U.S.C. 120 note), provided for the establishment of the highway trust fund on the books of the Treasury. Certain taxes on vehicles and products connected with the use of the public highways are credited to the general fund of the Treasury and amounts equal to specified percentages of such taxes are transferred to the trust fund. The transfers to the fund are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to reflect actual receipts. There are also credited to the fund certain advances from the general fund as authorized and made available by law. Amounts required for disbursements to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Funds in excess of disbursement requirements are invested in public debt securities and interest thereon is credited to the fund. Other charges to the trust fund are made by the Secretary of the Treasury for refunds of certain of the taxes, repayments of advances from the general fund, and the interest on such advances.

Pursuant to section 209(e) of the act, the Secretary of the Treasury is required, after consultation with the Secretary of Commerce, to report to the Congress, not later than the 1st day of March of each year, on the financial condition and the results of operations of the fund during the preceding fiscal year, and on the expected condition and operations of the fund during each fiscal year following, up to and including the fiscal year ending June 30, 1973.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

The Federal-Aid Highway Act of 1961, Public Law 87-61, approved June 29, 1961 (75 Stat. 122-129), contains provisions for certain adjustments in the highway program, in addition to increasing certain of the excise taxes, effective in fiscal year 1962 and continuing in effect to September 30, 1972. The revenue provisions of the act continued gasoline and diesel fuel taxes at 4 cents a gallon; increased taxes on tires and inner tubes from 8 and 9 cents per pound, respectively, to 10 cents per pound; increased the tax on tread rubber from 3 to 5 cents per pound; increased the use tax on highway vehicles of more than 26,000 pounds gross weight, from \$1.50 to \$3 per thousand pounds per year; and provided for transfer of all revenues from the 10-percent excise tax on trucks, buses, and trailers to the trust fund after June 30, 1962. These provisions also call for extension of the taxing period as well as the period of authority to make transfers to

2 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1961

the trust fund from June 30, 1972, to September 30, 1972. Public Law 86-342, approved September 21, 1959, contained a provision for transferring to the trust fund a part of the excise taxes on automobiles, parts, and accessories during fiscal years 1962 through 1964. This provision was repealed by section 207(b) of the Federal-Aid Highway Act of 1961.

Tax rates on motor fuels, vehicles, and products connected with highway use did not change during fiscal year 1961. Transfers to the trust fund, net of refunds, amounted to \$2,797.5 million. This is a net increase of \$258.5 million over transfers in fiscal year 1960, consisting of \$317 million in tax receipts from sales of motor fuels and \$9.1 million from truck use taxes, less \$67.4 million due to decreases in receipts from other highway use taxes. Increased receipts from motor fuel taxes reflect principally the collections at the 4 cents per gallon rate for the full fiscal year 1961, compared to only 7 months' collections at that rate in 1960. Decreases in receipts from taxes on highway vehicles and products connected with highway use reflect a lower level of sales of these items. The comparative figures for fiscal years 1960 and 1961 are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax and percent	1960		1961		Increase or decrease (-)	
	Percent of total	Net taxes transferred	Percent of total	Net taxes transferred		
	<i>Percent</i>					
Gasoline and diesel fuel.....	100	80.5	\$2,043.7	84.4	\$2,300.7	\$317.0
Tires.....	100	11.1	231.1	8.8	246.0	-35.1
Inner tubes and tread rubber.....	100	1.4	34.5	1.0	23.5	-0.0
Trucks, buses, etc.....	50	5.5	141.9	4.1	115.0	-26.3
Truck use.....	100	1.5	37.7	1.7	46.8	9.1
Total.....		100.0	2,530.0	100.0	2,797.5	258.5

The gross amounts were appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred resulted in reductions of appropriations to the fund of \$43.7 million during fiscal year 1961, included in the above totals. The adjustments were less than 2 percent of the total transfers to the fund.

Refunds of taxes which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f)(3) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service, and shown in this report as reductions of transfers to the fund. The refunds amounted to \$125.7 million in fiscal year 1961, compared with \$103.5 million in 1960.

During fiscal year 1961 there was credited to and repaid from the trust fund a total of \$60 million, as interest-bearing repayable advances from the \$160 million appropriated by Public Law 86-451, approved May 13, 1960. There was also credited \$2 million in interest on investments of the fund in public debt securities, bringing the total credits to \$2,799.6 million as compared with the total of \$2,540.9 million in 1960.

FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1961 3

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

[In millions]

	Fiscal year 1960	Fiscal year 1961	Increase or decrease (+)
Transfers on basis of estimates.....	\$2,618.3	\$2,966.9	\$348.6
Quarterly adjustments.....	24.2	-43.7	-67.9
Total transfers.....	2,642.5	2,923.2	280.7
Less refunds of taxes.....	103.5	125.7	22.2
Net transfers.....	2,539.0	2,797.5	258.5
Interest on investments.....	1.9	2.0	.1
General fund advances.....	359.0	60.0	299.0
Less repayment of advances.....	-359.0	-60.0	-299.0
Total receipts.....	2,540.9	2,799.0	258.7

EXPENDITURES

Federal-aid highway program disbursements are made by the Treasury Department, as vouchered by the Bureau of Public Roads, Department of Commerce, from the uninvested trust funds available for disbursement. During fiscal year 1961, these disbursements amounted to \$2,619.2 million, a decrease of \$321.1 million from the program disbursements of \$2,940.3 million in 1960. Payments of interest on general fund advances in fiscal year 1961, not included in the program disbursements, amounted to \$0.5 million, compared with \$5.1 million in 1960. Total disbursements from the fund thus amounted to \$2,619.7 million, compared with \$2,945.3 million in 1960, as shown in statement No. 1 and summarized as follows:

[In millions]

	Fiscal year 1960	Fiscal year 1961	Decrease
Highway program.....	\$2,940.3	\$2,619.2	\$321.1
Interest on advances.....	5.1	.5	4.5
Total disbursements.....	2,945.3	2,619.7	325.6

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current withdrawals for disbursement were invested by the Secretary of the Treasury in interest-bearing obligations of the United States issued exclusively to the trust fund, as authorized by section 209(a)(2) of the act. On June 30, 1961, the fund held \$234 million in special issues of Treasury certificates of indebtedness bearing interest at 3 percent per annum, maturing June 30, 1962. This compares with holdings of \$1.3 million on June 30, 1960, in Treasury certificates of indebtedness at 3½ percent per annum. The increase in investments during the year was made from funds temporarily not needed for current program disbursements.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1961

BALANCE IN THE FUND

The balance of the fund as of June 30, 1960, was \$119.2 million. As stated previously, the total receipts were \$2,799.6 million, and the total disbursements were \$2,619.7 million during fiscal year 1961. This resulted in an excess of receipts of \$179.8 million for the year and a balance of \$299.1 million as of June 30, 1961. This balance consisted of the investments of \$234 million and a total of \$65 million available for disbursement.

CUMULATIVE SUMMARY

Cumulative operations of the fund from inception in 1956 through June 30, 1961, are summarized as follows:

[In millions]

	Receipts and expenditures			
	Total	Program operations	Interest	Advances
Receipts:				
Gasoline and diesel fuel taxes.....	\$9,410.4	\$9,410.4		
Tires, tubes, and tread rubber taxes.....	1,234.4	1,234.4		
Trucks, buses, etc. and truck use taxes.....	680.9	680.9		
Total tax receipts.....	11,331.7	11,331.7		
Less refunds of taxes.....	416.0	416.0		
Net tax receipts.....	10,915.7	10,915.7		
Interest on investments.....	38.2		\$38.2	
Advances from general fund.....	419.0			\$419.0
Repayment of advances.....	-419.0			-419.0
Total receipts.....	10,953.9	10,915.7	38.2	
Expenditures:				
Highway program.....	10,048.0	10,048.0		
Interest on advances.....	5.6		5.6	
Administration of labor standards.....	.4	.4		
Total expenditures.....	10,054.0	10,049.3	5.6	
Balance in the fund.....	299.1	299.5	32.6	
Fund assets:				
Undisbursed appropriations.....	65.0			
Investments.....	234.0			
Total.....	299.1			

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislative enactments of the 87th Congress, 1st session, involving operations of the trust fund in the fiscal year 1962 and subsequent years, consist of the following:

Public Law 87-61 approved June 29, 1961, amended the Federal-Aid Highway Acts of 1956 and 1959 (1) to increase the authorizations of Federal funds for completion of the Interstate System and (2) to provide the increased revenues necessary to finance the increased authorizations on a pay-as-you-go basis. The authorizations now

total \$37 billion, including the unpaid balance of prior authorizations carried forward into the highway trust fund on July 1, 1956. This represented an increase of \$11.56 billion over previous authorizations and covered the full Federal share of the estimated cost of completing the Interstate System as reported by House Document 49, 87th Congress, 1st session. The act also approved this estimate as a basis for making apportionments of interstate funds authorized for the fiscal years ending June 30, 1963, 1964, 1965, and 1966.

The full amount of \$2.4 billion authorized by the 1961 act for the Interstate System for the fiscal year 1963 was apportioned to the States by the Secretary of Commerce, effective August 17, 1961. The sum of \$925 million of Federal-aid primary, secondary, and urban funds authorized by the 1960 act for the fiscal year 1963 was apportioned to the States, effective August 17 and October 10, 1961.

The authorizations of interstate funds as contained in the 1961 act provide annual amounts of interstate funds through the fiscal year 1971 in the amounts that can be supported by the estimated availability of funds as indicated in statements Nos. 2 and 3.

Highway expenditures during the fiscal year 1961 of \$2,619 million were covered by net revenues of \$2,800 million collected during the year, including \$2 million of interest on invested funds but excluding \$60 million advanced from the general fund and repaid during the year with interest amounting to \$0.5 million. The trust fund balance at the close of 1961 amounted to \$299 million.

Statement No. 2 shows actual and estimated revenues, expenditures, and balances for the fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$52,463 million for the highway program, exclusive of repayable advances plus interest. Interstate program costs are estimated at \$37 billion; as discussed above. Primary, secondary, urban, and other expenditures are estimated to total \$15,463 million, an increase of \$418 million over the amount included in the 1960 report by reason of projecting the A-B-C program with biennial increases of \$25 million to a level of \$1 billion annually in accord with the intent of Congress as expressed during 1961 hearings, instead of at the previously estimated level of \$925 million a year, and by an estimated \$60 million decrease in other (flood relief) expenditure requirements.

Estimated highway trust fund receipts of \$52,645 million, which include \$419 million of general fund advances less repayments in 1960 and 1961, as shown under existing legislation by statement No. 2, are adequate to cover highway program expenditure requirements, with an estimated balance of \$176 million at the end of the program.

UNDER PROPOSED LEGISLATION

Under legislation amended, as proposed by the President's budget for 1963, to remove the tax on aviation gasoline from the highway trust fund, estimated trust fund receipts would total \$52,515 million, including the \$419 million of general fund advances less repayments in 1960 and 1961. As shown by statement No. 3, this would be adequate to cover estimated highway program expenditures, with an estimated balance of \$46 million at the end of the period.



STATEMENT NO. 1
 Status of highway trust fund, June 30, 1961

Description	Internal Revenue Code section	Cumulative through June 30, 1961		Fiscal year 1961		Fiscal year 1960		Increase or decrease (-) 1961 over 1960
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline (including floor taxes)	4081, 4426(a)-1	\$0,112,630,559.34	83.2	\$2,401,458,264.92	86.0	\$2,065,521,482.09	81.3	\$335,936,782.83
Diesel fuel	4081	297,746,282.78	2.7	84,904,510.13	3.0	81,628,340.91	3.2	3,276,169.22
Tires, highway vehicles and other	4071(a)-2	1,100,923,830.46	10.0	245,984,158.23	8.6	281,184,230.87	11.1	-35,200,072.64
Inner tubes	4071(b)3	63,703,143.34	.6	14,714,152.36	.5	18,830,208.73	.7	-4,116,026.37
Tread rubber	4071(b)4	67,678,687.13	.6	13,813,641.43	.5	15,675,917.71	.6	-1,862,276.22
Trucks, buses, etc	4091(a)1	509,860,803.32	4.7	115,588,157.43	4.1	141,946,823.26	5.6	-26,348,665.83
Truck use	4481	177,057,856.56	1.6	46,768,007.38	1.7	37,712,114.49	1.5	9,055,892.89
Total highway taxes		11,331,709,164.83	103.4	2,923,240,921.94	104.4	2,642,499,118.06	104.0	280,741,803.88
Less refund of taxes (reimbursed to general fund):								
Gasoline use on farms	6420	332,324,629.16	3.0	98,237,757.72	3.5	81,918,796.21	3.3	16,318,971.51
Gasoline for nonhighway purposes or local transit	6421	83,538,275.39	.8	27,485,914.27	1.0	21,406,182.33	.8	5,989,731.94
Gasoline, other	4081	48,283.22	(*)	9,469.06	(*)	1,042.37	(*)	8,426.69
Tires and tread rubber	4071(a)	97,416.90	(*)			83,750.75	(*)	-83,750.75
Trucks, buses, etc	4061(a)	26,600.21	(*)			2,780.87	(*)	-2,780.87
Total refunds of taxes		416,005,264.88	3.8	125,703,141.05	4.5	103,472,542.53	4.1	22,230,598.52
Net highway taxes								
Interest on investments		10,915,703,900.05	99.6	2,797,537,790.89	99.9	2,539,026,575.53	99.9	258,511,204.36
Advances from general fund		38,236,253.82	.4	2,017,718.38	.1	1,854,801.42	.1	162,916.96
Less repayment of advances		419,000,000.00	3.8	60,000,000.00	2.1	359,000,000.00	14.1	-299,000,000.00
		-419,000,000.00	-3.8	-60,000,000.00	-2.1	-359,000,000.00	-14.1	299,000,000.00
Total receipts		10,953,940,183.87	100.0	2,739,555,499.27	100.0	2,540,381,376.95	100.0	258,674,122.32
EXPENDITURES								
Highway program								
Interest on advances		10,648,899,121.72	100.0	2,619,170,153.37	100.0	2,640,251,130.14	99.8	-321,089,946.77
Administration and enforcement of labor standards		3,610,162.02	(*)	543,457.20	(*)	5,066,704.82	.2	-4,533,247.62
		368,225.00						
Total expenditures		10,654,877,508.74	100.0	2,619,713,640.57	100.0	2,645,317,834.96	100.0	-325,004,194.39



STATEMENT NO. 2
Status of highway trust fund, actual fiscal years 1957-61, and estimates, 1962-73, under existing legislation
 [In millions of dollars]

Fiscal year	Receipts						Expenditures					Balance in the fund	
	Gross excise taxes	Refunds of taxes	Net excise taxes	Interest on investments	General fund advances	Repayment of general fund advances	Total	Highway program			Interest on advances		Total
							Interstate	Primary and urban 1	Other 2	Total			
Actual:													
1957	1,479	---	1,479	3	---	---	208	743	15	966	---	966	516
1958	2,116	90	2,026	18	---	---	675	809	27	1,511	---	1,511	1,049
1959	2,171	97	2,074	13	---	---	1,501	839	273	2,613	---	2,613	523
1960	2,642	103	2,539	2	359	---	1,861	879	200	2,940	5	2,945	119
1961	2,923	126	2,798	2	60	60	1,719	877	23	2,619	1	2,620	299
Estimate:													
1962	3,132	135	2,997	4	---	---	2,072	931	22	3,026	---	3,026	274
1963	3,391	133	3,258	4	---	---	2,329	915	8	3,252	---	3,252	284
1964	3,456	133	3,323	4	---	---	2,451	922	6	3,379	---	3,379	282
1965	3,583	133	3,450	4	---	---	2,552	917	6	3,475	---	3,475	241
1966	3,650	134	3,516	4	---	---	2,645	926	6	3,577	---	3,577	214
1967	3,782	135	3,647	4	---	---	2,739	943	6	3,688	---	3,688	177
1968	3,888	138	3,750	4	---	---	2,838	953	5	3,798	---	3,798	135
1969	3,996	139	3,857	4	---	---	2,936	967	5	3,898	---	3,898	138
1970	4,106	141	3,965	4	---	---	2,991	972	5	3,978	---	3,978	149
1971	4,218	144	4,074	4	---	---	2,992	974	5	3,971	---	3,971	149
1972	4,333	146	4,187	4	---	---	3,104	961	5	4,070	---	4,070	176
1973	4,458	155	4,303	4	---	---	3,157	961	5	4,123	---	4,123	176
Total	54,675	2,112	52,563	82	419	419	52,645	37,000	14,845	618	6	52,469	---

1 Assuming authorizations will be extended for the fiscal years 1972-73 with biennial increases of \$25,000,000 (from \$825,000,000 for each of fiscal years 1962 and 1963) to a total of \$1,000,000,000 maximum annually.

2 Includes emergency relief funds, bridge and dam design and construction funds, authorized by sec. 2(a) of Federal-Aid Highway Act of 1958.

3 Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

STATEMENT No. 3

Status of highway trust fund, actual fiscal years 1957-61, and estimates 1962-73, under existing and proposed legislation

[In millions of dollars]

Fiscal year	Receipts			Expenditures						Balance in the fund				
	Gross excise taxes	Deductions Refunds of taxes	Net excise taxes	Interest on investments	General fund advances	Repayment of general fund advances	Total	Highway program Primary and secondary and urban	Other		Total	Interest on advances	Total	
Actual:														
1957	1,479	90	1,479	3			1,482	203	743	15	965		966	516
1958	2,116	97	2,020	18			2,044	675	809	27	1,511		1,511	1,049
1959	2,171	97	2,074	13			2,087	1,801	839	273	2,613		2,613	523
1960	2,642	103	2,539	2	359		2,541	1,861	879	200	2,940	5	2,945	119
1961	2,923	126	2,798	2	60		2,800	1,719	877	23	2,619	1	2,620	299
Estimate:														
1962	3,132	135	2,997	4			3,001	2,672	931	23	3,026		3,026	274
1963	3,391	133	3,258	4			3,250	2,329	915	8	3,252		3,252	272
1964	3,436	121	3,315	4			3,319	2,451	922	6	3,379		3,379	228
1965	3,533	117	3,416	4			3,420	2,552	917	6	3,475		3,475	183
1966	3,680	120	3,560	4			3,564	2,645	926	6	3,577		3,577	153
1967	3,732	122	3,610	4			3,614	2,739	943	6	3,688		3,688	104
1968	3,888	125	3,763	4			3,767	2,838	953	5	3,796		3,796	50
1969	3,996	127	3,869	4			3,873	2,936	967	5	3,898		3,898	61
1970	4,106	127	3,979	4			3,983	3,034	972	5	3,971		3,971	140
1971	4,218	132	4,086	4			4,090	3,136	974	5	4,070		4,070	235
1972	4,333	134	4,199	4			4,203	3,237	981	5	4,217		4,217	344
1973	1,748	172	1,576	4			1,580	3,104	317	5	1,864		1,864	46
Tota.....	54,675	1,983	52,692	\$2	419	419	52,515	37,000	14,845	618	52,463	6	52,469	-----

¹ Assuming authorizations will be extended for the fiscal years 1964-72 with biennial increases to \$25,000,000 (from \$25,000,000 for each of fiscal years 1962 and 1963) to a \$1,000,000,000 maximum annually.

² Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$40,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958.

³ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

FINANCIAL CONDITION AND FISCAL
OPERATIONS OF THE HIGHWAY
TRUST FUND
FISCAL YEAR 1962

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

THE SEVENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND FISCAL OPERATIONS OF THE
HIGHWAY TRUST FUND, PURSUANT TO THE
HIGHWAY REVENUE ACT OF 1956



MARCH 4, 1963.—Referred to the Committee on Ways and Means
and ordered to be printed

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WASHINGTON : 1963



LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1963.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of section 209(e)(1) of the Highway Revenue Act of 1956, I have the honor to submit the seventh annual report on the financial condition and fiscal operations of the highway trust fund.

Comments on the highlights of the fund are made in the narrative discussing the current and prior year operations and financial condition, as well as the estimated operations and financial condition for the ensuing years. As required by the act, supporting statements in the report contain annual and cumulative data on the operations and financial condition, on the basis of existing and proposed legislation, for each fiscal year through June 30, 1973.

Sincerely yours,

DOUGLAS DILLON,
Secretary of the Treasury.

SEVENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1962

FOREWORD

The highway trust fund was established on the books of the Treasury in the fiscal year 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). The fund provides an accounting for the revenues available for Federal-aid highway program purposes, the amounts expended for such purposes, and the balances of the fund as of reporting dates. Specified taxes on gasoline, diesel fuel, tires, tubes, tread rubber, commercial motor vehicles, and truck use are designated by the act for highway purposes. Transfers of amounts collected are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers for the amounts of actual tax receipts. The fund is also credited with repayable advances from the general fund, as and when authorized by law, as well as interest on investments in public debt securities when the balance in the fund in excess of highway requirements permits such investments. Amounts required for disbursements to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Other charges to the trust fund are made by the Secretary of the Treasury for refunds of certain of the taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act, to be submitted by the Secretary of the Treasury not later than the first day of March of each year, after consultation with the Secretary of Commerce. Submissions of reports are required up to and including the fiscal year ending June 30, 1973, covering the financial condition and the results of operations of the fund during the last preceding fiscal year, and the expected condition and operations of the fund during each fiscal year following, through 1973.

FINANCIAL CONDITION AND FISCAL OPERATIONS

RECEIPTS

The most recent legislation affecting the tax collections creditable to the highway trust fund is in the Federal-Aid Highway Act of 1961, Public Law 87-61, approved June 29, 1961 (75 Stat. 122-129), which contains provisions for certain adjustments in the highway program, in addition to increasing certain of the excise taxes, effective in fiscal year 1962 and continuing in effect to September 30, 1972. The revenue provisions of the act continued gasoline and diesel fuel taxes at 4 cents a gallon; increased taxes on highway tires and inner tubes

2 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1962

from 8 and 9 cents per pound, respectively, to 10 cents per pound; increased the tax on tread rubber from 3 cents to 5 cents per pound; increased the use tax on highway vehicles of more than 26,000 pounds gross weight, from \$1.50 to \$3 per thousand pounds per year; and provided further for transfer of all revenues from the 10 percent excise tax on trucks, buses, and trailers to the trust fund after June 30, 1962. These provisions also call for extension of the taxing period, as well as the period of authority to make transfers to the trust fund, from June 30, 1972, to September 30, 1972.

Transfers to the trust fund of amounts equivalent to certain taxes, net of refunds, amounted to \$2,948.7 million in the fiscal year 1962. This is a net increase of \$151.2 million over the transfers of \$2,797.5 million in fiscal year 1961. The increases by type of tax, as shown below, reflect tax receipts from increased sales of motor fuels and from the increased rates of taxes established by the above-cited act. Comparative figures for the fiscal years 1962 and 1961 are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax and percent	1962		1961		Increase
	Percent of total	Net taxes transferred	Percent of total	Net taxes transferred	
	<i>Percent</i>				
Gasoline and diesel fuel.....100	80.5	\$2,373.4	84.4	\$2,360.7	\$12.7
Tires.....100	11.1	327.0	8.8	246.0	81.0
Inner tubes and tread rubber.....100	1.4	40.4	1.0	28.5	11.9
Trucks, buses, etc.....50	4.3	128.0	4.1	115.6	12.4
Truck use.....100	2.7	79.8	1.7	46.8	33.1
Total.....	100.0	2,948.7	100.0	2,797.5	151.2

The gross amounts were appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred resulted in reductions of appropriations to the fund of \$17.7 million during fiscal year 1962, included in the above totals. The adjustments were less than six-tenths of 1 percent of the total transfers to the fund.

Refunds of taxes which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f) (3) and (4) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service, and shown in this report as reductions of transfers to the fund. The refunds amounted to \$131.3 million in fiscal year 1962, compared with \$125.7 million in 1961.

During fiscal year 1962 the trust fund was credited with \$6.8 million in interest on investments of the fund in public debt securities, bringing the total credits to \$2,955.5 million as compared with the total of \$2,799.6 million in 1961.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1962 3

[In millions]

	Fiscal year 1962	Fiscal year 1961	Increase or decrease (—)
Transfers on basis of estimates.....	\$3,097.7	\$2,966.9	\$130.8
Quarterly adjustments.....	-17.7	-43.7	26.0
Total transfers.....	3,080.0	2,923.2	156.8
Less refunds of taxes.....	131.3	125.7	5.6
Net transfers.....	2,948.7	2,797.5	151.2
Interest on investments.....	6.8	2.0	4.8
General fund advances.....	-----	60.0	-60.0
Less repayment of advances.....	-----	-60.0	60.0
Total receipts.....	2,955.5	2,799.6	155.9

EXPENDITURES

Federal-aid highway program disbursements are made by the Treasury Department, as vouchered by the Bureau of Public Roads, Department of Commerce, from the uninvested trust funds available for disbursement. During fiscal year 1962, these disbursements amounted to \$2,783.9 million, an increase of \$164.7 million over the program disbursements of \$2,619.2 million in 1961. Total disbursements from the fund are shown in statement No. 1 and summarized as follows:

[In millions]

	Fiscal year 1962	Fiscal year 1961	Increase or decrease (—)
Highway program.....	\$2,783.9	\$2,619.2	\$164.7
Interest on advances.....	-----	.5	-.5
Total disbursements.....	2,783.9	2,619.7	164.2

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current withdrawals for disbursements were invested by the Secretary of the Treasury in interest-bearing obligations of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. On June 30, 1962, the fund held \$435.9 million in special issues of Treasury certificates of indebtedness bearing interest at 3¼ percent per annum, maturing June 30, 1963. This compares with holdings of \$234 million on June 30, 1961 in Treasury certificates of indebtedness at 3 percent per annum. The increase in investments during the year was made from funds temporarily not needed for current program disbursements.

BALANCE IN THE FUND

The balance of the fund as of June 30, 1961, was \$299.1 million. As stated previously, the total receipts were \$2,955.5 million, and the total disbursements were \$2,783.9 million during fiscal year 1962. This resulted in an excess of receipts of \$171.6 million for the year and a balance of \$470.7 million as of June 30, 1962. This balance consisted of the investments of \$435.9 million and a total of \$34.7 million available for disbursement.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1962

CUMULATIVE SUMMARY

Cumulative operations of the fund from inception in 1956 through June 30, 1962, are summarized as follows:

(In millions)

	Receipts and expenditures			
	Total	Program operations	Interest	Advances
Receipts:				
Gasoline and diesel fuel taxes.....	\$11,915.1	\$11,915.1		
Tires, tubes and tread rubber taxes.....	1,601.8	1,601.8		
Trucks, buses, etc., and truck use taxes.....	894.7	894.7		
Total tax receipts.....	14,411.7	14,411.7		
Less refunds of taxes.....	547.3	547.3		
Net tax receipts.....	13,864.4	13,864.4		
Interest on investments.....	45.0		\$45.0	
Advances from general fund.....	419.0			\$419.0
Repayment of advances.....	-419.0			-419.0
Total receipts.....	13,909.4	13,864.4	45.0	
Expenditures:				
Highway program.....	13,432.8	13,432.8		
Interest on advances.....	5.6		5.6	
Administration of labor standards.....	0.4	0.4		
Total expenditures.....	13,438.7	13,433.1	5.6	
Balance in the fund.....	470.7	431.3	39.4	
Fund assets:				
Undisbursed appropriations.....	34.7			
Investments.....	435.9			
Total.....	470.7			

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislative enactments of the 87th Congress, 2d session, related to the operations of the trust fund in the fiscal year 1963 and subsequent years. The acts did not get final approval until after the close of the fiscal year covered by this report and consist of the following:

Public Law 87-843, approved October 18, 1962, appropriated a total of \$3,249,200,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$1,508,261,397 balance of highway authorization for 1961; \$1,735 million as part of the authorization for 1962; and \$5,938,603 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams. In addition, the act appropriated \$2 million from the trust fund of the \$2,500,000 previously authorized for improvement of the Pentagon road network.

Public Law 87-866, approved October 23, 1962, cited as the Federal-Aid Highway Act of 1962, authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their extension within urban areas in the amounts of \$950 million and \$975

million for the fiscal years 1964 and 1965, respectively. The sums authorized are available for each fiscal year; 45 percent for primary highway system; 30 percent for the secondary highway system; and 25 percent for extension of the systems in urban areas. Other provisions of the act do not relate to or affect the operations of the trust fund. These authorizations and subsequent legislation that is expected to continue this program during the life of the highway trust fund, together with authorizations totaling \$37 billion for completion of the National System of Interstate and Defense Highways, are to be financed from the trust fund.

The full amount of \$2.6 billion authorized by the 1961 act for the Interstate System for the fiscal year 1964 was apportioned to the States by the Secretary of Commerce, effective September 21, 1962. The sum of \$950 million of Federal-aid primary, secondary, and urban funds authorized by the 1962 act for the fiscal year 1964 was apportioned to the States, effective October 24 and November 28, 1962.

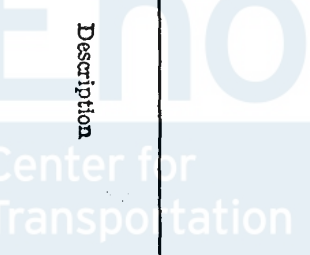
Highway expenditures totaling \$2,784 million during the fiscal year 1962 were more than covered by net revenues of \$2,956 million including \$7 million of interest on invested funds. At the close of fiscal 1962 the trust fund balance amounted to \$471 million.

The authorizations of interstate funds as contained in the 1961 legislation provide annual amounts through the fiscal year 1971 that can be supported by the estimated highway trust fund receipts indicated in statement No. 2, which shows actual and estimated revenues, expenditures and balances for the fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$52,525 million. Interstate program costs are estimated at \$37 billions, and Federal-aid primary, secondary and urban expenditures are estimated to total \$14,916 million.

Estimated highway trust fund receipts of \$52,544 million as shown in statement No. 2 are adequate to cover estimated highway program expenditures with a balance of \$19 million at the end of the program.

UNDER PROPOSED LEGISLATION

Under amended legislation proposed by the President's 1964 budget, which would remove the tax on aviation and motorboat gasoline from the highway trust fund, estimated trust fund receipts would total \$52,156 million. As shown by statement No. 3, this would not provide sufficient funds to finance the primary, secondary, urban and other programs plus the full \$37 billion authorized for the interstate system. Pursuant to the pay-as-you-go provisions of section 209(g) of the 1956 act, a total of \$369 million of the interstate authorizations for the fiscal years 1968-71 inclusive would need to be withheld from apportionment because of the lack of adequate revenues to finance the completion of the system. This shortage in revenues would reduce the total interstate program from \$37 billion to \$36,631 million.



STATEMENT NO. 1
Status of highway trust fund, June 30, 1962

Description	Internal Revenue Code section	Cumulative through June 30, 1962		Fiscal year 1962		Fiscal year 1961		Increase or decrease (-), 1962 over 1961
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline (including floor taxes)	4081, 4436(a)-1	\$11,511,584,908.22	82.8	\$2,398,945,348.88	81.2	\$2,401,458,264.92	86.0	-\$2,512,916.04
Diesel fuel	4031	403,522,529.44	2.9	105,776,246.66	3.5	84,904,510.13	3.0	20,871,736.53
Tires, highway vehicles and other	4071(a)-1, 2	1,427,929,757.90	10.3	327,005,927.44	11.1	245,984,158.23	8.6	81,021,769.21
Inner tubes	4071(a)-3	83,339,907.05	.6	17,546,761.71	.6	14,714,182.36	.5	2,832,579.35
Tread rubber	4071(a)-4	90,579,492.91	.7	22,900,805.78	.8	13,813,641.49	.5	9,087,164.29
Trucks, buses, etc.	4061(a)-1	637,843,356.55	4.5	127,973,553.26	4.3	115,598,157.43	4.1	12,375,395.83
Truck use	4431	256,902,243.22	1.8	79,844,386.66	2.7	46,768,007.38	1.7	33,076,379.28
Total highway taxes		14,411,702,195.32	103.7	3,079,933,030.39	104.2	2,923,240,921.94	104.4	156,752,108.45
Less refund of taxes (reimbursed to general fund):								
Gasoline used on farms	6430	439,515,130.92	3.2	107,190,501.76	3.6	98,237,757.72	3.5	8,952,744.04
Gasoline for nonhighway purposes or local transit	6421	107,610,124.36	.8	24,101,848.97	.8	27,455,914.27	1.0	-3,344,065.30
Gasoline, other	4081	58,834,66	(*)	10,531.44	(*)	9,469.06	(*)	1,062.38
Tires and tread rubber	4071(a)	97,416.90	(*)					
Trucks, buses, etc.	4061(a)	26,660.21	(*)					
Total refunds of taxes		547,308,167.05	4.0	131,302,902.17	4.4	125,703,141.05	4.5	5,599,761.12
Net highway taxes								
Interest on investments		13,864,394,028.27	99.7	2,948,630,138.22	99.8	2,797,537,780.89	99.9	151,152,347.33
Advances from general fund		45,008,450.93	.3	6,772,167.11	.2	2,017,718.38	.1	4,754,448.73
Less repayment of advances		-419,000,000.00	-3.0			-60,000,000.00	2.1	-60,000,000.00
Total receipts		13,909,402,479.20	100.0	2,955,462,215.33	100.0	2,799,555,499.27	100.0	155,906,796.06
EXPENDITURES								
Highway program		13,432,763,530.72	100.0	2,783,864,409.00	100.0	2,619,170,183.37	100.0	164,694,225.63
Interest on advances		5,610,162.02	(*)			543,457.20	(*)	-543,457.20
Administration and enforcement of labor standards		366,225.00	(*)					
Total expenditures		13,438,741,917.74	100.0	2,783,864,409.00	100.0	2,619,713,640.57	100.0	164,150,768.43

Excess of receipts, or expenditures (-)	470,660,561.46	171,597,886.33	179,841,858.70	-8,243,972.37
Plus opening balance	470,660,561.46	299,062,675.13	119,220,816.43	179,841,858.70
Balance in trust fund	470,660,561.46	470,660,561.46	299,062,675.13	171,597,886.33
FUND ASSETS				
Investments (special issues), Treasury certificates of indebtedness:				
3 percent maturing June 30, 1962	435,935,000.00	435,935,000.00	234,034,000.00	-234,034,000.00
3 1/4 percent maturing June 30, 1963	34,725,561.46	34,725,561.46	65,028,675.13	435,935,000.00
Undisbursed balances				-30,303,113.67
Total assets	470,660,561.46	470,660,561.46	299,062,675.13	171,597,886.33

*Less than \$50,000.



STATEMENT NO. 2
Status of highway trust fund, actual fiscal years 1957-62, and estimates, 1963-75, under existing legislation
 (In millions of dollars)¹

Fiscal year	Excise taxes			Receipts				Expenditures				Balance in the fund	
	Gross	Refunds (deduct)	Net	Interest (net)	General fund advances	Repayment of advances (deduct)	Total	Inter-state highways	Primary, secondary and urban ²	Other ³	Total		
Actual:													
1957	1,479	90	1,479	3			1,482	208	743	15	966	516	
1958	2,116	97	2,026	18			2,044	675	809	27	1,511	1,049	
1959	2,171	103	2,074	13			2,087	1,501	839	273	2,613	523	
1960	2,642	126	2,539	4-3	359	-359	2,536	1,861	879	200	2,940	119	
1961	2,923	131	2,798	4 1	60	-60	2,799	1,719	877	23	2,619	299	
1962	3,080	134	2,949	7			2,955	1,914	860	10	2,784	471	
Estimate:													
1963	3,346	133	3,212	12			3,224	2,071	919	10	3,000	695	
1964	3,452	133	3,319	4			3,323	2,404	980	7	3,391	627	
1965	3,558	133	3,425	4			3,429	2,640	985	7	3,592	464	
1966	3,665	134	3,531	4			3,535	2,679	996	6	3,681	318	
1967	3,775	135	3,640	4			3,644	2,733	1,000	6	3,739	223	
1968	3,889	137	3,752	4			3,756	2,817	1,005	5	3,827	152	
1969	4,005	139	3,866	4			3,870	2,901	1,006	5	3,912	110	
1970	4,121	141	3,980	4			3,984	2,951	1,007	5	3,963	131	
1971	4,238	143	4,095	4			4,099	3,053	1,008	5	4,066	164	
1972	4,357	145	4,212	4			4,216	3,199	1,008	5	4,207	173	
1973	4,479	147	4,332	4			4,336	3,342	1,009	5	4,357	182	
Total	54,612	2,155	52,457	87	419	-419	52,544	37,000	14,916	609	52,525	19	

¹ Rounded figures, may not add to totals.
² Assuming authorizations will be extended for the fiscal years 1966-72 at the rate of \$1,000,000 annually.
³ Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-aid Highway Act of 1958.
⁴ Receipts of interest on investments netted by payments of interest on general fund advances in amounts of \$5,000,000 in 1960 and \$1,000,000 in 1961.
⁵ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

STATEMENT NO. 3
 Status of highway trust fund, actual fiscal years 1957-62, and estimates, 1963-73, under existing and proposed legislation
 [In millions of dollars] 1

Fiscal year	Receipts					Expenditures				Balance in the fund			
	Gross excise taxes	Deductions Returns of taxes	Aviation and motor-boat fuel taxes	Net excise taxes	Interest (net)	General fund advances	Repayment of advances (deduct)	Total	Inter-state highways		Primary, secondary, and urban 2	Other 3	Total
Actual:													
1957	1,479	90		1,479	3			1,482	208	743	15	966	516
1958	2,116	97		2,026	18		2,044	675	809	27	27	1,611	1,049
1959	2,171	103		2,074	13		2,087	1,501	839	273	273	2,613	522
1960	2,642	103		2,539	-3	359	2,536	1,861	879	200	200	2,940	119
1961	2,923	126		2,798	4	60	2,799	1,719	877	23	23	2,619	299
1962	3,080	131		2,949	7		2,955	1,914	860	10	10	2,784	471
Estimate:													
1963	3,346	134		3,212	12		3,224	2,071	919	10	10	3,000	965
1964	3,452	133		3,319	4		3,310	2,404	980	7	7	3,391	614
1965	3,538	122		3,416	4		3,420	2,600	985	7	7	3,592	407
1966	3,655	120		3,535	4		3,539	2,679	996	6	6	3,681	220
1967	3,775	122		3,653	4		3,657	2,721	1,000	6	6	3,727	35
1968	3,889	125		3,764	4		3,768	2,765	1,005	5	5	3,775	96
1969	4,005	128		3,877	4		3,881	2,829	1,006	5	5	3,840	22
1970	4,121	130		3,991	4		3,995	2,881	1,007	5	5	3,893	69
1971	4,238	133		4,105	4		4,109	3,009	1,008	5	5	4,022	100
1972	4,357	135		4,222	4		4,226	3,151	1,003	5	5	4,159	110
1973	4,476	138		4,338	4		4,342	3,300	1,003	5	5	4,308	110
Total	54,612	2,052	491	52,069	87	419	52,156	36,631	14,916	609	52,156		

1 Rounding figures, may not add to totals.
 2 Assuming authorizations will be extended for the fiscal years 1966-72 at the rate of \$1,000,000,000 annually.
 3 Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958.
 4 Interest on investments netted by payments of interest on general fund advances in amounts of \$5,000,000 in 1960 and \$1,000,000 in 1961.
 5 Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.
 6 Under pay-as-you-go provisions of the act, \$309,000,000 of the authorizations would be withheld from apportionment because estimated revenue would be inadequate to finance the total amount of the programs.

EIGHTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND, JUNE 30, 1963

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

THE EIGHTH ANNUAL REPORT ON THE FINANCIAL CON-
DITION AND RESULTS OF THE OPERATIONS OF THE
HIGHWAY TRUST FUND, AS REQUIRED BY SECTION
209(e) (1) OF THE HIGHWAY REVENUE ACT OF 1956.



MARCH 2, 1964.—Referred to the Committee on Ways and Means and
ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE



LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1964.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the eighth annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956.

The report contains comment on the highlights of the fund, data on the current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing and proposed legislation for each fiscal year through June 30, 1973.

Sincerely yours,

DOUGLAS DILLON.

EIGHTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1963

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal year 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). The fund provides an accounting for the revenues available for Federal-aid highway program purposes, the amounts expended and the balances. Taxes on gasoline, diesel fuel, tires, tubes, tread rubber, commercial motor vehicles, and truck use are designated by the act for highway purposes. Transfers of amounts collected are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amounts of actual tax receipts. The fund is also credited with repayable advances from the general fund, as well as interest earned on public debt securities for the fund's investments made when its balances exceed current expenditure requirements.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Other charges to the trust fund are made by the Secretary of the Treasury for refunds of certain of the taxes, repayments of advances from the general fund and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the 1st day of March, after consultation with the Secretary of Commerce. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations of the fund for fiscal 1963:

	<i>Millions</i>
Receipts.....	\$3, 293. 0
Expenditures.....	3, 016. 7
Excess of receipts.....	276. 3
Net purchase of investments.....	241. 8
Increase in undisbursed balances.....	34. 5
Total increase in assets.....	276. 3
Balances June 30, 1963:	
Investment holdings.....	677. 7
Undisbursed balances.....	69. 2
Balance of the fund.....	746. 9

Further details of the operations of the fund are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The most recent legislation affecting the tax collections creditable to the highway trust fund is in the Federal-Aid Highway Act of 1961, Public Law 87-61, approved June 29, 1961 (75 Stat. 122-129). The revenue provisions of the act provide that beginning with fiscal year 1963 all revenues, rather than the previous 50 percent, from the excise tax on trucks, buses, and trailers be transferred to the trust fund. During fiscal 1963 the rates of taxes were: Gasoline and diesel fuel, 4 cents a gallon; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per thousand pounds per year; and trucks, buses, and trailers, 10 percent of the price for which sold.

Transfers to the trust fund of amounts equivalent to the above taxes, net of refunds, amounted to \$3,278.7 million in fiscal 1963, a net increase of \$330.0 million over the transfers of \$2,948.7 million in fiscal 1962. The principal increase was due to the increased percentage of transfers of excise taxes on trucks, buses, and trailers. The increases in other taxes transferred were due primarily to increased sales and consumption of highway-use products. Comparative figures for fiscal years 1963 and 1962 are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax	1963		1962		Increase
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline and diesel fuel.....	\$2,462.0	75.1	\$2,373.4	80.5	\$88.5
Tires.....	365.3	11.1	327.0	11.1	38.3
Inner tubes and tread rubber.....	42.9	1.3	40.4	1.4	2.5
Trucks, buses, and trailers.....	311.1	9.5	128.0	4.3	183.1
Truck use.....	97.3	3.0	79.8	2.7	17.5
Total.....	3,278.7	100.0	2,948.7	100.0	330.0

The gross amounts of taxes were appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$17.6 million during fiscal 1963, as compared to reductions of \$17.7 million in 1962. The adjustments were less than six-tenths of 1 percent of the total transfers to the fund.

Refunds of taxes, which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f) (3) and (4) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service and are shown in this report as reductions of transfers to the fund. Refunds amounted to \$126.3 million in fiscal 1963, compared with \$131.3 million in 1962.

During fiscal 1963 the trust fund was credited with \$14.3 million of interest on investments in public debt securities, bringing the total

credits to \$3,293.0 million as compared with the total of \$2,955.5 million in 1962.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

[In millions of dollars]

	Fiscal year 1963	Fiscal year 1962	Increase or decrease (-)
Transfers on basis of estimates.....	3,387.4	3,097.7	289.7
Quarterly adjustments.....	+17.6	-17.7	35.3
Total transfers.....	3,405.0	3,080.0	325.0
Less refunds of taxes.....	126.3	131.3	-5.0
Net transfers.....	3,278.7	2,948.7	330.0
Interest on investments.....	14.3	6.8	7.5
Total receipts.....	3,293.0	2,955.5	337.5

EXPENDITURES

Federal-aid highway program expenditures are made by the Bureau of Public Roads, Department of Commerce, from the uninvested trust funds available for expenditure. Fiscal year 1963 expenditures, in nominal amounts, were also made by the Office of the Secretary of Commerce and the Corps of Engineers from amounts transferred to them. During fiscal 1963, the expenditures from the fund amounted to \$3,016.7 million, an increase of \$232.8 million over the expenditures of \$2,783.9 million in 1962. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

Agency	Fiscal year 1963	Fiscal year 1962	Increase or decrease (-)
Bureau of Public Roads.....	3,016,631	2,783,859	232,771
Office of the Secretary of Commerce.....	5	5	
Corps of Engineers.....	64		64
Total expenditures.....	3,016,701	2,783,864	232,836

¹ Includes \$123 thousand for improvement of the Pentagon road network.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1963, the fund held \$677.7 million in special issues of Treasury certificates of indebtedness bearing interest at 3½ percent per annum,¹ maturing June 30, 1964. This compares with holdings of \$435.9 million on June 30, 1962, at 3¼ percent. The trust fund was credited with \$14.3 million in interest on investments in fiscal year 1963, an increase of \$7.5 million over the interest of \$6.8 million in 1962.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1963

BALANCE OF THE FUND

The balance of the fund as of June 30, 1963, was \$746.9 million, an increase of \$276.3 million over the June 30, 1962, balance of \$470.7 million. The balance consisted of investments of \$677.7 million and \$69.2 million undisbursed appropriations.

CUMULATIVE SUMMARY

Cumulative operations of the fund from inception in 1956 through June 30, 1963, are summarized as follows:

[In millions of dollars]

RECEIPTS

Program operations:	
Gasoline and diesel fuel taxes.....	14, 503. 4
Tires, tubes, and tread rubber taxes.....	2, 010. 1
Trucks, buses, and trailers, and truck use taxes.....	1, 303. 2
Refunds of taxes.....	— 673. 6
	17, 143. 1
Miscellaneous activities:	
Interest on investments.....	59. 3
Advances from general fund.....	419. 0
Repayment of advances.....	— 419. 0
	59. 3
Total receipts.....	17, 202. 4

EXPENDITURES

Program operations: Highway construction.....	16, 449. 5
Miscellaneous activities:	
Interest on advances.....	5. 6
Administration of labor standards.....	. 4
	6. 0
Total expenditures.....	16, 455. 4

BALANCE OF THE FUND

Undisbursed appropriations.....	69. 2
Investments.....	677. 7
Total balances.....	746. 9

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund in the fiscal year 1964 and subsequent years was enacted by the 88th Congress, 1st session, as follows:

Public Law 88-245, approved December 30, 1963, appropriated a total of \$3,249,150,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$1,339,157,314, the balance of highway authorizations for 1962; \$1,907,494,772 as part of the authorization for 1963; and \$2,497,914 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction

of bridges over dams. Previously, of the \$2,500,000 authorized for improvement of the Pentagon road network, \$2 million had been appropriated. Public Law 88-245 appropriated the remaining \$500,000 from the highway trust fund for this work.

The Federal-Aid Highway Act of 1962 (Public Law 87-866, approved Oct. 23, 1962) authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$975 million for the fiscal year 1965 (the so-called ABC program). The amount authorized is available as follows: 45 percent for the primary highway system; 30 percent for the secondary highway system; and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the highway trust fund.

The ABC authorizations together with authorizations totaling \$37 billion for completion of the National System of Interstate and Defense Highways are to be financed from the trust fund.

The full amount of \$2,700 million authorized by the 1961 act for the Interstate System for the fiscal year 1965 was apportioned to the States by the Secretary of Commerce, effective July 8, 1963. The \$975 million of Federal-aid primary, secondary, and urban funds authorized by the 1962 act for the fiscal year 1965 were also apportioned to the States effective July 8, 1963.

The authorizations of interstate funds as contained in the 1961 legislation provide annual amounts through the fiscal year 1971 that can be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for the fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$52,750 million, including interstate program costs of \$37 billion and Federal-aid primary, secondary, and urban expenditures totaling \$15,148 million.

Estimated highway trust fund receipts of \$53,467 million as shown in statement No. 2 are adequate to cover estimated highway program expenditures with a balance of \$717 million at the end of the program.

UNDER PROPOSED LEGISLATION

The President's 1965 budget proposed amended legislation which would remove all of the excise taxes collected on aviation and motorboat gasoline from the highway trust fund. Estimated total trust fund receipts under the amended legislation would amount to \$53,068 million. Statement No. 3 shows that this would provide sufficient funds to finance the primary, secondary, urban, and other programs plus the full \$37 billion authorized for the Interstate System, with an estimated trust fund balance of \$318 million on September 30, 1972. The pay-as-you-go policy, under which the highway trust fund is required to be administered, would necessitate continuation of present procedures under which the rates at which the States may proceed to incur reimbursable obligations are so scheduled as to assure that program expenditure requirements will not exceed available revenues.



STATEMENT NO. 1.—Status of highway trust fund, June 30, 1963

Description	Internal Revenue Code section	Cumulative through June 30, 1963		Fiscal year 1963		Fiscal year 1962		Increase or decrease (-) 1963 over 1962
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081, 4226(a)-4	\$13,985,389,178.42	81.3	\$2,473,804,270.20	75.1	\$2,398,945,348.88	81.2	\$74,858,921.32
Diesel fuel.....	4041	517,963,890.72	3.0	114,441,361.28	3.5	106,776,248.66	3.5	8,666,114.62
Trics, highway vehicles and other.....	4071(a)1-2	1,783,276,089.63	10.4	1,365,346,331.73	11.1	1,327,006,927.44	11.1	38,340,404.29
Inner tubes.....	4071(a)3	102,230,878.85	.6	118,890,971.80	.6	117,546,761.71	.6	1,344,210.09
Tread rubber.....	4071(a)4	114,635,880.84	.7	124,056,397.83	.7	122,900,805.78	.8	1,155,582.15
Trucks, buses, and trailers.....	4061(a)1	949,003,532.10	5.5	311,160,175.82	9.5	127,973,583.28	4.3	181,186,622.26
Truck use.....	4481	354,219,799.00	2.1	97,317,555.78	2.9	79,844,386.66	2.7	17,473,169.12
Total highway taxes.....		17,816,719,269.56	103.6	3,406,017,064.24	103.4	3,079,983,030.30	104.2	326,024,033.85
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	6420	643,611,631.80	3.2	103,996,600.88	3.1	107,180,501.76	3.6	-3,194,000.88
Gasoline for nonhighway purposes or local transit.....	6421	129,849,084.99	.7	22,238,960.63	.7	24,101,848.97	.8	-1,862,888.34
Gasoline, other.....	4081	102,690.85	(*)	43,856.19	(*)	10,551.44	(*)	33,804.75
Tires and tread rubber.....	4071(a)	97,416.90	(*)	39,990.34	(*)			39,990.34
Trucks, buses, and trailers.....	4061(a)	66,650.55	(*)					66,650.55
Total refunds of taxes.....		673,627,475.09	3.9	126,319,308.04	3.8	131,302,902.17	4.4	-4,983,594.13
Net highway taxes.....								
Interest on investments.....		17,143,091,784.47	99.7	3,278,697,755.20	99.6	2,948,690,128.22	99.8	330,007,627.98
Advances from general fund.....		59,276,677.97	.3	14,288,227.04	.4	6,772,167.11	.2	7,420,059.93
Less repayment of advances.....		-419,000,000.00	-2.4					419,000,000.00
Total receipts.....		17,202,368,462.44	100.0	3,292,665,983.24	100.0	2,955,482,295.33	100.0	337,503,687.91

EXPENDITURES		FUND ASSETS					
Highway program.....	16,449,464,030.96	100.0	3,016,700,500.24	100.0	2,783,864,409.00	100.0	232,836,091.24
Interest on advances.....	5,610,162.02	(*)					
Administration and enforcement of labor standards.....	398,225.00	(?)					
Total expenditures.....	16,455,442,417.98	100.0	3,016,700,500.24	100.0	2,783,864,409.00	100.0	232,836,091.24
Excess of receipts, or expenditures (-).....	746,926,044.46		276,265,483.00		171,597,896.33		104,667,596.67
Plus opening balance.....			470,660,561.46		299,062,675.13		171,597,896.33
Balance in trust fund.....	746,926,044.46		746,926,044.46		470,660,561.46		276,265,483.00
FUND ASSETS							
Investments (special issues), Treasury certificates of indebtedness:							
3/4 percent maturing June 30, 1963.....	677,743,000.00		677,743,000.00		435,935,000.00		435,935,000.00
3/4 percent maturing June 30, 1964.....	69,183,044.46		69,183,044.46		34,725,561.46		677,743,000.00
Undisbursed balances.....							34,457,483.00
Total assets.....	746,926,044.46		746,926,044.46		470,660,561.46		276,265,483.00

* Includes floor taxes in nominal amounts.
 ? Less than 0.05 of 1 percent.

STATEMENT NO. 2.—Status of highway trust fund, actual fiscal years 1957-63, and estimates, 1964-73, under existing legislation
 [In millions of dollars]*

Fiscal year	Excise taxes			Receipts				Expenditures				Balance in the fund	
	Gross	Refunds (deduct)	Net	Interest (net)	General fund advances	Repayment of advances (deduct)	Total	Interstate highways	Primary, secondary, and urban ¹	Other ²	Total		
Actual:													
1957	1,479	-----	1,479	3	-----	-----	1,482	208	743	15	966	513	
1958	2,116	90	2,026	18	-----	-----	2,044	675	809	27	1,511	1,049	
1959	2,171	97	2,074	13	-----	-----	2,087	1,501	839	273	2,613	523	
1960	2,642	103	2,539	3-3	359	-359	2,536	1,961	879	200	2,940	119	
1961	2,923	126	2,798	81	60	-60	2,799	1,719	877	23	2,619	299	
1962	3,080	131	2,949	7	-----	-----	2,949	1,914	860	10	2,784	471	
1963	3,405	128	3,279	14	-----	-----	3,293	2,109	906	2	3,017	747	
Estimate:													
1964	3,607	129	3,478	18	-----	-----	3,496	2,591	1,000	9	3,600	643	
1965	3,681	128	3,553	6	-----	-----	3,559	2,698	995	7	3,700	602	
1966	3,772	129	3,643	(9)	-----	-----	3,643	2,850	996	6	3,852	293	
1967	3,871	131	3,740	-----	-----	-----	3,740	2,877	996	5	3,878	155	
1968	3,970	132	3,838	-----	-----	-----	3,838	2,911	999	5	3,915	78	
1969	4,071	134	3,937	-----	-----	-----	3,937	2,937	1,000	5	3,941	74	
1970	4,174	135	4,039	-----	-----	-----	4,039	2,994	1,000	5	3,999	114	
1971	4,279	137	4,142	-----	-----	-----	4,142	3,062	1,000	5	4,069	187	
1972	4,388	139	4,249	-----	-----	-----	4,249	3,135	1,000	4	4,139	287	
1973	4,482	225	4,257	-----	-----	-----	4,257	3,248	1,000	1	4,249	717	
Total	55,481	2,092	53,390	77	419	-419	53,467	37,000	15,148	662	52,750	717	

¹ Assuming authorizations will be \$975,000,000 for fiscal years 1966 and 1967 and that authorizations will be continued for the fiscal years 1968-73 at the rate of \$1,000,000,000 annually.
² Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958.
³ Receipts of interest on investments netted by payments of interest on general fund advances in amounts of \$5,000,000 in 1960 and \$1,000,000 in 1961.

⁴ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.
⁵ No interest is projected for the fiscal years 1966-73 since it is estimated that any interest earned during the remainder of the program will be offset by interest payments on general fund advances needed to cover seasonal fluctuations in payment requirements. Such advances would be borrowed and repaid within the same fiscal year.
 *Rounded figures, may not add to totals.

STATEMENT NO. 3.—Status of highway trust fund, actual fiscal years 1957-63, and estimates 1964-73 under existing and proposed legislation

[In millions of dollars] *

Fiscal year	Receipts					Expenditures				Balance in the fund			
	Gross excise taxes	Deductions Refunds of taxes	Aviation and motorboat fuel taxes	Net excise taxes	Interest (net)	General fund advances	Repayment of advances (deduct)	Total	Interstate highways		Primary, secondary, and other ¹	Other ²	Total
Actual:													
1957	1,479	90	---	1,479	3	---	---	1,482	206	743	15	966	516
1958	2,115	97	---	2,026	18	---	---	2,044	675	809	27	1,511	1,049
1959	2,171	---	---	2,074	13	---	---	2,087	1,501	839	273	2,613	523
1960	2,642	103	---	2,539	3-3	359	-359	2,087	1,861	879	200	2,940	119
1961	2,923	126	---	2,798	3 1	60	-60	2,799	1,719	877	23	2,619	299
1962	3,080	131	---	2,949	7	---	---	2,955	1,914	860	10	2,784	471
1963	3,405	126	---	3,279	14	---	---	3,293	2,109	906	2	3,017	747
Estimate:													
1964	3,607	129	---	3,478	18	---	---	3,496	2,591	1,000	9	3,600	643
1965	3,681	125	---	3,504	6	---	---	3,510	2,698	995	7	3,700	433
1966	3,772	113	---	3,660	(9)	---	---	3,600	2,788	996	6	3,790	263
1967	3,871	115	---	3,696	---	---	---	3,696	2,814	996	5	3,815	144
1968	3,970	117	---	3,792	---	---	---	3,792	2,878	999	5	3,882	54
1969	4,071	119	---	3,891	---	---	---	3,891	2,921	999	5	3,925	20
1970	4,174	121	---	3,991	---	---	---	3,991	2,985	1,000	5	3,990	21
1971	4,279	123	---	4,094	---	---	---	4,094	3,065	1,000	5	4,073	42
1972	4,388	125	---	4,200	---	---	---	4,200	3,159	1,000	4	4,163	79
1973	4,852	211	---	4,601	---	---	---	4,601	3,113	248	1	4,362	318
Total	55,481	1,971	530	52,991	77	419	-419	53,068	37,000	15,148	602	52,750	318

¹ Assuming authorizations will be \$975,000,000 for fiscal years 1966 and 1967 and that authorizations will be continued for the fiscal years 1968-73 at the rate of \$1,000,000,000 annually.
² Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal Aid Highway Act of 1958.
³ Interest on investments netted by payments of interest on general fund advances in amounts of \$5,000,000 in 1960 and \$1,000,000 in 1961.
⁴ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.
⁵ No interest is projected for the fiscal years 1966-73 since it is estimated that any interest earned during the remainder of the program will be offset by interest payments on general fund advances needed to cover seasonal fluctuations in payment requirements. Such advances would be borrowed and repaid within the same fiscal year.
* Rounded figures, may not add to totals.

FINANCIAL CONDITION AND RESULTS OF
THE OPERATIONS OF THE HIGHWAY
TRUST FUND, FISCAL YEAR 1964

LETTER

FROM

THE SECRETARY OF THE TREASURY

TRANSMITTING

THE NINTH ANNUAL REPORT ON THE FINANCIAL CONDI-
TION AND RESULTS OF THE OPERATIONS OF THE HIGH-
WAY TRUST FUND FOR FISCAL YEAR 1964, PURSUANT TO
SECTION 209(e)(1) OF THE HIGHWAY REVENUE
ACT OF 1956



MARCH 1, 1965.—Referred to the Committee on Ways and Means and
ordered to be printed

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WASHINGTON : 1965



LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 26, 1965.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the ninth annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956.

The report contains comment on the highlights of the fund, data on the current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through June 30, 1973.

Sincerely yours,

DOUGLAS DILLON,
Secretary of the Treasury.

NINTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1964

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal year 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). The fund provides an accounting for the revenues available for Federal-aid highway program purposes, the amounts expended and the balances. Taxes on gasoline, diesel fuel, tires, tubes, tread rubber, commercial motor vehicles, and truck use are designated by the act for highway purposes. Transfers of amounts equivalent to collections are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amounts of actual tax receipts. The fund is also credited with repayable advances from the general fund, as well as interest earned on public debt securities for the fund's investments made when its balances exceed current expenditure requirements.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Other charges to the trust fund are made by the Secretary of the Treasury for refunds of certain of the taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the 1st day of March, after consultation with the Secretary of Commerce. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations of the fund for fiscal 1964:

	<i>Millions</i>
Receipts.....	\$3, 539. 5
Expenditures.....	3, 645. 0
Excess of expenditures.....	105. 5
Net redemption of investments.....	68. 7
Decrease in undisbursed balances.....	36. 8
Total decrease in assets.....	105. 5
 Balances, June 30, 1964:	
Investment holdings.....	609. 0
Undisbursed balances.....	32. 4
Balance of the fund.....	641. 4

Further details of the operations of the fund are included in statement No. 1.

2 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1964

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

During fiscal 1964 the rates of taxes were: Gasoline and diesel fuel, 4 cents a gallon; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per thousand pounds per year; and trucks, buses, and trailers, 10 percent of the price for which sold. These rates were established pursuant to the Highway Revenue Act of 1956 (70 Stat. 387-402), as amended by the Federal-Aid Highway Act of 1961 (75 Stat. 122-129).

Transfers to the trust fund of amounts equivalent to the collections of above taxes, net of refunds, amounted to \$3,519.2 million in fiscal 1964, a net increase of \$240.5 million over the transfers of \$3,278.7 million in fiscal 1963. The increases in taxes collected and transferred were due to increased sales and consumption of highway-use products. Comparative figures for fiscal years 1964 and 1963 are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax	1964		1963		Increase
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline and diesel fuel.....	\$2,642.8	75.1	\$2,462.0	75.1	\$180.8
Tires.....	369.5	10.5	365.3	11.1	4.2
Inner tubes and tread rubber.....	43.7	1.2	42.0	1.3	.8
Trucks, buses, and trailers.....	357.3	10.2	311.1	9.5	46.2
Truck use.....	106.8	3.0	97.3	3.0	8.4
Total.....	3,519.2	100.0	3,278.7	100.0	240.5

The gross amounts of taxes were appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$75.3 million during fiscal 1964. The adjustments were approximately 2 percent of the total transfers to the fund.

Refunds of taxes, which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f) (3) and (4) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service and are shown in this report as reductions of transfers to the fund. Refunds amounted to \$126.6 million in fiscal 1964, compared with \$126.3 million in 1963.

During fiscal 1964 the trust fund was credited with \$20.4 million of interest on investments in public debt securities, bringing the total credits to \$3,539.5 million as compared with the total of \$3,293 million in 1963.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1964 3

[In millions of dollars]

	Fiscal year 1964	Fiscal year 1963	Increase
Transfers on basis of estimates.....	3,570.5	3,387.4	183.1
Quarterly adjustments.....	+75.3	+17.6	57.7
Total transfers.....	3,645.8	3,405.0	240.8
Less refunds of taxes.....	126.6	126.3	.3
Net transfers.....	3,519.2	3,278.7	240.5
Interest on investments.....	20.4	14.3	6.1
Total receipts.....	3,539.5	3,293.0	246.6

EXPENDITURES

Federal-aid highway program expenditures are made by the Bureau of Public Roads, Department of Commerce, from the uninvested trust funds available for expenditure. Fiscal year 1964 expenditures, in nominal amounts, were also made by the Corps of Engineers, Department of the Army, from amounts transferred to them. During fiscal 1964, the expenditures from the fund amounted to \$3,645 million, an increase of \$628.3 million over the expenditures of \$3,016.7 million in 1963. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

Agency	Fiscal year 1964	Fiscal year 1963	Increase or decrease (-)
Bureau of Public Roads ¹	3,644,684	3,016,631	628,053
Office of the Secretary of Commerce.....		5	-5
Corps of Engineers.....	329	64	264
Total expenditures.....	3,645,013	3,016,701	628,313

¹ Includes \$1,364,000 for improvement of the Pentagon road network for fiscal 1964 and \$123,000 for fiscal 1963.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1964, the fund held \$609 million in special issues of Treasury certificates of indebtedness bearing interest at 3½ percent per annum, maturing June 30, 1965. This compares with holdings of \$677.7 million on June 30, 1963, at 3¾ percent. The trust fund was credited with \$20.4 million in interest on investments in fiscal year 1964, an increase of \$6.1 million over the interest of \$14.3 million in 1963.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1964, was \$641.4 million, a decrease of \$105.5 million from the June 30, 1963, balance of \$746.9 million. The balance consisted of investments of \$609 million and \$32.4 million undisbursed appropriations.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND, 1964

CUMULATIVE SUMMARY

Cumulative operations of the fund from inception in 1956 through June 30, 1964, are summarized as follows:

[In millions of dollars]

RECEIPTS	
Program operations:	
Gasoline and diesel fuel taxes.....	17,272.8
Tires, tubes, and tread rubber taxes.....	2,423.4
Trucks, buses, and trailers, and truck use taxes.....	1,766.3
Refunds of taxes.....	-800.3
	20,662.2
Miscellaneous activities:	
Interest on investments.....	79.6
Advances from general fund.....	419.0
Repayment of advances.....	-419.0
	79.6
Total receipts.....	20,741.9
EXPENDITURES	
Program operations: Highway construction.....	20,094.5
Miscellaneous activities:	
Interest on advances.....	5.6
Administration of labor standards.....	.4
	6.0
Total expenditures.....	20,100.5
BALANCE OF THE FUND	
Undisbursed appropriations.....	32.4
Investments.....	609.0
Total balances.....	641.4

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund in fiscal year 1965 and subsequent years was enacted by the 88th Congress, 2d session. The acts, which did not get final approval until after the close of the fiscal year covered by this report, consisted of the following:

Public Law 88-578, approved September 3, 1964, provides for the transfer from the trust fund into the land and water conservation fund amounts equivalent to taxes received, on or after January 1, 1965, with respect to special motor fuels and gasoline used as fuel in motorboats. Estimated receipts shown in statement No. 2 do not include motorboat fuel revenues.

Public Law 88-527, approved August 31, 1964, appropriated a total of \$3,648,250,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$1,417,464,169, the balance of highway authorizations for 1963; \$2,225,413,315 as part of the authorization for 1964; and \$5,372,516 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams.

Public Law 88-423, approved August 13, 1964, cited as the Federal-Aid Highway Act of 1964, authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their

extensions within urban areas amounting to \$1 billion for each of the fiscal years 1966 and 1967 (the so-called A-B-C program). The amounts authorized are available as follows: 45 percent for the primary highway system, 30 percent for the secondary highway system, and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the trust fund.

The A-B-C authorizations, together with authorizations totaling \$37 billion for completion of the National System of Interstate and Defense Highways, are to be financed from the trust fund.

The full amount of \$2,800 million authorized by the 1961 act for the Interstate System for the fiscal year 1966 was apportioned to the States by the Secretary of Commerce, effective August 18, 1964. The \$1 billion of Federal-aid primary, secondary, and urban funds authorized by the 1964 act for the fiscal year 1966 was also apportioned to the States effective August 18, 1964.

The authorizations of interstate funds as contained in the 1961 legislation provide annual amounts through fiscal year 1971 that can be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures, and balances for the fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$52,825 million, including interstate program costs of \$37 billion and Federal-aid primary, secondary, and urban expenditures totaling \$15,179 million.

Estimated highway trust fund receipts of \$54,762 million as shown in statement No. 2 are adequate to cover estimated highway program expenditures with a balance of \$1,937 million at the end of the program.

It is estimated that during fiscal year 1966, \$250 million will be required to be advanced from the general fund to cover heavy seasonal payment requirements that normally occur early in the year. Such borrowing would be repaid by the end of the fiscal year, and would require payment of interest of about \$5 million to the general fund.

UNDER PROPOSED LEGISLATION

The President's 1966 budget notes a total increase of \$5.8 billion in the estimated cost of the Interstate Highway System, reflecting recent additions to the system, increases in right-of-way costs, changes in design standards, and higher construction costs. The Federal share of this increase is estimated to be \$5 billion. The budget indicates that there will be proposals for increased highway user taxes, an extension of such taxes beyond October 1, 1972, and a minimum extension of the construction schedule. Specific user charge proposals are being developed, but until announced, no projection of trust fund revenues can be made.

The President's budget recommends that taxes on aviation gasoline should be retained in the general fund and that new or additional user charges to be recommended would produce revenues of \$200 million in fiscal year 1966, taking account of retention of aviation fuel taxes in the general fund.

The pay-as-you-go policy, under which the highway trust fund is required to be administered, would necessitate continuation of present procedures under which the rates at which the States may proceed to incur reimbursable obligations are so scheduled as to assure that program expenditure requirements will not exceed available revenues.



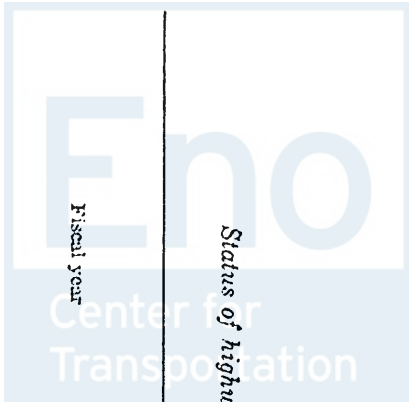
STATEMENT NO. 1
Status of highway trust fund, June 30, 1964

Description	Internal Revenue Code section	Cumulative through June 30, 1964		Fiscal year 1964		Fiscal year 1963		Increase or decrease (-) 1964 over 1963
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081, 4225(a) -4	\$16,626,725,484.41	80.2	\$2,641,336,305.99	74.6	\$2,473,804,270.20	75.1	\$167,532,035.79
Diesel fuel.....	4031	646,088,900.31	3.1	129,105,069.59	3.6	114,441,361.28	3.5	13,663,648.31
Truss highway vehicles and other	4071(a)1-2	12,182,798,176.13	10.0	369,520,086.60	10.4	1,365,346,331.73	11.1	4,173,784.77
Inner tubes.....	4071(a)3	1,124,027,080.77	.6	21,796,211.92	.6	1,18,890,971.80	.6	2,905,280.12
Tread rubber.....	4071(a)4	1,386,565,691.28	.7	21,929,800.44	.6	1,24,056,397.93	.7	-2,126,597.49
Trucks, buses, and trailers.....	4081(a)1	1,806,348,438.08	6.3	337,444,905.96	10.0	311,160,175.52	9.5	46,184,730.44
Truck use.....	4481	459,950,677.29	2.2	105,760,878.29	3.0	97,317,558.78	2.9	8,443,322.51
Total highway taxes.....		21,462,512,458.25	103.5	3,645,793,198.69	103.0	3,405,017,064.24	103.4	240,776,134.45
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	6420	647,037,653.91	3.1	103,526,032.11	2.9	103,996,500.88	3.1	-470,468.77
Gasoline for nonhighway purposes of local transit.....	6421	152,959,562.59	.7	23,110,477.60	.7	22,238,960.63	.7	871,516.97
Gasoline, other.....	4081	102,736.97	(?)	46.12	(?)	43,856.19	(?)	-43,810.07
Truss and tread rubber.....	4071(a)2	37,416.90	(?)					
Trucks, buses, and trailers.....	4081(a)1	66,650.55	(?)			39,990.34	(?)	-39,990.34
Total refunds of taxes.....		800,264,030.92	3.9	126,636,555.83	3.6	126,319,308.04	3.8	317,247.79
Net highway taxes.....		20,662,248,427.33	99.6	3,519,156,642.86	99.4	3,278,697,756.20	99.6	240,458,886.66
Interest on investments.....		79,637,907.39	.4	20,361,229.42	.6	14,263,227.04	.4	6,098,002.38
Advances from general fund.....		419,000,000.00	2.0					
Less repayment of advances.....		-419,000,000.00	-2.0					
Total receipts.....		20,741,886,334.72	100.00	3,539,517,872.28	100.0	3,292,965,983.24	100.0	246,551,889.04

EXPENDITURES								
Highway program	20,034,477,002.84	100.0	3,045,013,031.88	100.0	3,016,700,500.24	100.0	628,312,531.04	
Interest on advances	5,010,182.02	(?)						
Administration and enforcement of labor standards	368,225.00	(?)						
Total expenditures	20,100,455,449.86	100.0	3,045,013,031.88	100.0	3,016,700,500.24	100.0	628,312,531.04	
Excess of receipts, or expenditures (-)	641,430,884.86		-105,485,159.60		276,285,483.00		-381,760,842.60	
Plus opening balance			746,926,044.46		470,667,561.46		276,285,483.00	
Balance in trust fund	641,430,884.86		641,430,884.86		746,926,044.46		-105,485,159.60	
FUND ASSETS								
Investment (Special issues), Treasury certificates of indebtedness:								
3 3/8 percent maturing June 30, 1964	609,028,000.00		609,028,000.00		677,743,000.00		-677,743,000.00	
3 5/8 percent maturing June 30, 1965	32,402,884.86		32,402,884.86		69,183,044.46		609,028,000.00	
Undisbursed balances							-38,780,159.60	
Total assets	641,430,884.86		641,430,884.86		746,926,044.46		-105,485,159.60	

1 Includes floor taxes in nominal amounts.

2 Less than 0.05 of 1 percent.



STATEMENT NO. 2
 Status of highway trust fund, actual fiscal years 1967-64, and estimates, 1965-73, under existing legislation
 [In millions of dollars]

Fiscal year	Excise taxes			Receipts			Expenditures				Balance in the fund	
	Gross	Refunds (deduct)	Net	Interest (net)	General fund advances	Repayment of advances (deduct)	Total	Interstate highways	Primary, secondary, and urban ¹	Other ²		Total
Actual:												
1967	1,479	90	1,479	3	—	—	1,482	208	743	15	966	516
1968	2,116	97	2,026	18	—	—	2,044	675	869	27	1,511	1,049
1969	2,171	103	2,074	13	—	—	2,087	1,501	839	273	2,613	523
1960	2,642	126	2,539	3-3	359	-359	2,536	1,861	879	230	2,940	119
1961	2,923	131	2,798	1	60	-60	2,799	1,719	877	23	2,619	299
1962	3,080	126	2,949	7	—	—	2,955	2,169	860	10	2,784	471
1963	3,405	126	3,279	14	—	—	3,293	1,914	906	2	3,017	747
1964	3,646	127	3,519	20	—	—	3,540	2,635	1,004	6	3,645	641
Estimate:												
1965	43,750	121	3,639	16	250	-250	3,649	3,064	1,012	25	4,101	189
1966	3,879	120	3,759	5-5	—	—	3,754	2,851	1,001	23	3,875	68
1967	4,006	119	3,887	(9)	—	—	3,887	2,770	1,000	16	3,786	169
1968	4,112	118	3,994	—	—	—	3,994	2,553	1,000	5	3,958	205
1969	4,215	118	4,100	—	—	—	4,100	3,131	999	5	4,135	170
1970	4,323	118	4,205	—	—	—	4,205	3,253	1,000	5	4,258	117
1971	4,432	119	4,313	—	—	—	4,313	3,188	1,002	5	4,195	235
1972	4,541	120	4,421	—	—	—	4,421	3,003	1,000	5	4,008	648
1973	4,541	205	4,336	—	—	—	4,336	3,003	258	1	4,144	937
Total	56,642	1,958	54,684	78	669	-669	54,762	37,000	15,179	646	52,825	1,937

¹ Assuming authorizations will be extended for the fiscal years 1968-73 at the rate of \$1,000,000,000 annually.
² Includes emergency relief funds, bridge and dam design and construction funds, advances to States, and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(e) of Federal-Aid Highway Act of 1958.
³ Receipts of interest on investments netted by payments of interest on general fund advances in amounts of \$5,000,000 in 1960 and \$1,000,000 in 1961.
⁴ Excludes motorboat fuel revenues beginning Jan. 1, 1965, through fiscal year 1973 since these amounts are to be transferred to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).

⁵ Interest of \$5,000,000 is assumed on estimated general fund advances totaling \$250,000,000 during 1966.
⁶ No interest is projected for fiscal years 1967-73 since it is estimated that any interest earned during the remainder of the program will be offset by interest payments on general fund advances needed to cover seasonal fluctuations in payment requirements. Such advances would be borrowed and repaid within the same fiscal year.
⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

TENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE
OPERATIONS OF THE HIGHWAY
TRUST FUND, JUNE 30, 1965

LETTER

FROM

THE SECRETARY OF THE TREASURY

TRANSMITTING

THE ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY
TRUST FUND, PURSUANT TO THE PROVISIONS OF SEC-
TION 209(e) (1) OF THE HIGHWAY REVENUE ACT OF 1956



MARCH 1, 1966.—Referred to the Committee on Ways and Means
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

50-011

WASHINGTON : 1966



LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1966.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the tenth annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1973.

Sincerely yours,

HENRY H. FOWLER.

TENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1965

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal year 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, and truck use are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amounts of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Commerce. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations of the fund for fiscal 1965:

	<i>Millions</i>
Receipts.....	\$3, 669. 5
Expenditures.....	4, 026. 1
Excess of expenditures.....	356. 6
Net redemption of investments.....	343. 6
Decrease in undisbursed balances.....	12. 9
Total decrease in assets.....	356. 6
Balances, June 30, 1965:	
Investment holdings.....	265. 4
Undisbursed balances.....	19. 5
Balance of the fund.....	284. 9

Further details of the operations of the fund are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1965 remained unchanged from those of fiscal 1964 which were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; and trucks, buses, and trailers, 10 percent of the price for which sold. These rates were established pursuant to the Highway Revenue Act of 1956 (70 Stat. 387-402), as amended by the Federal-Aid Highway Act of 1961, (75 Stat.122-129).

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$3,658.5 million in fiscal 1965, a net increase of \$139.4 million over the transfers of \$3,519.2 million in fiscal 1964. Comparative figures for fiscal years 1965 and 1964 are shown in statement No. 1 and summarized as follows:

(Dollars in millions)

Type of tax	1965		1964		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$2,738.5	74.8	\$2,642.8	75.1	\$95.7
Tires.....	381.5	10.4	369.5	10.5	12.0
inner tubes and tread rubber.....	47.9	1.3	43.7	1.2	4.2
Trucks, buses, and trailers.....	393.3	10.8	357.3	10.2	36.0
Truck use.....	99.3	2.7	105.8	3.0	-6.5
Total.....	3,658.5	100.0	3,519.2	100.0	139.4

Under the provisions of section 209(c)(4), amounts are appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$28.8 million during fiscal 1965. The adjustments were approximately eight-tenths of 1 percent of the total transfers to the fund.

During fiscal 1965, \$4.4 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (79 Stat. 897). This amount represents the equivalent of taxes received on or after January 1, 1965, from the sale of special motor fuels and gasoline used in motorboats.

Refunds of taxes, which relate primarily to taxes on gasoline used on farms and gasoline for nonhighway purposes or local transit systems, as authorized by section 209(f)(3) and (4) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service and are shown in this report as reductions of transfers to the fund. Refunds amounted to \$123.5 million in fiscal 1965, compared with \$126.6 million in 1964.

During fiscal 1965, the trust fund was credited with \$11.0 million of interest on investments in public debt securities, bringing the total credits to \$3,669.5 million as compared with \$3,539.5 million in 1964.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND

[In millions of dollars]

	Fiscal year 1965	Fiscal year 1964	Increase or decrease (-)
Transfers on basis of estimates.....	\$3,757.6	\$3,570.5	\$187.1
Quarterly adjustments.....	23.8	75.3	-46.5
Total transfers.....	3,786.4	3,645.8	140.6
Less transfers to land and water conservation fund.....	4.4	4.4	4.4
Less refunds of taxes.....	123.5	126.6	-3.1
Net transfers.....	3,658.5	3,519.2	139.4
Interest on investments.....	11.0	20.4	-9.3
Total receipts.....	3,669.5	3,539.5	130.0

EXPENDITURES

Federal-aid highway program expenditures are made by the Bureau of Public Roads, Department of Commerce, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1965 expenditures, in nominal amounts, were also made by the Bureau of Indian Affairs and the Corps of Engineers from amounts transferred to them. During fiscal 1965, the expenditures from the fund amounted to \$4,026.1 million, an increase of \$381.1 million over the expenditures of \$3,645.0 million in 1964. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

Agency	Fiscal year 1965	Fiscal year 1964	Increase or decrease (-)
Bureau of Public Roads ¹	\$4,025,708	\$3,644,684	\$381,023
Bureau of Indian Affairs.....	366	366	366
Corps of Engineers.....	44	329	-285
Total expenditures.....	4,026,117	3,645,013	381,104

¹ Includes \$634,000 for improvement of the Pentagon road network for fiscal 1965 and \$1,364,000 for fiscal 1964.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1965, the fund held \$265.4 million in special issues of Treasury certificates of indebtedness bearing interest at 3¼ percent per annum, maturing June 30, 1966. This compares with holdings of \$609 million on June 30, 1964, at 3½ percent. The trust fund was credited with \$11 million in interest on investments in fiscal 1965, a decrease of \$9.3 million from the interest of \$20.4 million in 1964.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1965, was \$284.9 million, a decrease of \$356.6 million from the June 30, 1964, balance of \$641.4 million. The balance consisted of investments of \$265.4 million and \$19.5 million undisbursed appropriations.

4 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND

CUMULATIVE SUMMARY

Cumulative operations of the fund, from inception in 1956 through June 30, 1965, are summarized as follows:

(In millions of dollars)

RECEIPTS	
Program operations:	
Gasoline, diesel fuel, and special motor fuels taxes.....	\$20,137.2
Tires, tubes, and tread rubber taxes.....	2,852.8
Trucks, buses, and trailers, and truck use taxes.....	2,258.9
Transfers to land and water conservation fund.....	-4.4
Refunds of taxes.....	-923.8
	\$24,320.8
Miscellaneous activities:	
Interest on investments.....	90.7
Advances from general fund.....	419.0
Repayment of advances.....	-419.0
	90.7
Total receipts.....	24,411.4
EXPENDITURES	
Program operations: Highway construction.....	
	24,120.6
Miscellaneous activities:	
Interest on advances.....	\$5.6
Administration of labor standards.....	.4
	6.0
Total expenditures.....	24,126.6
BALANCE OF THE FUND	
Undisbursed appropriations.....	19.5
Investments.....	265.4
Total balances.....	284.9

Further details regarding the cumulative operations of the fund are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund in fiscal 1966 and subsequent fiscal years was enacted by the 89th Congress, 1st session. The acts, some of which did not get final approval until after the close of the fiscal year covered by this report, consisted of the following:

Public Law 89-16, approved April 30, 1965, appropriated an additional amount of \$250 million for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is part of the authorization for 1964.

Public Law 89-41, approved June 17, 1965, cited as the Pacific Northwest Disaster Relief Act of 1965, authorized additional appropriations totaling \$50 million for fiscal year 1965 and \$20 million for fiscal year 1966 for the repair and reconstruction of highways, roads, and trails. Expenditures related to these authorizations will be made from the highway trust fund which will be reimbursed by an appropriation from the general fund of the Treasury. These authorizations for emergency relief in 1965 and 1966 are in addition to the amounts authorized by section 125 of title 23 of the United States Code.

Public Law 89-44, approved June 21, 1965, authorized the transfer to the trust fund of amounts equivalent to excise taxes on lubricating oil and on parts and accessories for trucks, buses, etc., and eliminated the tax on certain buses.

Public Law 89-139, approved August 28, 1965, amended the Federal-Aid Highway Act of 1956, as amended, and authorized appropriations out of the trust fund for the interstate system amounting to \$3 billion for the fiscal year 1967. This was \$100 million more than had previously been authorized for 1967 by the Federal-Aid Highway Act of 1961. This act also approved apportionment factors shown in table 5 of House Document 42, 89th Congress, 1st session, for use in apportioning fiscal year 1967 interstate funds.

Public Law 89-164, approved September 2, 1965, appropriated a total of \$3,898,400,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$1,074,510,010, the balance of authorizations for 1964; \$2,817,956,045 as part of the authorizations for 1965; and \$5,933,945 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams.

The Federal-Aid Highway Act of 1964 (Public Law 88-423, approved August 13, 1964) authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$1 billion for each of the fiscal years 1966 and 1967 (the so-called ABC program). The annual amount authorized is available as follows: 45 percent for the primary highway system; 30 percent for the secondary highway system; and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the highway trust fund.

The ABC authorizations, together with authorizations totaling \$37.1 billion for completion of the National System of Interstate and Defense Highways are to be financed from the trust fund.

The full amount of \$3 billion authorized by Public Law 89-139 for the interstate system for the fiscal year 1967 was apportioned to the States by the Secretary of Commerce, effective August 30, 1965. The \$1 billion of Federal-aid primary, secondary, and urban funds authorized by the 1964 act for the fiscal year 1967 was also apportioned to the States effective August 30, 1965.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year 1971 that can be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures, and balances for the fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$56,029 million, including presently authorized interstate program costs of \$37,100 million; a balance of \$2,939 million available for additional interstate authorizations; and \$15,990 million for Federal-aid primary, secondary, and urban, emergency relief, and other expenditures. The balance of \$2,939 million would finance the major portion of the \$5 billion increase in Federal funds required to complete the interstate system as shown by the 1965 Interstate Cost Estimate reported in House Document No. 42, 89th Congress, 1st session.

6 FINANCIAL CONDITION OF THE HIGHWAY TRUST FUND

UNDER PROPOSED LEGISLATION

The President's 1967 budget states that legislation will be proposed to provide for financing from the trust fund (1) the increase in the Federal share of the cost of completing the 41,000-mile Interstate Highway System (1965 Interstate Cost Estimate, H. Doc. 42, 89th Cong., 1st sess.); (2) the forest and public lands highway programs; (3) a new highway safety program; and (4) the highway beautification program. Legislation will also be proposed to increase heavy vehicle excise taxes to equitable levels, to transfer to the trust fund receipts equal to 1 percentage point of the existing auto excise tax for the beautification program, to remove excise taxes on aviation fuel from the trust fund, and to extend the expiration date for the trust fund by 5 months, until February 28, 1973.

STATEMENT NO. 1
Status of highway trust fund, June 30, 1965

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1965		Fiscal year 1965		Fiscal year 1964		Increase or decrease (-), 1965 compared to 1964
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081	\$119,347,421,654.53	79.3	\$2,720,696,170.12	74.1	\$2,641,326,305.99	74.6	\$79,329,964.13
Diesel fuel and special motor fuels.....	4041 (b) (1)	789,744,008.69	3.2	143,675,108.28	3.9	128,105,009.69	3.6	15,570,098.69
Tires, highway vehicles, and other.....	4071 (a) (1-2)	12,644,233,737.05	10.4	381,639,460.92	10.4	369,520,086.50	10.4	12,019,474.42
Inner tubes.....	4071 (a) (3)	1,147,790,004.78	.6	23,752,914.01	.6	21,796,211.92	.6	1,966,702.09
Tread rubber.....	4071 (a) (4)	1,160,726,354.04	.7	24,155,662.81	.7	21,929,800.44	.6	2,230,862.37
Trucks, buses, and trailers.....	4061 (a) (1)	1,169,632,600.34	7.0	334,304,162.28	10.7	337,344,905.96	10.1	35,959,256.32
Truck use.....	4481	559,239,611.04	2.3	99,278,833.75	2.7	105,760,878.29	3.0	2-6,481,944.54
Total excise taxes transferred.....		25,248,919,970.42	103.4	3,786,407,512.17	103.2	3,645,793,198.69	103.0	140,614,313.48
Less transfers to land and water conservation fund.....		4,400,000.00	(?)	4,400,000.00	.1			4,400,000.00
Gross highway trust fund taxes.....		25,244,519,970.42	103.4	3,782,007,512.17	103.1	3,645,793,198.69	103.0	136,214,313.48
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	6420	749,061,071.20	3.1	101,023,407.29	2.8	103,526,032.11	2.9	-2,502,624.82
Gasoline for nonhighway purposes or local transit.....	6421	175,434,248.72	.7	22,474,696.13	.6	23,110,477.60	.7	-636,791.47
Gasoline, other.....	6412	102,984.96	(?)	247.99	(?)	46.12	(?)	201.87
Tires and tread rubber.....	6412	97,416.90	(?)					
Trucks, buses, and trailers.....	6412	66,650.55	(?)					
Total refunds of taxes.....		923,762,372.33	3.8	123,498,341.41	3.4	126,636,555.83	3.6	-3,138,214.42
Net highway trust fund taxes.....		24,320,757,598.09	99.6	3,658,509,170.76	99.7	3,519,156,642.86	99.4	139,352,527.90
Interest on investments.....		90,672,835.80	.4	11,034,928.41	.3	20,361,229.42	.6	-9,326,301.01
Advances from general fund.....		419,000,000.00	1.7					
Repayment of advances.....		-419,000,000.00	1.7					
Total receipts.....		24,411,430,438.89	100.0	3,659,544,099.17	100.0	3,539,517,872.28	100.0	130,026,226.89

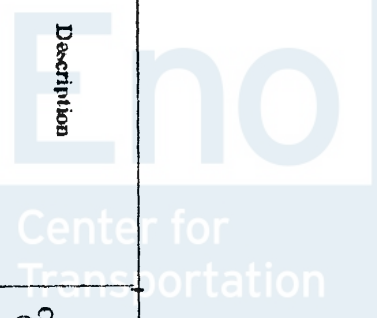
See footnotes at end of table, p. 8.

Status of highway trust fund, June 30, 1965—Continued

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1965		Fiscal year 1965		Fiscal year 1964		Increase or decrease (-), 1965 compared to 1964
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES								
Highway program		\$24,120,394,594.75	100.0	\$4,026,117,471.91	100.0	\$3,645,013,031.88	100.0	\$331,104,440.08
Interest on advances		5,610,162.02	(?)					
Administration and enforcement of labor standards		368,225.00	(?)					
Total expenditures		24,126,572,921.77	100.0	4,026,117,471.91	100.0	3,645,013,031.88	100.0	381,104,440.08
Excess of receipts, or expenditures (-)		284,857,512.12		-356,573,372.74		-106,496,159.60		-251,078,213.14
Plus opening balance				641,430,894.86		740,926,094.46		-106,496,159.60
Balance in highway trust fund		284,857,512.12		284,857,512.12		641,430,894.86		-356,573,372.74
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
3 1/2 percent maturing June 30, 1965		265,394,000.00		265,394,000.00		609,028,000.00		-609,028,000.00
3 1/4 percent maturing June 30, 1966		19,463,512.12		19,463,512.12		32,402,894.86		-265,394,000.00
Undeclared balances								-12,939,572.74
Total assets		284,857,512.12		284,857,512.12		641,430,894.86		-356,573,372.74

1 Includes floor stock taxes in nominal amounts (26 U.S.C. 4226(a)).
 2 Actual Internal Revenue collections show an increase of \$1,839,019.82 when comparing fiscal 1965 (\$102,036,468.82) with fiscal 1964 (\$100,197,448.79). The decrease of \$6,481,944.54 shown in this statement results from the procedure, described on p. 1, whereby receipts

are credited to the fund on the basis of estimates and later adjusted to actual. All adjustments do not fall in the fiscal year to which they relate.
 * Less than 0.05 of 1 percent.



STATEMENT NO. 2
 Status of highway trust fund, actual fiscal years 1957-65, and estimates 1966-73, under existing legislation
 [In millions of dollars]

Fiscal year	Gross excise taxes	Deductions		Net excise taxes	Receipts					Expenditures				Balance in the fund		
		Trans- fers ¹	Returns		Interest (net)	General fund advances	Repay- ment of advances (deduct)	Reim- burse- ments from general fund ²	Total	Interstate highways Author- ized	Available for addi- tional authori- zations	Primary, second- ary, and urban ³	Other ⁴		Total	
Actual:																
1957	1,479	---	90	1,479	3	---	---	---	---	---	---	---	---	---	---	---
1958	2,116	---	97	2,026	18	---	---	---	---	---	---	---	---	---	---	---
1959	2,171	---	103	2,074	13	---	---	---	---	---	---	---	---	---	---	---
1960	2,642	---	126	2,539	1	---	---	---	---	---	---	---	---	---	---	---
1961	2,923	---	131	2,798	1	---	---	---	---	---	---	---	---	---	---	---
1962	3,080	---	127	2,949	7	---	---	---	---	---	---	---	---	---	---	---
1963	3,405	---	127	3,279	14	---	---	---	---	---	---	---	---	---	---	---
1964	3,046	---	123	3,519	20	---	---	---	---	---	---	---	---	---	---	---
1965	3,786	---	128	3,859	5	---	---	---	---	---	---	---	---	---	---	---
Estimate:																
1966	4,015	28	290	3,989	(9)	70	---	---	---	---	---	---	---	---	---	---
1967	4,218	29	143	4,172	---	200	---	---	---	---	---	---	---	---	---	---
1968	4,346	31	144	4,293	---	---	---	---	---	---	---	---	---	---	---	---
1969	4,469	32	146	4,401	---	---	---	---	---	---	---	---	---	---	---	---
1970	4,581	34	147	4,502	---	---	---	---	---	---	---	---	---	---	---	---
1971	4,684	35	130	4,603	---	---	---	---	---	---	---	---	---	---	---	---
1972	4,790	37	163	4,690	---	---	---	---	---	---	---	---	---	---	---	---
1973 ⁷	4,928	29	---	4,899	---	---	---	---	---	---	---	---	---	---	---	---
Total	58,279	259	2,144	55,877	89	689	689	689	63	56,029	37,100	2,939	15,128	862	56,029	---

¹ Transfers to the land water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).
² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965. (See footnote 4.)
³ Assuming authorizations will be extended for fiscal years 1968-73 at the rate of \$1,000,000,000 annually.
⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958. Beginning fiscal 1966 also includes emergency fund expenditures for which the fund will be reimbursed from the general fund of the Treasury in accordance with Public Law 88-451, approved Aug. 19, 1964 (78 Stat. 505), and Public Law 89-41, approved June 17, 1965 (79 Stat. 131.) (See footnote 2.)
⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5,000,000 in 1960 and \$1,000,000 in 1961.
⁶ No interest is projected for fiscal years 1967-73 since it is estimated that any interest earned during the remainder of the program will be offset by interest payments on general fund advances needed to cover seasonal fluctuations in payment requirements. Such advances would be borrowed and repaid within the same fiscal year.
⁷ Through Sept. 30, 1972.
⁸ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

**FINANCIAL CONDITION AND RESULTS
OF THE OPERATIONS OF THE HIGHWAY
TRUST FUND, FISCAL YEAR 1966**

LETTER

FROM

ACTING SECRETARY OF THE TREASURY

TRANSMITTING

**THE ELEVENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND, JUNE 30, 1966, PURSUANT
TO SECTION 209(e)(1) OF THE HIGHWAY REVENUE
ACT OF 1956, AS AMENDED (28 U.S.C. 120 NOTE)**



**MARCH 1, 1967.—Referred to the Committee on Ways and Means and
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LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1967.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the 11th annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1973.

Sincerely yours,

JOSEPH W. BARR, *Acting Secretary.*

III

ELEVENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1966

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amounts of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Bureau of Public Roads, Department of Commerce. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Commerce. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations for fiscal 1966:

	<i>Millions</i>
Receipts.....	\$3,924.8
Expenditures.....	3,966.1
Excess of expenditures.....	41.3
Net redemption of investments.....	27.6
Decrease in undisbursed balances.....	13.7
Total decrease in assets.....	41.3
Balances, June 30, 1966:	
Investment holdings.....	237.8
Undisbursed balances.....	5.8
Balance of the fund.....	243.5

Further details of the operations are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The most recent legislation affecting the tax collections creditable to the highway trust fund is in the Excise Tax Reduction Act of 1965, Public Law 89-44, approved June 21, 1965 (79 Stat. 136). The provisions of the act relating to transfers to the trust fund provide that amounts equivalent to excise taxes received after December 31, 1965, on parts and accessories for trucks, buses, etc., and on lubricating oil be transferred to the trust fund. The provisions also state that amounts received during the calendar year 1966 shall be taken into account only to the extent attributable to liability for tax incurred after December 31, 1965.

The rates of taxes in fiscal 1966 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the price for which sold; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents a gallon; and parts and accessories for trucks, buses, etc., 8 percent of the price for which sold.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$3,916.8 million in fiscal 1966, a net increase of \$258.3 million over the transfers of \$3,658.5 million in 1965. Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

(Dollars in millions)

Type of tax	1966		1965		Increase
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$2,846.2	72.7	\$2,736.5	74.9	\$109.7
Tires.....	442.2	11.3	381.5	10.4	60.7
Trucks, buses, etc.....	442.0	11.3	393.3	10.8	48.7
Truck use.....	102.0	2.6	99.3	2.7	2.7
Inner tubes and tread rubber.....	54.5	1.4	47.9	1.8	6.6
Lubricating oil.....	23.0	.6			23.0
Parts and accessories for trucks, buses, etc.....	7.0	.2			7.0
Total.....	3,916.8	100.0	3,653.5	100.0	258.3

Under the provisions of section 209(c)(4), amounts are appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$46.5 million during fiscal 1966. The adjustments were approximately 1.1 percent of the total transfers to the fund.

During 1966, \$28 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (79 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

Refunds of taxes, which relate primarily to taxes on gasoline used for nonhighway purposes or local transit systems, as authorized by

section 209(f) (3) and (4) of the Highway Revenue Act, are charged to the trust fund on the basis of certifications of the Internal Revenue Service and are shown in this report as reductions of transfers to the fund. Refunds amounted to \$119.8 million in fiscal 1966, compared with \$123.5 million in 1965.

During fiscal 1966 there was credited to and repaid from the trust fund a total of \$70 million, as interest-bearing repayable advances from the \$200 million appropriated by Public Law 89-164, approved September 2, 1965. There was also credited \$8 million of interest on investments in public debt securities, bringing the total credits to \$3,924.8 million as compared with \$3,669.5 million in fiscal 1965.

The amounts of receipts credited to the fund, by type, are shown in statement No. 1 and summarized as follows:

[In millions of dollars]

	Fiscal year 1966	Fiscal year 1965	Increase, or decrease (-)
Transfers on basis of estimates.....	\$4,018.1	\$3,757.6	\$260.5
Quarterly adjustments.....	46.5	23.8	17.7
Total transfers.....	4,064.6	3,781.4	278.2
Less transfers to land and water conservation fund.....	28.0	4.4	23.6
Less refunds of taxes.....	119.8	123.5	-3.7
Net transfers.....	3,916.8	3,653.5	258.3
Interest on investments.....	8.0	11.0	-3.0
General fund advances.....	70.0	70.0	70.0
Repayment of advances.....	-70.0		-70.0
Total receipts.....	3,924.8	3,669.5	255.3

EXPENDITURES

Federal-aid highway program expenditures are made by the Bureau of Public Roads, Department of Commerce, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1966 expenditures, in nominal amounts, were also made by the Bureau of Indian Affairs and the Corps of Engineers from amounts transferred to them. Payments of interest on the general fund advances in 1966, not included in program disbursements, amounted to \$0.7 million. During fiscal 1966, the expenditures from the fund amounted to \$3,966.1 million, a decrease of \$60 million over the expenditures of \$4,026.1 million in 1965. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1966	Fiscal year 1965	Increase, or decrease (-)
Highway programs:			
Bureau of Public Roads ¹	\$3,964,910	\$4,025,708	-\$60,798
Bureau of Indian Affairs.....	500	366	134
Corps of Engineers.....	20	44	-24
Total.....	3,965,431	4,026,117	-60,686
Interest on advances.....	678		678
Total expenditures.....	3,966,109	4,026,117	-60,008

¹ Includes \$31,000 for improvement of the Pentagon road network in fiscal 1966 and \$634,000 for 1965. Fiscal 1966 also includes \$1,100,000 and \$14,000,000 of payments made under the Alaska Omnibus Act and Pacific Northwest Disaster Relief Act of 1965, respectively.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1966, the fund held \$237.8 million in special issues of Treasury certificates of indebtedness bearing interest at 4½ percent, maturing June 30, 1967. This compares with holdings of \$265.4 million on June 30, 1965, at 3¾ percent. The trust fund was credited with \$8 million in interest on investments in fiscal 1966, a decrease of \$3.1 million from the \$11 million in 1965.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1966, was \$243.5 million, a decrease of \$41.3 million from the June 30, 1965, balance of \$284.9 million. The balance consisted of investments of \$237.8 million and undisbursed appropriations of \$5.8 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1966, are summarized as follows:

(In millions of dollars)

RECEIPTS

Program operations:		
Gasoline, diesel fuel, and special motor fuels taxes	23,131.2	
Tires, tubes, and tread rubber taxes	3,349.5	
Trucks, buses, etc., and truck use taxes	2,802.9	
Lubricating oil taxes	23.0	
Parts and accessories for trucks, buses, etc., taxes	7.0	
Transfers to land and water conservation fund	-32.4	
Refunds of taxes	-1,043.5	
		28,237.6
Miscellaneous activities:		
Interest on investments	98.7	
Advances from general fund	489.0	
Repayment of advances	-489.0	
		98.7
Total receipts		28,336.2

EXPENDITURES

Program operations: Highway construction	28,086.0	
Miscellaneous activities:		
Interest on advances	6.3	
Administration of labor standards	.4	
		6.7
Total expenditures		28,092.7

BALANCE OF THE FUND [In millions of dollars]	
Undisbursed appropriations	5.8
Investments	237.8
Total balances	243.6

Further details regarding the cumulative operations are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund in fiscal 1967 and subsequent fiscal years was enacted by the 89th Congress, second session. The legislation enacted in 1966, which did not get final approval until after the close of the fiscal year covered by this report, consisted of the following:

The Federal-Aid Highway Act of 1966 (Public Law 89-574, approved September 13, 1966) (1) increased the authorizations of Federal funds for completion of the Interstate System; (2) approved the 1965 interstate cost estimate (H. Doc. 42, 89th Cong., 1st sess.) as a basis for making apportionments of interstate funds authorized for the fiscal years ending June 30, 1968 and 1969; (3) authorized appropriations out of the trust fund for the primary, secondary, and urban (A-B-C) program for the fiscal years 1968 and 1969; and (4) increased the authorization for appropriations for emergency relief.

The act amended the Federal-Aid Highway Act of 1956, as amended, to provide authorizations totaling \$42.3 billion for the Interstate System, including the unpaid balance of prior authorizations carried forward into the highway trust fund on July 1, 1956. This represented an increase of \$5.2 billion over previous authorizations and exceeded by \$300 million the Federal share of the estimated cost of completing the interstate system as reported in House Document 42, 89th Congress, first session.

The 1966 act authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$1 billion for each of the fiscal years 1968 and 1969 (the so-called A-B-C program). The annual amount authorized is available as follows: 45 percent for the primary highway system, 30 percent for the secondary highway system, and 25 percent for extensions of the systems in urban areas. Subsequent legislation is expected to continue this program during the life of the highway trust fund.

The act increased the annual authorization for the emergency relief program to \$50 million and authorized appropriations for 60 percent of any fiscal year's expenditures from the highway trust fund and for 40 percent of any fiscal year's expenditures from the general fund of the Treasury. It also provided that each year's authorization shall remain available for 3 years.

The full amount of \$3.4 billion authorized by the 1966 act for the Interstate System for fiscal 1968 was apportioned to the States by the Secretary of Commerce, effective October 7, 1966. The \$1 billion of Federal-aid primary, secondary, and urban funds authorized by the 1966 act for fiscal 1968 was also apportioned to the States effective October 7, 1966.

Public Law 89-797, approved November 8, 1966, appropriated a total of \$3,968,400,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$856,883,262, the balance of authorizations for fiscal 1965; \$3,094,396,796 as part of the authorizations for fiscal 1966; and \$17,119,942 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal 1972 that cannot be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$57,877 million, including presently authorized interstate program costs of \$42,300 million less \$347 million for interstate authorizations to be withheld from apportionment, plus \$15,924 million for Federal-aid primary, secondary, urban, emergency relief, and other expenditures. The required additional receipts of \$347 million required to finance the authorized interstate program could be obtained by providing revenues from additional taxes, or by extending the period of the trust fund beyond the present September 30, 1972, termination date, or both.

UNDER PROPOSED LEGISLATION

The President's 1968 budget states that legislation is being proposed to transfer the financing of the forest highways program and public lands highways program to the highway trust fund so that costs of these programs, which in large part involve improvements to routes of Federal-aid primary and secondary systems, will be borne by highway users rather than by the general taxpayer. The budget also notes that proposals will be made to increase receipts to the highway trust fund by providing heavy vehicle equalization taxes and that such increase would be partially offset by a decrease in highway trust fund receipts due to proposed retention in the general fund of aviation gas taxes currently deposited in the highway trust fund.

STATEMENT No. 1.—Status of highway trust fund, June 30, 1966

Description	Internal Revenue Code section (title 26 United States Code)	Cumulative through June 30, 1966		Fiscal Year 1966		Fiscal Year 1965		Increase or decrease (-), 1966 compared to 1965
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline	4081	1,222,177,894,944.45	78.3	\$2,820,443,289.92	72.1	\$2,720,696,170.12	74.1	\$109,747,119.80
Tires, highway vehicles, and other	4071 (a) (1-2)	12,986,480,028.37	10.5	442,154,291.32	11.3	381,539,560.92	10.4	60,614,730.40
Trucks, buses, etc.	4061 (a) (1)	12,141,621,407.09	7.6	441,998,806.75	11.3	389,304,162.23	10.7	49,694,644.52
Diesel fuel and special motor fuels	4041 (a) (b)	953,309,892.88	3.4	164,668,795.27	4.2	143,675,108.28	3.9	19,990,686.99
Truck use	4481	681,242,860.83	2.3	101,983,249.79	2.6	99,278,933.75	2.7	2,704,316.04
Inner tubes	4071 (a) (3)	1,177,955,553.74	6	30,175,548.96	8	23,752,914.01	6	6,422,634.95
Tread rubber	4071 (a) (4)	1,185,010,053.95	7	24,253,099.86	6	24,160,862.81	7	123,037.05
Lubricating oil	4091	23,000,000.00	.1	7,000,000.00	.2			22,000,000.00
Parts and accessories for trucks, buses, etc.	4061 (b)	7,000,000.00						7,000,000.00
Total excise taxes transferred								
		29,313,494,652.29	103.4	4,064,574,681.87	103.6	3,786,407,512.17	103.2	278,167,169.70
Less transfers to land and water conservation fund								
		32,400,000.00	.1	28,000,000.00	.7	4,400,000.00	.1	28,000,000.00
Gross highway trust fund taxes								
		29,281,094,652.29	103.3	4,036,574,681.87	102.8	3,782,007,512.17	103.1	254,567,169.70
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	6420	846,112,708.09	3.0	98,051,634.89	2.5	101,023,407.29	2.8	-2,971,772.40
Gasoline for nonhighway purposes or local transit	6421	197,154,353.74	.7	21,720,105.02	.6	22,474,886.13	.6	-754,581.11
Gasoline, other	6412	103,007.84	(?)	22.88	(?)	247.99	(?)	-225.11
Tires and tread rubber	6412	97,416.90	(?)					
Trucks, buses, etc.	6412	64,650.55	(?)					
Total refunds of taxes								
		1,063,534,135.12	2.7	119,771,762.79	3.1	123,498,341.41	3.4	-3,726,578.62
Net highway trust fund taxes								
		28,237,560,517.17	99.7	3,916,802,919.08	99.8	3,658,509,170.76	99.7	268,293,748.32
Interest on investments		98,656,300.65	.3	7,983,464.85	1.3	11,034,928.41	.3	-3,051,468.56
Advances from general fund		489,000,000.00	1.7	70,000,000.00	1.8			70,000,000.00
Repayment of advances		-489,000,000.00	-1.7	-70,000,000.00	-1.8			-70,000,000.00
Total receipts								
		28,336,216,817.82	100.0	3,924,784,383.93	100.0	3,699,544,099.17	100.0	265,242,294.76

See footnotes at end of table, p. 8.

STATEMENT No. 1.—Status of highway trust fund, June 30, 1966—Continued

Description	Internal Revenue Code section (title 26 United States Code)	Cumulative through June 30, 1966		Fiscal year 1966		Fiscal year 1965		Increase, or decrease (-), 1966 compared to 1965
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES								
Highway program.....		\$28,096,026,287.21	100.0	\$3,964,430,782.46	100.0	\$4,026,117,471.91	100.0	-\$60,684,719.45
Interest on advances.....		6,238,481.44	(?)	678,319.42	(?)			678,319.42
Administration and enforcement of labor standards.....		368,225.00	(?)					
Total expenditures.....		28,092,691,993.65	100.0	3,966,109,071.88	100.0	4,026,117,471.91	100.0	-60,008,400.03
Excess of receipts, or expenditures (-).....		243,534,824.17		-41,322,687.95		-356,573,372.74		315,250,694.79
Plus opening balance.....				284,857,512.12		641,430,884.86		-356,573,372.74
Balance in highway trust fund.....		243,534,824.17		243,534,824.17		284,857,512.12		-41,322,687.95
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
3 1/4 percent maturing June 30, 1966.....						265,394,000.00		-265,394,000.00
4 1/2 percent maturing June 30, 1967.....		237,763,000.00		237,763,000.00		19,463,512.12		237,763,000.00
Un reimbursed balances.....		5,771,824.17		5,771,824.17				-13,691,687.95
Total assets.....		243,534,824.17		243,534,824.17		284,857,512.12		-41,322,687.95

¹ Includes floor stock taxes in nominal amounts (26 U. S. C. 4236(a)).

² Less than 0.05 of 1 percent.

STATEMENT No. 2.—Status of highway trust fund, actual fiscal years 1967-66, and estimates 1967-73, under existing legislation

[In millions of dollars]

Fiscal year	Gross excise taxes	Deductions		Net excise taxes	Interest (net)	General fund advances	Repay- ment of advances (deduct)	Reim- burse- ments from general fund ²	Total	Expenditures			Total	Balance in the fund
		Trans- fers ¹	Refunds							Interstate highways	Author- ized	Author- izations withheld from appor- tionments (deduct)			Primary, secondary, and urban^{3}	Other^{4}
Actual:														
1967	1,479	—	—	1,479	3	—	—	—	1,482	298	—	—	966	516
1968	2,116	—	90	2,026	18	—	—	—	2,044	675	—	15	1,511	1,049
1969	2,171	—	97	2,074	13	—	—	—	2,087	1,501	—	27	2,613	1,049
1960	2,642	—	103	2,539	—	359	—	—	2,898	1,861	—	273	2,940	523
1961	2,923	—	126	2,798	—	60	—	—	2,799	1,719	—	200	2,619	119
1962	3,050	—	131	2,919	—	—	60	—	2,985	1,914	—	377	2,794	299
1963	3,405	—	126	3,279	—	—	—	—	3,283	2,109	—	10	3,017	471
1964	3,646	—	127	3,519	14	—	—	—	3,540	2,635	—	2	3,645	747
1965	3,786	—	123	3,663	29	—	—	—	3,670	3,016	1,004	6	4,026	285
1966	4,063	—	28	3,935	11	70	—	—	3,924	2,978	837	20	3,965	244
Estimate:														
1967	4,789	—	32	4,514	9	—	—	—	4,523	2,927	953	58	3,938	829
1968	4,822	—	31	4,333	40	—	—	15	4,388	2,793	937	43	3,773	1,444
1969	4,866	—	31	4,478	43	—	—	22	4,556	3,202	1,065	30	4,297	1,702
1970	4,806	—	32	4,614	50	—	—	16	4,660	3,907	1,019	30	4,656	1,726
1971	4,940	—	33	4,744	45	—	—	—	4,789	4,213	1,004	30	5,250	1,285
1972	4,076	—	34	4,875	30	—	—	—	4,905	4,468	998	30	5,496	674
1973 ⁵	1,855	—	14	1,767	—	—	—	—	1,767	2,471	347	7	2,381	—
Total	59,990	299	2,196	57,504	310	489	489	63	57,877	42,300	347	15,070	854	57,877

¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).
² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965. (See footnote 4.)
³ Assuming authorizations will be extended for fiscal years 1970-73 at the rate of \$1,000,000 annually.
⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; and special \$460,000,000 of primary, secondary, and urban funds authorized by sec. 2(e) of Federal-Aid Highway Act of 1968. Beginning fiscal 1966 also includes emergency fund expenditures for which the fund will be reimbursed from the general fund of the Treasury in accordance with Public Law 88-451, approved Aug. 19, 1964 (78 Stat. 806), and Public Law 89-41, approved June 17, 1965 (79 Stat. 131). (See footnote 2.) Pursuant to sec. 9(c) of the Federal-Aid Highway Act of 1966, appropriations for emergency fund expenditures resulting from authorizations beginning July 1, 1966, are authorized from the highway trust fund for 60 percent of such expenditures and from the general fund of the Treasury for 40 percent. This statement includes emergency fund expenditures for the trust fund liability but does not include expenditures by the trust fund for the general fund liability or reimbursement from the general fund for such expenditures.
⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966.
⁶ Through Sept. 30, 1972.
⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

**FINANCIAL CONDITION AND
RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND,
FISCAL YEAR 1967**

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

THE TWELFTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND, JUNE 30, 1967, PURSUANT
TO SECTION 209(e)(1) OF THE HIGHWAY REVENUE
ACT OF 1956, AS AMENDED (23 U.S.C. 120 NOTE)



MARCH 6, 1968.—Referred to the Committee on Ways and Means,
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1968



LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, March 1, 1968.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the 12th annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1973.

Sincerely yours,

HENRY H. FOWLER.

III

TWELFTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1967

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amounts of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation.¹ Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations for fiscal 1967:

	<i>Millions</i>
Receipts.....	\$4,455.1
Expenditures.....	3,973.4
Excess of receipts.....	481.7
Net purchase of investments.....	483.9
Decrease in undisbursed balances.....	2.3
Total increase in assets.....	481.7
Balances, June 30, 1967:	
Investment holdings.....	721.7
Undisbursed balances.....	3.5
Balance of the fund.....	725.2

¹ Functions of the Bureau of Public Roads, Department of Commerce, were transferred to the Department of Transportation pursuant to Public Law 89-670, approved Oct. 15, 1966 (80 Stat. 931) with Executive Order 11340 prescribing Apr. 1, 1967 as the effective date.

Further details of the operations are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1967 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's or importer's price; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents a gallon; and parts and accessories for trucks, buses, etc., 8 percent of the price for which sold.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$4,440.9 million in fiscal 1967, a net increase of \$524.1 million over the transfers of \$3,916.8 million in 1966. Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax	1967		1966		Increase
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel and special motor fuels	\$3,084.2	69.5	\$2,846.2	72.7	\$238.0
Trucks, buses, etc.	524.5	11.8	442.0	11.3	82.6
Tires	482.0	10.9	442.2	11.3	39.8
Truck use	111.5	2.5	102.0	2.6	9.6
Lubricating oil	108.1	2.4	23.0	.6	85.1
Parts and accessories for trucks, buses, etc	69.2	1.6	7.0	.2	62.2
Inner tubes and tread rubber	61.3	1.4	54.5	1.4	6.9
Total	4,440.9	100.0	3,916.8	100.0	524.1

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund monthly on the basis of estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$48.7 million during fiscal 1967. The adjustments were approximately 1.0 percent of the total transfers to the fund.

During 1967, \$31.4 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (79 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

Under the provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168) a change was made in the method of refunding taxes with respect to certain uses of gasoline and lubricating oil. Heretofore, such refunds were paid by check. The legislation now requires, with certain exceptions, that the amounts payable to the taxpayer be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to the tax credits allowed for certain uses of gasoline and lubricating oil, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the

basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certification of the Internal Revenue Service. In fiscal 1967 estimated tax credits of \$196.0 million and tax refunds paid by check of \$15.5 million accounted for \$211.5 million in reductions of transfers to the fund.

During fiscal 1967 the trust fund was credited with \$14.2 million of interest on investments in public debt securities, bringing the total credits to \$4,455.1 million, compared with \$3,924.8 million in fiscal 1966.

[In millions of dollars]

	Fiscal year 1967	Fiscal year 1966	Increase or decrease (-)
Transfers on basis of estimates.....	\$4,635.1	\$4,018.1	\$617.0
Quarterly adjustments.....	48.7	46.5	2.2
Total transfers.....	4,683.8	4,064.6	619.2
Less transfers to land and water conservation fund.....	31.4	28.0	3.4
Less refunds of taxes.....	211.5	119.8	91.7
Net transfers.....	4,440.9	3,916.8	524.1
Interest on investments.....	14.2	8.0	6.2
General fund advances.....		70.0	-70.0
Repayment of advances.....		-70.0	70.0
Total receipts.....	4,455.1	3,924.8	530.3

EXPENDITURES

Federal-aid highway program expenditures are made by the Federal Highway Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1967 expenditures, in nominal amounts, were also made by the Bureau of Indian Affairs, the Public Health Service, and the Corps of Engineers from amounts transferred to them. During fiscal 1967, the expenditures from the fund amounted to \$3,973.4 million, an increase of \$7.3 million over the expenditures of \$3,966.1 million in 1966. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1967	Fiscal year 1966	Increase or decrease (-)
Highway programs:			
Federal Highway Administration ¹	\$3,973,080	\$3,964,910	\$8,170
Bureau of Indian Affairs.....	194	500	-307
Public Health Service.....	18		18
Corps of Engineers.....	134	20	114
Total.....	3,973,426	3,965,431	7,995
Interest on advances.....		678	-678
Total expenditures.....	3,973,426	3,966,109	7,317

¹ Includes \$70,000 for improvement of the Pentagon road network in fiscal 1967 and \$31,000 for 1966. (The improvements have now been completed and title to the roads was conveyed to the Commonwealth of Virginia by deed dated Jan. 31, 1967.) Fiscal 1967 also includes \$1,000,000 and \$20,400,000 of payments made under the Alaska Omnibus Act and Pacific Northwest Disaster Relief Act of 1965, respectively, and \$1,500,000 emergency fund expenditures for which the trust fund will be reimbursed, pursuant to Public Law 89-574, approved Sept. 13, 1966.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1967, the fund held \$721.7 million in special issues of Treasury certificates of indebtedness bearing interest at $4\frac{1}{8}$ percent, maturing June 30, 1968. This compares with holdings of \$237.8 million on June 30, 1966, at $4\frac{1}{8}$ percent. The trust fund was credited with \$14.2 million in interest on investments in fiscal 1967, an increase of \$6.2 million from the \$8 million in 1966.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1967, was \$725.2 million an increase of \$481.7 million from the June 30, 1966, balance of \$243.5 million. The balance consisted of investments of \$721.7 million and undisbursed appropriations of \$3.5 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1967, are summarized as follows:

[In millions of dollars]

Receipts:		
Program operations:		
Gasoline, diesel fuel, and special motor fuels taxes.....	\$26,458.3	
Tires, tubes, and tread rubber taxes.....	3,892.7	
Trucks, buses, etc., and truck use taxes.....	3,438.9	
Lubricating oil taxes.....	131.1	
Parts and accessories for trucks, buses, etc., taxes.....	76.2	
Transfers to land and water conservation fund.....	-63.8	
Refunds of taxes.....	-1,255.0	
Total.....		\$32,678.4
Miscellaneous activities:		
Interest on Investments.....	112.9	
Advances from general fund.....	489.0	
Repayment of advances.....	-489.0	
Total.....		112.9
Total receipts.....		32,791.3
Expenditures:		
Program operations: Highway construction.....	32,059.5	
Miscellaneous activities:		
Interest on advances.....	\$6.3	
Administration of labor standards.....	.4	
Total.....		6.7
Total expenditures.....		32,066.1
Balances of the fund;		
Undisbursed appropriations.....		3.5
Investments.....		721.7
Total balances.....		725.2

Further details regarding the cumulative operations are included in statement No. 1.

PROJECTIONS

Under existing legislation

Legislation relating to the operations of the trust fund was enacted by the 90th Congress, first session. The legislation, Public Law 90-112, approved October 23, 1967, appropriated a total of \$3,770,872,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$705,603,204, the balance of authorizations for fiscal 1966; \$3,012,781,270 as part of the authorizations for fiscal 1967; \$37,389,754 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams; \$14,008,661 for reimbursement of sums expended pursuant to the provisions of section 2 of the Pacific Northwest Disaster Relief Act of 1965 (79 Stat. 131), and \$1,089,111 for reimbursement of sums expended pursuant to the provisions of section 21 of the Alaska Omnibus Act, as amended (78 Stat. 505). Also \$15,097,772 was appropriated from the general fund of the Treasury for repayment to the highway trust fund to cover the above amounts relating to the Pacific Northwest Disaster Relief Act and the Alaska Omnibus Act.

The Federal-Aid Highway Act of 1966 (Public Law 89-574, approved September 13, 1966) authorized appropriations out of the trust fund for the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$1 billion for each of the fiscal years 1968 and 1969 (the so-called A-B-C program). The annual amount authorized is available as follows: 45 percent for the primary highway system; 30 percent for the secondary highway system; and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the highway trust fund.

The A-B-C authorizations, together with authorizations totaling \$42.3 billion for completion of the National System of Interstate and Defense Highways, are to be financed from the trust fund.

The full amount of \$3.8 billion authorized for the Interstate System for the fiscal year 1969 by the Federal-Aid Highway Act of 1956, as amended, was apportioned to the States by the Secretary of Transportation, effective August 29, 1967. The \$1 billion of Federal-aid primary, secondary, and urban funds authorized by the 1966 act for the fiscal year 1969 was also apportioned to the States effective August 29, 1967.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year 1972 that cannot be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures, and balances for fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$57,988 million, including presently authorized interstate program costs of \$42,300 million less \$93 million for interstate authorizations to be withheld from apportionment, plus \$15,781 million for Federal-aid primary, secondary, urban, emergency relief, and other expenditures. The required additional receipts of \$93 million required to finance the authorized interstate program could be obtained by providing revenues from additional taxes, or by extending

the period of the trust fund beyond the present September 30, 1972, termination date, or both.

Under proposed legislation

The President's 1969 budget states that legislation has been proposed to transfer the financing of the forest highways program and public lands highways program to the highway trust fund so that costs of these programs, which in large part involve improvements to routes of Federal-aid primary and secondary systems, will be borne by highway users rather than by the general taxpayer. Legislation has also been proposed to increase receipts to the trust fund by providing heavy vehicle equalization taxes.

The budget also states that a revised interstate cost estimate, to be submitted to Congress in January 1968, is expected to show an increased cost over the previous estimate and that trust fund revenues will prove insufficient to complete the interstate system on schedule and; therefore, legislation will be proposed to (1) extend the life of the trust fund, and (2) increase interstate authorizations to reflect the new cost estimate. ("The 1968 Interstate System Cost Estimate," H. Doc. 199, 90th Cong., second sess., was submitted to the Congress on January 12, 1968, and reports a total increase of \$9,700 million in the estimated cost of the interstate highway system. The Federal share of this increase is estimated to be \$8,640 million.)

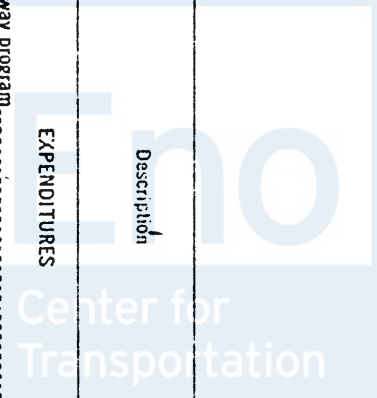


STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1967

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1967		Fiscal year 1967		Fiscal year 1966		Increase or decrease (-), 1967 compared to 1966
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline	4081	\$25,314,987,708.83	77.2	\$3,137,122,764.38	70.4	\$2,830,443,289.92	72.1	\$306,679,474.46
Trucks, buses, etc.	4061(a)(1)	12,666,170,211.28	8.1	524,548,804.19	11.8	441,968,806.75	11.3	82,579,997.44
Tires, highway vehicles, and other	4071(a)(1)-2)	13,468,441,283.73	10.6	481,951,255.36	10.8	442,154,291.32	11.3	39,796,964.04
Diesel fuel and special motor fuels	4041(a)(b)	1,143,315,877.81	3.5	190,006,073.95	4.3	163,565,795.27	4.2	26,440,278.68
Truck use	4481	772,776,997.44	2.4	111,534,136.61	2.5	101,983,249.79	2.6	9,550,886.82
Lubricating oil	4091	131,125,601.94	.2	108,125,601.94	2.4	23,000,000.00	.6	85,125,601.94
Parts and accessories for trucks, buses, etc.	4061(b)	76,155,006.11	.2	69,155,006.11	1.6	7,000,000.00	.2	62,155,006.11
Inner tubes	4071(a)(3)	1,211,237,783.87	.6	33,282,230.13	.7	30,175,548.96	.8	3,106,681.17
Tread rubber	4071(a)(4)	1,213,053,365.05	.6	28,043,311.10	.6	24,283,699.86	.6	3,759,611.24
Total excise taxes transferred		33,997,263,836.06	103.7	4,683,769,183.77	105.1	4,064,574,681.87	103.6	619,194,501.90
Less transfers to land and water conservation fund		63,800,000.00	.2	31,400,000.00	.7	28,000,000.00	.7	3,400,000.00
Gross highway trust fund taxes		33,933,463,836.06	103.5	4,652,369,183.77	104.4	4,036,574,681.87	102.8	615,794,501.90
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39,6420	994,375,577.80	3.0	148,262,871.71	3.3	98,051,634.89	2.5	50,211,236.82
Gasoline for nonhighway purposes or local transit	39,6421	220,303,157.79	.7	23,148,804.05	.5	21,720,105.02	.6	1,428,699.03
Gasoline, other	6412	102,367,46	(*)	640.38	(*)	22.88	(*)	663.26
Lubricating oils not used in highway motor vehicles	39,6424	40,096,001.85	.1	40,096,001.85	.9			40,096,001.85
Tires and tread rubber	6412	97,416.90	(*)					97,416.90
Trucks, buses, etc.	6412	66,650.55	(*)					66,650.55
Total refunds of taxes		1,255,041,172.35	3.8	211,507,037.23	4.7	119,771,762.79	3.1	91,735,274.44
Net highway trust fund taxes		32,678,422,663.71	99.7	4,440,862,146.54	99.7	3,916,802,919.08	99.8	524,059,227.46
Interest on investments		112,881,335.80	1.3	14,225,035.15	.3	7,983,464.25	.2	6,241,570.30
Advances from general fund		489,000,000.00	1.5			70,000,000.00	1.8	-70,000,000.00
Repayment of advances		-489,000,000.00	-1.5			-70,000,000.00	-1.8	70,000,000.00
Total receipts		32,791,303,999.51	100.0	4,455,087,181.69	100.0	3,924,786,383.93	100.0	530,300,797.76

See footnotes at end of table, p. 8.

STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1967.—Continued



Description	Internal Revenue Code section (26 U.S.C.)		Fiscal year 1967		Fiscal year 1966		Increase or decrease (—) 1967 compared to 1965
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES							
Highway program	\$32,059,451,255.68	100.0	\$3,973,425,968.47	100.0	\$3,965,430,752.46	100.0	\$7,995,216.01
Interest on advances	6,288,481.44	(³)			678,319.42	(³)	-678,319.42
Administration and enforcement of labor standards	368,225.00	(³)					
Total expenditures	32,066,107,962.12	100.0	3,973,425,968.47	100.0	3,966,109,071.88	100.0	7,316,896.59
Excess of receipts, or expenditures (—)	725,196,037.39		481,661,213.22		-41,322,687.95		522,983,901.17
Funds opening balance			243,534,824.17		284,857,512.12		-41,322,687.95
Balance in highway trust fund	725,196,037.39		725,196,037.39		243,534,824.17		481,661,213.22
FUND ASSETS							
Investments (special issues), Treasury certificates of indebtedness:							
4 1/2 percent maturing June 30, 1967	721,710,000.00		721,710,000.00		237,763,000.00		-237,763,000.00
4 1/2 percent maturing June 30, 1968	3,486,037.39		3,486,037.39		5,771,824.17		721,710,000.00
Undisbursed balances:							
Total assets	725,196,037.39		725,196,037.39		243,534,824.17		-2,285,786.78

¹ Includes floor stock taxes in nominal amounts (26 U.S.C. 4226(a)).
² Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual (procedures described on p. 2).
³ Less than 0.05 of 1 percent.

STATEMENT NO. 2.—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-67, AND ESTIMATES 1968-73, UNDER EXISTING LEGISLATION
(In millions of dollars)

Fiscal year	Receipts		Expenditures					Balance in the fund					
	Gross excise taxes	Deductions Transfers ¹	Net excise taxes	Interest (net)	General fund advances	Repayment of advances (deduct)	Reimbursements from general fund ²		Total	Primary, secondary, and urban ³	Other ⁴	Total	
Actual:													
1957	1,479	—	1,479	3	—	—	—	1,482	208	743	15	966	516
1958	2,116	90	2,026	18	—	—	—	2,044	675	809	27	1,511	1,049
1959	2,171	97	2,074	13	—	—	—	2,087	1,501	839	273	2,613	523
1960	2,642	—	2,539	—	359	359	—	2,536	1,861	879	200	2,940	119
1961	2,923	—	2,798	51	60	60	—	2,799	1,719	877	23	2,619	299
1962	3,080	—	2,949	131	—	—	—	2,955	1,914	860	10	2,784	471
1963	3,405	—	3,279	14	—	—	—	3,293	2,109	905	2	3,017	747
1964	3,646	—	3,519	20	—	—	—	3,540	2,635	1,004	6	3,645	641
1965	3,786	4	3,659	11	—	—	—	3,670	3,016	990	20	4,026	285
1966	4,065	28	3,917	17	70	70	—	3,924	2,978	937	50	3,965	244
1967	4,684	31	4,441	14	—	—	—	4,455	2,976	954	44	3,973	725
Estimate:													
1968	4,513	30	4,339	25	—	—	15	4,379	3,137	953	34	4,174	930
1969	4,699	32	4,522	40	—	—	—	4,562	3,150	984	24	4,158	1,334
1970	4,853	33	4,674	45	—	—	38	4,757	3,657	987	30	4,674	1,417
1971	5,018	34	4,836	45	—	—	1	4,882	4,172	993	30	5,195	1,104
1972	5,183	35	4,998	25	—	—	—	5,023	4,515	992	30	5,537	590
1973 ⁵	7,179	13	6,998	—	—	—	—	1,600	2,027	249	7	2,190	—
Total	60,052	240	57,649	285	489	489	54	57,988	42,300	14,956	825	57,988	—

¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).
² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-Aid Highway Act of 1966. (See footnote 4.)
³ Assuming authorizations will be extended for fiscal years 1970-73 at the rate of \$1,000,000,000 annual.
⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; and special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of Federal-Aid Highway Act of 1958. Beginning fiscal 1966 also includes emergency fund expenditures for which the fund will be reimbursed from the general fund of the Treasury in accordance with Public Law 88-451, approved Aug. 19, 1964 (78 Stat. 505), and Public Law 89-41, approved June 17, 1965 (79 Stat. 131). Fiscal 1967 also includes emergency fund expenditures for authorizations during

**FINANCIAL CONDITION AND
RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND,
FISCAL YEAR 1968**

LETTER

FROM

SECRETARY OF THE TREASURY

TRANSMITTING

**THE THIRTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF THE
HIGHWAY TRUST FUND, JUNE 30, 1968, PURSUANT TO
SECTION 209(e)(1) OF THE HIGHWAY REVENUE ACT OF
1956, AS AMENDED (23 U.S.C. 120 NOTE)**



**MARCH 3, 1969.—Referred to the Committee on Ways and Means,
and ordered to be printed**

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98-011

WASHINGTON : 1969



LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, February 28, 1969.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the 13th annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1973.

Sincerely yours,

DAVID M. KENNEDY.

THIRTEENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1968

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120, note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations for fiscal 1968:

	<i>Millions</i>
Receipts.....	\$4, 427. 5
Expenditures.....	4, 171. 1
Excess of receipts.....	256. 4
Net purchase of investments.....	256. 6
Decrease in undisbursed balances.....	. 2
Total increase in assets.....	256. 4
Balances, June 30, 1968:	
Investment holdings.....	978. 3
Undisbursed balances.....	3. 2
Balance of the fund.....	981. 6

Further details of the operations are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1968 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the price for which sold.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund, and refunds amounted to \$4,378.9 million in fiscal 1968, a net decrease of \$62 million under the transfers of \$4,440.9 million in 1967. Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

(Dollars in millions)

Type of tax	1968		1967		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$3,096.0	70.7	\$3,124.3	70.4	-\$28.3
Trucks, buses, etc.....	510.0	11.6	524.5	11.8	-14.5
Tires.....	468.3	10.7	482.0	10.9	-13.7
Truck use.....	98.5	2.2	111.5	2.5	-13.0
Lubricating oil.....	81.7	1.9	68.0	1.5	13.7
Parts and accessories for trucks, buses, etc.....	80.5	1.8	69.2	1.6	11.3
Inner tubes and tread rubber.....	44.0	1.0	61.3	1.4	-17.3
Total.....	4,378.9	100.0	4,440.9	100.0	-62.0

† Revised.

The net decreases shown stems primarily from the fact that in fiscal 1967 a new system was put into effect to reduce the timelag on the payment to the Government of most excise taxes. The speedup resulted in an additional payment in fiscal 1967.

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$2.1 million during fiscal 1968. The adjustments were less than 0.05 percent of the total transfers to the fund.

During 1968, \$30 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (79 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

Under the provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168) a change was made in the method of refunding taxes with respect to certain uses of gasoline and lubricating oil. Heretofore, such refunds were paid by check. The legislation now requires, with certain exceptions, that the amounts payable to the taxpayer be allowed as a credit against the taxpayer's income tax.

As required by the legislation, amounts equivalent to the tax credits allowed for certain uses of gasoline and lubricating oil, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certification of the Internal Revenue Service. In fiscal 1968 estimated tax credits of \$102 million and tax refunds paid by check of \$12 million accounted for \$114 million in reduction of transfers to the fund.

During fiscal 1968 the trust fund was credited with \$33.5 million of interest on investments in public debt securities, bringing the total credits to \$4,427.5 million compared with \$4,455.1 million in fiscal 1967.

Public Law 90-112 approved October 23, 1967, appropriated \$15.1 million from the general fund of the Treasury for reimbursement (\$14 million) of sums expended pursuant to the provisions of section 2 of the Pacific Northwest Disaster Relief Act of 1965 (79 Stat. 131) and reimbursement (\$1.1 million) of sums expended pursuant to the provisions of section 21 of the Alaska Omnibus Act, as amended (78 Stat. 505).

[In millions of dollars]

	Fiscal year 1968	Fiscal year 1967	Increase or decrease (—)
Transfers on basis of estimates.....	\$4,521.1	\$4,635.1	—\$114.0
Quarterly adjustments.....	2.1	48.7	—46.6
Total transfers.....	4,523.3	4,683.8	—160.5
Less transfers to land and water conservation fund.....	30.0	31.4	—1.4
Less refunds of taxes.....	114.4	211.5	—97.1
Net transfers.....	4,378.9	4,440.9	—62.0
Interest on investments.....	33.5	14.2	19.3
Reimbursement from general fund.....	15.1		15.1
Total receipts.....	4,427.5	4,455.1	—27.6

EXPENDITURES

Federal-aid highway program expenditures are made by the Federal Highway Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1968 expenditures, in nominal amounts, were also made by the Bureau of Indian Affairs, the Public Health Service, and the Corps of Engineers from amounts transferred to them. During fiscal 1968, the expenditures from the fund amounted to \$4,171.1 million, an increase of \$197.7 million over the expenditures of \$3,973.4 million in 1967. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1968	Fiscal year 1967	Increase or decrease (—)
Highway programs:			
Federal Highway Administration ¹	\$4,170,734	\$3,973,080	\$197,654
Bureau of Indian Affairs.....	196	194	2
Public Health Service.....	47	18	29
Corps of Engineers.....	133	134	—1
Total expenditures.....	4,171,110	3,973,426	197,684

¹ Includes \$4,500 for improvement of the Pentagon road network in fiscal 1968 and \$70,000 for 1967. (The improvements were completed and title to the roads was conveyed to the Commonwealth of Virginia by deed dated Jan. 31, 1967.)

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to next lower one-eighth of 1 percent. On June 30, 1968, the fund held \$978.3 million in special issues of Treasury certificates of indebtedness bearing interest at $4\frac{3}{4}$ percent, maturing June 30, 1969. This compares with holdings of \$721.7 million on June 30, 1967 at $4\frac{1}{2}$ percent. The trust fund was credited with \$33.5 million in interest on investments in fiscal 1968, an increase of \$19.3 million from the \$14.2 million in 1967.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1968, was \$981.6 million an increase of \$256.4 million from the June 30, 1967, balance of \$725.2 million. The balance consisted of investments of \$978.3 million and undisbursed appropriations of \$3.2 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1968, are summarized as follows:

[In millions of dollars]

Receipts:			
Program operations:			
Gasoline, diesel fuel, and special motor fuels taxes.....	\$29,698.7		
Tires, tubes, and tread rubber taxes.....	4,405.0		
Trucks, buses, etc., and truck use taxes.....	4,047.4		
Lubricating oil taxes.....	212.8		
Parts and accessories for trucks, buses, etc., taxes.....	156.7		
Transfers to land and water conservation fund.....	—93.8		
Refunds of taxes.....	—1,369.4		
Total.....			\$37,057.3
Miscellaneous activities:			
Interest on investments.....	146.4		
Advances from general fund.....	489.0		
Repayment of advances.....	—489.0		
Reimbursement from general fund.....	15.1	161.5	
Total receipts.....			37,218.8
Expenditures:			
Program operations: Highway construction.....	36,230.6		
Miscellaneous activities:			
Interest on advances.....	\$6.3		
Administration of labor standards.....	.4		
Total expenditures.....		6.7	
Total expenditures.....			36,237.2
Balances of the fund:			
Undisbursed appropriations.....		3.2	
Investments.....		978.3	
Total balances.....			981.6

Further details regarding the cumulative operations are included in statement No. 1.

PROJECTIONS

Under existing legislation

Legislation relating to the operations of the trust fund was enacted by the 90th Congress, second session.

The legislation, Public Law 90-352, approved June 19, 1968, appropriated an additional amount of \$400 million for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is part of the authorization for fiscal 1967.

Public Law 90-464, approved August 8, 1968, appropriated a total of \$4,155,370,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$587,218,731, the balance of authorizations for the fiscal 1967; \$3,552,518,466 as part of the authorizations for fiscal 1968; and \$15,632,803 for reimbursement of sums expended for repair or reconstruction of roads and bridges as well as design and construction of bridges over dams.

The Federal-Aid Highway Act of 1968 (Public Law 90-495, approved August 23, 1968) increased the authorizations of Federal funds for completion of the Interstate System; approved factors for making apportionments of interstate funds authorized for fiscal years 1970 and 1971; and authorized appropriations out of the trust fund as follows: (1) For the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$1.1 billion for each of the fiscal years 1970 and 1971 (the so-called A-B-C program). The annual amount authorized is available as follows: 45 percent for the primary highway system; 30 percent for the secondary highway system; and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the trust fund. (2) For the Federal-aid primary and secondary highway systems in rural areas in the amount of \$125 million for each of the fiscal years 1970 and 1971. The annual amount authorized is available as follows: 60 percent for the primary highway system and 40 percent for the secondary highway system. Subsequent legislation is expected to continue this program during the life of the trust fund. (3) For traffic operation projects on urban extensions of the Federal-aid primary and secondary highway systems in the amount of \$200 million for each of the fiscal years 1970 and 1971 (the so-called TOPICS program). Subsequent legislation is expected to continue this program during the life of the trust fund. (4) To the right-of-way revolving fund, established by the act, the amount of \$100 million for each of the fiscal years 1970, 1971, and 1972.

The full amount of \$4 billion authorized for the Interstate System for fiscal 1970 by the Federal-Aid Highway Act of 1956, as amended, was apportioned to the States effective October 31, 1968. The \$1.1 billion of Federal-aid primary, secondary, and urban funds authorized for fiscal 1970; the \$125 million of funds authorized for fiscal 1970 for Federal-aid highway systems in rural areas; and the \$200 million of funds authorized for fiscal 1970 for traffic operation projects were also apportioned effective October 31, 1968.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year

1974 that cannot be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures, and balances for fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$58,293 million, including presently authorized interstate program costs of \$50,640 million less \$9,196 million for interstate authorizations withheld from apportionment, plus \$16,849 million for Federal-aid primary, secondary, urban, rural, TOPICS, emergency relief, and other expenditures.

STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1968

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1968		Fiscal year 1968		Fiscal year 1967		Increase or decrease (+), 1968 compared to 1967
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	

RECEIPTS

Excise taxes (transferred from general fund):								
Gasoline	4081	1,228,347,227,957.71	76.2	\$3,032,240,248.88	68.5	\$3,137,122,764.38	70.4	-\$104,882,515.50
Trucks, buses, etc.	4061(a)(1)	13,176,128,116.42	8.5	509,957,905.14	11.5	524,548,804.19	11.8	-14,590,899.05
Tires, highway vehicles, and other	4071(a)(1)-(2)	13,936,724,707.43	10.6	468,283,423.70	10.6	481,951,255.36	10.8	-13,667,831.66
Diesel fuel and special motor fuels	4041(a)(b)	1,351,489,138.14	3.6	208,173,260.33	4.7	190,006,073.95	4.3	18,167,186.38
Truck use	4481	871,271,865.94	2.3	98,494,868.50	2.2	111,534,136.61	2.5	-13,039,268.11
Lubricating oil	4091	212,763,092.65	.6	81,637,490.71	1.8	108,125,601.94	2.4	-26,488,111.23
Parts and accessories for trucks, buses, etc.	4061(b)	156,674,588.56	.4	80,519,582.45	1.8	69,155,006.11	1.6	11,364,576.34
Tread rubber	4071(a)(4)	1,238,415,536.03	.6	25,362,170.98	.6	28,043,311.10	.6	-2,681,140.12
Inner tubes	4071(a)(3)	1,229,842,248.79	.6	18,604,464.92	.4	33,282,230.13	.7	-14,677,765.21
Total excise taxes transferred		38,520,537,251.67	103.5	4,523,273,415.61	102.2	4,683,769,183.77	105.1	-160,495,768.16
Less transfers to land and water conservation fund		93,800,000.00	.3	30,000,000.00	.7	31,400,000.00	.7	-1,400,000.00
Gross highway trust fund taxes		38,426,737,251.67	103.2	4,493,273,415.61	101.5	4,652,369,183.77	104.4	-159,095,768.16

Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39,6420	1,082,389,529.41	2.9	282,013,951.61	2.0	148,262,871.71	3.3	-60,248,920.10
Gasoline for nonhighway purposes or local transit	39,6421	246,752,713.46	.7	226,449,555.67	.6	23,148,804.05	.5	3,300,751.62
Gasoline, other	6412	102,367,46	(*)	-76,015.28	(*)	640.38	(*)	640.38
Lubricating oils not used in highway motor vehicles	39,6424	40,019,986.57	.1	2	(*)	40,096,001.85	.9	-40,172,017.13
Tires and tread rubber	6412	97,416.90	(*)					
Trucks, buses, etc.	6412	66,650.55	(*)					
Total refunds of taxes		1,369,428,664.35	3.7	114,387,492.00	2.6	211,507,013.73	4.7	-97,119,545.23

Net highway trust fund taxes		37,057,308,587.32	99.6	4,378,885,923.61	98.9	4,440,862,146.54	99.7	-61,976,222.93
Interest on investments		146,383,862.79	.4	33,502,526.99	.8	14,225,025.15	.3	19,277,491.84
Advances from general fund		489,000,000.00	1.3					
Repayment of advances		-489,000,000.00	-1.3					
Reimbursement from general fund		15,097,772.00	(*)	15,097,772.00	.3			15,097,772.00
Total receipts		37,218,790,222.11	100.0	4,427,486,222.60	100.0	4,455,087,181.69	100.0	-27,600,959.09

See footnotes at end of table, p. 8.

STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1968—Continued

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1965		Fiscal year 1968		Fiscal year 1967		Increase or decrease (-), 1968 compared to 1967
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES								
Highway program		\$36,230,561.705.32	100.0	\$4,171,110,449.64	100.0	\$3,973,425,968.47	100.0	\$197,684,481.17
Interest on advances		6,288,481.44	(*)					-225,285,440.26
Administration and enforcement of labor standards		368,225.00	(*)					481,661,213.22
Total expenditures		36,237,218,411.76	100.0	4,171,110,449.64	100.0	3,973,425,968.47	100.0	197,684,481.17
Excess of receipts, or expenditures (-)		981,571,810.35		256,375,772.96		481,661,213.22		-225,285,440.26
Plus opening balance				725,196,037.39		242,534,824.17		481,661,213.22
Balance in highway trust fund		981,571,810.35		981,571,810.35		725,196,037.39		256,375,772.96
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
4 1/2 percent maturing June 30, 1968		978,324,000.00		978,324,000.00		721,710,000.00		-721,710,000.00
4 1/2 percent maturing June 30, 1969		3,247,810.35		3,247,810.35		3,486,037.39		973,324,000.00
Undisbursed balances								-238,227.04
Total assets		981,571,810.35		981,571,810.35		725,196,037.39		256,375,772.96

* Includes floor stock taxes in nominal amounts (26 U.S.C. 4226(a)).

** Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

† Less than 0.05 of 1 percent.

STATEMENT NO. 2 STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-68, AND ESTIMATES 1969-73, UNDER EXISTING LEGISLATION
(In millions of dollars)

Fiscal year	Receipts					Expenditures							Balance in the fund					
	Gross excise taxes	Trans- fers ¹	Refunds	Net excise taxes	Interest (net)	General fund advances	Repay- ment of advances (de luct)	Reim- burse- ments from general fund ²	Total	Interstate highways Authoriza- tions withheld from apportion- ments (deduct)	Primary second- ary, and urban ³	Rural ³		TOPICS ³	Other ⁴	Total		
Actual:																		
1957	1,479	28	90	1,479	3				1,482	208	743				15	966	516	
1958	2,116	28	97	2,026	18			2,044	675	839					27	1,511	1,049	
1959	2,171	28	103	2,074	13			2,087	1,501	839					273	2,613	523	
1960	2,642	28	103	2,539	3	359	359	2,536	1,861	879					200	2,940	119	
1961	2,923	28	126	2,798	5	60	60	2,799	1,919	877					23	2,619	299	
1962	3,080	28	131	2,949	7			2,955	1,919	860					10	2,784	471	
1963	3,405	28	126	3,279	14			3,293	2,109	906					2	3,017	747	
1964	3,646	28	127	3,519	20			3,540	2,635	1,004					6	3,645	641	
1965	3,786	28	123	3,659	11			3,670	3,016	990					20	4,026	285	
1966	4,065	28	120	3,917	5	70	70	3,924	2,978	537					50	3,965	244	
1967	4,684	31	212	4,441	14			4,455	2,976	954					44	3,973	725	
1968	4,523	30	114	4,379	34			4,427	3,207	947					17	4,171	982	
Estimate:																		
1969	4,726	28	223	4,475	55			4,530	3,004	928					2	3,958	1,554	
1970	4,940	28	190	4,722	67			4,789	3,454	1,028					36	4,645	1,698	
1971	5,092	28	196	4,868	60			4,969	3,982	1,078					75	5,432	1,235	
1972	5,287	28	200	5,059	60			5,120	3,916	1,080					98	4,784	1,235	
1973 ⁵	7,843	10	161	7,672	61			7,733	5,111	1,275					44	3,243	1,571	
Total	60,408	215	2,339	57,855	381	489	489	58,293	50,640	15,134	239	376	1,100	58,293				

¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 837).
² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-Aid Highway Act of 1966. (See footnote 4.)
³ Assuming authorizations will be extended for fiscal years 1972-73 at the annual rate of \$1,100,000,000 for the primary, secondary, and urban program; \$125,000,000 for the rural program; and \$200,000,000 for the TOPICS program.
⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of the Federal-Aid Highway Act of 1958; and \$300,000,000 transfer to the right-of-way revolving fund authorized by sec. 7(c) of the Federal-Aid Highway Act of 1968. Beginning fiscal 1966 also includes emergency fund expenditures for which the fund will be reimbursed from the general fund of the Treasury in accordance with Public Law 88-451, approved Aug. 19, 1964 (78 Stat. 505), and Public Law 89-41, approved June 17, 1965 (79 Stat. 131). Also includes emergency fund expenditures for authorizations beginning fiscal 1967 for which the fund will be reimbursed from the general fund of the Treasury in accordance with the Federal-Aid Highway Act of 1966. (See footnote 2.) Pursuant to sec. 3(c) of the Federal-Aid Highway Act of 1966, appropriations for emergency fund expenditures resulting from authorizations beginning July 1, 1966, are authorized from the highway trust fund for 60 percent of such expenditures and from the general fund of the Treasury for 40 percent. This statement includes emergency fund expenditures for the trust fund liability for authorizations beginning July 1, 1968, but does not include expenditures by the trust fund for the general fund liability or reimbursement from the general fund for such expenditures.
⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966.
⁶ Through Sept. 30, 1972.
⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.
⁸ Includes expenditures estimated to occur after Sept. 30, 1972.

HIGHWAY TRUST FUND—FOURTEENTH
ANNUAL REPORT

COMMUNICATION

FROM

THE SECRETARY OF THE TREASURY

TRANSMITTING

THE FOURTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND, JUNE 30, 1969, PUR-
SUANT TO SECTION 209(e) (1) OF THE HIGHWAY REVE-
NUE ACT OF 1956, AS AMENDED



MARCH 2, 1970.—Referred to the Committee on Ways and Means
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON . 1970

The logo for the Eno Center for Transportation. It features the word "Eno" in a large, light blue, sans-serif font. Below "Eno", the words "Center for" and "Transportation" are stacked in a smaller, light blue, sans-serif font. The entire logo is contained within a light blue rectangular border.

Center for
Transportation

LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 27, 1970.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the 14th annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1973.

Sincerely yours,

DAVID M. KENNEDY.

(III)

FOURTEENTH ANNUAL REPORT ON THE FINANCIAL CONDI- TION AND RESULTS OF THE OPERATIONS OF THE HIGH- WAY TRUST FUND, JUNE 30, 1969

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck, use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1973.

Following is a summary statement of the operations for fiscal 1969:

	<i>Millions</i>
Receipts.....	\$4, 689. 8
Expenditures.....	4, 150. 6
Excess of receipts.....	539. 3
Net purchase of investments.....	534. 4
Increase in undisbursed balances.....	4. 8
Total increase in assets.....	539. 3
Balances, June 30, 1969:	
Investment holdings.....	1, 512. 7
Undisbursed balances.....	8. 1
Balance of the fund.....	1, 520. 8

Further details of the operations are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1969 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent a pound) 5 cents a pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the price for which sold.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds amounted to \$4,637.2 million in fiscal 1969, a net increase of \$258.3 million over the transfers of \$4,378.9 million in fiscal 1968.

Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

(Dollar amounts in millions)

Type of tax	1969		1968		Increase
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$3,180.8	68.6	\$3,096.0	70.7	\$84.9
Trucks, buses, etc.....	540.8	11.7	510.0	11.6	30.9
Tires.....	551.4	11.9	468.3	10.7	83.1
Truck use.....	129.0	2.8	98.5	2.2	30.8
Lubricating oil.....	82.8	1.8	81.7	1.9	1.1
Parts and accessories for trucks, buses, etc.....	93.5	2.0	80.5	1.8	13.0
Inner tubes and tread rubber.....	58.4	1.3	44.0	1.0	14.4
Total.....	4,637.2	100.0	4,378.9	100.0	258.3

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$100.3 million during fiscal 1969. The adjustments were approximately 2 percent of the total transfers to the fund.

During 1969, \$28 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168) require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline and lubricating oil be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later

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charges to the fund on the basis of certification of the Internal Revenue Service. In fiscal 1969 estimated tax credits of \$210.9 million and tax refunds paid by check of \$12.9 million accounted for \$223.8 million in reduction of transfers to the fund.

During fiscal 1969 the trust fund was credited with \$52.7 million of interest on investments in public debt securities, bringing the total credits to \$4,689.8 million compared with \$4,427.5 million in fiscal 1968.

(In millions of dollars)

	Fiscal year 1969	Fiscal year 1968	Increase of decrease (—)
Transfers on basis of estimates.....	4,788.6	4,521.1	267.5
Quarterly adjustments.....	100.3	2.1	98.2
Total transfers.....	4,888.9	4,523.3	365.7
Less transfers to land and water conservation fund.....	28.0	30.0	-2.0
Less refunds of taxes.....	223.8	114.4	109.4
Net transfers.....	4,637.2	4,378.9	258.3
Interest on investments.....	52.7	33.5	19.2
Reimbursement from general fund.....		15.1	-15.1
Total receipts.....	4,689.8	4,427.5	262.3

EXPENDITURES

Federal-aid highway program expenditures are made by the Federal Highway Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1969 expenditures, in nominal amounts, were also made by the Forest Service, the Bureau of Indian Affairs, the Public Health Service, and the Corps of Engineers from amounts transferred to them. During fiscal 1969, the expenditures from the fund amounted to \$4,150.6 million, a decrease of \$20.5 million under the expenditures of \$4,171.1 million in 1968. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

(In thousands of dollars)

	Fiscal year 1969	Fiscal year 1968	Increase or decrease (—)
Highway programs:			
Federal Highway Administration ¹	\$4,148,528	\$4,170,734	-\$22,206
Forest Service.....	1,480		1,480
Bureau of Indian Affairs.....	407	196	211
Public Health Service.....	*	47	-47
Corps of Engineers.....	160	133	27
Total expenditures.....	4,150,575	4,171,110	-20,535

¹ Includes \$169 thousand for improvement of the Pentagon road network in fiscal 1969 and \$4.5 thousand for 1968

*Less than \$500.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund was enacted by the 91st Congress, first session.

The legislation, Public Law 91-168, approved December 26, 1969, appropriated a total of \$4,419,279,000 for expenditure from the highway trust fund to carry out the provisions of the Federal-Aid Highway Act. This sum is composed of \$847,481,534, the balance of the amount authorized for fiscal year 1968; \$3,533,765,964 as part of the authorizations for fiscal year 1969; \$11,683,204 for reimbursement of sums expended for repair or reconstruction of roads and bridges, as well as design and construction of bridges over dams; \$24,949,709 for reimbursement of sums expended pursuant to the provisions of section 2 of the Pacific Northwest Disaster Relief Act of 1965 (79 Stat. 131), and \$1,398,589 for reimbursement of sums expended pursuant to the provisions of section 21 of the Alaska Omnibus Act, as amended (78 Stat. 505). The act also appropriated \$40 million from the right-of-way revolving fund and provided that the sum appropriated be derived from the highway trust fund.

The Federal-Aid Highway Act of 1968 (Public Law 90-495, approved August 23, 1968) authorized appropriations out of the trust fund as follows: (1) For the Federal-aid primary and secondary systems and for their extensions within urban areas in the amount of \$1.1 billion for each of the fiscal years 1970 and 1971 (the so-called A-B-C program). The annual amount authorized is available as follows: 45 percent for the primary highway system; 30 percent for the secondary highway system; and 25 percent for extensions of the systems inside urban areas. Subsequent legislation is expected to continue this program during the life of the trust fund. (2) For the Federal-aid primary and secondary highway systems in rural areas in the amount of \$125 million for each of the fiscal years 1970 and 1971. The amount authorized is available as follows: 60 percent for the primary highway system and 40 percent for the secondary highway system. Subsequent legislation is expected to continue this program during the life of the trust fund. (3) For traffic operation projects on urban extensions of the Federal-aid primary and secondary highway systems in the amount of \$200 million for each of the fiscal years 1970 and 1971 (the so-called TOPICS program). Subsequent legislation is expected to continue this program during the life of the trust fund. (4) To the right-of-way revolving fund, established by the act, the amount of \$100 million for each of the fiscal years 1970, 1971, and 1972.

The full amount of \$4 billion authorized for the Interstate System for the fiscal year 1971 by the Federal-Aid Highway Act of 1956, as amended, was apportioned to the States effective December 15, 1969. The \$1.1 billion of Federal-aid primary, secondary, and urban funds authorized for fiscal year 1971; the \$125 million of funds authorized for fiscal year 1971 for Federal-aid highway system in rural areas; and the \$200 million of funds authorized for fiscal year 1971 for traffic operation projects were also apportioned effective December 15, 1969.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year 1974 that cannot be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for fiscal years 1957 through 1973 under existing legislation. Total expenditures are estimated at \$59,892 million, including presently authorized interstate program costs of \$50,640 million less \$7,829 million for interstate authorizations withheld from apportionment, plus \$17,081 million for Federal-aid primary, secondary, urban, rural, TOPICS, emergency relief, and other expenditures.

UNDER PROPOSED LEGISLATION

The President's 1971 budget states that legislation will be proposed to extend the highway trust fund and to transfer the financing of the forest highway program and public lands program to the highway trust fund. Legislation has been proposed to increase receipts to the trust fund by providing heavy vehicle equalization taxes to provide a more equitable distribution of the cost of highway programs.



STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1969

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1969		Fiscal year 1969		Fiscal year 1968		Increase or decrease (-) 1969 compared to 1968
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline	4081	\$31,545,850,257.81	75.3	\$3,198,622,300.10	68.2	\$3,032,240,248.88	68.5	\$166,382,051.22
Trucks, buses, etc.	4061(a)(1)	3,716,974,576.01	8.9	540,846,459.59	11.5	509,957,905.14	11.5	30,888,554.45
Tires, highway vehicles, and other	4071(a)(1-2-5)	4,488,149,889.51	10.7	551,425,182.08	11.8	468,283,423.70	10.6	83,141,758.38
Diesel fuel and special motor fuels	4041(a)(b)	1,570,394,950.87	3.7	218,905,812.73	4.7	208,173,260.33	4.7	10,732,552.40
Truck use	4481	1,000,591,581.57	2.4	129,319,715.63	2.8	98,494,868.50	2.2	30,824,847.13
Lubricating oil	4091	310,644,756.06	.7	97,881,663.41	2.1	81,637,490.71	1.8	16,244,172.70
Parts and accessories for trucks, buses, etc.	4061(b)	250,211,288.29	.6	93,536,699.73	2.0	80,519,582.45	1.8	13,017,117.28
Tread rubber	4071(a)(4)	268,523,425.62	.6	30,107,889.59	.6	25,362,170.98	.6	4,745,718.61
Inner tubes	4071(a)(3)	258,127,184.02	.6	28,284,935.23	.6	18,604,464.92	.4	9,680,470.31
Total, excise taxes transferred		43,409,467,909.76	103.6	4,888,930,658.09	104.2	4,523,273,415.61	102.2	365,657,242.48
Less transfers to land and water conservation fund		121,800,000.00	.3	28,000,000.00	.6	30,000,000.00	.7	-2,000,000.00
Gross highway trust fund taxes		43,287,667,909.76	103.3	4,860,930,658.09	103.6	4,493,273,415.61	101.5	367,657,242.48
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39,6420	2,252,546,845.55	3.0	170,157,316.14	3.6	88,013,951.61	2.0	82,143,364.53
Gasoline for nonhighway purposes or local transit	39,6421	285,310,071.55	.7	38,557,358.09	.8	26,449,555.67	.6	12,107,802.42
Gasoline, other	6412	102,367.46	(*)					
Lubricating oils not used in highway motor vehicles	39,6424	55,059,915.36	-.1	15,039,928.79	.3	-76,015.28	(*)	15,115,944.07
Tires and tread rubber	6412	97,416.90	(*)					
Trucks, buses, etc.	6412	66,650.55	(*)					
Total refunds of taxes		1,593,183,267.37	3.8	223,754,603.02	4.8	114,387,492.00	2.6	109,367,111.02
Net highway trust fund taxes		41,694,484,642.39	99.5	4,637,176,055.07	98.9	4,378,885,923.61	98.9	258,290,131.46
Interest on investments		199,038,155.82	.5	52,654,293.03	1.1	33,502,526.99	.8	19,151,766.04
Advances from general fund		489,000,000.00	1.2					
Repayment of advances		-489,000,000.00	-1.2					
Reimbursement from general fund		15,097,772.00	(*)			15,097,772.00	.3	-15,097,772.00
Total receipts		41,908,620,570.21	100.0	4,689,830,348.10	100.0	4,427,486,222.60	100.0	262,344,125.50

See footnotes at end of table, p. 8.

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STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1969

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1969		Fiscal year 1969		Fiscal year 1968		Increase or decrease (—) 1969 compared to 1968
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES								
Highway program.....		\$40,381,137,005.57	100.0	\$4,150,575,300.25	100.0	\$4,171,110,449.64	100.0	—\$20,535,149.39
Interest on advances.....		6,288,481.44	(³)					
Administration and enforcement of labor standards.....		368,225.00	(³)					
Total expenditures.....		40,387,793,712.01	100.0	4,150,575,300.25	100.0	4,171,110,449.64	100.0	—20,535,149.39
Excess of receipts, or expenditures (—).....		1,520,826,858.20		539,255,047.85		256,375,772.96		282,879,274.89
Plus opening balance.....				981,571,810.35		729,196,037.39		256,375,772.96
Balance in highway trust fund.....		1,520,826,858.20		1,520,826,858.20		981,571,810.35		539,255,047.85
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
4¾ percent maturing June 30, 1969.....		1,512,735,000.00		1,512,735,000.00		978,324,000.00		—978,324,000.00
5½ percent maturing June 30, 1970.....		8,091,858.20		8,091,858.20		3,247,810.35		1,512,735,000.00
Undisbursed balances.....								4,844,047.85
Total assets.....		1,520,826,858.20		1,520,826,858.20		981,571,810.35		539,255,047.85

¹ Includes floor stock taxes in nominal amounts (26 U.S.C. 4226(a)).

² Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

³ Less than 0.05 of 1 percent.

STATEMENT NO. 2.—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-69, AND ESTIMATES 1970-73, UNDER EXISTING LEGISLATION
(In millions of dollars)

Fiscal year	Receipts								Expenditures							Balance in the fund		
	Deductions			Net excise taxes	Interest (net)	General fund advances	Repayment of advances (deduct)	Reimbursements from general fund ²	Interstate highways					Total				
	Gross excise taxes	Transfers ¹	Refunds						Authorized	Authorizations withheld from appropriations (deduct)	Primary, secondary and urban ³	Rural ³	TOPICS ³		Other ⁴			
Actual:																		
1957	1,479			1,479	3				1,482	208		743				15	966	516
1958	2,116		90	2,026	18				2,044	675		809			27	1,511	1,049	
1959	2,171		97	2,074	13				2,087	1,501		839			273	2,613	523	
1960	2,642		103	2,539	3	359	359		2,536	1,861		879			200	2,940	119	
1961	2,923		126	2,798	5	60	60		2,799	1,719		877			23	2,619	299	
1962	3,080		131	2,949	7				2,955	1,914		860			10	2,784	471	
1963	3,405		126	3,279	14				3,293	2,109		906			2	3,017	747	
1964	3,646		127	3,519	20				3,540	2,635		1,004			6	3,645	641	
1965	3,786	4	123	3,659	11				3,670	3,016		990			20	4,026	285	
1966	4,065	28	120	3,917	5	70	70		3,924	2,978		937			50	3,965	244	
1967	4,684	31	212	4,441	14				4,455	2,976		954			44	3,973	725	
1968	4,523	30	114	4,379	34			15	4,427	3,207		947			17	4,171	982	
1969	4,889	28	224	4,637	53				4,690	3,149		984			18	4,151	1,521	
Estimate:																		
1970	5,136	28	34	5,074	102				5,176	3,330		1,029	29	7	72	4,467	2,230	
1971	5,376	28	132	5,216	145				5,361	2,944		1,124	89	143	95	4,395	3,196	
1972	5,569	28	134	5,407	190			47	5,644	3,366		1,106	105	173	269	5,019	3,821	
1973 ⁶	1,985	10	171	1,804				4	1,808	13,052	7,829	313	32	52	9	5,629		
Total	61,475	215	2,064	59,197	629	489	489	66	59,892	50,640	7,829	15,301	255	375	1,150	59,892		

¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).

² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-Aid Highway Act of 1966 (See footnote 4.)

³ Assuming authorizations will be extended for fiscal years 1972-73 at the annual rate of \$1,100,000,000 for the primary, secondary, and urban program; \$125,000,000 for the rural program; and \$200,000,000 for the TOPICS program.

⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; special \$400,000,000 of primary, secondary, and urban funds authorized by sec. 2(a) of the Federal-Aid Highway Act of 1958; and \$300,000,000 transfer to the right-of-way revolving fund authorized by sec. 7(c) of the Federal-Aid Highway Act of 1968. Beginning fiscal 1966 also includes emergency fund expenditures for which the fund will be reimbursed from the general fund of the

Treasury in accordance with Public Law 88-451, approved Aug. 19, 1964 (78 Stat. 505), and Public Law 89-41, approved June 17, 1965 (79 Stat. 131). Also includes emergency fund expenditures for authorizations beginning fiscal 1967 for which the fund will be reimbursed from the general fund of the Treasury in accordance with the Federal-Aid Highway Act of 1966. (See footnote 2.) Pursuant to sec. 9(c) of the Federal-Aid Highway Act of 1966, appropriations for emergency fund expenditures resulting from authorizations beginning July 1, 1966, are authorized from the highway trust fund for 60 percent of such expenditures and from the general fund of the Treasury for 40 percent.

⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966.

⁶ Through Sept. 30, 1972.

⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1972, but collected thereafter.

⁸ Includes expenditures estimated to occur after Sept. 30, 1972.

FIFTEENTH ANNUAL REPORT ON
HIGHWAY TRUST FUND

COMMUNICATION

FROM

THE SECRETARY OF THE TREASURY

TRANSMITTING

THE FIFTEENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND OPERATIONS OF THE HIGHWAY TRUST FUND, PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY REVENUE ACT OF 1956, AS AMENDED



MARCH 3, 1971.—Referred to the Committee on Ways and Means and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1971



LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, D.C., March 1, 1971.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the fifteenth annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1978.

Sincerely yours,

JOHN B. CONNALLY.

(III)

FIFTEENTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND, JUNE 30, 1970

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1978.

Following is a summary statement of the operations for fiscal 1970:

	<i>Millions</i>
Receipts.....	\$5, 469. 0
Expenditures.....	4, 378. 3
Excess of receipts.....	1, 090. 8
Net purchases of investments.....	1, 089. 0
Increase in undisbursed balances.....	1. 8
Total increase in assets.....	1, 090. 8
Balance, June 30, 1970:	
Investment holdings.....	2, 601. 7
Undisbursed balances.....	9. 9
Balances of the fund.....	2, 611. 6

Further details of the operations are included in statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1970 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound) 5 cents per pound; tread rubber 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds amounted to \$5,353.6 million in fiscal 1970, a net increase of \$716.5 million over the transfers of \$4,637.2 million in fiscal 1969.

Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

[Dollars in millions]

Type of tax	1970		1969		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$3,692.5	69.0	\$3,180.8	68.6	\$511.7
Trucks, buses, etc.....	699.9	13.1	540.8	11.7	159.1
Tires.....	588.5	11.0	551.4	11.9	37.1
Truck use.....	136.8	2.6	129.3	2.8	7.5
Lubricating oil.....	94.5	1.8	82.8	1.8	11.7
Parts and accessories for trucks, buses, etc.....	87.2	1.6	93.5	2.0	-6.3
Inner tubes and tread rubber.....	54.2	1.0	58.4	1.3	-4.2
Total.....	5,353.6	100.0	4,637.2	100.0	716.5

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$277.1 million during fiscal 1970. The adjustments were approximately 5 percent of the total transfers to the fund.

During 1970, \$28 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline and lubricating oil be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certification of the

Internal Revenue Service. In fiscal 1970 estimated tax credits of \$117 million, actual credits and adjustments of prior estimates of -\$95 million, and actual cash refunds of \$10.1 million accounted for \$32.1 million in reduction of transfers to the fund.

During fiscal 1970 the trust fund was credited with \$115.4 million of interest on investments in public debt securities, bringing the total credits to \$5,469 million compared with \$4,689.8 million in fiscal 1969.

[In millions of dollars]

	Fiscal year 1970	Fiscal year 1969	Increase or decrease (-)
Transfers on basis of estimates.....	\$5,136.6	\$4,788.6	\$348.0
Quarterly adjustments.....	277.1	100.3	176.8
Total transfers.....	5,413.7	4,888.9	524.8
Less transfers to land and water conservation fund.....	28.0	28.0	.....
Less refunds of taxes.....	32.1	223.8	-191.7
Net transfers.....	5,353.6	4,637.2	716.5
Interest on investments.....	115.4	52.7	62.8
Reimbursement from general fund.....	.....	.....	.....
Total receipts.....	5,469.0	4,689.8	779.2

Expenditures

Federal-aid highway program expenditures are made by the Federal Highway Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1970 expenditures, in nominal amounts, were also made by the Forest Service, the Bureau of Indian Affairs, the Corps of Engineers, and right-of-way revolving fund from amounts transferred to them. During fiscal 1970, the expenditures from the fund amounted to \$4,378.3 million, an increase of \$227.7 million over the expenditures of \$4,150.6 million in 1969. Expenditures from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1970	Fiscal year 1969	Increase or decrease (-)
Highway programs:			
Federal Highway Administration ¹	4,366,950	4,148,528	218,422
Forest Service.....	8,048	1,480	6,568
Bureau of Indian Affairs.....	101	407	-306
Public Health Service.....	.....	(²)	(²)
Corps of Engineers.....	75	161	-86
Right-of-way Revolving Fund.....	3,079	.....	3,079
Total expenditures.....	4,378,253	4,150,575	227,678

¹ Includes \$1,200 for improvement of the Pentagon road network in fiscal 1970 and \$16,900 for 1969.

² Less than \$500.

Investments

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable

interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1970, the fund held \$2,601.7 million in special issues of Treasury certificates of indebtedness bearing interest at 6 percent, maturing June 30, 1971. This compares with holdings of \$1,512.7 million on June 30, 1969, at 5½ percent. The trust fund was credited with \$115.4 million in interest on investments in fiscal 1970, an increase of \$62.8 million over the \$52.7 million in 1969.

Balance of the fund

The balance of the fund as of June 30, 1970, was \$2,611.6 million, an increase of \$1,090.8 million from the June 30, 1969, balance of \$1,520.8 million. The balance consisted of investments of \$2,601.7 million and undisbursed appropriations of \$9.9 million.

Cumulative summary

Cumulative operations, from inception in 1956 through June 30, 1970, are summarized as follows:

[In millions of dollars]

Receipts:

Program operations:

Gasoline, diesel fuel, and special motor fuels taxes.....	\$36,854.0
Tires, tubes, and tread rubber taxes.....	5,657.4
Trucks, buses, etc., and truck use taxes.....	5,554.3
Lubricating oil taxes.....	420.0
Parts, and accessories for trucks, buses, etc., taxes.....	337.4
Transfers to land and water conservation fund.....	—149.8
Refunds of taxes.....	—1,625.3
Subtotal.....	<u>47,048.1</u>

Miscellaneous activities:

Interest on investments.....	314.4
Advances from general fund.....	489.0
Repayment of advances.....	—489.0
Reimbursement from general fund.....	15.1
Subtotal.....	<u>329.5</u>

Total receipts..... 47,377.7

Expenditures:

Program operations: Highway construction.....	44,759.4
Miscellaneous activities:	
Interest on advances, \$6.3; administration of labor stand- ards, \$0.4.....	6.7
Total expenditures.....	<u>44,766.0</u>

Balances of the fund:

Undisbursed appropriations.....	9.9
Investments.....	2,601.7
Total balances.....	<u>2,611.6</u>

Further details regarding the cumulative operations are included in statement No. 1.

PROJECTIONS

UNDER EXISTING LEGISLATION

Legislation relating to the operations of the trust fund was enacted by the 91st Congress, second session.

Public Law 91-258, approved May 31, 1970, provided that effective July 1, 1970, receipts from excise taxes on gasoline used to power noncommercial aircraft would no longer be deposited in the highway trust fund.

The Federal-Aid Highway Act of 1970 (Public Law 91-605, approved December 31, 1970), (1) extended the termination date of the trust fund, (2) increased the authorizations of Federal funds for completion of the Interstate System and approved factors for making apportionments of Interstate funds authorized for fiscal years 1972 and 1973, and (3) authorized appropriations (other than Interstate) out of the trust fund as described below:

(1) Trust fund extension: The 1970 act amended the Highway Revenue Act of 1956 to extend the termination date of the trust fund by 5 years to September 30, 1977, and to continue excise taxes providing trust fund revenues at existing rates.

(2) Interstate authorizations: The 1970 act amended the Federal-Aid Highway Act of 1956, as amended, to provide additional authorizations of \$1,775 million for fiscal year 1974 and \$4 billion for each of the fiscal years 1975 and 1976. The 1970 act also provided additional authorizations of not to exceed \$55 million for each of the fiscal years 1972 and 1973 to insure that no State's total apportionment for these years would be less than one-half of 1 percent of the total apportionment of funds authorized by the 1956 act, as amended, for fiscal years 1972 and 1973. Authorizations for the Interstate System total \$60,514 million including the unpaid balance of prior authorizations carried forward into the trust fund on July 1, 1956. This represents an increase of \$9,874 million over previous authorizations but is \$1,986 million less than the \$62,500 million Federal share of the estimated cost of completing the Interstate System as reported in House Document No. 91-317, 91st Congress, second session.

(3) Other authorizations: Other appropriations authorized in whole or in part out of the trust fund include the following:

Authorization	Amount authorized for fiscal year—	
	1972	1973
Primary and secondary systems and their extensions in urban areas.....	\$1,100,000,000	\$1,100,000,000
Primary and secondary systems in rural areas.....	125,000,000	125,000,000
Traffic operations projects in urban areas.....	100,000,000	100,000,000
Urban system.....	100,000,000	100,000,000
Forest highways.....	33,000,000	33,000,000
Public lands highways.....	16,000,000	16,000,000
Economic growth center development highways.....	50,000,000	50,000,000
Bridge replacement.....	100,000,000	150,000,000
Alaskan assistance.....	20,000,000	20,000,000
Highway safety programs (23 U.S.C. 402) to be carried out by the:		
National Highway Traffic Safety Administration.....	75,000,000	100,000,000
Federal Highway Administration.....	30,000,000	30,000,000
Highway safety research and development to be carried out by the:		
National Highway Traffic Safety Administration (23 U.S.C. 403).....	70,000,000	115,000,000
Federal Highway Administration (23 U.S.C. 307(a) and 403).....	10,000,000	10,000,000

The 1970 act also authorized appropriations out of the trust fund of \$3,761,000 for construction of a bridge across Markland Dam on the Ohio River near Markland, Ind., and Warsaw, Ky.; \$65 million for reconstruction of the Baltimore-Washington Parkway to six lanes; \$9 million for demonstration projects at rail crossings; and provided that two-thirds of the funds authorized for highway safety programs and highway safety research and development shall be appropriated out of the trust fund.

The full amount of \$4 billion authorized for the Interstate System for the fiscal year 1972 by the Federal-Aid Highway Act of 1956, as amended, plus \$44,060,800 of the \$55 million authorized for the Interstate System for the fiscal year 1972 by the Federal-Aid Highway Act of 1970 were apportioned to the States effective December 31, 1970. The \$1,100 million of Federal-aid primary, secondary, and urban funds authorized for fiscal year 1972; the \$125 million of funds authorized for fiscal year 1972 for the Federal-aid highway system in rural areas; the \$100 million of funds authorized for traffic operations projects in urban areas; the \$100 million of Federal-aid urban system funds; and the \$33 million of forest highway funds were also apportioned effective December 31, 1970.

The authorizations of interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year 1976 that can be supported by the estimated highway trust fund receipts indicated in statement No. 2. This statement shows actual and estimated revenues, expenditures, and balances for fiscal years 1957 through 1978 under existing legislation. Total expenditures are estimated at \$92,963 million, including presently authorized Interstate program costs of \$60,514 million; a balance of \$1,986 million available for additional Interstate authorizations; and \$30,463 million for Federal-aid primary, secondary, urban, rural, topics, urban system, and other expenditures.



STATEMENT NO. 1
STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1970

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1970		Fiscal year 1970		Fiscal year 1969		Increase or decrease (-) 1970 compared to 1969
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline	4081	\$35,020,442,357.07	73.9	\$3,474,592,099.26	63.5	\$3,198,622,300.10	68.2	\$275,969,799.16
Trucks, buses, etc.	4061(a)(1)	4,416,901,246.45	9.3	699,926,670.44	12.8	540,846,459.59	11.5	159,080,210.85
Tires, highway vehicles, and other	4071(a)(1-2)	5,076,628,484.37	10.7	588,478,594.86	10.8	551,425,182.08	11.8	37,053,412.78
Diesel fuel and special motor fuels	4041(a)(b)	1,833,559,786.14	3.9	263,164,835.27	4.8	218,905,812.73	4.7	44,259,022.54
Truck use	4481	1,137,397,273.73	2.4	136,805,692.16	2.5	129,319,715.63	2.8	7,485,976.53
Lubricating oil	4091	420,010,359.25	.9	109,365,603.19	2.0	97,881,663.41	2.1	11,483,939.78
Parts and accessories for trucks, buses, etc.	4061(b)	337,420,741.29	.7	87,209,453.00	1.6	93,536,699.73	2.0	-6,327,246.73
Tread rubber	4071(a)(4)	1,296,555,001.04	.6	28,031,575.42	.5	30,107,889.59	.6	-2,076,314.17
Inner tubes	4071(a)(3)	1,284,253,418.49	.6	26,126,234.47	.5	28,284,935.23	.6	-2,158,700.76
Total excise taxes transferred		48,823,168,667.83	103.1	5,413,700,758.07	99.0	4,888,930,658.09	104.2	524,770,099.98
Less transfers to land and water conservation fund		149,800,000.00	.3	28,000,000.00	.5	28,000,000.00	.6	
Gross highway trust fund taxes		48,673,368,667.83	102.7	5,385,700,758.07	99.5	4,860,930,658.09	103.6	524,770,099.98
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39,6420	1,253,379,941.14	2.6	833,095.59	(.)	170,157,316.14	3.6	-169,324,220.55
Gasoline for nonhighway purposes or local transit	39,6421	301,706,504.03	(.)	16,396,432.48	.3	38,557,358.09	.8	-22,160,925.61
Gasoline, other	6412	102,367.46	(.)					
Lubricating oils not used in highway motor vehicles	39,6424	69,964,212.48	.1	14,844,297.12	.3	15,039,928.79	.3	-195,631.67
Tires and tread rubber	6412	97,416.90	(.)					
Trucks, buses, etc.	6412	66,650.55	(.)					
Total refunds of taxes		1,625,257,092.56	3.4	32,073,825.19	.6	223,754,603.02	4.8	-191,680,777.83
Net highway trust fund taxes		47,048,111,575.27	99.3	5,353,626,932.88	97.9	4,637,176,055.07	98.9	716,440,877.81
Interest on investments		314,447,970.58	.7	115,409,814.76	2.1	52,654,293.03	1.1	62,755,521.73
Advances from general fund		489,000,000.00	1.0					
Repayment of advances		-489,000,000.00	-1.0					
Reimbursement from general fund		15,097,772.00	(.)					
Total receipts		47,377,657,317.85	100.0	5,469,036,747.64	100.0	4,689,830,348.10	100.0	779,206,399.54

See footnotes at end of table, p. 8



STATEMENT NO. 1—Continued
 STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1970—Continued

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1970		Fiscal year 1970		Fiscal year 1969		Increase or decrease (—) 1970 compared to 1969
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
EXPENDITURES								
Highway program		\$44,759,389,911.04	100.0	\$4,378,252,905.47	100.0	\$4,150,575,300.25	100.0	\$227,677,605.22
Interest on advances		6,288,481.44	(²)					
Administration and enforcement of labor standards		368,225.00	(³)					
Total expenditures		44,766,046,617.48	100.0	4,378,252,905.47	100.0	4,150,575,300.25	100.0	227,677,605.22
Excess of receipts, or expenditures (—)		2,611,610,700.37		1,090,783,842.17		539,255,047.85		551,528,794.32
Plus opening balance				1,520,826,858.20		981,571,810.35		539,255,047.85
Balance in highway trust fund		2,611,610,700.37		2,611,610,700.37		1,520,826,858.20		1,090,783,842.17
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
5½ percent maturing June 30, 1970						1,512,735,000.00		—1,512,735,000.00
6 percent maturing June 30, 1971		2,601,737,000.00		2,601,737,000.00				2,601,737,000.00
Undisbursed balances		9,873,700.37		9,873,700.37		8,091,858.20		1,781,842.17
Total assets		2,611,610,700.37		2,611,610,700.37		1,520,826,858.20		1,090,783,842.17

¹ Includes floor stock taxes in nominal amounts (26 U.S.C. 4226(a)).

² Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

³ Less than 0.05 of 1 percent.

STATEMENT NO. 2.—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-70, AND ESTIMATES 1971-78, UNDER EXISTING LEGISLATION

[In millions of dollars]

Fiscal year	Receipts							Expenditures				Balance in the fund		
	Gross excise taxes	Deductions		Net excise taxes	Interest (net)	General fund advances	Repayment of advances (deduct)	Reimbursements from general fund ²	Total	Interstate highways	Primary, secondary, urban, rural, TOPICS, and urban system ³		Other ⁴	Total
Actual:														
1957	1,479			1,479	3				1,482	208	743	15	966	516
1958	2,116		90	2,026	18				2,044	675	809	27	1,511	1,049
1959	2,171		97	2,074	⁵ 13				2,087	1,501	839	273	2,613	523
1960	2,642		103	2,539	-3	359	359		2,536	1,861	879	200	2,940	119
1961	2,924		126	2,798	⁵ 1	60	60		2,799	1,719	877	23	2,619	299
1962	3,080		131	2,949	7				2,956	1,914	860	10	2,784	471
1963	3,405		126	3,279	14				3,293	2,109	906	2	3,017	747
1964	3,646		127	3,519	20				3,539	2,635	1,004	6	3,645	641
1965	3,786	4	123	3,659	11				3,670	3,016	990	20	4,026	285
1966	4,065	28	120	3,917	⁵ 7	70	70		3,924	2,978	937	50	3,965	244
1967	4,684	31	212	4,441	14				4,455	2,976	954	44	3,974	725
1968	4,523	30	114	4,379	34			15	4,428	3,207	947	17	4,171	982
1969	4,889	28	224	4,637	53				4,690	3,149	984	18	4,151	1,521
1970	5,414	28	32	5,354	115				5,469	3,289	1,043	46	4,378	2,612
Estimate:														
1971	5,717	28	119	5,570	180				5,750	3,481	1,147	86	4,714	3,648
1972	5,803	28	116	5,659	245				5,904	3,304	1,301	163	4,768	4,784
1973	6,070	30	116	5,924	285				6,270	3,478	1,318	429	5,225	5,829
1974	6,302	31	116	6,155	330				6,512	3,802	1,364	582	5,748	6,593
1975	6,520	32	115	6,373	380				6,777	3,921	1,383	467	5,771	7,599
1976	6,722	33	114	6,575	440				7,038	3,941	1,398	469	5,808	8,829
1977	6,926	34	114	6,778	525				7,324	3,535	1,410	491	5,436	10,717
1978 ⁶	7,214	11	84	7,019					103	2,122	3,815	1,219	8,747	14,092
Total	94,998	376	2,519	92,103	2,692	489	489	274	95,069	60,514	25,806	4,657	90,977	4,092

¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).

² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-aid Highway Act of 1966. Expenditures related to these reimbursements are included in "Other" expenditures (see footnote 4).

³ Assuming authorizations will be extended for fiscal years 1974-78 at the annual rate of \$1,100 million for the primary, secondary and urban program; \$125 million for the rural program, \$100 million for the TOPICS program and \$100 million for the urban system program.

⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; special \$400 million of primary, secondary and urban funds; and \$300 million transfer to the right-of-way revolving fund authorized by the Federal-aid Highway Act of 1968. Also includes

programs designated for Trust Fund financing by the Federal-aid Highway Act of 1970—forest highways, public lands highways, economic growth center development highways; bridge replacement, Alaskan assistance, rail crossing demonstration projects, Baltimore-Washington Parkway; highway safety programs (23 U.S.C. 402) and highway safety research and development.

⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5 million in 1960, \$1 million in 1961, and \$1,000 million in 1966.

⁶ Through Sept. 30, 1977.

⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1977, but collected thereafter.

⁸ Provides for complete disbursement of all funds authorized for fiscal year 1978 and prior fiscal years including expenditures estimated to occur after Sept. 30, 1977.

⁹ Available for additional authorizations including \$1,986 million Interstate system cost identified by 1970 Interstate cost estimate for which authorizations have not yet been provided.

16TH ANNUAL REPORT OF HIGHWAY
TRUST FUND

COMMUNICATION

FROM

ACTING SECRETARY OF THE TREASURY

TRANSMITTING

THE SIXTEENTH ANNUAL REPORT OF THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATION OF THE
HIGHWAY TRUST FUND, PURSUANT TO SECTION
209(e) (1) OF THE HIGHWAY REVENUE ACT OF 1956, AS
AMENDED



MARCH 1, 1972.—Referred to the Committee on Ways and Means and
ordered to be printed

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WASHINGTON : 1972

Eno

Center for
Transportation

LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 25, 1972.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the sixteenth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1978.

Sincerely yours,

CHARLS E. WALKER,
Acting Secretary.

(iii)

Eno

Center for
Transportation



**SIXTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND,
JUNE 30, 1971**

(1)

Eno

Center for
Transportation

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on such advances.

Annual reports to Congress are required by section 209(e)(1) of the Act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1978.

Following is a summary statement of the operations for fiscal 1971:

	<i>Millions</i>
Receipts	\$5, 725. 4
Expenditures	4, 685. 3
Excess of receipts	1, 040. 1
Net purchases of investments	1, 033. 1
Increase in undischursed balances	7. 0
Total increase in assets	1, 040. 1
Balances, June 30, 1971:	
Investment holdings	3, 634. 9
Undischursed balances	16. 8
Balance of the fund	3, 651. 7

Further details of the operations are included in Statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1971 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound) 5 cents per pound; tread rubber 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$5,541.6 million in fiscal 1971, a net increase of \$187.9 million over the transfers of \$5,353.6 million in fiscal 1970.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	1971		1970		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$3,934.4	71.0	\$3,692.5	69.0	\$241.8
Trucks, buses, etc.....	692.5	12.5	699.9	13.1	-7.5
Tires.....	576.4	10.4	588.5	11.0	-12.0
Truck use.....	148.0	2.7	136.8	2.6	11.2
Lubricating oil.....	51.8	.9	94.5	1.8	-42.7
Parts and accessories for trucks, buses, etc.....	85.2	1.5	87.2	1.6	-2.0
Inner tubes and tread rubber.....	53.3	.9	54.2	1.0	-.9
Total.....	5,541.6	100.0	5,353.6	100.0	187.9

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$66.4 million during fiscal 1971. The adjustments were approximately 1 percent of the total transfers to the fund.

During 1971, \$28.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oil be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of

estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certification of the Internal Revenue Service. In fiscal 1971, estimated tax credits of \$112.0 million, actual credits and adjustments of prior estimates of \$2.7 million, and actual cash refunds of \$7.8 million accounted for \$122.5 million in reduction of transfers to the fund.

During fiscal 1971, the trust fund was credited with \$183.6 million of interest on investments in public debt securities, bringing the total credits to \$5,725.4 million compared with \$5,469.0 million in fiscal 1970.

[In millions of dollars]

	Fiscal year 1971	Fiscal year 1970	Increase or decrease (—)
Transfers on basis of estimates.....	5,625.7	5,136.6	489.1
Quarterly adjustments.....	66.4	277.1	-210.7
Total transfers.....	5,692.1	5,413.7	278.1
Less transfers to land and water conservation fund.....	28.0	28.0	-----
Less refunds of taxes.....	122.5	32.1	-90.4
Net transfers.....	5,541.6	5,353.6	187.9
Interest on investments.....	183.6	115.4	68.2
Miscellaneous interest.....	(¹)	-----	(¹)
Total receipts.....	5,725.4	5,469.0	256.4

¹ Less than \$500,000.

EXPENDITURES

Federal-aid highway program expenditures are made by the Federal Highway Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. Fiscal 1971 expenditures, in nominal amounts, were also made by the Forest Service, the Bureau of Indian Affairs, and Right-of-Way Revolving Fund from amounts transferred to them. During fiscal 1971, the expenditures from the fund amounted to \$4,685.3 million, an increase of \$307.1 million over the expenditures of \$4,378.3 million in 1970. Expenditures from the fund are shown in Statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1971	Fiscal year 1970	Increase or decrease (—)
Highway programs:			
Federal Highway Administration ¹	4,642,728	4,366,950	275,778
Forest Service.....	9,410	8,048	1,362
Bureau of Indian Affairs.....	249	101	148
Corps of Engineers.....	-----	75	-75
Right-of-way revolving fund.....	32,961	3,079	29,883
Total expenditures.....	4,685,348	4,378,253	307,095

Includes \$17 for improvement of the Pentagon road network in fiscal 1971 and \$1.2 thousand for 1970.

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively

to the trust fund, as authorized by section 209 (e)(2) of the Act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1971, the fund held \$3,634.9 million in special issues of Treasury certificates of indebtedness bearing interest at 5½ percent, maturing June 30, 1972. This compares with holdings of \$2,601.7 million on June 30 1970, at 6 percent. The trust fund was credited with \$183.6 million in interest on investments in fiscal 1971, an increase of \$68.2 million over the \$62.8 million in 1970.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1971, was \$3,651.7 million, an increase of \$1,040.1 million from the June 30, 1970, balance of \$2,611.6 million. The balance consisted of investments of \$3,634.9 million and undisbursed appropriations of \$16.8 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1971, are summarized as follows:

RECEIPTS	<i>(In millions of dollars)</i>
Program operations:	
Gasoline, diesel fuel, and special motor fuels taxes.....	\$40,918.6
Tires, tubes, and tread rubber taxes.....	6,287.2
Trucks, buses, etc., and truck use taxes.....	6,394.8
Lubricating oil taxes.....	492.0
Parts and accessories for trucks, buses, etc., taxes.....	422.6
Transfers to land and water conservation fund.....	-177.8
Refunds of taxes.....	-1,747.8
Subtotal.....	<u>52,589.7</u>
Miscellaneous activities:	
Interest on investments.....	498.1
Miscellaneous interest.....	.3
Advances from general fund.....	489.0
Repayment of advances.....	-489.0
Reimbursement from general fund.....	15.1
Subtotal.....	<u>513.4</u>
Total receipts.....	<u><u>53,103.1</u></u>
EXPENDITURES	
Program operations: Highway construction.....	49,444.7
Miscellaneous activities:	
Interest on advances.....	6.3
Administration of labor standards.....	.4
	<u>6.7</u>
Total expenditures.....	<u><u>49,451.4</u></u>
BALANCES OF THE FUND	
Undisbursed appropriations.....	16.8
Investments.....	3,634.9
Total balance.....	<u><u>3,651.7</u></u>

Further details regarding the cumulative operations are included in statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to operations of the Trust Fund was enacted by the 92nd Congress, first session as follows:

Public Law 92-74, approved August 10, 1971, appropriated a total of \$4,744,076,333 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of Title 23, United States Code attributable to Federal-aid highways and to other programs authorized to be appropriated from the Fund.

Public Law 92-178, approved December 10, 1971, reduced Trust Fund receipts by exempting local transit busses, trash containers for use on trucks, trucks having a gross vehicle weight of 10,000 pounds or less, and trailers suitable for use with such trucks from the 10 percent tax on manufacturer's price for trucks, busses, and trailers, effective September 23, 1971.

Funds authorized for the fiscal year 1973 by the Federal-Aid Highway Act of 1956, as amended, and the Federal-Aid Highway Act of 1970 for the Federal-Aid Interstate System and by the Federal-Aid Highway Act of 1970 for the Federal-aid primary, secondary, and urban highway systems were apportioned to the States effective October 20, 1971. The sums apportioned include (1) the full amount of \$4 billion authorized for the Interstate System for the fiscal year 1973 by the Federal-Aid Highway Act of 1956, as amended, plus \$44,060,800 of the \$55 million, authorized for the Interstate System for the fiscal year 1973 by the Federal-Aid Highway Act of 1970; (2) the \$1,100 million of Federal-aid primary, secondary, and urban funds; (3) the \$125 million of funds authorized for the Federal-aid primary and secondary systems in rural areas; (4) the \$100 million of funds authorized for traffic operations projects in urban areas; and (5) the \$100 million of urban system funds. The \$33 million of forest highway funds authorized by the Federal-Aid Highway Act of 1970 for the fiscal year 1973 were apportioned effective November 1, 1971.

The authorizations of Interstate funds as contained in the 1956 legislation, as amended, provide annual amounts through fiscal year 1976 that can be supported by the estimated Highway Trust Fund receipts indicated in Statement No. 2. This statement shows actual and estimated receipts, expenditures and balances for the fiscal years 1957 through 1978 under existing legislation. Total expenditures are estimated at \$90,866 million, including presently authorized Interstate program costs of \$60,503 million and \$30,463 million for Federal-aid primary, secondary, urban, rural, TOPICS, urban system, and other expenditures.

The 1972 Interstate System Cost Estimate was submitted to the Congress on December 29, 1971, and reports an estimated total cost of \$76,300 million for the system. The Federal share of the estimated total cost is \$68,260 million or \$7,757 million more than the \$60,503 million presently authorized. Trust Fund receipts shown in Statement No. 2 are insufficient to support the estimated \$7,757 million of additional Interstate authorizations needed to complete the Interstate System.



STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1971

Description	Internal Revenue code section (26 U.S.C.)	Cumulative through June 30, 1971		Fiscal year 1971		Fiscal year 1970		Increase or decrease (-) 1971 compared to 1970
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081.....	\$38,790,863,408.78	73.0	\$3,770,421,051.71	65.8	\$3,474,592,099.26	63.5	\$295,828,952.45
Trucks, buses, etc.....	4061(a)(1).....	5,109,360,283.55	9.6	692,459,037.10	12.1	699,926,670.44	12.8	-7,467,633.34
Tires, highway vehicles, and other.....	4071(a)(1-2).....	5,653,074,218.56	10.6	576,445,734.19	10.1	588,478,594.86	10.8	-12,032,860.67
Diesel fuel and special motor fuels.....	4041(a)(b).....	2,127,767,300.34	4.0	294,207,514.20	5.1	263,164,835.27	4.8	31,042,678.93
Truck use.....	4481.....	1,285,427,244.79	2.4	148,029,971.06	2.6	136,805,692.16	2.5	11,224,278.90
Lubricating oil.....	4091.....	492,040,554.12	.9	72,030,194.87	1.3	109,365,603.19	2.0	-37,335,408.32
Parts and accessories for trucks, buses, etc.....	4061(b).....	422,594,184.94	.8	85,173,443.65	1.5	87,209,453.00	1.6	-2,036,009.35
Tread rubber.....	4071(a)(4).....	326,946,886.12	.6	30,391,885.08	.5	28,031,575.42	.5	2,360,309.66
Inner tubes.....	4071(a)(3).....	307,162,878.59	.6	22,909,460.10	.4	26,126,234.47	.5	-3,216,774.37
Total excise taxes transferred.....		54,515,236,959.79	102.7	5,692,068,291.96	99.4	5,413,700,758.07	99.0	278,367,533.89
Less transfers to land and water conservation fund.....		177,800,000.00	.3	28,000,000.00	.5	28,000,000.00	.5	
Gross highway trust fund taxes.....		54,337,436,959.79	102.3	5,664,068,291.96	98.9	5,385,700,758.07	97.5	278,367,533.89
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	39,6420.....	1,336,067,127.41	2.5	82,687,186.27	1.4	833,095.59	(?)	81,854,090.68
Gasoline for nonhighway purposes or local transit.....	39,6421.....	1,321,291,114.42	.6	19,584,610.39	.3	16,396,332.48	.3	3,188,177.91
Gasoline, other.....	6412.....	102,367.46	(?)					
Lubricating oils not used in highway motor vehicles.....	39,6424.....	190,144,831.93	.2	20,240,619.45	.4	14,844,297.12	.3	5,396,322.33
Tires and tread rubber.....	6412.....	97,416.90	(?)					
Trucks, buses, etc.....	6412.....	66,650.55	(?)					
Total refunds of taxes.....		1,747,769,508.67	3.3	122,512,416.11	2.1	32,073,825.19	.6	90,438,590.92
Net highway trust fund taxes.....		52,589,667,451.12	99.0	5,541,555,875.85	96.8	5,353,626,932.88	97.9	187,928,942.97
Interest on investments.....		498,056,133.40	.9	183,608,162.82	3.2	115,409,814.76	2.1	68,198,348.06
Miscellaneous interest.....		269,136.68	(?)	269,136.68	(?)			269,136.68
Advances from general fund.....		489,000,000.00	.9					
Repayment of advances.....		-489,000,000.00	-.9					
Reimbursement from general fund.....		15,097,772.00	(?)					
Total receipts.....		53,103,090,493.20	100.0	5,725,433,175.35	100.0	5,469,036,747.64	100.0	256,396,427.71

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EXPENDITURES								
Highway program	49,444,738,237.58	100.0	4,685,348,326.54	100.0	4,378,252,905.47	100.0	307,095,421.07	
Interest on advances	6,288,481.44	(²)						
Administration and enforcement of labor standards	368,225.00	(²)						
Total expenditures	49,451,394,944.02	100.0	4,685,348,326.54	100.0	4,378,252,905.47	100.0	307,095,421.07	
Excess of receipts, or expenditures (-)	3,651,695,549.18		1,040,084,848.81		1,090,783,842.17		-50,698,993.36	
Plus opening balance			2,611,610,700.37		1,520,826,858.20		1,090,783,842.17	
Balance in highway trust fund	3,651,695,549.18		3,651,695,549.18		2,611,610,700.37		1,040,084,848.81	
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
5 1/2 percent maturing June 30, 1972	3,634,868,000.00		3,634,868,000.00				3,634,868,000.00	
6 percent maturing June 30, 1971					2,601,737,000.00		-2,601,737,000.00	
Undisbursed balances	16,827,549.18		16,827,549.18		9,873,700.37		6,953,848.81	
Total assets	3,651,695,549.18		3,651,695,549.18		2,611,610,700.37		1,040,084,848.81	

¹ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

² Less than 0.05 of 1 percent.



STATEMENT NO. 2
 STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-71, AND ESTIMATES 1972-78, UNDER EXISTING LEGISLATION
 [In millions of dollars]

Fiscal year	Receipts							Expenditures				Balance in the fund	Liability for unpaid obligations	Balance less liability for unpaid obligations	
	Deductions			Interest (net)	General fund advances	Repayment of advances (deduct)	Reimbursements from general fund ²	Total	Interstate Highways	Primary, secondary, urban, rural, TOPICS, and urban system ³	Other ⁴				Total
	Gross excise taxes	Transfers ¹	Re-funds													Net excise taxes
Actual:															
1957	1,479			1,479	3			1,482	208	743	15	966	516	2,421	-1,905
1958	2,116		90	2,026	18			2,044	675	809	27	1,511	1,049	3,855	-2,806
1959	2,171		97	2,074	13			2,087	1,501	839	273	2,613	523	4,751	-4,228
1960	2,642		103	2,539	3	359	359	2,536	1,861	879	200	2,940	119	4,421	-4,302
1961	2,924		126	2,798	1	60	60	2,799	1,719	877	23	2,619	299	4,989	-4,690
1962	3,080		131	2,949	7			2,956	1,914	860	10	2,784	471	5,239	-4,768
1963	3,405		126	3,279	14			3,293	2,109	906	2	3,017	747	6,149	-5,402
1964	3,646		127	3,519	20			3,539	2,635	1,004	6	3,645	641	6,669	-6,028
1965	3,786	4	123	3,659	11			3,670	3,016	990	20	4,026	285	6,665	-6,380
1966	4,065	28	120	3,917	7	70	70	3,924	2,978	937	50	3,965	244	6,748	-6,504
1967	4,684	31	212	4,441	14			4,455	2,976	954	44	3,974	725	6,556	-5,831
1968	4,523	30	114	4,379	34			4,428	3,207	947	17	4,171	982	6,617	-5,635
1969	4,889	28	224	4,637	53			4,690	3,149	984	18	4,151	1,521	7,124	-5,603
1970	5,414	28	32	5,354	115			5,469	3,289	1,043	46	4,378	2,612	7,535	-4,923
1971	5,692	28	122	5,542	183			5,725	3,456	1,147	82	4,685	3,652	7,512	-3,860
Estimate:															
1972	5,623	28	246	5,349	200			5,549	3,417	1,211	150	4,778	4,423	7,850	-3,427
1973	5,696	30	148	5,518	235			5,753	3,398	1,380	245	5,023	5,153	7,380	-2,227
1974	5,932	31	152	5,749	280			6,106	3,257	1,350	539	5,146	6,113	8,334	-2,221
1975	6,157	32	154	5,971	320			6,325	3,777	1,380	466	5,623	6,816	8,617	-1,801
1976	6,367	34	157	6,176	360			6,567	3,918	1,397	456	5,771	7,612	8,741	-1,129
1977	6,571	35	159	6,377	415			6,812	3,616	1,412	455	5,483	8,941	7,024	1,917
1978 ⁵	7,207	11	116	1,880				108	1,988	4,427	3,757	1,413	9,597	1,332	1,332
Total	92,869	378	2,879	89,612	2,300	489	489	286	92,198	60,503	25,806	4,557	90,866	1,332	

H. Doc. 92-258



¹ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved Sept. 3, 1964 (78 Stat. 897).

² Reimbursements to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-aid Highway Act of 1966. Expenditures related to these reimbursements are included in "Other" expenditures (see footnote 4).

³ Assuming authorizations will be extended for fiscal years 1974-78 at the annual rate of \$1,100,000,000 for the primary, secondary, and urban program; \$125,000,000 for the rural program; \$100,000,000 for the TOPICS program and \$100,000,000 for the urban system program.

⁴ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; special \$400,000,000 of primary, secondary, and urban funds; and \$300,000,000 transfer to the right-of-way revolving fund authorized by the Federal-aid Highway Act of 1968. Also includes

programs designated for trust fund financing by the Federal-aid Highway Act of 1970—forest highways; public lands highways; economic growth center development highways; bridge replacement; Alaskan assistance; rail crossing demonstration projects; Baltimore-Washington Parkway; highway safety programs (23 U.S.C. 402) and highway safety research and development.

⁵ Receipts of interest on investments netted by payments of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966.

⁶ Through Sept. 30, 1977.

⁷ Includes receipts on tax liabilities accrued prior to Oct. 1, 1967, but collected thereafter.

⁸ Provides for complete disbursement of all funds authorized for fiscal year 1978 and prior fiscal year including expenditures estimated to occur after Sept. 30, 1977.

⁹ Available for additional authorizations including \$7,757,000,000 Interstate System cost identified by 1972 interstate cost estimate for which authorizations have not yet been provided.

**ANNUAL REPORT ON THE FINANCIAL CONDITION
AND OPERATIONS OF THE HIGHWAY TRUST
FUND, FISCAL YEAR 1972**



COMMUNICATION

FROM

**FISCAL ASSISTANT SECRETARY
OF THE TREASURY**

TRANSMITTING

**THE SEVENTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND OPERATIONS OF THE HIGHWAY TRUST FUND,
COVERING FISCAL YEAR 1972, PURSUANT TO SECTION 209(e)(1)
OF THE HIGHWAY REVENUE ACT OF 1956, AS AMENDED
(23 USC 120, NOTE)**



**MARCH 5, 1972.—Referred to the Committee on Ways and
Means and ordered to be printed**

**U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1973**



THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

FISCAL ASSISTANT SECRETARY

MARCH 1, 1973


Eno
Center for
Transportation

Dear Mr. Speaker:

I have the honor to submit the seventeenth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209 (e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1978.

Sincerely yours,



John K. Carlock

The Honorable
Carl Albert
Speaker of the House of Representatives
Washington, D. C. 20515

Eno

Center for
Transportation



SEVENTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND

June 30, 1972

DEPARTMENT OF THE TREASURY
Office of the Secretary

Foreword

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1978.

Following is a summary statement of the operations for fiscal 1972:

	(Millions)
Receipts-----	\$5,528.1
Expenditures-----	<u>4,690.2</u>
Excess of receipts-----	<u>837.8</u>
Net purchases of investments-----	821.5
Increase in undisbursed balances-----	<u>16.3</u>
Total increase in assets-----	<u><u>837.8</u></u>
Balances, June 30, 1972:	
Investment holdings-----	4,456.4
Undisbursed balances-----	<u>33.1</u>
Balance of the fund-----	<u><u>4,489.5</u></u>

Further details of the operations are included in Statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1972 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$5,322.4 million in fiscal 1972, a net decrease of \$219.2 million compared with transfers of \$5,541.6 million in fiscal 1971.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

(Dollar amounts in millions)

Type of tax	1972		1971		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels-----	\$3,893.2	73.1	\$3,934.4	71.0	\$ -41.2
Trucks, buses, and trailers--	436.5	8.2	692.5	12.5	-256.0
Tires-----	631.7	11.9	576.4	10.4	55.3
Use of certain vehicles-----	150.5	2.8	148.0	2.7	2.5
Lubricating oils-----	73.1	1.4	51.8	.9	21.3
Parts and accessories-----	86.7	1.6	85.2	1.5	1.5
Inner tubes and tread rubber-	50.6	1.0	53.3	1.0	-2.7
Total-----	5,322.4	100.0	5,541.6	100.0	-219.2

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$20.9 million during fiscal 1972.

During 1972, \$28.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1972, estimated tax credits of \$127.0 million, actual credits and adjustments of prior estimates of \$9.4 million, and actual cash refunds of \$176.3 million (\$168.7 million related to refund of excise taxes paid on light duty trucks) accounted for a total of \$312.7 million in reduction of transfers to the fund.

During fiscal 1972, the trust fund was credited with \$205.6 million of interest on investments in public debt securities, bringing the total credits to \$5,528.1 million, compared with \$5,725.4 million in fiscal 1971.

(In millions of dollars)

	Fiscal year 1972	Fiscal year 1971	Increase or decrease (-)
Transfers on basis of estimates-----	5,642.2	5,625.7	16.5
Quarterly adjustments-----	20.9	66.4	-45.5
Total transfers-----	5,663.1	5,692.1	-29.0
Transfers to land and water conservation fund-----	-28.0	-28.0	-
Refunds of taxes-----	-312.7	-122.5	-190.2
Net transfers-----	5,322.4	5,541.6	-219.2
Interest on investments-----	205.6	183.6	22.0
Miscellaneous interest-----		.3	-.3
Total receipts-----	5,528.1	5,725.4	-197.4

Expenditures

Expenditures for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1972, the expenditures from the fund amounted to \$4,690.2 million, an increase of \$4.9 million over the expenditures of \$4,685.3 million in 1971. Expenditures from the fund are shown in Statement No. 1 and summarized as follows:

(In thousands of dollars)

	Fiscal year 1972	Fiscal year 1971	Increase or decrease (-)
Federal Highway Administration:			
Federal-aid highways-----	4,657,134	4,652,387	4,747
Right-of-way revolving fund--	17,116	32,961	-15,845
Trust fund share of other highway programs-----	3,031	-----	3,031
National Highway Traffic Safety Administration:			
Trust fund share of traffic safety program-----	12,936	-----	12,936
Total expenditures-----	4,690,217	4,685,348	4,869

Investments

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1972, the fund held \$4,456.4 million in special issues of Treasury certificates of indebtedness bearing interest at 5 percent, maturing June 30, 1973. This compares with holdings of \$3,634.9 million on June 30, 1971, at 5 1/8 percent. The trust fund was credited with \$205.6 million in interest on investments in fiscal 1972, compared with \$183.6 million credited in 1971.

Balance of the Fund

The balance of the fund as of June 30, 1972, was \$4,489.5 million, an increase of \$837.8 million from the June 30, 1971, balance of \$3,651.7 million. The balance consisted of investments of \$4,456.4 million and undisbursed balance of \$33.1 million.

Cumulative Summary

Cumulative operations, from inception in 1956 through June 30, 1972, are summarized as follows:

<u>RECEIPTS</u>	(In millions of dollars)
Excise taxes:	
Gasoline-----	42,546.6
Diesel and special motor fuels-----	2,419.6
Tires, tubes, and tread rubber-----	6,969.6
Trucks, buses, and trailers-----	5,714.6
Use of certain vehicles-----	1,435.9
Parts and accessories-----	509.3
Lubricating oils-----	582.8
	<hr/>
Total taxes-----	60,178.4
Transfers to land and water conservation fund-----	-205.8
Refunds of tax receipts-----	-2,060.5
	<hr/>
Net taxes-----	57,912.1
Interest on investments-----	703.7
Miscellaneous interest-----	.3
Reimbursements from general fund-----	15.1
	<hr/>
Total receipts-----	58,631.1
	<hr/> <hr/>
<u>EXPENDITURES</u>	
Highway program-----	54,135.0
Interest on advances from general fund-----	6.3
Administration and enforcement of labor standards-----	.4
	<hr/>
Total expenditures-----	54,141.6
	<hr/> <hr/>
<u>BALANCES OF THE FUND</u>	
Investments in public debt securities-----	4,456.4
Undisbursed balance-----	33.1
	<hr/>
Total balances-----	4,489.5
	<hr/> <hr/>

Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to operations of the trust fund was enacted by the 92nd Congress, second session, as follows:

Public Law 92-361, approved August 3, 1972, amended 23 U.S.C. 125 relating to highway emergency relief to authorize \$100,000,000 per year beginning in fiscal year 1973 and to authorize an additional \$100,000,000 for the fiscal year 1973.

Public Law 92-398, approved August 22, 1972, appropriated \$5,000,180,000 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of Title 23, United States Code, attributable to Federal-aid highways and to other programs authorized to be appropriated from the fund.

Authorizations of Interstate funds as contained in the Federal-aid Highway Act of 1956, as amended, provide annual amounts through fiscal year 1976 that can be supported by the estimated Highway Trust Fund receipts indicated in Statement No. 2. This statement shows actual and estimated receipts, expenditures and balances for the fiscal years 1957 through 1978 under existing legislation. Total expenditures are estimated at \$91,366 million including presently authorized Interstate program costs of \$60,503 million and \$30,863 million for Federal-aid primary, secondary, urban, rural, TOPICS, urban system, and other expenditures.

The 1972 Interstate System Cost Estimate submitted to the Congress on December 29, 1971, reports an estimated total cost of \$76,300 million for the system. The Federal share of the estimated total cost is \$68,260 million or \$7,757 million more than the \$60,503 million presently authorized. Trust fund receipts shown in Statement No. 2 are not sufficient to support the estimated \$7,757 million of additional Interstate authorizations needed to complete the Interstate System.

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STATEMENT NO. 1. - Status of Highway Trust Fund, June 30, 1972

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1972		Fiscal year 1972		Fiscal year 1971		Increase or decrease (-) 1972 compared to 1971
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081.....	\$42,546,583,960.65	72.6	\$3,755,720,551.87	67.9	\$3,770,421,051.71	65.8	\$-14,700,499.24
Diesel and special motor fuels.....	4041(a)(b).....	2,419,624,803.77	4.1	291,857,503.43	5.3	294,207,514.20	5.1	-2,350,010.77
Tires used on highway vehicles.....	4071(a)(1).....	6,012,102,450.12	10.3	631,746,410.89	11.4	576,445,734.19	10.1	55,300,676.70
Tread rubber.....	4071(a)(4).....	353,763,799.68	6	26,816,913.56	.5	30,391,885.08	.5	-3,574,971.52
Trucks, buses, and trailers.....	4061(a)(1).....	5,714,586,621.88	9.7	605,226,338.33	10.9	692,459,037.10	12.1	-87,232,696.77
Use of certain vehicles.....	4481.....	1,435,933,791.55	2.4	150,506,546.76	2.7	148,029,971.06	2.6	2,476,575.70
Inner tubes.....	4071(a)(3).....	330,983,301.94	.6	23,820,423.35	.4	22,909,460.10	.4	910,963.25
Other tires.....	4071(a)(2).....	272,718,179.33	.5	.....	.....	.....	.....	.....
Parts and accessories.....	4061(b).....	509,287,561.77	.9	86,693,376.83	1.6	85,173,443.65	1.5	1,519,933.18
Lubricating oils.....	4091.....	582,785,358.83	1.0	90,744,804.71	1.6	72,030,194.87	1.3	18,714,609.84
Total taxes.....		60,178,369,829.52	102.6	5,663,132,869.73	102.4	5,692,068,291.96	99.4	-28,955,422.23
Transfer to land and water conservation fund.....		205,800,000.00	.4	28,000,000.00	.5	28,000,000.00	.5	.....
Gross taxes.....		59,972,569,829.52	102.3	5,635,132,869.73	101.9	5,664,068,291.96	98.9	-28,935,422.23
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	39,6420.....	1,439,699,983.09	2.5	103,632,855.68	1.9	82,687,186.27	1.4	20,945,669.41
Gasoline used for nonhighway purposes or local transit.....	39,6421.....	344,022,729.02	.6	22,731,614.60	.4	19,584,610.39	.3	3,147,004.21
Gasoline, other.....	6412.....	103,007.84	*	.....	.....	.....	.....	.....
Tires and tread rubber.....	6412.....	97,416.90	*	.....	.....	.....	.....	.....
Trucks, buses, and trailers.....	6412.....	66,650.55	*	.....	.....	.....	.....	.....
Floor stock taxes.....	6412.....	-640.38	*	.....	.....	.....	.....	.....
Lubricating oils not used in highway motor vehicles.....	39,6424.....	107,754,380.57	.2	17,609,548.64	.3	20,240,619.45	.4	-2,631,070.81
Light duty trucks.....	6412.....	168,736,244.40	.3	168,736,244.40	3.1	.....	.....	168,736,244.40
Total refunds of taxes.....		2,060,479,771.99	3.5	312,710,263.32	5.7	122,512,416.11	2.1	190,197,847.21
Net taxes.....		57,912,090,057.53	98.8	5,322,422,606.41	96.3	5,541,555,875.85	96.8	-219,133,269.44
Interest on investment.....		703,686,105.89	1.2	205,629,972.49	3.7	183,608,162.82	3.2	22,021,809.67
Miscellaneous interest.....		269,136.68	*	.....	.....	269,136.68	*	-269,136.68
Advances from general fund.....		489,000,000.00	.8	.....	.....	.....	.....	.....
Repayments of advances from general fund.....		-489,000,000.00	-.8	.....	.....	.....	.....	.....
Reimbursements from general fund.....		15,097,772.00	*	.....	.....	.....	.....	.....
Total receipts.....		58,631,143,072.10	100.0	5,528,052,578.90	100.0	5,725,433,175.35	100.0	-197,380,596.45
EXPENDITURES								
Highway program:								
Federal Aid Highway Act of 1956.....		53,062,568,039.80	98.9	4,657,133,857.77	99.3	4,652,380,889.39	99.3	4,746,008.38
Right-of-way revolving fund.....		53,156,467.86	.1	17,116,191.38	.4	32,961,420.48	.7	-15,845,229.10
Trust fund share of other highway program.....		3,091,134.00	*	3,091,334.00	.1	.....	.....	3,091,334.00
Trust fund share of traffic safety program.....		12,936,000.00	*	12,936,000.00	.3	.....	.....	12,936,000.00
Reimbursement to general fund.....		501,018,553.13	.9	.....	.....	.....	.....	.....
Pentagon road network.....		2,244,625.94	*	.....	.....	16.67	*	-16.67
Administration and enforcement of labor standards.....		308,225.00	*	.....	.....	.....	.....	.....
Interest on advances from general fund.....		6,281,491.44	*	.....	.....	.....	.....	.....
Total expenditures.....		54,141,612,327.17	100.0	4,690,217,383.15	100.0	4,685,348,326.54	100.0	4,869,056.61

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STATEMENT NO. 1. - Status of Highway Trust Fund, June 30, 1972 (Continued)

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1972		Fiscal year 1972		Fiscal year 1971		Increase or decrease (-) 1972 compared to 1971
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
FUND ASSETS								
Investments (special issues), Treasury certificates of indebtedness:								
5 percent maturing June 30, 1973.....		4,456,381,000.00	.....	4,456,381,000.00	.....	.....	.....	4,456,381,000.00
5 1/8 percent matured June 30, 1972.....		33,149,744.93	.....	33,149,744.93	.....	3,634,868,000.00	.....	-3,634,868,000.00
Undisbursed balances.....						16,827,549.18	.....	16,322,195.75
Total assets.....		4,489,530,744.93	.....	4,489,530,744.93	.....	3,651,695,549.18	.....	837,835,195.75

✓ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

* Less than 0.05 of 1 percent.

STATEMENT NO. 2

Status of Highway Trust Fund, Actual Fiscal Years 1957-72, and Estimates 1973-78, under Existing Legislation

(In millions of dollars)

Fiscal Year	R E C E I P T S								E X P E N D I T U R E S					Balance in the Fund	Liability for Unpaid Obligations	Balance Less Liability for Unpaid Obligations	
	Other Excise Taxes	Deductions		Net Excise Taxes	Interest (Net)	General Fund Advances	Repayment of Advances (Deduct)	Reimbursements from General Fund 2/	Total	Interstate Highways	Primary, Secondary Urban, Rural TOPICS, and Urban System 3/	Other 4/	Total				
		Transfers 1/	Refunds														
Actual:																	
1957	3,479	-	-	1,479	3	-	-	-	1,482	208	743	13	966	316	2,421	-1,949	
1958	2,116	-	90	2,026	18	-	-	-	2,044	675	809	27	1,511	1,049	3,355	-2,306	
1959	2,171	-	97	2,074	5/ 13	-	-	-	2,087	1,501	839	273	2,611	523	4,761	-4,223	
1960	2,642	-	103	2,539	5/ -3	359	359	-	2,536	1,861	879	200	2,940	119	4,421	-4,302	
1961	2,924	-	126	2,798	5/ 1	60	60	-	2,799	1,739	877	23	2,619	299	4,389	-4,690	
1962	3,050	-	131	2,919	5/ 7	-	-	-	2,956	1,934	860	10	2,784	471	5,239	-4,755	
1963	3,405	-	126	3,279	14	-	-	-	3,293	2,109	966	2	3,017	747	6,148	-5,402	
1964	3,646	-	127	3,519	20	-	-	-	3,539	2,635	1,004	6	3,645	641	6,669	-6,028	
1965	3,786	4	123	3,669	11	-	-	-	3,670	3,016	990	20	4,026	285	6,665	-6,350	
1966	4,065	28	120	3,917	5/ 7	70	70	-	3,924	2,978	937	50	3,965	244	6,748	-6,504	
1967	4,624	31	212	4,441	14	-	-	-	4,455	2,976	954	44	3,974	725	6,556	-5,531	
1968	4,523	30	114	4,379	34	-	-	15	4,428	3,207	917	17	4,171	952	6,017	-5,639	
1969	4,859	28	224	4,637	53	-	-	-	4,690	3,149	984	16	4,151	1,521	7,324	-5,659	
1970	5,434	28	32	5,354	135	-	-	-	5,469	3,289	1,083	46	4,376	2,632	7,955	-4,523	
1971	5,624	28	149	5,502	104	-	-	-	5,729	3,496	1,147	82	4,605	3,052	7,952	-3,810	
1972	5,663	20	113	5,322	266	-	-	-	5,520	3,460	1,103	79	4,639	4,490	7,913	-3,423	
Estimates:																	
1973	5,699	30	153	5,516	235	-	-	-	5,751	3,320	1,278	241	4,839	5,402	7,679	-2,277	
1974	5,911	31	151	5,749	292	-	-	-	6,041	3,094	1,362	345	4,711	6,734	7,568	-936	
1975	6,156	32	153	5,971	360	-	-	98	6,429	3,149	1,413	385	5,247	8,014	8,528	-534	
1976	6,365	34	155	6,176	435	-	-	22	6,623	3,246	1,404	500	5,670	8,007	8,623	144	
1977	6,570	35	154	6,377	469	-	-	38	6,800	3,767	1,413	420	5,700	10,117	8,176	2,011	
1978 6/	2,007	11	116	1,880	-	-	-	272	2,152	5,356	3,874	1,934	8,111,164	2/ 1,125	-	1,125	
TOTAL	92,907	378	2,947	89,582	2,464	489	489	445	92,491	60,503	25,806	5,057	91,366	-	-	-	

1/ Transfers to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897).

2/ Payments to the fund for emergency fund expenditures authorized by the 1964 amendments to the Alaska Omnibus Act, the Pacific Northwest Disaster Relief Act of 1965, and the Federal-Aid Highway Act of 1966. Expenditures related to these reimbursements are included in "Other" expenditures (see footnote 4).

3/ Available authorizations will be extended for fiscal years 1974-78 at the annual rate of \$1,100 million for the primary, secondary and urban program; \$125 million for the rural program; \$100 million for the TOPICS program and \$100 million for the urban system program.

4/ Includes emergency relief funds; bridge and dam design and construction funds; advances to States; special \$400 million of primary, secondary and urban funds; and \$300 million transfer to the right-of-way revolving fund authorized by the Federal-Aid Highway Act of 1961. Also includes programs designated for Trust Fund financing by the Federal-Aid Highway Act of 1970--forest highways; public lands highways; economic growth center development highways; bridge replacement, Alaskan assistance; rail crossing demonstration projects; Baltimore-Washington Parkway; highway safety programs (23 U.S.C. 402) and highway safety research and development.

5/ Receipts of interest on investments netted by payments of interest on general fund advances of \$5 million in 1960, \$1 million in 1961, and \$1 million in 1966.

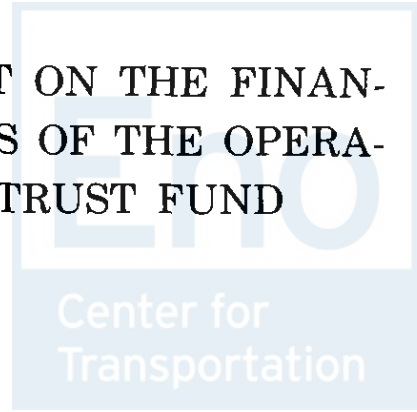
6/ Through September 30, 1977.

7/ Includes receipts on tax liabilities accrued prior to October 1, 1977, but collected thereafter.

8/ Provides for complete disbursement of all funds authorized for fiscal year 1978 and prior fiscal years including expenditures estimated to occur after September 30, 1977.

9/ Available for additional authorizations including \$7,757 million interstate system cost identified by 1972 interstate cost estimate for which authorizations have not yet been provided.

**EIGHTEENTH ANNUAL REPORT ON THE FINAN-
CIAL CONDITION AND RESULTS OF THE OPERA-
TIONS OF THE HIGHWAY TRUST FUND**



COMMUNICATION

**FROM
FISCAL ASSISTANT SECRETARY OF
THE TREASURY**

TRANSMITTING

**THE EIGHTEENTH ANNUAL REPORT ON THE FINAN-
CIAL CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND PURSUANT TO SECTION
209(e)(1) OF THE HIGHWAY REVENUE ACT OF 1956, AS
AMENDED**



**FEBRUARY 28, 1974. — Referred to the Committee on Ways and
Means and ordered to be printed**

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WASHINGTON : 1974**

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Transportation



FISCAL ASSISTANT SECRETARY

THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

Eno
FEB 27 1974

Center for
Transportation

Dear Mr. Speaker:

I have the honor to submit the eighteenth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209 (e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1978.

Sincerely yours,



John K. Carlock

The Honorable
Carl Albert
Speaker of the House of Representatives
Washington, D. C. 20515

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EIGHTEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS
OF THE HIGHWAY TRUST FUND

June 30, 1973

DEPARTMENT OF THE TREASURY
Office of the Secretary

Eno

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Transportation

Foreword

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during each future fiscal year through 1978.

Following is a summary statement of the operations for fiscal 1973:

	(Millions)
Receipts-----	\$5,912.2
Expenditures-----	<u>4,811.0</u>
Excess of receipts-----	<u>1,101.2</u>
Net purchases of investments-----	1,093.7
Increase in undisbursed balances-----	<u>7.5</u>
Total increase in assets-----	<u><u>1,101.2</u></u>
Balances, June 30, 1973:	
Investment holdings-----	5,550.1
Undisbursed balances-----	<u>40.6</u>
Balance of the fund-----	<u><u>5,590.7</u></u>

Further details of the operations are included in Statement No. 1.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1973 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound) 5 cents per pound; tread rubber 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$5,665.5 million in fiscal 1973, a net increase of \$343.1 million compared with transfers of \$5,322.4 million in fiscal 1972.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

(Dollar amounts in millions)

Type of tax	1973		1972		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels-----	\$4,158.7	73.4	\$3,893.2	73.1	\$265.5
Trucks, buses, and trailers--	380.4	6.7	436.5	8.2	-56.1
Tires-----	720.8	12.7	631.7	11.9	89.1
Use of certain vehicles-----	161.6	2.9	150.5	2.8	11.1
Lubricating oils-----	80.0	1.4	73.1	1.4	6.9
Parts and accessories-----	103.7	1.8	86.7	1.6	17.0
Inner tubes and tread rubber-	60.3	1.1	50.6	1.0	9.7
Total-----	5,665.5	100.0	5,322.4	100.0	343.1

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$143.6 million during fiscal 1973.

During 1973, \$30.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1973, estimated tax credits of \$138.0 million, actual credits and adjustments of prior estimates of \$.4 million, and actual cash refunds of \$14.1 million accounted for a total of \$152.5 million in reduction of transfers to the fund.

During fiscal 1973, the trust fund was credited with \$246.7 million of interest on investments in public debt securities, bringing the total credits to \$5,912.2 million, compared with \$5,528.1 million in fiscal 1972.

(In millions of dollars)

	Fiscal year 1973	Fiscal year 1972	Increase or decrease (-)
Transfers on basis of estimates-	5,704.4	5,642.2	62.2
Quarterly adjustments-----	143.6	20.9	122.7
Total transfers-----	5,848.0	5,663.1	184.9
Transfers to land and water conservation fund-----	-30.0	-28.0	-2.0
Refunds of taxes-----	-152.5	-312.7	160.2
Net transfers-----	5,665.5	5,322.4	343.1
Interest on investments-----	246.7	205.6	41.1
Miscellaneous interest-----	-	-	-
Total receipts-----	5,912.2	5,528.1	384.1

Expenditures

Expenditures for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1973, the expenditures from the fund amounted to \$4,811.0 million, an increase of \$120.8 million over the expenditures of \$4,690.2 million in 1972. Expenditures from the fund are shown in Statement No. 1 and summarized as follows:

(In thousands of dollars)

	Fiscal year 1973	Fiscal year 1972	Increase or decrease (-)
Federal Highway Administration:			
Federal-aid highways-----	4,729,539	4,657,134	72,405
Right-of-way revolving fund--	24,904	17,116	7,788
Trust fund share of other highway programs-----	5,597	3,031	2,566
Forest highway-----	187	-----	187
National Highway Traffic Safety Administration:			
Trust fund share of traffic safety program-----	50,809	12,936	37,873
 Total expenditures-----	 4,811,036	 4,690,217	 120,819

Investments

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1973, the fund held \$5,550.1 million in special issues of Treasury certificates of indebtedness bearing interest at 6 percent, maturing June 30, 1974. This compares with holdings of \$4,456.4 million on June 30, 1972, at 5 percent. The trust fund was credited with \$246.7 million in interest on investments in fiscal 1973, compared with \$205.6 million credited in 1972.

Balance of the Fund

The balance of the fund as of June 30, 1973, was \$5,590.7 million, an increase of \$1,101.2 million from the June 30, 1972, balance of \$4,489.5 million. The balance consisted of investments of \$5,550.1 million and undisbursed balance of \$40.6 million.

Cumulative Summary

Cumulative operations, from inception in 1956 through June 30, 1973, are summarized as follows:

<u>RECEIPTS</u>	(In millions of dollars)
Excise taxes:	
Gasoline-----	46,525.2
Diesel and special motor fuels-----	2,756.8
Tires, tubes, and tread rubber-----	7,750.6
Trucks, buses, and trailers-----	6,101.1
Use of certain vehicles-----	1,597.5
Parts and accessories-----	613.0
Lubricating oils-----	682.1
	<hr/>
Total taxes-----	66,026.3
Transfers to land and water conservation fund-----	-235.8
Refunds of tax receipts-----	-2,213.0
	<hr/>
Net taxes-----	63,577.5
Interest on investments-----	950.4
Miscellaneous interest-----	.3
Reimbursements from general fund-----	15.1
	<hr/>
Total receipts-----	64,543.3
	<hr/>
<u>EXPENDITURES</u>	
Highway program-----	58,946.0
Interest on advances from general fund-----	6.3
Administration and enforcement of labor standards-----	.4
	<hr/>
Total expenditures-----	58,952.6
	<hr/>
<u>BALANCES OF THE FUND</u>	
Investments in public debt securities-----	5,550.1
Undisbursed balance-----	40.6
	<hr/>
Total balances-----	5,590.7
	<hr/>

Further details regarding the cumulative operations are included in Statement No. 1.

Projections

Under Existing Legislation

Legislation relating to the operations of the Trust Fund was enacted by the 93rd Congress, first session.

Public Law 93-61, approved July 6, 1973, authorized interim apportionments of \$1 billion of Interstate funds and \$500 million of Primary, Secondary and Urban Extension funds. These authorizations were subsequently included in authorizations under Public Law 93-87.

Public Law 93-68, approved August 16, 1973, appropriated \$4,445,232,000 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of Title 23, United States Code attributable to Federal-aid highways and to other programs authorized to be appropriated from the Fund.

The Federal-Aid Highway Act of 1973 (Public Law 93-87, approved August 13, 1973), (1) revised existing authorizations and provided additional authorizations for the Interstate System and approved factors for making apportionments of Interstate funds authorized for fiscal years 1974, 1975 and 1976, and (2) authorized appropriations (other than Interstate) out of the Trust Fund as described below:

(1) Interstate authorizations

Authorizations of \$4.0 billion for each of the fiscal years 1974, 1975 and 1976 were revised by the 1973 act to \$2.6 billion for FY 1974 and \$3.0 billion per year for FY 1975 and FY 1976. Authorizations of \$3.25 billion per year were provided for FY 1977, FY 1978 and FY 1979. The 1973 act also provided additional authorizations of not to exceed \$50 million for each of the fiscal years 1974, 1975 and 1976 to insure that no State's total apportionment for these years would be less than one-half of 1 percent of the total apportionment of funds authorized by the 1956 act, as amended, for fiscal years 1974, 1975 and 1976. Authorizations for the Interstate System total \$66,979 million including the unpaid balance of prior authorizations carried forward into the Trust Fund on July 1, 1956. This represents an increase of \$6,476 million over previous authorizations but is \$1,281 million less than the \$68,260 million Federal share of the estimated cost of completing the Interstate System as reported in the 1972 Interstate System Cost Estimate.

(2) Other Authorizations

Other appropriations authorized out of the Trust Fund by the 1973 act include the following: (in millions)

Program	Authorization for FY		
	1974	1975	1976
Rural primary & secondary*	1,070	1,100	1,100
Urban extensions & system*	1,070	1,100	1,100
Rural primary minimum*	17	15	15
Forest highway*	33	33	33
Public lands highway	16	16	16
Economic Growth Centers	50	75	100
Urban High Density Traffic Program	50	50	50
Priority primary*	100	200	300
Bridges on Federal Dams	8.5	-	-
Nat'l Scenic Recreational Highway	10	25	25
Alaskan Assistance	20	20	20
Nat'l Scenic Highway System Study	.25	-	-
Rail Highway Demonstration projects	10	16.7	33.3
State & Community Highway Safety*	125	155	185
Highway Safety R&D	52.5	65	75
Rail Highway Crossings*	25	75	75
Bridge Replacement	25	75	75
Pavement Marking Demonstration	25	75	75
Pavement Marking R&D	10	10	-
Drug Use & Driver Behavior Research	10	10	10
Elimination of High Hazard Locations*	50	75	75
Elimination of Roadside Obstacles*	25	75	75
Highway Safety Educational			
Programing and Study	5	-	-
Citizen Participation Study	1	-	-
Nat'l Center for Statistical Analysis			
of Highway Operations - Study	5	-	-
Pedestrian and Bicycle Safety Study	5	-	-
Incentive Grants - Compliance with			
Highway Safety Programs	37.5	48	56.5
Driver Education Evaluation	10	-	-
Safer Roads Demonstration Program*	50	100	100
Rural Highway-Pub. Transp. Demo. Program	-	20	-

* Apportionment to the States of these FY 1974-75 non-Interstate and of the FY 1974-75 Interstate authorizations was made during the second quarter of FY 1974.

The authorizations of Interstate funds as contained in the 1956 act, as amended by the Federal-Aid Highway Act of 1973, provide annual amounts through fiscal year 1979 that cannot be supported by the estimated Highway Trust Fund receipts indicated in Statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for the fiscal years 1957 through 1978 under existing legislation. Total expenditures are estimated at \$93,142 million, including presently authorized Interstate program costs of \$66,979 million less \$7,414 million for Interstate authorizations withheld from apportionment because projected revenues through September 30, 1977 are insufficient to finance them, plus \$33,577 million for expenditures of non-Interstate programs authorized for the fiscal years 1957 through 1977.

Center for
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STATEMENT NO. 1. - Status of Highway Trust Fund, June 30, 1973

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through June 30, 1973		Fiscal year 1973		Fiscal year 1972		Increase or decrease (-) 1973 compared to 1972
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081.....	\$46,525,208,614.56	72.1	\$3,978,624,653.91	67.3	\$3,755,720,551.87	67.9	\$222,904,102.04
Diesel and special motor fuels.....	4041(a)(b).....	2,756,763,325.38	4.3	337,138,521.61	5.7	291,857,503.43	5.3	45,281,018.18
Tires used on highway vehicles.....	4071(a)(1).....	6,732,873,140.21	10.4	720,770,690.09	12.2	631,746,410.89	11.4	89,024,279.20
Tread rubber.....	4071(a)(4).....	385,247,017.39	.6	31,483,217.71	.5	26,816,913.56	.5	4,666,304.15
Trucks, buses, and trailers.....	4061(a)(1).....	6,101,066,466.37	9.4	386,479,844.49	6.5	605,226,338.33	10.9	-218,746,493.84
Use of certain vehicles.....	4481.....	1,597,516,624.33	2.5	161,582,832.78	2.7	150,506,546.76	2.7	11,076,286.02
Inner tubes.....	4071(a)(3).....	359,786,376.40	.6	28,803,074.46	.5	23,820,423.35	.4	4,982,651.11
Other tires.....	4071(a)(2).....	272,718,179.84	.4	.....	.....	.....	.....	.....
Parts and accessories.....	4061(b).....	613,015,217.84	.9	103,727,656.07	1.8	86,693,376.83	1.6	17,034,279.24
Lubricating oils.....	4091.....	682,131,031.69	1.1	99,345,672.86	1.7	90,744,804.71	1.6	8,600,868.15
Total taxes.....		66,026,325,993.50	102.3	5,847,956,163.98	98.9	5,663,132,869.73	102.4	184,823,294.25
Transfer to land and water conservation fund.....		235,800,000.00	.4	30,000,000.00	.5	28,000,000.00	.5	2,000,000.00
Gross taxes.....		65,790,525,993.50	101.9	5,817,956,163.98	98.4	5,635,132,869.73	101.9	182,823,294.25
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms 1/.....	39,6420.....	1,541,986,798.13	2.4	102,286,815.04	1.8	103,632,855.68	1.9	-1,346,040.64
Gasoline used for nonhighway purposes or local transit 1/.....	39,6421.....	368,832,725.46	.5	24,809,996.44	.4	22,731,614.60	.4	2,078,381.84
Gasoline, other.....	6412.....	103,007.84	(*)	.....	.....	.....	.....	.....
Tires and tread rubber.....	6412.....	97,416.90	(*)	.....	.....	.....	.....	.....
Trucks, buses, and trailers.....	6412.....	66,650.55	(*)	.....	.....	.....	.....	.....
Floor stock taxes.....	6412.....	-640.38	(*)	.....	.....	.....	.....	.....
Lubricating oils not used in highway motor vehicles 1/.....	39,6424.....	127,075,420.06	.2	19,321,039.49	.3	17,609,548.64	.3	1,711,490.85
Light duty trucks.....	6412.....	174,820,838.47	.3	6,084,594.07	.1	168,736,244.40	3.1	-162,651,650.33
Total refunds of taxes.....		2,212,982,217.03	3.4	152,502,445.04	2.6	312,710,263.32	5.7	-160,207,818.28
Net taxes.....		63,577,543,776.47	98.5	5,665,453,718.94	95.8	5,322,422,606.41	96.3	343,031,112.53
Interest on investment.....		950,426,231.91	1.5	246,740,126.02	4.2	205,629,972.49	3.7	41,110,153.53
Miscellaneous interest.....		269,136.68	(*)	.....	.....	.....	.....	.....
Advances from general fund.....		489,000,000.00	.8	.....	.....	.....	.....	.....
Repayments of advances from general fund.....		-489,000,000.00	.8	.....	.....	.....	.....	.....
Reimbursements from general fund.....		15,097,772.00	(*)	.....	.....	.....	.....	.....
Total receipts.....		64,543,336,917.06	100.0	5,912,193,844.96	100.0	5,528,052,578.90	100.0	384,141,266.06
EXPENDITURES								
Highway program:								
Federal Aid Highway Act of 1956.....		58,292,107,632.61	98.9	4,729,538,992.81	98.3	4,657,133,857.77	99.3	72,405,135.04
Right-of-way revolving fund.....		78,060,713.12	.2	24,904,245.26	.5	17,116,191.38	.4	7,788,053.88
Trust fund share of other highway programs.....		8,627,996.67	(*)	5,596,662.67	.1	3,031,334.00	.1	2,565,328.67
Trust fund share of traffic safety program.....		63,744,870.54	(*)	50,808,870.54	1.1	12,936,000.00	.3	37,872,870.54
Reimbursement to general fund.....		501,018,553.13	.9	.....	.....	.....	.....	.....
Forest highway.....		186,905.15	(*)	186,905.15	(*)	.....	.....	186,905.15
Pentagon road network.....		2,245,110.69	(*)	484.75	(*)	.....	.....	484.75
Administration and enforcement of labor standards.....		368,225.00	(*)	.....	.....	.....	.....	.....
Interest on advances from general fund.....		6,288,481.44	(*)	.....	.....	.....	.....	.....
Total expenditures.....		58,952,648,488.35	100.0	4,811,036,161.18	100.0	4,690,217,383.15	100.0	120,818,773.03

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Center for
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STATEMENT NO. 1. - Status of Highway Trust Fund, June 30, 1973 (Continued)

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through June 30, 1973		Fiscal year 1973		Fiscal year 1972		Increase or decrease (-) 1973 compared to 1972
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
FUND ASSETS								
Investments (Special issues), Treasury certificates of indebtedness:								
6 percent maturing June 30, 1974.....		5,550,051,000.00	.....	5,550,051,000.00	.....	.....	.....	5,550,051,000.00
5 percent maturing June 30, 1973.....		40,637,428.71	.....	40,637,428.71	.....	4,456,381,000.00	.....	-4,456,381,000.00
Undisbursed balances.....						33,149,744.93	.....	7,487,683.78
Total assets.....		5,590,688,428.71	.....	5,590,688,428.71	.....	4,489,530,744.93	.....	1,101,157,683.78

1/ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

* Less than 0.05 of 1 percent.



STATEMENT NO. 2

Status of Highway Trust Fund, Actual Fiscal Years 1957-73, and Estimates 1974-78, under Existing Legislation

(In millions of dollars)

Fiscal Year	RECEIPTS				EXPENDITURES				Balance in the Fund	Liability for-	
	Net Excise Taxes ^{1/}	Interest ^{2/} (Net)	Reimbursements from General Fund ^{3/}	Total	Authorizations		Total			Unpaid obligations ^{5/}	Unpaid Authorizations
					Interstate Authorizations						
					FY 1957 - FY 1979	Without from Apportionment (deduct)					
Actual:											
1957	1,479	3		1,482	208		758	966	516	2,421	2,143
1958	2,026	18		2,044	675		836	1,511	1,049	3,855	3,191
1959	2,074	13		2,087	1,501		1,112	2,613	523	4,751	4,156
1960	2,539	-3		2,536	1,861		1,079	2,940	119	4,421	4,622
1961	2,798	1		2,799	1,719		900	2,619	299	4,989	4,681
1962	2,949	7		2,956	1,914		870	2,784	471	5,239	4,980
1963	3,279	14		3,293	2,109		908	3,017	747	6,149	5,292
1964	3,519	20		3,539	2,635		1,030	3,645	641	6,669	5,221
1965	3,659	11		3,670	3,016		1,020	4,026	285	6,665	4,952
1966	3,917	7		3,924	2,978		987	3,965	284	6,746	4,812
1967	4,441	14		4,455	2,976		998	3,974	725	6,356	4,882
1968	4,379	34	15	4,428	3,207		964	4,171	982	6,617	5,161
1969	4,657	53		4,690	3,149		1,002	4,151	1,521	7,124	5,860
1970	5,354	115		5,469	3,289		1,089	4,378	2,612	7,535	7,057
1971	5,542	183		5,725	3,456		1,229	4,685	3,652	7,512	8,025
1972	5,322	206		5,528	3,468		1,222	4,690	4,490	7,918	9,297
1973	5,665	247		5,912	3,395		1,416	4,811	5,591	7,703	10,595
Estimated:											
1974	6,001	375		6,376	3,103		1,594	4,697	7,270	7,607	11,548
1975	5,800	465		6,305	3,012		1,878	4,890	8,665	7,582	13,330
1976	6,125	580		6,665	3,095		2,497	5,593	9,757	9,087	14,350
1977	6,430	590		7,020	3,244		3,193	6,437	10,340	9,650	13,403
1978 ^{6/}	2,239 ^{7/}			2,239	12,968	7,414	7,025 ^{8/}	12,579 ^{8/}	-	-	7,414
TOTAL	90,214	2,913	15	93,142	66,979	7,414	33,577	93,142	-	-	7,414

^{1/} Excludes refunds and transfers.
^{2/} Receipts of interest on investments netted by payments of interest on general fund advances of \$5 million in 1960, \$1 million in 1961, and \$1 million in 1966. Advances from the general fund repaid in the same year were \$25 million in 1959, \$6 million in 1961, and \$70 million in 1966.
^{3/} Payments to the Fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.
^{4/} Assumes a FY 1977 authorization of \$2.3 billion for non-interstate programs.
^{5/} Authorizations may be obligated in advance of the fiscal year for which authorized. Accordingly, unpaid obligations reflect any current year obligations of subsequent year authorizations.
^{6/} Through September 30, 1977.
^{7/} Includes receipts of tax liabilities accrued prior to October 1, 1977, but collected thereafter.
^{8/} Provides for complete disbursement of Interstate funds authorized for FY 1979 and prior fiscal years (less \$7,414 million withheld from apportionment because projected revenues through September 30, 1977 are insufficient to finance them; and all non-Interstate funds authorized for FY 1977 and prior fiscal years.

19TH ANNUAL REPORT—HIGHWAY TRUST FUND

COMMUNICATION

FROM

THE FISCAL ASSISTANT SECRETARY
OF THE TREASURY

TRANSMITTING

THE 19TH ANNUAL REPORT ON THE FINANCIAL CONDI-
TION AND RESULTS OF THE OPERATIONS OF THE HIGH-
WAY TRUST FUND, PURSUANT TO SECTION 209(e)(1) OF
THE HIGHWAY REVENUE ACT OF 1956, AS AMENDED



MARCH 4, 1975.—Referred to the Committee on Ways and Means
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

Eno

Center for
Transportation

THE DEPARTMENT OF THE TREASURY,
Washington, D.C., February 28, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the nineteenth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1977.

Sincerely yours,

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

(III)



**NINETEENTH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND—JUNE 30, 1974**

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during each fiscal year through September 30, 1977.

Following is a summary statement of the operations for fiscal 1974:

	<i>Millions</i>
Receipts.....	\$6, 675. 0
Expenditures.....	4, 599. 0
Excess of receipts.....	2, 076. 0
Net purchases of investments.....	2, 049. 2
Increase in undisbursed balances.....	26. 8
Total increase in assets.....	2, 076. 0
Balances, June 30, 1974:	
Investment holdings.....	7, 599. 2
Undisbursed balances.....	67. 4
Balance of the fund.....	7, 666. 7

Further details of the operations are included in Statement No. 1.

FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1974 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,260.3 million in fiscal 1974, a net increase of \$594.9 million compared with transfers of \$5,665.5 million in fiscal 1973.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	1974		1973		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels	\$4,301.3	68.7	\$4,198.7	73.4	\$142.6
Trucks, buses, and trailers	614.1	9.8	380.4	6.7	233.7
Tires	837.7	13.4	720.8	12.7	116.9
Use of certain vehicles	225.2	3.6	161.6	2.9	63.6
Lubricating oils	94.0	1.5	80.0	1.4	14.0
Parts and accessories	130.5	2.1	103.7	1.8	26.7
Inner tubes and tread rubber	57.5	.9	60.3	1.1	-2.8
Total	6,260.3	100.0	5,665.5	100.0	594.9

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net additions of \$329.9 million during fiscal 1974.

During 1974, \$30.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject

to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1974, estimated tax credits of \$127.0 million, actual credits and adjustments of prior estimates of -\$12.1 million, and actual cash refunds of \$8.5 million accounted for a total of \$123.4 million in reduction of transfers to the fund.

During fiscal 1974, the trust fund was credited with \$414.6 million of interest on investments in public debt securities and \$0.1 million of miscellaneous interest, bringing the total credits to \$6,675.0 million, compared with \$5,912.2 million in fiscal 1973.

[In millions of dollars]

	Fiscal year 1974	Fiscal year 1973	Increase or decrease(-)
Transfers on basis of estimates.....	6,083.8	5,704.4	379.4
Quarterly adjustments.....	329.9	143.6	186.3
Total transfers.....	6,413.7	5,848.0	565.8
Transfers to land and water conservation fund.....	-30.0	-30.0	
Refunds of taxes.....	-123.4	-152.5	29.1
Net transfers.....	6,260.3	5,665.5	594.9
Interest on investments.....	414.6	246.7	167.8
Miscellaneous interest.....	.1		.1
Total receipts.....	6,675.0	5,912.2	762.8

EXPENDITURES

Expenditures for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1974, the expenditures from the fund amounted to \$4,599.0 million, a decrease of \$212.0 million from the expenditures of \$4,811.0 million in 1973. Expenditures from the fund are shown in Statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year 1974	Fiscal year 1973	Increase or decrease (-)
Federal Highway Administration:			
Federal-aid highways.....	4,458,620	4,729,539	-270,919
Right-of-way revolving fund.....	23,002	24,904	-1,903
Trust fund share of other highway programs.....	22,100	5,597	16,503
Forest highways.....	4,580	187	4,393
Public lands highways.....	1,262		1,262
National Highway Traffic Safety Administration:			
Trust fund share of traffic safety program.....	89,449	50,809	38,640
Total expenditures.....	4,599,013	4,811,036	-212,023

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 per-

cent. On June 30, 1974, the fund held \$7,599.2 million in special issues of Treasury certificates of indebtedness bearing interest at 7 percent, maturing June 30, 1975. This compares with holdings of \$5,550.1 million on June 30, 1973, at 6 percent. The trust fund was credited with \$414.6 million in interest on investments in fiscal 1974, compared with \$246.7 million credited in 1973.

BALANCE OF THE FUND

The balance of the fund as of June 30, 1974, was \$7,666.7 million, an increase of \$2,076.0 million from the June 30, 1973, balance of \$5,590.7 million. The balance consisted of investments of \$7,599.2 million and undisbursed balance of \$67.4 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1974, are summarized as follows:

Receipts:	<i>Millions</i>
Excise taxes:	
Gasoline.....	\$50,565.0
Diesel and special motor fuels.....	3,151.4
Tires, tubes, and tread rubber.....	8,645.9
Trucks, buses, and trailers.....	6,715.2
Use of certain vehicles.....	1,822.7
Parts and accessories.....	743.5
Lubricating oils.....	796.4
Total taxes.....	72,440.0
Transfers to land and water conservation fund.....	-265.8
Refunds of tax receipts.....	-2,336.4
Net taxes.....	69,837.9
Interest on investments.....	1,365.0
Miscellaneous interest.....	.4
Reimbursements from general fund.....	15.1
Total receipts.....	71,218.3
Expenditures:	
Highway program.....	63,545.0
Interest on advances from general fund.....	6.3
Administration and enforcement of labor standards.....	.4
Total expenditures.....	63,551.7
Balances of the fund:	
Investments in public debt securities.....	7,599.2
Undisbursed balance.....	67.4
Total balances.....	7,666.7

Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operations of the Trust Fund was enacted by the 93rd Congress, Second session.

Public Law 93-391, approved August 28, 1974, appropriated \$4,847,210,000 from the Highway Trust Fund for the payment of

obligations incurred in carrying out the provisions of title 23, United States Code attributable to Federal-aid highways and to other programs authorized to be appropriated from the Fund.

Public Law 93-503, approved November 26, 1974, authorized \$14,000,000 for a railroad grade crossing project and provided that two-thirds (\$9,333,333) of the amount authorized shall be appropriated out of the Highway Trust Fund.

The Federal-Aid Highway Amendments of 1974, Public Law 93-643, approved January 4, 1975, authorized appropriations out of the Highway Trust Fund for the following programs:

[In millions of dollars]

Program	Authorizations for fiscal years—	
	1975	1976
Rural primary.....		\$100
Rural secondary.....		50
Bridges on Federal dams.....	\$2.5	
Rural highway—Public transportation demonstration program.....	10.0	40
Bridge replacement.....		50
Overseas highway.....	109.2	
High density urban highway demonstration project.....	53.0	

Funds authorized for the fiscal year 1976 by the Federal-Aid Highway Act of 1973 for the Federal-aid Interstate System (\$3,040,854,799) and for non-Interstate highway programs (\$2,869,327,959) were apportioned to the States effective December 11, 1974. The additional rural primary and rural secondary funds authorized for fiscal year 1976 by the Federal-Aid Highway Amendments of 1974 were apportioned to the States effective January 10, 1975.

The authorizations of Interstate funds as contained in the Federal-Aid Highway Act of 1956, as amended, provide annual amounts through fiscal year 1979 that cannot be supported by the estimated Highway Trust Fund receipts indicated in Statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for the fiscal years 1957 thru 1977 under existing legislation. Total expenditures are estimated at \$93,418 million, including presently authorized Interstate program costs (adjusted to reflect substitution projects totaling \$61 million pursuant to 23 U.S.C. 103(e)(4) during FY 1974) of \$66,909 million less \$5,214 million for Interstate authorizations withheld from apportionment because projected revenues through September 30, 1977 are insufficient to finance them, plus \$31,723 million for expenditures of non-Interstate programs (adjusted to reflect substitution projects during FY 1974 totaling \$35 million pursuant to 23 U.S.C. 142(c)) authorized for the fiscal years 1957 through 1977.



STATEMENT NO. 1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1974

Description	Internal revenue Code section (26 U.S.C.)	Cumulative through June 30, 1974		Fiscal year 1974		Fiscal year 1973		Increase or decrease (-) 1974 compared to 1973
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081.....	\$50,565,002,420.95	71.0	\$4,039,793,806.39	60.5	\$3,978,624,653.91	67.3	\$61,169,152.48
Diesel and special motor fuels.....	4041(a)(b).....	3,151,445,155.26	4.4	394,681,829.88	5.9	337,138,521.61	5.7	57,543,308.27
Tires used on highway vehicles.....	4071(a)(1).....	7,570,589,476.30	10.6	837,716,335.09	12.6	720,770,690.09	12.2	116,945,646.00
Tread rubber.....	407(a)(4).....	409,377,798.54	.6	24,130,781.15	.4	31,483,217.71	.5	-7,352,436.56
Trucks, buses, and trailers.....	4061(a)(1).....	6,715,198,824.28	9.4	614,132,357.91	9.2	386,479,844.49	6.5	227,652,513.42
Use of certain vehicles.....	4481.....	1,822,709,358.89	2.6	-225,192,735.56	3.4	161,582,832.78	2.7	63,609,902.78
Inner tubes.....	4071(a)(3).....	393,169,136.40	.6	33,382,760.00	.5	28,803,074.46	.5	4,579,685.54
Other tires.....	4071(a)(2).....	272,718,179.33	.4					
Parts and accessories.....	4061(b).....	743,470,433.84	1.0	130,455,216.00	2.0	103,727,656.07	1.8	26,727,559.93
Lubricating oils.....	4091.....	796,352,558.54	1.1	114,221,526.85	1.7	99,345,672.86	1.7	14,875,853.99
Total taxes.....		72,440,033,343.33	101.7	6,413,707,349.83	96.1	5,847,956,163.98	98.9	565,751,185.85
Transfer to land and water conservation fund.....		265,800,000.00	.4	30,000,000.00	.4	30,000,000.00	.5	
Gross taxes.....		72,174,233,343.33	101.3	6,383,707,349.83	95.6	5,817,956,163.98	98.4	565,751,185.85
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms ¹	39,6420.....	1,651,542,997.31	2.3	109,556,199.18	1.6	102,286,815.04	1.8	7,269,394.14
Gasoline used for nonhighway purposes or local transit ¹	39,6421.....	362,457,765.46	.5	-6,374,960.00	-1.1	24,809,996.44	.4	-31,184,956.44
Gasoline, other.....	6412.....	103,007.84	(?)					
Tires and tread rubber.....	6412.....	97,416.90	(?)					
Trucks, buses, and trailers.....	6412.....	66,650.55	(?)					
Floor stock taxes.....	6412.....	-640.38	(?)					
Lubricating oils not used in highway motor vehicles ¹	39,6424.....	147,292,722.18	.2	20,217,302.12	.3	19,321,039.49	.3	896,262.63
Light duty trucks.....	6412.....	174,820,838.47	.2			6,084,594.07	.1	-6,084,594.07
Total refunds of taxes.....		2,356,380,758.33	3.3	123,398,541.30	1.8	152,502,445.04	2.6	-29,103,903.74
Net taxes.....		69,817,852,585.00	98.1	6,260,308,808.53	93.8	5,665,453,718.94	95.8	594,855,089.59

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Interest on investment.....	1,365,000,292.89	1.9	414,574,060.98	6.2	246,740,126.02	4.2	167,833,934.96
Miscellaneous interest.....	362,320.70	(?)	93,184.02	(?)			93,184.02
Advances from general fund.....	489,000,000.00	.7					
Repayment of advances from general fund.....	-489,000,000.00	-.7					
Reimbursement from general fund.....	15,097,772.00	(?)					
Total receipts.....	71,218,312,970.59	100.0	6,674,976,053.53	100.0	5,912,193,844.96	100.0	762,782,208.57
EXPENDITURES							
Highway program:							
Federal Aid Highway Act of 1956.....	62,750,727,805.71	98.7	4,458,620,173.10	96.9	4,729,538,992.81	98.3	-270,918,819.71
Right-of-way revolving fund.....	101,062,339.26	.2	23,001,686.14	.5	24,904,245.26	.5	-1,902,559.12
Trust fund share of other highway program.....	30,727,996.67	(?)	22,100,000.00	.5	5,596,662.67	.1	16,503,337.33
Trust fund share of traffic safety program.....	153,193,726.54	.2	89,448,856.00	1.9	50,808,870.54	1.1	38,639,985.46
Reimbursement to general fund.....	501,018,553.13	.8					
Forest highway.....	4,766,912.89	(?)	4,580,007.74	.1	186,905.15	(?)	4,393,102.59
Pentagon road network.....	2,245,110.69	(?)			484.75	(?)	-484.75
Public lands highways.....	1,261,996.52	(?)	1,261,996.52	(?)			1,261,996.52
Administration and enforcement of labor standards.....	368,225.00	(?)					
Interest on advances from general fund.....	6,288,481.44	(?)					
Total expenditures.....	63,551,661,207.85	100.0	4,599,012,719.50	100.0	4,811,036,161.18	100.0	-212,023,441.66
FUND ASSETS							
Investments (special issues), Treasury certificates of indebtedness:							
7 percent maturing June 30, 1975.....	7,599,203,000.00		7,599,203,000.00				7,599,203,000.00
6 percent maturing June 30, 1974.....					5,550,051,000.00		-5,550,051,000.00
Undisbursed balances.....	67,448,762.74		67,448,762.74		40,637,428.71		26,811,334.03
Total assets.....	7,666,651,762.74		7,666,651,762.74		5,590,688,428.71		2,075,963,334.03

¹ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

* Less than 0.05 of 1 percent.

STATEMENT NO. 2.—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-74 AND ESTIMATES 1975-77
UNDER EXISTING LEGISLATION

(In millions of dollars)

Fiscal year	Receipts				Expenditures			Liability for—			
	Net excise taxes ¹	Interest (net) ²	Reim- burse- ment from general fund ³	Total	Authorizations		Total	Balance in the fund	Unpaid obliga- tions ⁵	Unpaid authori- zations	
					Interstate authorizations	Non- inter- state					
					Fiscal year 1957 to fiscal year 1979	With- held from appor- tion- ment (de- duct)					authori- zations fiscal year 1957 to fiscal year 1977 ⁴
Actual:											
1957.....	1,479	3		1,482	208		758	966	516	2,421	2,143
1958.....	2,026	18		2,044	675		836	1,511	1,049	3,855	3,191
1959.....	2,074	13		2,087	1,501		1,112	2,613	523	4,751	4,156
1960.....	2,539	-3		2,536	1,861		1,079	2,940	119	4,421	4,622
1961.....	2,798	1		2,799	1,719		900	2,619	299	4,989	4,681
1962.....	2,949	7		2,956	1,914		870	2,784	471	5,239	4,980
1963.....	3,279	14		3,293	2,109		908	3,017	747	6,149	5,292
1964.....	3,519	20		3,539	2,635		1,010	3,645	641	6,669	5,221
1965.....	3,659	11		3,670	3,016		1,010	4,026	285	6,665	4,952
1966.....	3,917	7		3,924	2,978		987	3,965	244	6,748	4,810
1967.....	4,441	14		4,455	2,976		998	3,974	725	6,556	4,882
1968.....	4,379	34	15	4,428	3,207		964	4,171	982	6,617	5,161
1969.....	4,637	53		4,690	3,149		1,002	4,151	1,521	7,124	5,860
1970.....	5,354	115		5,469	3,289		1,089	4,378	2,612	7,535	7,057
1971.....	5,542	183		5,725	3,456		1,229	4,685	3,652	7,512	8,025
1972.....	5,322	206		5,528	3,468		1,222	4,690	4,490	7,918	9,297
1973.....	5,665	247		5,912	3,395		1,416	4,811	5,591	7,703	10,595
1974.....	6,260	415		6,675	2,908		1,691	4,599	7,667	7,704	11,547
Estimated:											
1975.....	5,839	577		6,416	2,901		1,727	4,628	9,455	7,726	13,642
1976.....	5,972	692		6,664	3,509		2,423	5,932	10,187	7,994	14,677
1977 ⁶	8,339	787		9,126	16,035	5,214	8,492	*19,313	0	0	5,214
Total.....	89,989	3,414	15	93,418	*66,909	5,214	*31,723	93,418	0	0	5,214

¹ Excludes refunds and transfers.

² Receipts of interest on investments netted by payment of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966. Advances from the general fund repaid in the same year were \$359,000,000 in 1960, \$60,000,000 in 1961, and \$70,000,000 in 1966.

³ Reimbursement to the fund for emergency relief expenditures by authorized the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.

⁴ Includes all funds authorized for fiscal year 1976 and prior fiscal years plus \$100,000,000 authorized for fiscal year 1977 for emergency relief.

⁵ Authorizations may be obligated in advance of the fiscal year for which authorized. Accordingly, unpaid obligations reflect any current year obligations of subsequent year authorizations.

⁶ Represents a 15 mo. period July 1, 1976 through Sept. 30, 1977. This period represents the transition period July 1, 1976 to Sept. 30, 1976, in addition to new fiscal year 1977 commencing Oct. 1, 1976 and ending Sept. 30, 1977, as provided for by Public Law 93-344.

⁷ Includes receipts of tax liabilities accrued prior to Oct. 1, 1977, but collected thereafter.

⁸ Provides for complete disbursement of Interstate funds authorized for fiscal year 1979 and prior fiscal years (less \$5,214,000,000 withheld from apportionment because projected revenues through Sept. 30, 1977 are insufficient to finance them) and all noninterstate funds authorized for fiscal year 1977 and prior fiscal years.

⁹ Reflects reduction in trust fund liability for mass transit substitution projects approved pursuant to 23 U.S.C. 103(e)(4) and 142(c) during fiscal year 1974. Interstate reduction \$61,000,000 and noninterstate reduction \$35,000,000.

HIGHWAY TRUST FUND TWENTIETH
ANNUAL REPORT

COMMUNICATION

FROM

THE FISCAL ASSISTANT SECRETARY
OF THE TREASURY

TRANSMITTING

THE TWENTIETH ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF THE
HIGHWAY TRUST FUND, PURSUANT TO SECTION 209(e) (1)
OF THE HIGHWAY REVENUE ACT OF 1956, AS AMENDED



MARCH 1, 1976.—Referred to the Committee on Ways and Means and
ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

57-011

WASHINGTON : 1976



LETTER OF SUBMITTAL

THE DEPARTMENT OF THE TREASURY,
FISCAL ASSISTANT SECRETARY,
Washington, D.C., February 26, 1976.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the twentieth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comment on the highlights of the fund, data on current and prior year operations and financial condition, and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through fiscal 1977.

Sincerely yours,

DAVID MOSSO.

TWENTIETH ANNUAL REPORT ON THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND

Department of the Treasury, Office of the Secretary, June 30, 1975

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of expenditure requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet expenditure requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for expenditures to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of March, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during each fiscal year through September 30, 1977, including the transitional period from July 1, 1976, through September 30, 1976.

Following is a summary statement of the operations for fiscal 1975:

	<i>In millions of dollars</i>
Net receipts.....	6, 773. 8
Expenditures.....	4, 843. 1
	<hr/>
Excess of receipts.....	1, 930. 7
	<hr/>
Net purchases of investments.....	1, 936. 6
Decrease in undisbursed balances.....	— 5. 9
	<hr/>
Total increase in assets.....	1, 930. 7
	<hr/>

Balances, June 30, 1975:	<i>In millions of dollars</i>
Investment holdings	9, 535. 8
Undisbursed balances	61. 6
Balance in the fund	9, 597. 4

NOTE.—Details of figures may not add to totals because of rounding. Further details of the operations are included in Statement No. 1.

RECEIPTS

The rates of taxes in fiscal 1975 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,188.2 million in fiscal 1975, a net decrease of \$72.1 million compared with transfers of \$6,260.3 million in fiscal 1974.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	1975		1974		Increase or decrease(—)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$4, 340. 2	70. 1	\$4, 301. 3	68. 7	\$38. 9
Trucks, buses, and trailers.....	601. 6	9. 7	614. 1	9. 8	—12. 5
Tires.....	744. 3	12. 0	837. 7	13. 4	—93. 4
Use of certain vehicles.....	221. 5	3. 6	225. 2	3. 6	—3. 7
Lubricating oils.....	84. 3	1. 4	94. 0	1. 5	—9. 7
Parts and accessories.....	143. 2	2. 3	130. 5	2. 1	12. 7
Inner tubes and tread rubber.....	53. 2	. 9	57. 5	. 9	—4. 3
Total.....	6, 188. 2	100. 0	6, 260. 3	100. 0	—72. 1

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net decreases of \$149.8 million during fiscal 1975.

During 1975, \$29.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gaso-

line, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1975, estimated tax credits of \$125.0 million, actual credits and adjustments of prior estimates of \$12.8 million, and actual cash refunds of \$8.3 million accounted for a total of \$146.1 million in reduction of transfers to the fund.

During fiscal 1975, the trust fund was credited with \$585.6 million of interest on investments in public debt securities and \$0.02 million of miscellaneous interest, bringing the total credits to \$6,773.8 million, compared with \$6,675.0 million in fiscal 1974.

[In millions of dollars]

	Fiscal year—		Increase or decrease (—)
	1975	1974	
Transfers on basis of estimates.....	\$6,513.1	\$6,083.8	\$429.3
Quarterly adjustments.....	-149.8	329.9	-479.7
Total transfers.....	6,363.3	6,413.7	-50.5
Transfers to land and water conservation fund.....	-29.0	-30.0	1.0
Refund of taxes.....	-146.1	-123.4	-22.7
Net transfers.....	6,188.2	6,260.3	-72.1
Interest on investments.....	585.6	414.6	171.1
Miscellaneous interest.....	(¹)	.1	-.1
Total receipts.....	6,773.8	6,675.0	98.9

¹ Less than \$50,000.

EXPENDITURES

Expenditures for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1975, the expenditures from the fund amounted to \$4,843.1 million, an increase of \$244.1 million from the expenditures of \$4,599.0 million in 1974. Expenditures from the fund are shown in Statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal year—		Increase or decrease (—)
	1975	1974	
Federal Highway Administration:			
Federal-aid highways.....	\$4,610,209	\$4,458,620	\$151,589
Right-of-way revolving fund.....	37,006	23,002	14,004
Trust fund share of other highway programs.....	8,162	22,100	-13,938
Forest highways.....	5,233	4,580	653
Public lands highways.....	3,738	1,262	2,476
Highway safety construction.....	73,225	-----	73,225
Baltimore-Washington Parkway.....	148	-----	148
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....	105,368	89,449	15,919
Total expenditures.....	4,843,089	4,599,013	244,077

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current expenditures are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1975, the fund held \$9,535.8 million in Government account series, Treasury certificates of indebtedness bearing interest at 6 $\frac{5}{8}$ percent, maturing June 30, 1976. This compares with holdings of \$7,599.2 million on June 30, 1974, at 7 percent. The trust fund was credited with \$585.6 million in interest on investments in fiscal 1975, compared with \$414.6 million credited in 1974.

BALANCE IN THE FUND

The balance in the fund as of June 30, 1975, was \$9,597.4 million, an increase of \$1,930.7 million from the June 30, 1974, balance of \$7,666.7 million. The balance consisted of investments of \$9,535.8 million and undisbursed balance of \$61.6 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through June 30, 1975, are summarized as follows:

	RECEIPTS	<i>In millions of dollars</i>
Excise taxes:		
Gasoline.....	-----	54,662.5
Diesel and special motor fuels.....	-----	3,553.8
Tires, tubes, and tread rubber.....	-----	9,443.3
Trucks, buses, and trailers.....	-----	7,316.8
Use of certain vehicles.....	-----	2,044.2
Parts and accessories.....	-----	886.6
Lubricating oils.....	-----	896.0
Total taxes.....	-----	78,803.3
Transfers to land and water conservation fund.....	-----	-294.8
Refunds of tax receipts.....	-----	-2,482.5
Net taxes.....	-----	76,026.0
Interest on investments.....	-----	1,950.6
Miscellaneous interest.....	-----	.4
Reimbursements from general fund.....	-----	15.1
Total receipts.....	-----	77,992.1
	EXPENDITURES	
Highway program.....	-----	68,388.1
Interest on advances from general fund.....	-----	6.3
Administration and enforcement of labor standards.....	-----	.4
Total expenditures.....	-----	68,394.8
	BALANCES IN THE FUND	
Investments in public debt securities.....	-----	9,535.8
Undisbursed balance.....	-----	61.6
Total balances.....	-----	9,597.4

Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operations of the Trust Fund was enacted by the 94th Congress, First session.

Public Law 94-134, approved November 24, 1975, appropriated \$6,041,317,000 for fiscal year 1976 and \$1,410,116,000 for the transition quarter (July 1, 1976 through September 30, 1976) from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of Title 23, United States Code, attributable to Federal-aid highways and to other programs authorized to be appropriated from the Fund.

Funds authorized for the fiscal year 1977 by the Federal-Aid Highway Act of 1973 for the Federal-aid Interstate System (\$3,250,000,000) were apportioned to the States effective December 23, 1975.

The authorizations of interstate funds as contained in the Federal-Aid Highway Act of 1956, as amended, provide annual amounts through fiscal year 1979 that cannot be supported by the estimated Highway Trust Fund receipts indicated in Statement No. 2. This statement shows actual and estimated revenues, expenditures and balances for the fiscal years 1957 through 1977 under existing legislation. Total expenditures are estimated at \$93,217 million, including presently authorized interstate program cost (adjusted to reflect substitution projects totaling \$127 million pursuant to 23 U.S.C. 103(e)(4) through fiscal year 1975) of \$66,843 million less \$5,337 million for interstate authorizations withheld from apportionment because projected revenues through September 30, 1977, are insufficient to finance them, plus \$31,711 million for expenditures of non-interstate programs (adjusted to reflect substitution projects through fiscal year 1975 totaling \$46 million pursuant to 23 U.S.C. 142(c)) authorized for the fiscal years 1957 through 1977.



STATEMENT NO-1.—STATUS OF HIGHWAY TRUST FUND, JUNE 30, 1975

RECEIPTS

Description	Internal Revenue Section (26 U.S.C.)	Cumulative through June 30, 1975	Fiscal year 1975		Fiscal year 1974		Increase or decrease (-) 1975 compared with 1974	
			Amount	Percent of total	Amount	Percent of total		
Excise taxes (transferred from general fund):								
Gasoline	4081	\$54,662,513,052.82	70.1	\$4,097,510,631.87	60.5	\$4,039,793,806.39	60.5	\$57,716,825.48
Diesel and special motor fuels	4041 (a) (b)	3,553,783,818.51	4.6	402,338,663.25	5.9	394,681,829.88	5.9	7,656,833.37
Tires used on highway vehicles	4071 (a) (1)	8,314,895,700.30	10.7	744,306,224.00	11.0	837,716,336.09	12.6	-93,410,112.09
Tread rubber	4071 (a) (4)	429,733,352.54	.6	20,355,594.00	.3	24,103,781.15	.4	-3,775,227.15
Trucks, buses, and trailers	4061 (a) (1)	7,316,822,016.28	9.4	601,623,192.00	8.9	614,132,357.91	9.2	-12,509,165.91
Use of certain vehicles	4481	2,044,168,193.67	2.6	221,458,833.78	3.3	225,192,735.56	3.4	-3,733,901.78
Inner tubes	4071 (a) (3)	425,983,123.40	.5	32,813,987.00	.5	33,382,760.00	.5	-568,773.00
Other tires	4071 (a) (2)	272,718,179.33	.3	143,167,371.00	2.1	130,455,216.00	2.0	12,712,155.00
Parts and accessories	4061 (b)	886,637,804.84	1.1	99,678,307.18	1.5	114,221,526.85	1.7	-14,543,219.67
Lubricating oils	4091	896,030,865.72	1.1					
Total taxes		78,803,286,107.41	101.0	6,363,252,764.08	93.9	6,413,707,349.83	96.1	-50,454,585.75
Transfer to land and water conservation fund		294,800,000.00	.4	29,000,000.00	.4	30,000,000.00	.4	-1,000,000.00
Gross taxes		78,508,486,107.41	100.7	6,334,252,764.08	93.5	6,383,707,349.83	95.6	-49,454,585.75
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39,6420	1,779,953,742.81	2.3	128,410,745.50	1.9	109,556,199.18	1.6	18,854,546.32
Gasoline used for nonhighway purposes or local transit	39,6421	364,735,395.21	.5	2,277,629.75	(.2)	-6,374,960.00	-1.1	8,652,589.75
Gasoline, other	6412	103,007.84	(.0)					
Tires and tread rubber	6412	97,416.90	(.0)					
Trucks, buses, and trailers	6412	66,650.33	(.0)					
Floor stock taxes	6412	162,684,161.86	.2	15,391,439.68	.2	20,217,302.12	.3	-4,825,862.44
Lubricating oils not used in highway motor vehicles	39,6424	174,820,838.47	.2					
Light duty trucks	6412							
Total refunds of taxes		2,482,460,573.26	3.2	146,079,814.93	2.2	123,398,541.30	1.8	22,681,273.63
Net taxes		76,026,025,534.15	97.5	6,188,172,949.15	91.4	6,260,308,808.53	93.8	-72,135,859.38

Interest on investments	1,950,638,473.17	2.5	585,638,180.28	8.6	414,574,060.98	6.2	171,064,119.30	
Miscellaneous interest	378,287.80	(?)	13,967.10	(?)	93,184.02	(?)	-77,216.92	
Advances from general fund	489,000,000.00	.6						
Repayment of advances from general fund	-489,000,000.00	-6						
Reimbursement from general fund	15,097,772.00	(?)						
Total receipts	77,992,140,067.12	100.0	6,773,827,096.53	100.0	6,674,976,053.53	100.0	98,851,043.00	
EXPENDITURES								
Highway program:								
Federal-Aid Highway Act of 1956	67,360,937,278.47	98.5	4,610,209,472.76	95.2	4,458,620,173.10	96.9	151,589,299.66	
Right-of-way revolving fund	138,068,032.23	.2	37,005,632.97	.8	23,001,686.14	.5	14,003,946.83	
Trust fund share of other highway programs	38,890,431.85	.1	8,162,435.18	.2	22,100,000.00	.5	-13,937,564.82	
Trust fund share of traffic safety program	258,561,323.54	.4	105,367,597.00	2.2	89,448,856.00	1.9	15,918,741.00	
Reimbursement to general fund	501,018,553.13	.7						
Forest highways	10,000,000.00	(?)	5,233,087.11	.1	4,580,007.74	.1	653,079.37	
Pentagon road network	2,245,110.69	(?)						
Public lands highways	3,000,000.00	(?)						
Highway safety construction	73,224,836.56	(?)	3,738,003.48	1.1	1,261,996.52	(?)	2,476,006.96	
Baltimore-Washington Parkway	148,278.00	(?)	73,224,836.56	1.5			73,224,836.56	
Administration and enforcement of labor standards	368,225.00	(?)	148,278.00	(?)			148,728.00	
Interest on advances from general fund	6,288,481.44	(?)						
Total expenditures	68,394,750,550.91	100.0	4,843,089,343.06	100.0	4,559,012,719.50	100.0	244,076,623.56	
FUND ASSETS								
Investments (Government account series), Treasury certificates of indebtedness:								
5 1/2 percent maturing June 30, 1976	9,535,823,000.00		9,535,823,000.00		7,599,203,000.00		9,535,823,000.00	
7 percent maturing June 30, 1975	61,566,516.21		61,566,516.21		67,448,762.74		-7,599,203,000.00	
Undisbursed balance							-5,882,246.53	
Total assets	9,597,389,516.21		9,597,389,516.21		7,666,651,762.74		1,930,737,753.47	

¹ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

² Less than 0.05 of 1 percent.

HIGHWAY TRUST FUND
TWENTY-FIRST ANNUAL REPORT

COMMUNICATION

FROM

THE FISCAL ASSISTANT SECRETARY
OF THE TREASURY

TRANSMITTING

THE 21ST ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY
TRUST FUND, COVERING FISCAL YEAR 1976 AND THE
TRANSITION QUARTER, PURSUANT TO SECTION 209(e) (1)
OF THE HIGHWAY REVENUE ACT OF 1956, AS AMENDED



APRIL 18, 1977.—Referred to the Committee on Ways and Means
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

89-011

WASHINGTON : 1977



DEPARTMENT OF THE TREASURY,
Washington, D.C., April 8, 1977.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the twenty-first annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund; data on fiscal 1976, transition quarter (July 1 through September 30, 1976), prior year operations, and financial condition; and estimated data for the following fiscal years. Supporting statements include annual, transition quarter, and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1979.

Sincerely yours,

DAVID MOSSO.

(III)

TWENTY-FIRST ANNUAL REPORT ON THE FINANCIAL
CONDITION AND RESULTS OF THE OPERATIONS OF
THE HIGHWAY TRUST FUND JUNE 30 AND SEPTEMBER
30, 1976

DEPARTMENT OF THE TREASURY (OFFICE OF THE SECRETARY)

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during each fiscal year through September 30, 1978, including the transition quarter—July 1 through September 30, 1976.

Following is a summary statement of the operations for fiscal 1976 and the transition quarter:

[In millions]

	1976	Transition quarter
Net receipts.....	\$5,999.9	\$1,689.4
Outlays.....	6,520.6	1,757.6
Excess of outlays.....	520.7	68.1
Net sales of investments.....	505.3	78.6
Decrease in undisbursed balances.....	15.4	-10.5
Total decrease in assets.....	520.7	68.1
Balances in the fund:		
Investment holdings.....	9,030.5	8,951.9
Undisbursed balances.....	46.2	56.6
Total assets.....	9,076.6	9,008.5

Further details of the operations are included in Statement No. 1.

Note.—Details of figures may not add to totals because of rounding.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECEIPTS

The rates of taxes in fiscal 1976 and the transition quarter were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$5,413.1 million in fiscal 1976, a net decrease of \$775.0 million compared with transfers of \$6,188.2 million in fiscal 1975. Transfers during the transition quarter were \$1,676.1.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	Transition quarter		1976		1975		Increase or decrease (-), 1976 compared with 1975
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$1,225.5	73.1	\$4,218.6	77.9	\$4,340.2	70.1	-\$121.6
Trucks, buses, and trailers.....	50.2	3.0	219.2	4.0	601.6	9.7	-382.4
Tires.....	210.1	12.5	545.9	10.1	744.3	12.0	-198.4
Use of certain vehicles.....	109.9	6.6	209.3	3.9	221.5	3.6	-12.2
Lubricating oils.....	25.6	1.5	56.0	1.0	84.3	1.4	-28.3
Parts and accessories.....	39.4	2.4	115.8	2.1	143.2	2.3	-27.3
Inner tubes and tread rubber.....	15.4	.9	48.3	.9	53.2	.9	-4.9
Total.....	1,676.1	100.0	5,413.1	100.0	6,188.2	100.0	-775.0

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net decreases of \$506.2 million during fiscal 1976. The comparable adjustments during the transition quarter resulted in net increases of \$33.7 million.

During 1976 and the transition quarter, transfers of \$31.0 million and \$8.0 million respectively were made to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). These amounts represent the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1976, estimated tax credits of \$132.0 million, actual credits and adjustments of prior estimates of \$12.6 million, and actual cash refunds of \$7.4 million accounted for a total of \$152.0 million in reduction of transfers to the fund.

During the transition quarter, actual cash refunds of \$0.5 million accounted for a total of \$0.5 million in reduction of transfers to the fund.

During fiscal 1976, the trust fund was credited with \$586.7 million of interest on investments in public debt securities and \$0.04 million of miscellaneous interest, bringing the total credits to \$5,999.9 million, compared with \$6,773.8 million in fiscal 1975.

During the transition quarter, the trust fund was credited with \$13.4 million of interest on investments in public debt securities, bringing the total credits to \$1,689.4 million.

[In millions of dollars]

	Transition quarter	Fiscal year 1976	Fiscal year 1975	Increase or decrease (—), 1976 compared with 1975
Transfers on basis of estimates.....	1,650.9	6,102.4	6,513.1	-410.7
Quarterly adjustments.....	33.7	-506.2	-149.8	-356.4
Total transfers.....	1,684.6	5,596.2	6,363.3	-767.1
Transfers to land and water conservation fund.....	-8.0	-31.0	-29.0	-2.0
Refunds of taxes.....	-5	-152.0	-146.1	-6.0
Net transfers.....	1,676.1	5,413.1	6,188.2	-775.0
Interest on investments.....	13.4	586.7	585.6	1.0
Miscellaneous interest.....		(¹)	(¹)	(¹)
Total receipts.....	1,689.4	5,999.9	6,773.8	-774.0

¹ Less than \$50,000.

OUTLAYS

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1976, the outlays from the fund amounted to \$6,520.6 million, an increase of \$1,677.5 million from the outlays of \$4,843.1 million in 1975. During the transition quarter outlays from the fund amounted to \$1,757.6 million. Outlays from the fund are shown in Statement No. 1 and summarized as follows:

[In thousands of dollars]

	Transition quarter	Fiscal year 1976	Fiscal year 1975	Increase or decrease (-), 1976 compared with 1975
Federal Highway Administration:				
Federal-aid highways.....	1,614,487	6,087,934	4,610,209	1,477,725
Right-of-way revolving fund.....	9,220	21,838	37,006	-15,168
Trust fund share of other highway programs.....	5,510	12,843	8,162	4,681
Forest highways.....			5,233	-5,233
Public lands highways.....			3,738	-3,738
Highway safety construction.....	99,900	289,066	73,225	215,842
Baltimore-Washington Parkway.....	101	212	148	63
Highway safety research and development.....	-2,759	8,685		8,685
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....				
	31,100	100,025	105,368	-5,343
Total outlays.....	1,757,560	6,520,603	4,843,089	1,677,514

INVESTMENTS

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On June 30, 1976, the fund held \$9,030.5 million in Government account series, Treasury certificates of indebtedness bearing interest at 6½ percent, maturing June 30, 1977. This compares with holdings of \$9,535.8 million on June 30, 1975, at 6½ percent. The trust fund was credited with \$586.7 million in interest on investments in fiscal 1976, compared with \$585.6 million credited in 1975. During the transition quarter ending September 30, 1976, the fund held \$8,951.9 million in Government account series, Treasury certificates of indebtedness bearing interest at 6½ percent, maturing June 30, 1977. The trust fund was credited with \$13.4 million in interest on investments in the transition quarter.

BALANCE IN THE FUND

The balance in the fund as of June 30, 1976, was \$9,076.6 million, a decrease of \$520.7 million from the June 30, 1975, balance of \$9,597.4 million. The balance consisted of investments of \$9,030.5 million and an undisbursed balance of \$46.2 million.

The balance in the fund as of September 30, 1976, was \$9,008.5 million, a decrease of \$68.1 million from the June 30, 1976, balance of \$9,076.6. The balance consisted of investments of \$8,951.9 million and an undisbursed balance of \$56.6 million.

CUMULATIVE SUMMARY

Cumulative operations, from inception in 1956 through September 30, 1976, are summarized as follows:

	RECEIPTS	<i>In millions of dollars</i>
Excise taxes:		
Gasoline.....	-----	59,808.3
Diesel and special motor fuels.....	-----	4,016.1
Tires, tubes, and tread rubber.....	-----	10,263.1
Trucks, buses, and trailers.....	-----	7,586.2
Use of certain vehicles.....	-----	2,363.3
Parts and accessories.....	-----	1,041.9
Lubricating oils.....	-----	1,005.2
		<hr/>
Total taxes.....	-----	86,084.1
Transfers to land and water conservation fund.....	-----	-333.8
Refunds of tax receipts.....	-----	-2,635.0
		<hr/>
Net taxes.....	-----	83,115.2
Interest on investments.....	-----	2,550.7
Miscellaneous interest.....	-----	.4
Reimbursements from general fund.....	-----	15.1
		<hr/>
Total receipts.....	-----	85,681.4
		<hr/> <hr/>
	OUTLAYS	
Highway program.....	-----	76,666.3
Interest on advances from general fund.....	-----	6.3
Administration and enforcement of labor standards.....	-----	.4
		<hr/>
Total outlays.....	-----	76,672.9
		<hr/> <hr/>
	BALANCES IN THE FUND	
Investments in public debt securities.....	-----	8,951.9
Undisbursed balance.....	-----	56.6
		<hr/>
Total balances.....	-----	9,008.5

Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operations of the Highway Trust Fund was enacted by the 94th Congress, Second Session.

Public Law 94-387, approved August 14, 1976, appropriated \$6,747,492,667 for fiscal 1977 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways and other programs authorized to be appropriated from the fund.

The Federal-aid Highway Act of 1976 (Public Law 94-280, approved May 5, 1976): (1) extended the termination date of the trust fund, (2) revised existing authorizations and provided additional authoriza-

tions for the interstate system, and (3) authorized appropriations (other than interstate) out of the trust fund as described below:

(1) Trust Fund extension: The Federal-Aid Highway Act of 1976 amended the Highway Revenue Act of 1956, as amended, to extend the termination date of the Highway Trust Fund from September 30, 1977, to September 30, 1979, and to continue excise taxes providing trust fund revenues at existing rates.

(2) Interstate authorizations: The 1976 act amended the Federal-Aid Highway Act of 1956, as amended, to provide additional authorizations of \$3,625 million for fiscal years 1980 through 1990. The 1976 Highway Act also provided additional authorizations of not to exceed \$91 million for fiscal 1978 and \$125 million for fiscal 1979 to ensure that no State's (including the State of Alaska) total apportionment for these years would be less than one-half of 1 percent of the total apportionment of funds authorized by the 1956 act, as amended, for fiscal years 1978 and 1979. Additionally, the 1976 act provided an authorization of \$175 million for each of fiscal years 1978 and 1979 to provide funds for resurfacing, restoring, and rehabilitating those lanes on the interstate system which have been in use for more than 5 years and which are not on toll roads.

(3) Other authorizations: Other appropriations authorized entirely or in part out of the trust fund for the transition quarter and fiscal years 1977 and 1978 include the following:

[In thousands of dollars]

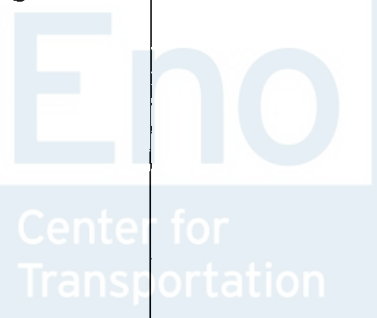
Program	Transition quarter	1977	1978
Transition quarter.....	1, 637, 390		
Forest highways.....	8, 250	33, 000	33, 000
Public lands.....	4, 000	16, 000	16, 000
High hazard roadside obstacles.....	360	125, 000	125, 000
Great River Road.....	6, 250	25, 000	25, 000
Emergency relief.....	25, 000	100, 000	100, 000
Rail demonstration projects.....	4, 167	17, 600	34, 267
Acceleration of projects.....	25, 000		
Consolidated primary.....		1, 350, 000	1, 350, 000
Rural secondary.....		400, 000	400, 000
Urban system.....		800, 000	800, 000
Economic growth center.....		50, 000	50, 000
Urban high density.....		65, 000	65, 000
Bridges on Federal dams.....		22, 329	
Traffic control signal demonstration.....		40, 000	40, 000
Rail-highway crossings.....		125, 000	125, 000
Bridge replacement.....		180, 000	180, 000
Pavement marking.....		50, 000	50, 000
Highway safety:			
Sec. 402 FHWA.....		25, 000	25, 000
Sec. 307 (a) and 403 FHWA.....	2, 500	10, 000	10, 000
Sec. 402 NHTSA.....		122, 000	137, 000
Sec. 403 NHTSA.....	10, 000	40, 000	50, 000
Incentive grants for reduction of:			
Rate of traffic fatalities.....	1, 875	7, 500	7, 500
Actual number of traffic fatalities.....	1, 875	7, 500	7, 500

The full amount of \$3,250 million authorized for the interstate system for fiscal 1978 by the Federal-Aid Highway Act of 1956, as amended, plus \$90,941,699 of the \$91 million authorized for the interstate system and the \$175 million authorized for interstate resurfacing for fiscal 1978 by the Federal-Aid Highway Act of 1976 were apportioned to the States effective October 1, 1976. Transition quarter, forest highways and public lands funds authorized to be appropriated

were apportioned on May 5, 1976. The remaining transition quarter authorizations and all fiscal 1977 authorizations were apportioned effective July 1, 1976.

The Federal-Aid Highway Act of 1976 provides that all interstate authorizations shall become available on October 1 of the fiscal year preceding the fiscal year for which authorized. Non-interstate funds apportioned or allocated under chapter 1, 23 U.S.C. shall become available on October 1 of the fiscal year for which the funds are authorized. To permit the States to develop plans for the utilization of apportioned sums, the States shall receive notification of the amount that will be apportioned not later than 90 days before the beginning of the fiscal year for which the apportioned sums become available.

Statement No. 2 shows actual and estimated revenues, outlays and balances for fiscal years 1957 through 1979 under existing legislation. Total expenditures are estimated at \$108,296 million, including \$70,884 million less \$3,270 million for interstate authorizations withheld from apportionment because projected revenues through September 30, 1979, are not sufficient to finance them, plus \$40,682 for non-interstate highway and highway-related programs. Interstate authorizations for fiscal years 1981 through 1990 totaling \$36,250 million are not included because those authorizations are scheduled for apportionment after the trust fund's existing termination date.



STATEMENT NO. 1
STATUS OF HIGHWAY TRUST FUND, SEPT. 30, 1976

RECEIPTS

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through Sept. 30, 1976		Transition quarter		Fiscal year 1976		Fiscal year 1975		Increase or decrease (-) 1976 compared with 1975
		Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total	
Excise taxes (transferred from general fund):										
Gasoline and special motor fuels	4081	\$59,808,284,224	69.8	\$1,117,782,084	66.2	\$4,027,989,087	67.1	\$4,097,510,632	60.5	\$-69,521,545
Diesel and special motor fuels	4041(a)(b)	4,016,063,171	4.7	115,770,261	6.9	346,509,091	5.8	402,338,663	5.9	-55,829,572
Tires used on highway vehicles	4071(a)(1)	9,070,914,665	10.6	210,096,729	12.4	545,922,236	9.1	774,306,224	11.0	-198,383,988
Tread rubber	4071(a)(4)	450,037,253	.5	6,952,057	.4	23,351,843	.4	20,355,554	.3	2,996,289
Trucks, buses, and trailers	4061(a)(1)	7,586,221,433	8.9	50,170,652	3.0	219,228,765	3.7	601,623,192	8.9	-382,394,427
Use of certain vehicles	4481	2,363,316,421	2.8	109,877,220	6.5	209,271,007	3.5	221,458,834	3.3	-12,187,827
Inner tubes	4071(a)(3)	459,387,925	.5	8,438,871	.5	24,965,931	.4	32,813,987	.5	-7,848,056
Other tires	4071(a)(2)	272,718,179	.3	39,427,107	2.3	115,840,991	1.9	143,167,371	2.1	-27,326,380
Parts and accessories	4061(b)	1,041,905,813	1.2	26,067,870	1.5	83,106,150	1.4	99,678,307	1.5	-16,572,157
Lubricating oils	4091	1,005,204,886	1.2	39,427,107	2.3	115,840,991	1.9	143,167,371	2.1	-27,326,380
Total taxes		86,084,053,970	100.5	1,684,582,761	99.7	5,596,185,101	93.3	6,363,252,764	93.9	-767,067,663
Transfer to land and water conservation fund		333,800,000	.4	8,000,000	.5	31,000,000	.5	29,000,000	4.	2,000,000
Gross taxes		85,750,253,970	100.1	1,676,582,761	99.2	5,565,185,101	92.8	6,334,252,764	93.5	-769,067,663
Less refunds of taxes (reimbursed to general fund):										
Gasoline used on farms 1		39,6420	2.2	84,058	(1)	122,116,736	2.0	128,410,746	1.9	-6,294,010
Gasoline used for nonhighway purposes or local transit 1		39,6421	.4	-71,644	(2)	2,776,871	(2)	2,277,630	(2)	499,241
Gasoline, other	6412	103,008	(2)							
Tires and tread rubber	6412	97,417	(2)							
Trucks, buses, and trailers	6412	66,651	(2)							
Floor stock taxes	6412	640	(2)							
Lubricating oils not used in highway motor vehicles 1		190,335,562	.2	509,892	(2)	27,141,508	.5	15,391,440	.2	11,750,068
Light duty trucks	6412	174,820,838	.2							
Total refunds of taxes		2,635,017,996	3.1	522,307	(2)	152,035,116	2.5	146,079,815	2.2	5,955,301
Net taxes		83,115,235,975	97.0	1,676,060,455	99.2	5,413,149,986	90.2	6,188,172,949	91.4	-775,022,963

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Interest on investment	2,550,681,919	3.0	13,372,307	.8	586,671,139	9.8	585,639,180	8.6	1,032,959
Miscellaneous interest	421,045	(?)			42,757	(?)	15,967	(?)	26,790
Advances from general fund	489,000,000	.6							
Repayment of advances from general fund	-489,000,000	-6							
Reimbursement from general fund	15,097,772	(?)							
Total receipts	85,681,436,711	100.0	1,689,432,762	100.0	5,999,863,882	100.0	6,773,827,097	100.0	-773,963,215

OUTLAYS

Highway program:									
Federal-Aid Highway Act of 1956	75,063,359,260	97.9	1,614,487,492	91.9	6,087,934,490	93.4	4,610,209,473	95.2	1,477,725,017
Right-of-way revolving fund	169,126,127	.2	9,220,363	.5	21,837,732	.3	37,009,633	.8	-15,167,900
Trust fund share of other highway programs	57,243,203	.1	5,509,504	.3	12,843,267	.2	8,162,435	.2	4,680,832
Trust fund share of traffic safety program	389,686,324	.5	31,100,000	1.8	100,025,000	1.5	105,367,587	2.2	-5,342,597
Reimbursement to general fund	501,018,553	.7							
Forest highways	10,000,000	(?)					5,233,087	.1	-5,233,087
Pentagon road network	2,245,111	(?)							
Public lands highways	5,000,000	(?)					3,738,003	.1	-3,738,003
Highway safety construction	462,191,511	.6	99,900,232	5.7	289,056,443	4.4	73,224,837	1.5	215,841,606
Baltimore-Washington Parkway	461,173	(?)	101,336	(?)	211,559	(?)	148,278	(?)	63,281
Highway safety research and development	5,926,239	(?)	-2,758,761	-.2	8,685,000	.1			8,685,000
Administration and enforcement of labor standards	368,225	(?)							
Interest on advances from general fund	6,288,481	(?)							
Total outlays	76,672,914,207	100.0	1,757,560,166	100.0	6,520,603,490	100.0	4,843,089,343	100.0	1,577,514,147

FUND ASSETS

Investments (Government account series), Treasury certificates of indebtedness:									
6 3/4 percent maturing June 30, 1977	8,951,876,000		8,951,876,000		9,030,477,000				9,030,477,000
6 7/8 percent maturing June 30, 1976	56,646,504		56,646,504		46,172,908		9,535,823,000		-9,535,823,000
Undisbursed balance							61,566,516		-15,393,608
Total assets	9,008,522,504		9,008,522,504		9,076,649,908		9,597,389,516		-520,739,608

1 Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and after adjusted to actual. 2 Less than 0.05 of 1 percent.

STATEMENT NO. 2.—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEAR 1957 THROUGH SEPT. 30, 1976, AND ESTIMATES 1977-79, UNDER EXISTING LEGISLATION
(In millions of dollars)

Fiscal year	Net excise taxes ¹	Receipts			Outlays			Balance in the fund	Liability for—		
		Interest (net) ²	Reimbursement from general fund ³	Total	Interstate Authorizations	Noninterstate fiscal year 1957-79 ⁵	Total		Unpaid obligations ⁶	Unpaid authorization ⁷	
1957	1,479	3	—	1,482	208	758	966	516	2,421	4,702	
1958	2,026	18	—	2,044	675	836	1,511	1,049	3,855	6,769	
1959	2,074	13	—	2,087	1,501	1,112	2,613	523	4,751	7,562	
1960	2,539	—	—	2,539	1,861	1,079	2,940	119	4,421	7,300	
1961	2,798	3	—	2,799	1,719	900	2,619	299	4,989	7,764	
1962	2,949	7	—	2,956	1,914	870	2,784	471	5,239	8,309	
1963	3,279	14	—	3,293	2,109	908	3,017	747	6,149	8,866	
1964	3,519	20	—	3,539	2,635	1,010	3,645	3,017	6,669	8,978	
1965	3,659	11	—	3,670	3,016	1,010	4,026	285	6,665	8,775	
1966	3,917	7	—	3,924	2,978	998	3,965	244	6,748	8,856	
1967	4,441	14	—	4,455	2,976	998	3,974	725	6,556	8,382	
1968	4,379	34	15	4,428	3,207	964	4,171	982	6,617	10,011	
1969	4,637	53	—	4,690	3,149	1,062	4,151	1,521	7,124	11,435	
1970	5,334	113	—	5,469	3,289	1,089	4,378	2,612	7,535	12,710	
1971	5,542	183	—	5,725	3,456	1,229	4,685	3,652	7,512	13,977	
1972	5,322	206	—	5,528	3,468	1,222	4,690	4,490	7,918	15,357	
1973	5,665	247	—	5,912	3,395	1,416	4,811	5,591	7,380	18,057	
1974	6,266	415	—	6,674	2,908	1,691	4,599	9,597	8,106	20,163	
1975	6,188	586	—	6,774	2,804	2,040	4,844	9,077	11,173	20,163	
1976	5,413	587	—	6,000	3,306	3,214	6,520	9,009	9,361	18,542	
1977	6,660	605	—	7,265	2,774	3,279	6,053	10,221	11,161	17,941	
1978	6,857	663	—	7,520	3,310	3,855	7,165	10,576	10,789	17,956	
1979	7,153	682	—	7,835	13,398	8,283	21,681	0	0	3,270	
Total	\$ 103,786	4,495	15	108,296	\$ 70,884	3,270	\$ 40,682	108,296	0	0	3,270

¹ Excludes refunds and transfers.
² Receipts of interest on investments netted by payment of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966. Advances from the general fund repaid in the same year were \$359,000,000 in 1960, \$60,000,000 in 1961, and \$70,000,000 in 1966.
³ Reimbursement to the fund for emergency relief outlays authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.
⁴ Interstate authorizations for fiscal years 1981 through 1990 totaling \$36,250,000,000 are not included because those authorizations are scheduled for apportionment after the trust fund's existing termination date.
⁵ Includes all funds authorized for fiscal year 1978 and prior fiscal years plus \$100,000,000 authorized for fiscal year 1979 emergency relief.
⁶ Fiscal year 1977 and prior years noninterstate authorizations and all fiscal year authorizations for interstate construction and resurfacing are available for obligation in advance of the fiscal year for which authorized. Fiscal year 1978 and subsequent noninterstate authorizations become available on October 1 of the fiscal year for which authorized.
⁷ Provides for complete disbursement of interstate funds authorized for fiscal year 1980 and prior fiscal years (less \$3,270,000,000 withheld from apportionment because projected revenues through Sept. 30, 1979, are insufficient to finance them) and all noninterstate funds authorized for fiscal years 1979 and prior fiscal years.
⁸ Excludes receipts of tax liabilities accrued prior to Oct. 1, 1979, but collected thereafter (\$405,000,000).
⁹ Reflects reduction in trust fund liability for mass transit substitution projects approved pursuant to 23 U.S.C. 103(e)(4) and 142(c) during fiscal years 1974, 1975, 1976, and transition quarter.

**HIGHWAY TRUST FUND TWENTY-SECOND
ANNUAL REPORT**

COMMUNICATION

FROM

**THE DEPUTY FISCAL ASSISTANT
SECRETARY OF THE TREASURY**

TRANSMITTING

**THE 22D ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST
FUND, COVERING FISCAL YEAR 1977, PURSUANT TO SECTION
209(e)(1) OF THE HIGHWAY REVENUE ACT OF 1956, AS
AMENDED**



**APRIL 18, 1978.—Referred to the Committee on Ways and Means
and ordered to be printed**

**U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON: 1978**

LETTER OF SUBMITTAL

DEPARTMENT OF THE TREASURY,
OFFICE OF FISCAL ASSISTANT SECRETARY,
FISCAL SERVICE,
Washington, D.C., April 10, 1978.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the 22d annual report on the financial condition and results of the operations of the highway trust fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund; data on fiscal 1977, prior year operations, and financial condition; and estimated data for the following fiscal years. Supporting statements include annual, transition quarter, and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1979.

Sincerely yours,

PAUL H. TAYLOR,
Deputy Fiscal Assistant Secretary.

(III)

**TWENTY-SECOND ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND,
SEPTEMBER 30, 1977**

FOREWORD

The highway trust fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, et cetera, are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during subsequent fiscal years. The Federal-Aid Highway Act of 1976 (Public Law 94-280, approved May 5, 1976) extended the termination date of the fund to September 30, 1979.

Following is a summary statement of the operations for fiscal 1977.

	<i>Millions</i>
Net receipts-----	\$7, 302. 3
Outlays-----	6, 147. 2
Excess of receipts-----	<u>1, 155. 1</u>
Net purchases of investments-----	1, 126. 7
Decrease in undisbursed balances-----	-28. 4
Total, increase in assets-----	<u><u>1, 155. 1</u></u>
Balances in the fund:	
Investment holdings-----	10, 078. 7
Undisbursed balance-----	85. 0
Total balances-----	<u><u>10, 163. 6</u></u>

NOTE.—Further details of the operations are included in statement No. 1. Details of figures may not add to totals because of rounding.

FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1977 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,709.2 million in fiscal year 1977, a net increase of \$1,296.1 million compared with transfers of \$5,413.1 million in fiscal 1976.

Comparative figures for the 2 years are shown in statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	Fiscal 1977 ¹		Fiscal 1976 ²		Increase or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$4,707.4	70.2	\$4,218.6	77.9	\$488.8
Trucks, buses, and trailers.....	708.1	10.6	219.2	4.0	488.9
Tires.....	758.0	11.3	545.9	10.1	212.1
Use of certain vehicles.....	239.7	3.6	209.3	3.9	30.4
Lubricating oils.....	76.3	1.1	56.0	1.0	20.4
Parts and accessories.....	164.7	2.5	115.8	2.1	48.9
Inner tubes and tread rubber.....	55.0	.8	48.3	.9	6.7
Total.....	6,709.2	100.0	5,413.1	100.0	1,296.1

¹ Oct. 1, 1976, through Sept. 30, 1977.

² July 1, 1975, through June 30, 1976.

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net increases of \$143.1 million during fiscal 1977.

Outlays

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1977, the outlays from the fund amounted to \$6,147.2 million, a decrease of \$373.4 million from the outlays of \$6,520.6 million in 1976. Outlays from the fund are shown in statement No. 1 and summarized as follows:

[In thousands of dollars]

	Fiscal 1977 ¹	Fiscal 1976 ²	Increase, or decrease (-)
Federal Highway Administration:			
Federal-aid highways.....	5,574,815	6,087,934	-513,119
Right-of-way revolving fund.....	9,176	21,838	-12,662
Trust fund share of other highway programs.....	28,844	12,843	16,001
Highway safety construction.....	398,131	289,066	109,065
Baltimore-Washington Parkway.....	70	212	-142
Highway safety research and development.....	7,571	8,685	-1,114
Overseas highways.....	1,830	.....	1,830
Highland scenic highway.....	1,331	.....	1,331
Acceleration of projects.....	508	.....	508
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....	124,900	100,025	24,875
Total outlays.....	6,147,175	6,520,603	-373,428

¹ Oct. 1, 1976, through Sept. 30, 1977.² July 1, 1975, through June 30, 1976.

Investments

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On September 30, 1977, the fund held \$8,671.4 million in Government account series, Treasury certificates of indebtedness bearing interest at 6½ percent, maturing June 30, 1978, and \$1,407.3 million in Government account series, Treasury certificates of indebtedness bearing interest at 6½ percent, maturing June 30, 1978. The trust fund was credited with \$593 million in interest on investments in fiscal 1977, compared with \$586.7 million credited in 1976.

During 1977, \$33 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1977, estimated tax credits of \$122 million, actual credits and adjustments of prior estimates of \$4.9 million, and actual cash refunds of \$8.2 million accounted for a total of \$135.1 million in reduction of transfers to the fund.

During fiscal 1977, the trust fund was credited with \$593 million of interest on investments in public debt securities and \$0.02 million of miscellaneous interest, bringing the total credits to \$7,302.3 million, compared with \$5,999.9 million in fiscal 1976.

(In millions of dollars)

	Fiscal 1977 ¹	Fiscal 1976 ²	Increase, or decrease (-)
Transfers on basis of estimates.....	6,734.3	6,102.4	631.9
Quarterly adjustments.....	143.1	-506.2	649.3
Total transfers.....	6,877.4	5,596.2	1,281.2
Transfers to land and water conservation fund.....	-33.0	-31.0	-2.0
Refunds of taxes.....	-135.1	-152.0	16.9
Net transfers.....	6,709.2	5,413.1	1,296.1
Interest on investments.....	593.0	586.7	6.4
Miscellaneous interest.....	(?)	(?)	(?)
Total receipts.....	7,302.3	5,999.9	1,302.4

¹ Oct. 1, 1976, through Sept. 30, 1977.² July 1, 1975, through Sept. 30, 1976.³ Less than \$50,000.*Balance in the fund*

The balance in the fund as of September 30, 1977, was \$10,163.6 million, an increase of \$1,155.1 million from the September 30, 1976, balance of \$9,008.5 million. The balance consisted of investments of \$10,078.7 million and an undisbursed balance of \$85 million.

Cumulative summary

Cumulative operations, from inception in 1956 through September 30, 1977, are summarized as follows:

<i>Receipts</i>		<i>Millions</i>
Excise taxes:		
Gasoline.....		\$64,204.9
Diesel and special motor fuels.....		4,469.9
Tires, tubes, and tread rubber.....		11,076.0
Trucks, buses, and trailers.....		8,294.3
Use of certain vehicles.....		2,603.0
Parts and accessories.....		1,206.6
Lubricating oils.....		1,106.6
Total taxes.....		92,961.4
Transfers to land and water conservation fund.....		-366.8
Refunds of tax receipts.....		-2,770.1
Net taxes.....		89,824.5
Interest on investments.....		3,143.7
Miscellaneous interest.....		.4
Reimbursements from general fund.....		15.1
Total receipts.....		92,983.7
<i>Outlays</i>		
Highway program.....		82,813.4
Interest on advances from general fund.....		6.3
Administration and enforcement of labor standards.....		.4
Total outlays.....		82,820.1
<i>Balances in the fund</i>		
Investments in public debt securities.....		10,078.7
Undisbursed balance.....		85.0
Total balances.....		10,163.6

NOTE.—Further details of the cumulative operations are included in statement No. 1.

Projections under existing legislation

Legislation relating to the operations of the highway trust fund was enacted by the 95th Congress, 1st session.

Public Law 95-29, approved May 13, 1977, appropriated \$10 million from the highway trust fund to carry out the provisions of section 146 of the Federal-Aid Highway Act of 1976 related to traffic control signalization demonstration projects, and \$16 million, of which \$10,666,667 is to be derived from the highway trust fund, for necessary expenses of railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Act of 1974.

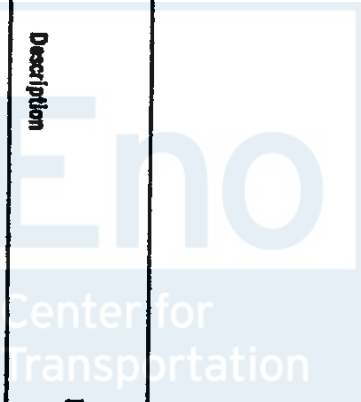
Public Law 95-85, approved August 2, 1977, appropriated \$6,093,603,333 for fiscal 1978 from the highway trust fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways and to other programs authorized to be appropriated from the fund.

The full amount of \$3,250 million authorized for the Interstate System for fiscal 1979 by the Federal-Aid Highway Act of 1956, as amended, plus \$95,556,745 of the \$125 million authorized by section 105(b)(1) of the Federal-Aid Highway Act of 1976 to assure that no State would receive less than one-half percent of the amount authorized for the Interstate System for fiscal 1979 and the \$175 million authorized for interstate resurfacing for fiscal 1979 by the Federal-Aid Highway Act of 1976 were apportioned to the States effective October 1, 1977.

The Federal-Aid Highway Act of 1956, as amended by the Federal-Aid Highway Act of 1976, provides annual interstate program authorizations at the rate of \$3,625 million per year for fiscal years 1980 through 1990. The \$3,625 million authorized for fiscal 1980 is scheduled for apportionment effective October 1, 1978, but cannot be fully apportioned because estimated revenues through the October 1, 1979, termination date of the fund are not adequate to support apportionment of the full \$3,625 million. Accordingly, \$2,490 million of the fiscal 1980 interstate authorization will have to be withheld from apportionment in accord with the provisions of section 209(g) of the Highway Revenue Act of 1956 unless additional revenues become available to the fund.

The status of the highway trust fund under existing legislation is shown in statement No. 2. This statement shows actual revenues, outlays, and balances for the fiscal year 1956 through 1977 and estimated amounts for fiscal years 1978 and 1979.

Total estimated outlays of the highway trust fund are \$108,835 million and include \$68,153 million for interstate programs (\$70,643 million for fiscal 1980 and prior authorizations less \$2,490 million of the fiscal 1980 authorization withheld from apportionment) and \$40,682 million for noninterstate programs (primary, secondary, urban, safety, and so forth).



STATEMENT NO. 1--STATUS OF HIGHWAY TRUST FUND, SEPT. 30, 1977

RECEIPTS

Description	Internal Revenue Code section (26 U.S.C.)	Cumulative through Sept. 30, 1977		Fiscal year 1977		Transition quarter		Fiscal year 1976		Increase or decrease (-) 1977 compared with 1976
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
Excise taxes (transferred from general fund):										
Gasoline	4081	\$64,204,927,216	69.0	\$4,396,642,992	60.2	\$1,117,782,084	66.2	\$4,027,989,087	67.1	\$368,653,905
Diesel and special motor fuels	4041(a)(X)	4,469,877,622	4.8	453,814,451	6.2	115,770,261	6.9	346,509,091	5.8	107,305,360
Tires used on highway vehicles	4071(a)(X)	9,828,909,461	10.6	757,994,796	10.5	210,086,729	12.4	545,922,236	8.1	212,072,360
Tread rubber	4071(a)(X)	484,953,615	5.2	24,916,362	3.3	6,992,057	3.4	23,351,943	3.4	1,564,519
Trucks, buses, and trailers	4051(a)(X)	8,294,348,464	8.9	708,127,031	9.7	50,170,652	3.0	219,228,785	3.7	488,898,266
Use of certain vehicles	4481	2,603,016,361	2.8	239,659,940	3.3	109,877,220	6.5	209,271,007	3.5	30,422,683
Inner tubes	4481	489,447,007	.5	30,059,082	.4	8,458,871	.5	24,965,931	.4	5,099,151
Other tires	4071(a)(2)	272,718,179	.3	164,713,781	2.3	39,427,017	2.3	115,840,991	1.9	48,872,780
Parts and accessories	4051(D)	1,206,619,594	1.3	101,389,865	1.4	26,067,870	1.5	83,106,150	1.4	18,283,715
Lubricating oils	4091(b)	1,106,594,751	1.2	101,389,865	1.4	26,067,870	1.5	83,106,150	1.4	18,283,715
Total taxes		92,961,412,270	100.0	6,877,358,300	94.2	1,684,582,761	99.7	5,596,185,101	93.3	1,261,173,199
Transfer to land and water conservation fund		366,800,000	.4	33,000,000	.5	8,000,000	.5	31,000,000	.5	2,000,000
Gross taxes		92,594,612,270	99.6	6,844,358,300	93.7	1,676,582,761	99.2	5,565,185,101	92.8	1,279,173,199
Less refunds of taxes (reimbursed to general fund):										
Gasoline used on farms, or local transit	39,6420	2,008,598,087	2.2	106,443,549	1.5	84,058	(.3)	122,116,736	2.0	-15,673,187
Gasoline used for nonhighway purposes	39,6421	371,056,153	.4	3,615,530	(.3)	-71,644	(.3)	2,776,871	(.3)	838,659
Gasoline other	6412	103,008	(.1)							
Tires and tread rubber	6412	97,417	(.1)							
Trucks, buses, and trailers	6412	66,651	(.1)							
Floor stock taxes	6412	-640	(.0)							
Lubricating oils not used in highway motor vehicles	39,6424	215,404,193	.2	25,068,691	.3	509,892	(.3)	27,141,508	.5	-2,072,877
Light-duty trucks	6412	174,820,838	.2							
Total refunds of taxes		2,770,145,706	3.0	135,127,710	1.9	522,307	(.3)	152,035,116	2.5	-16,907,406

Net taxes	89,824,466,965	96.5	6,709,230,590	91.9	1,676,080,455	92.2	5,412,149,986	90.2	1,298,080,605
Interest on investments	3,143,730,063	3.4	593,048,144	8.1	13,372,307	.8	586,671,139	9.8	6,377,005
Miscellaneous interest	441,233	(?)	20,188	(?)			42,757	(?)	-22,569
Advances from general fund	489,000,000	(?)							
Repayment of advances from general fund	-489,000,000	-5							
Reimbursement from general fund	15,097,772	(?)							
Total receipts	82,983,735,633	100.0	7,302,298,922	100.0	1,689,532,762	100.0	5,999,863,882	100.0	1,302,435,040

OUTLAYS

Highway program:									
Federal-Aid Highway Act of 1956	80,638,173,889	97.4	5,574,814,629	90.7	1,614,487,492	91.9	6,087,934,490	93.4	-513,119,961
Right-of-way revolving fund	178,301,935	.2	9,175,808	.1	9,220,363	.5	21,837,732	.3	-12,661,924
Trust fund share of other highway programs	86,087,702	.1	28,844,500	.5	5,509,504	.3	12,843,267	.2	16,001,233
Trust fund share of traffic safety program	514,586,323	.6	124,900,000	2.0	31,100,000	1.8	100,025,000	1.5	24,875,000
Reimbursement to general fund	501,018,553	.6							
Forest highways	10,000,000	(?)							
Pentagon road network	2,245,111	(?)							
Public lands highways	5,000,000	(?)							
Overseas highways	1,829,662	(?)	1,829,662	(?)					1,829,662
Highland Scenic Highway	1,331,467	(?)	1,331,467	(?)					1,331,467
Acceleration of projects	507,616	(?)	507,615	(?)					507,615
Highway safety construction	860,322,890	1.0	398,131,379	6.5	99,900,232	5.7	289,066,443	4.4	109,064,936
Baltimore-Washington Parkway	531,050	(?)	69,877	(?)	107,336	(?)	211,559	(?)	-141,682
Highway safety research and development	13,486,771	(?)	7,570,532	(?)	-2,758,761	-2	8,685,000	.1	-1,114,468
Administration and enforcement of labor standards	368,225	(?)							
Interest on advances from general fund	6,288,481	(?)							
Total outlays	82,820,089,675	100.0	6,147,175,468	100.0	1,757,560,166	100.0	6,520,603,490	100.0	-373,428,022

FUND ASSETS

Investments (Government account series):									
Treasury certificates of indebtedness:									
6 1/4 percent, maturing June 30, 1978	8,671,356,000		8,671,356,000						8,671,356,000
6 1/2 percent, maturing June 30, 1978	1,407,331,000		1,407,331,000						1,407,331,000
6 1/2 percent, maturing June 30, 1977	84,958,958		84,958,958		8,951,876,000		9,030,477,000		-9,030,477,000
Undisbursed balance					56,646,504		46,172,908		38,786,050
Total assets	10,163,645,958		10,163,645,958		9,008,522,504		9,076,649,908		1,086,996,050

H.P. 1 Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual. 2 Less than 0.05 of 1 percent.

STATEMENT NO. 2—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-77 AND ESTIMATES 1978-79, UNDER EXISTING LEGISLATION

Fiscal year	Receipts			Outlays			Liability for			
	Net excise taxes ¹	Interest (net) ²	Total	Authorizations		Non-Interstate fiscal years 1957-79 ⁴	Total	Balance in the fund	Unpaid obligations	Unpaid authorizations ⁵
				Interstate	Withheld from apportionment (deduct) ³					
Actual:										
1957	1,479	3	1,482	211	755	966	516	2,421	4,702	
1958	2,026	18	2,044	673	838	1,511	1,049	3,855	6,769	
1959	2,074	13	2,087	1,501	1,112	2,613	323	4,751	7,562	
1960	2,539	-3	2,536	1,861	1,079	2,940	119	4,421	7,300	
1961	2,798	1	2,799	1,719	900	2,619	290	4,989	7,764	
1962	2,949	7	2,956	1,914	870	2,784	471	5,239	8,309	
1963	3,279	14	3,293	2,109	908	3,017	747	6,149	8,865	
1964	3,319	20	3,339	2,625	1,010	3,645	641	6,669	8,978	
1965	3,659	11	3,670	3,016	1,010	4,026	285	6,655	8,775	
1966	3,917	11	3,928	3,016	987	3,965	244	6,748	8,856	
1967	4,441	14	4,455	2,978	998	3,974	725	6,748	9,332	
1968	4,394	34	4,428	3,200	854	4,171	982	6,556	10,011	
1969	5,354	53	5,407	3,149	1,002	4,151	1,521	7,124	11,435	
1970	5,542	115	5,657	3,289	1,089	4,378	1,612	7,535	12,710	
1971	5,322	183	5,505	3,456	1,229	4,685	3,632	7,912	13,977	
1972	5,665	206	5,871	3,468	1,272	4,740	4,490	7,918	15,357	
1973	6,280	247	6,527	3,395	1,416	4,811	5,581	7,380	16,057	
1974	6,188	415	6,603	3,017	1,582	4,599	7,667	8,106	18,183	
1975	5,413	586	5,999	2,902	1,942	4,844	9,597	11,173	18,625	
1976	5,413	587	5,999	3,429	3,091	6,520	9,077	9,361	20,478	
Transitions quarter 1977	6,709	14	6,723	2,961	3,186	6,147	10,164	10,362	17,635	
Estimated:										
1978	7,089	644	7,733	3,140	3,898	7,038	6,824	11,488	17,962	
1979	7,427	667	8,094	2,783	4,004	6,787	13,197	0	2,490	
Total	\$ 104,386	4,469	108,855	\$ 70,463	2,490	\$ 40,682	108,835	0	0	2,490

1 Excludes refunds and transfers.
 2 Receipts of interest on investments netted by payment of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1965. Advances from the general fund repaid in the same year were \$359,000,000 in 1960, \$60,000,000 in 1961, and \$70,000,000 in 1965.
 3 Interstate authorizations for fiscal years 1961 through 1969 totaling \$36,250,000,000 are not reflected because those authorizations are scheduled for apportionment after the trust fund's outstanding termination date.
 4 Includes all funds authorized for fiscal 1978 and prior fiscal years plus \$100,000,000 authorized for fiscal 1979 emergency relief.
 5 Fiscal year 1977 and prior years noninterstate authorizations and all fiscal year authorizations for interstate construction and restructuring are available for obligation in advance of the fiscal year for which authorized. Fiscal 1978 and subsequent noninterstate authorizations become available on Oct. 1 of the fiscal year for which authorized.
 6 Includes reimbursement of \$15,000,000 to the fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.
 7 Provides for complete disbursement of interstate funds authorized for fiscal 1980 and prior fiscal years (less \$2,490,000,000 withheld from apportionment because protected revenues through Sept. 30, 1979, are insufficient to finance them) and all noninterstate funds authorized for fiscal 1979 and prior fiscal years.
 8 Excludes receipts of tax liabilities accrued prior to Oct. 1, 1979, but collected thereafter (\$414,000,000).
 9 Reflects reduction in trust fund liability for substitutions approved pursuant to 23 U.S.C. 103(c)(7) and 142(c) through fiscal 1977.

HIGHWAY TRUST FUND

COMMUNICATION

FROM

THE FISCAL ASSISTANT SECRETARY
OF THE TREASURY

TRANSMITTING

THE 23D ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF THE HIGHWAY TRUST
FUND, PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY
REVENUE ACT OF 1956, AS AMENDED

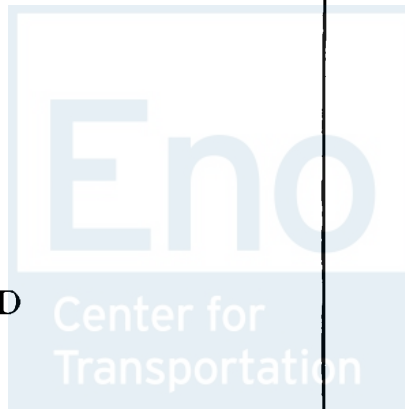


APRIL 30, 1979.—Referred to the Committee on Ways and Means
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

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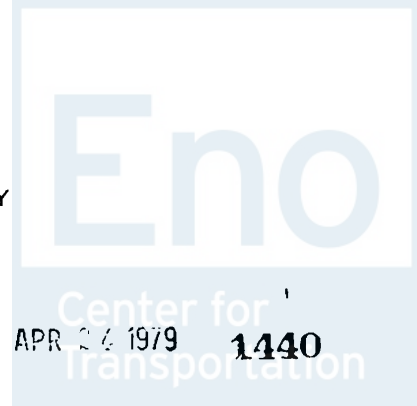
WASHINGTON · 1979





FISCAL ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

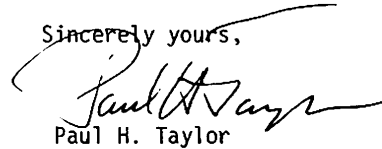


Dear Mr. Speaker:

I have the honor to submit the twenty-third annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund, data on fiscal 1978 and prior year operations and financial condition and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1984.

Sincerely yours,



Paul H. Taylor

The Honorable
Thomas P. O'Neill, Jr.
Speaker of the House
of Representatives
Washington, D.C. 20515

Enclosure

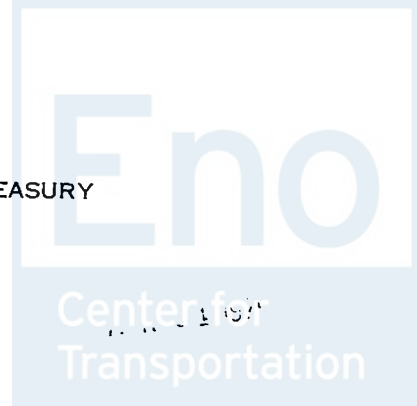
(III)



FISCAL ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220



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(S) Paul H. Taylor

Paul H. Taylor

The Honorable
Thomas P. O'Neill, Jr.
Speaker of the House
of Representatives
Washington, D.C. 20515

Enclosure

(IV)

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during subsequent fiscal years. The Federal-aid Highway Act of 1976 (Public Law 94-280, approved May 5, 1976) extended the termination date of the fund to September 30, 1979.

Following is a summary statement of the operations for fiscal 1978.

	(In millions)
Net receipts -----	\$7,566.6
Outlays -----	<u>6,057.7</u>
Excess of receipts -----	<u>1,508.9</u>
Net purchases of investments -----	1,499.4
Decrease in undisbursed balances -----	<u>-9.5</u>
Total increase in assets -----	<u>1,508.9</u>
Balances in the fund:	
Investment holdings -----	11,578.1
Undisbursed balance -----	<u>94.4</u>
Total balances -----	<u>11,672.5</u>

Further details of the operations are included in Statement No. 1.

Note: Details of figures may not add to totals because of rounding.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1978 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, \$3 per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,904.4 million in fiscal 1978, a net increase of \$195.2 million compared with transfers of \$6,709.2 million in fiscal 1977.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

(Dollar amounts in millions)

Type of tax	Fiscal 1978		Fiscal 1977		Increase, or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels -----	\$4,722.4	68.4	\$4,707.4	70.2	\$15.0
Trucks, buses, and trailers -----	850.5	12.3	708.1	10.6	142.4
Tires -----	761.5	11.0	758.0	11.3	3.5
Use of certain vehicles -----	245.5	3.6	239.7	3.6	5.8
Lubricating oils -	80.2	1.2	76.3	1.1	3.9
Parts and accessories -----	187.5	2.7	164.7	2.5	22.8
Inner tubes and tread rubber ----	56.9	.8	55.0	.8	1.9
Total -----	6,904.4	100.0	6,709.2	100.0	195.2

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net decreases of \$121.2 million during fiscal 1978.

Outlays

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1978, the outlays from the fund amounted to \$6,057.7 million, a decrease of \$89.4 million from the outlays of \$6,147.2 million in 1977. Outlays from the fund are shown in Statement No. 1 and summarized as follows:

(In millions of dollars)

	Fiscal 1978	Fiscal 1977	Increase, or decrease (-)
Federal Highway Administration:			
Federal-aid highways -----	5,866.6	5,574.8	291.8
Right-of-way revolving fund --	-16.9	9.2	-26.1
Trust fund share of other			
highway programs -----	14.0	28.8	-14.8
Highway safety construction --	9.7	398.1	-388.5
Baltimore-Washington Parkway -	.1	.1	.1
Highway safety research and			
development -----	8.9	7.6	1.3
Overseas highways -----	3.2	1.8	1.4
Highland scenic highway -----	5.7	1.3	4.4
Acceleration of projects -----	5.6	.5	5.1
Highway-related safety grants	15.5	-----	15.5
Traffic control demonstration			
projects -----	1.5	-----	1.5
National Highway Traffic Safety			
Administration:			
Trust fund share of traffic			
safety program -----	143.7	124.9	18.8
Total outlays -----	6,057.6	6,147.2	-89.4

Investments

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On September 30, 1978, the fund held \$9,678.6 million in Government account series, Treasury certificates of indebtedness bearing interest at 7 percent, maturing June 30, 1979, and \$1,303.6 million in Government account series, Treasury certificates of indebtedness bearing interest at 7-1/8 percent, maturing June 30, 1979, and \$595.9 million in Government account series, Treasury certificates of indebtedness bearing interest at 7-1/4 percent, maturing June 30, 1979. The trust fund was credited with \$662.2 million in interest on investments in fiscal 1978, compared with \$593.0 million credited in 1977.

During 1978, \$34.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1978, estimated tax credit of \$115.0 million, actual credits and adjustments of prior estimates of \$14.7 million, and actual cash refunds of \$7.8 million accounted for a total of \$137.4 million in reduction of transfers to the fund.

During fiscal 1978, the trust fund was credited with \$662.2 million of interest on investments in public debt securities and a minimal amount of miscellaneous interest, bringing the total credits to \$7,566.6 million compared with \$7,302.3 million in fiscal 1977.

(In millions of dollars)

	Fiscal 1978	Fiscal 1977	Increase, or decrease (-)
Transfers on basis of estimates -----	7,197.0	6,734.3	462.7
Quarterly adjustments ---	-121.2	143.1	-264.2
Total transfers ----	7,075.9	6,877.4	198.5
Transfers to land and water conservation fund -----	-34.0	-33.0	-1.0
Refunds of taxes -----	-137.4	-135.1	-2.3
Net transfers -----	6,904.4	6,709.2	195.2
Interest on investments -	662.2	593.0	69.1
Miscellaneous interest --	(*)	(*)	(*)
Total receipts ----	7,566.6	7,302.3	264.3

*/ Less than \$50,000.

Balance in the fund

The balance in the fund as of September 30, 1978, was \$11,672.5 million, an increase of \$1,508.9 million from the September 30, 1977, balance of \$10,163.6 million. The balance consisted of investments of \$11,578.1 million and an undisbursed balance of \$94.4 million.

Cumulative summary

Cumulative operations, from inception in 1956 through September 30, 1978, are summarized as follows:

RECEIPTS

(In millions)

<u>Excise taxes:</u>	
Gasoline -----	\$68,588.3
Diesel and special motor fuels -----	4,954.5
Tires, tubes, and tread rubber -----	11,894.4
Trucks, buses, and trailers -----	9,144.9
Use of certain vehicles -----	2,848.6
Parts and accessories -----	1,394.1
Lubricating oils -----	1,212.6
Total taxes -----	100,037.3
Transfers to land and water conservation fund ----	-400.8
Refunds of tax receipts -----	-2,907.6
Net taxes -----	96,728.9
Interest on investments -----	3,805.9
Miscellaneous interest -----	.4
Reimbursements from general fund -----	15.1
Total receipts -----	<u>100,550.3</u>

OUTLAYS

Highway program -----	88,871.2
Interest on advances from general fund -----	6.3
Administration and enforcement of labor standards ----	.4
Total outlays -----	<u>88,877.8</u>

BALANCES IN THE FUND

Investments in public debt securities -----	11,578.1
Undisbursed balance -----	94.4
Total balances -----	<u>11,672.5</u>

Further details regarding the cumulative operations are included in Statement No. 1.

Projections Under Existing Legislation

Legislation relating to the operations of the Highway Trust Fund was enacted by the 95th Congress, 2d session.

Public Law 95-335, approved August 4, 1978, appropriated \$7,310,641,667 for fiscal 1979 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways and other programs authorized to be appropriated from the fund.

Public Law 95-599, approved November 6, 1978, the Surface Transportation Assistance Act of 1978, (1) amended the Highway Revenue Act of 1956, as amended, (2) revised existing authorizations for construction of the national system of interstate and defense highways, and (3) provided additional authorizations of funds to be financed from the Highway Trust Fund.

- (1) Amendments to the Highway Revenue Act of 1956 extended the termination date of the fund by 5 years to September 30, 1984, provided for continuation of excise taxes at currently existing rates, and made section 209(g), the Byrd Amendment, applicable to all apportionments of funds financed from the trust fund so that all apportionments would be reduced proportionately should amounts expected to be available in the trust fund be insufficient to defray the outlays which would be required as a result of the apportionment of the amounts authorized to be appropriated from the trust fund. Prior to this amendment only the interstate apportionment was subject to such reduction.
- (2) Annual authorizations of interstate construction funds authorized by the Federal-Aid Highway Act of 1956, as amended, were revised to provide authorizations of \$3,250 million for fiscal 1980, \$3,500 million for fiscal years 1981 and 1982, \$3,200 million for fiscal 1983, and \$3,625 million per year for fiscal years 1984 through 1990. An additional \$125 million was authorized for each of the fiscal years 1980 through 1983 to ensure that no State's interstate construction apportionment was less than one-half of 1 percent of the total apportionment of interstate construction funds.
- (3) Additional authorizations provided for financing from the trust fund include funds for resurfacing, restoring, and rehabilitating the interstate system of \$175 million for each of the fiscal years 1980 and 1981, and \$275 million for each of the fiscal years 1982 and 1983, and other authorizations to be financed entirely or in part out of the trust fund as follows:

(In millions of dollars)

Program	Amount authorized for fiscal year--			
	1979	1980	1981	1982
Consolidated primary -----	2,550	1,700	1,800	1,500
Rural secondary -----	500	550	600	400
Urban system -----	800	800	800	800
Forest highways -----	33	33	33	33
Public lands highways -----	16	16	16	16
Economic Growth Center -----	50	50	50	50
Great River Road--on-system -----	25	25	25	25
Urban high density -----	85	-	-	-
Carpool/vanpool projects -----	1	1	1	-
Energy conservation grants -----	3	9	-	-
Bridges on dams -----	15	-	-	-
Multimodel concept -----	9	-	-	-
Railroad highway crossings demonstration -----	70	90	100	100
Overseas highways -----	8.8	-	-	-
Bikeway program -----	20	20	20	20
Bloomington Ferry Bridge -----	.2	-	-	-
Access control demonstration -----	10	20	-	-
Bypass highway -----	5	25	20	-
Integrated motorist information system -----	1.7	2.5	26	-
Highway safety:				
Sec. 402 Federal Highway Administration -----	25	25	25	25
Sec. 307(a) and 403 Federal Highway Administration -----	10	10	10	10
Sec. 402 National Highway Traffic Safety Administration --	175	175	200	200
Sec. 403 National Highway Traffic Safety Administration --	50	50	50	50
National maximum speed limit -----	50	50	50	50
Speed limit incentive grant -----	-	17.5	17.5	17.5
Bridge reconstruction and replacement -----	900	1,100	1,300	900
Pavement marking -----	65	65	65	-
Elimination of hazards -----	125	150	150	200
Schoolbus driver training -----	2.5	2.5	2.5	2.5
Innovative project grants -----	-	5	10	15
Rail-highway crossings -----	190	190	190	190
Accident data -----	5	5	5	5
Highway safety TV campaign -----	16	-	-	-



STATEMENT ON THE STATUS OF HIGHWAY TRUST FUNDS, SEPT 30, 1978

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through Sept 30, 1978		Fiscal year 1978		Fiscal year 1977		Increase or decrease (+) 1978 compared with 1977
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081 (a) (b)	\$68,388,323,984	68.2	\$4,383,386,788	57.9	\$4,396,642,992	60.2	-\$13,266,204
Diesel and special motor fuels.....	4081 (a) (b)	4,934,488,881	4.9	484,611,280	6.4	425,814,431	6.2	30,796,849
Tires used on highway vehicles.....	4071 (a) (1)	10,390,385,631	10.6	781,476,190	10.1	727,894,726	10.4	53,581,464
Tread rubber.....	4071 (a) (2)	9,310,377,232	9.3	31,423,817	11.2	76,413,932	9.7	142,221,917
Tires, tubes, and casters.....	4081 (a) (1)	2,184,687,442	2.5	820,448,727	3.2	239,489,940	3.2	5,543,787
Use of certain vehicles.....	4081 (a) (2)	2,498,904,218	2.5	31,423,708	2.4	30,029,092	2.2	1,394,616
Other tires.....	4071 (a) (3)	372,718,179	1.3	187,466,662	2.5	164,713,781	2.3	22,752,881
Pets and accessories.....	4081 (b)	1,394,028,226	1.6	105,986,832	1.4	101,359,665	1.4	4,526,167
Lubricating oils.....	4091 (b)	1,212,581,583	1.2	105,986,832	1.2	101,359,665	1.4	4,526,167
Total taxes.....		100,037,293,972	99.5	7,075,881,702	93.5	6,877,358,300	94.2	198,523,402
Less transfer to land and water conservation fund.....	4081	400,600,000	4	34,000,000	4	33,000,000	5	1,000,000
Gross taxes.....		99,636,693,972	99.1	7,041,881,702	93.1	6,844,358,300	93.7	157,531,402
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	3966420	2,115,171,035	2.1	106,572,949	1.6	106,463,549	1.5	179,630
Gasoline used for nonhighway purposes or local transit.....	3966421	376,124,188	.4	5,068,035	.1	3,615,530	(2)	1,452,505
Gasoline other.....	6412	103,008	(2)	.....	.....	.....	.....	.....
Tires and tread rubber.....	6412	97,417	(2)	.....	.....	.....	.....	.....
Tires, tubes, and casters.....	6412	66,631	(2)	.....	.....	.....	.....	.....
Floor stock taxes.....	6412	640	(2)	.....	.....	.....	.....	.....
Lubricating oils not used in highway motor vehicles.....	3966424	241,210,495	.2	25,806,302	.3	25,069,631	.3	737,671
Lubricating oils used in highway motor vehicles.....	6412	174,830,838	.2	.....	.....	.....	.....	.....
Total refunds of taxes.....		2,907,592,982	2.9	137,467,236	1.9	135,117,710	1.9	2,119,572
Net taxes.....		96,728,900,990	96.2	6,904,434,416	91.3	6,709,230,590	91.9	159,203,826
Interest on investments.....		3,805,885,196	3.8	662,155,133	8.6	593,068,164	8.1	69,106,969
Miscellaneous interest.....		469,646,077	.5	4,864	(2)	20,168	(2)	-13,364
Dividends from stocks.....		489,000,000	.5	.....	.....	.....	.....	.....
Report of advances from general fund.....		15,097,772	(2)	.....	.....	.....	.....	.....
Reimbursement from general fund.....		.....	.....	.....	.....	.....	.....	.....
Total receipts.....		100,530,330,025	100.0	7,566,594,393	100.0	7,302,298,922	100.0	264,295,471
OUTLAYS								
Highway Program:								
Federal-aid highway act of 1956.....		86,504,785,795	97.3	5,866,611,906	96.8	5,574,814,629	90.7	291,797,277
Right-of-way revolving fund.....		181,417,835	.2	-16,884,100	-.3	9,175,808	(2)	-26,059,508
Trust fund share of other highway programs.....		100,122,600	.1	28,864,500	.4	12,400,546	(2)	16,463,954
Trust fund share of traffic safety program.....		658,286,333	.7	143,700,000	2.4	124,900,000	2.0	18,800,000
Reimbursement to general fund.....		501,018,533	.6	.....	.....	.....	.....	.....
Forest highways.....		10,000,000	(2)	.....	.....	.....	.....	.....
Postage road network.....		2,285,111	(2)	.....	.....	.....	.....	.....
Public lands highways.....		5,000,000	(2)	.....	.....	.....	.....	.....
Overseas highways.....		5,039,537	(2)	3,209,875	.1	1,829,662	(2)	1,379,213
Highland State Highway.....		7,003,879	(2)	.....	.....	.....	.....	.....
Acceleration of construction.....		6,121,082	(2)	5,613,466	.1	5,071,615	(2)	5,104,551
Highway safety construction.....		870,000,000	(2)	870,000,000	(2)	870,000,000	(2)	.....
Saltilmore-Washington Parkway.....		655,461	(2)	124,411	(2)	69,877	(2)	5,534
Highway safety research and development.....		22,373,516	(2)	8,876,765	.1	7,570,532	(2)	1,306,233
Highway-related safety grants.....		15,529,834	(2)	15,529,834	.3	.....	.....	15,529,834
Traffic control demonstration projects.....		1,510,634	(2)	1,510,634	(2)	.....	.....	1,510,634

STATEMENT NO. 1--Status of Highway Trust Fund, Sept. 30, 1978--Continued

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through Sept. 30, 1978		Fiscal year 1978		Fiscal year 1977		Increase or decrease (-) 1978 compared with 1977
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
Administration and enforcement of labor standards.....	368,273	(2)	.....	.....	.....	.....	.....
Interest on advances from general fund.....	6,288,481	(2)	.....	.....	.....	.....	.....
Total outlays.....	88,877,826,866	100.0	6,037,737,191	100.0	6,147,175,466	100.0	-69,438,277
FUND ASSETS								
Investments (Government account series), Treasury certificates of indebtedness:
6-1/4 percent, maturing June 30, 1978.....	8,671,356,000	.....	-8,671,356,000
6-1/6 percent, maturing June 30, 1978.....	1,407,331,000	.....	-1,407,331,000
7-1/8 percent, maturing June 30, 1979.....
7-1/8 percent, maturing June 30, 1979.....
7-1/4 percent, maturing June 30, 1979.....
Undisbursed balance.....	84,958,938	.....	9,467,300
Total assets.....	11,672,503,160	.....	11,672,503,160	.....	10,163,645,938	.....	1,508,857,222

1/ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.
2/ Less than 0.05 of 1 percent.



STATISTICAL NO. 2 - Status of Highway Trust Fund, actual fiscal years 1977-8 and estimates 1979-84, under existing legislation

(In millions of dollars)

Fiscal year	RECEIPTS			OUTLAYS			Liability for	
	Net service taxes ^{1/}	Interest (net) ^{2/}	Total	Authorizations		Total		Balances in the fund
				Fiscal years 1977-85 ^{3/}	All other fiscal years 1977-82 ^{4/}			
1977	1,479	3	1,482	211	795	966	2,421	4,732
1978	2,026	18	2,044	273	838	1,111	1,049	6,789
1979	2,074	13	2,087	1,501	1,112	2,613	1,049	7,362
1980	2,278	-1	2,277	1,801	1,079	2,880	139	7,200
1981	2,298	7	2,305	1,819	870	2,689	259	6,580
1982	2,249	1	2,250	1,812	808	2,620	477	6,328
1983	2,219	20	2,239	2,102	832	2,934	747	6,112
1984	1,689	11	1,700	3,016	1,010	4,026	641	6,669
1985	1,917	7	1,924	2,978	987	3,965	285	6,664
1986	4,441	14	4,455	2,976	998	3,974	244	6,728
1987	4,394	14	4,408	3,207	964	4,171	724	6,728
1988	4,617	53	4,670	3,149	1,002	4,151	982	6,617
1989	5,314	115	5,429	3,289	1,089	4,378	982	6,617
1990	5,342	181	5,523	3,456	1,229	4,685	2,612	7,312
1991	5,322	206	5,528	3,468	1,222	4,690	3,632	7,312
1992	5,665	247	5,912	3,395	1,416	4,811	4,490	7,918
1993	6,260	435	6,695	3,017	1,942	4,959	5,591	7,918
1994	6,188	586	6,774	2,902	1,942	4,844	7,667	8,106
1995	5,413	987	6,400	3,429	3,091	6,520	9,597	11,177
1996	1,676	14	1,690	814	904	1,718	9,077	9,161
1997	6,799	593	7,392	2,961	3,186	6,147	10,009	10,164
1998	6,903	662	7,565	2,708	3,186	6,018	11,673	10,164
1999	7,317	836	8,153	3,064	3,785	6,849	12,977	12,911
2000	7,466	918	8,384	3,211	3,911	7,222	14,139	14,139
2001	7,724	1,015	8,739	3,459	4,912	8,411	14,667	14,667
2002	8,018	1,022	9,040	3,653	5,129	8,812	14,693	14,693
2003	8,316	1,131	9,447	3,661	4,210	7,871	16,271	16,271
2004	8,248	1,341	9,589	14,396	7,710	22,136	4,032	15,007
2005	144,134 ^{5/}	10,063	154,197	88,972 ^{6/}	61,201	150,173		

^{1/} Excludes refunds and transfers. Fiscal 1968 includes reimbursement of \$15 million to the fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.

^{2/} Receipts from investments netted by payment of interest on general fund advances of \$5 million in 1960, \$40 million in 1961, and \$70 million in 1965. Advances from the general fund repaid in the same year were \$359 million in 1960, \$40 million in 1961, and \$70 million in 1965.

^{3/} Interstate authorizations for fiscal years 1986 through 1990 totaling \$16,125 million are not reflected because those authorizations are available for apportionment after the trust fund's existing termination date.

^{4/} Includes all funds authorized for fiscal 1982 and prior fiscal years plus \$100 million authorized for 1983 and 1984, emergency relief. Fiscal 1977 and prior years noninterstate authorizations and all fiscal year authorizations for interstate construction and reconstructing are available for obligation in advance of the fiscal year for which authorized. Fiscal 1978 and subsequent noninterstate authorizations become available on Oct. 1 of the fiscal year for which authorized.

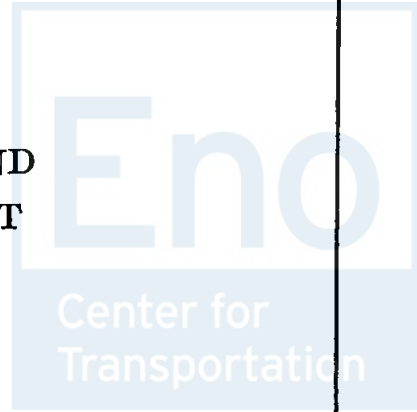
^{5/} Provides for complete disbursement of interstate funds authorized for fiscal 1985 and prior fiscal years and all noninterstate funds authorized for fiscal 1984 and prior fiscal years.

^{6/} Includes receipts of tax liabilities secured prior to Oct. 1, 1984, but collected thereafter (\$449 million).

^{7/} Includes receipt of tax liability for substitution approved pursuant to 23 U.S.C. 103 (e) (4) and 142 (e) through fiscal 1978.

^{8/} Includes receipt of tax liability for substitution approved pursuant to 23 U.S.C. 103 (e) (4) and 142 (e) through fiscal 1978.

HIGHWAY TRUST FUND
24TH ANNUAL REPORT



COMMUNICATION

FROM

THE FISCAL ASSISTANT
SECRETARY OF THE TREASURY

TRANSMITTING

THE 24TH ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST
FUND, PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY
REVENUE ACT OF 1956, AS AMENDED



MAY 8, 1980.—Referred to the Committee on Ways and Means and
ordered to be printed

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WASHINGTON : 1980

LETTER OF SUBMITTAL

DEPARTMENT OF THE TREASURY,
Washington, D.C., May 1, 1980.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the twenty-fourth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund, data on fiscal 1979 and prior year operations and financial condition and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1984.

Sincerely yours,

PAUL H. TAYLOR,
Fiscal Assistant Secretary.

Enclosure.

TWENTY-FOURTH ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND,
SEPTEMBER 30, 1979

(Department of the Treasury, Office of the Secretary)

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during subsequent fiscal years. The Federal-aid Highway Act of 1978 (Public Law 95-599, approved November 6, 1978) extended the termination date of the fund to September 30, 1984.

Following is a summary statement of the operations for fiscal 1979:

	<i>Millions</i>
Net receipts.....	\$8, 046. 1
Outlays.....	7, 154. 1
Excess of receipts.....	892. 0
Net purchases of investments.....	890. 6
Increase in undisbursed balances.....	1. 4
Total increase in assets.....	892. 0
Balances in the fund:	
Investment holdings.....	12, 468. 7
Undisbursed balance.....	95. 8
Total balances.....	12, 564. 5

Further details of the operations are included in Statement No. 1.

NOTE.—Details of figures may not add to totals because of rounding.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1979 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, 75 cents per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$7,188.8 million in fiscal 1979, a net increase of \$284.4 million compared with transfers of \$6,904.4 million in fiscal 1978.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	Fiscal 1979		Fiscal 1978		Increase, or decrease (-)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$4, 834. 3	67. 2	\$4, 722. 4	68. 4	\$112. 0
Trucks, buses, and trailers ¹	943. 6	13. 1	850. 5	12. 3	93. 1
Tires.....	808. 8	11. 3	761. 5	11. 0	47. 3
Use of certain vehicles.....	235. 3	3. 3	245. 5	3. 6	-10. 2
Lubricating oils.....	83. 9	1. 2	80. 2	1. 2	3. 7
Parts and accessories.....	224. 7	3. 1	187. 5	2. 7	37. 3
Inner tubes and tread rubber.....	58. 2	. 8	56. 9	. 8	1. 3
Total.....	7, 188. 8	100. 0	6, 904. 4	100. 0	284. 4

¹ The Energy Tax Act of 1978 (Public Law 95-618, approved Nov. 6, 1978) removed excise taxes on buses and bus parts purchased after Apr. 20, 1977, and allowed credits or refunds for such taxes paid.

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in net increases of \$83.0 million during fiscal 1979.

Outlays

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1979, the outlays from the fund amounted to \$7,154.1 million, an increase of \$1,096.4 million from the outlays of \$6,057.7 million in 1978. Outlays from the fund are shown in Statement No. 1 and summarized as follows:

[In millions of dollars]

	Fiscal 1979	Fiscal 1978	Increase, or decrease (—)
Federal Highway Administration:			
Federal-aid highways.....	6,876.0	5,866.6	1,009.4
Right-of-way revolving fund.....	— .4	— 16.9	16.4
Trust fund share of other highway programs.....	21.6	14.0	7.6
Highway safety construction.....	.....	9.7	— 9.7
Baltimore-Washington Parkway.....	.9	.1	.8
Highway safety research and development.....	7.6	8.9	— 1.3
Overseas highways.....	12.6	3.2	9.4
Highland scenic highway.....	4.4	5.7	— 1.3
Highland scenic highway study.....	.1	.....	.1
Acceleration of projects.....	7.4	5.6	1.8
Highway-related safety grants.....	23.6	15.5	8.1
Traffic control demonstration projects.....	6.9	1.5	5.4
Intermodal urban demonstration project.....	(¹)	.....	(¹)
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....	193.4	143.7	49.7
Total outlays.....	7,154.1	6,057.6	1,096.4

¹ Less than \$50,000.

Investments

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On September 30, 1979, the fund held \$567.0 million in Government account series, Treasury certificates of indebtedness bearing interest at 8½ percent, maturing June 30, 1980, and \$11,901.6 million in Government account series, Treasury certificates of indebtedness bearing interest at 8¾ percent, maturing June 30, 1980. The trust fund was credited with \$852.9 million in interest on investments in fiscal 1979, compared with \$662.2 million credited in 1978.

During 1979, \$33.6 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1979, estimated tax credit of \$109.0 million, actual credits and adjustments of prior estimates of \$16.9 million, and actual cash refunds of \$7.6 million accounted for a total of \$133.4 million in reduction of transfers to the fund.

During fiscal 1979, the trust fund was credited with \$852.9 million of interest on investments in public debt securities and a minimal amount of miscellaneous interest, bringing the total credits to \$8,046.1 million compared with \$7,566.6 million in fiscal 1978.

[In millions of dollars]

	Fiscal 1979	Fiscal 1978	Increase, or decrease (-)
Transfers on basis of estimates.....	7,272.8	7,197.0	75.8
Quarterly adjustments.....	83.0	-121.2	204.2
Total transfers.....	7,355.8	7,075.9	279.9
Transfers to land and water conservation fund.....	-33.6	-34.0	.4
Refunds of taxes.....	-133.4	-137.4	4.0
Net transfers.....	7,188.8	6,904.4	284.4
Interest on investments.....	852.9	662.2	190.7
Miscellaneous interest.....	4.4	(¹)	4.4
Total receipts.....	8,046.1	7,566.6	479.5

¹ Less than \$50,000.

Balance in the fund

The balance in the fund as of September 30, 1979, was \$12,564.5 million, an increase of \$892.0 million from the September 30, 1978, balance of \$11,672.5 million. The balance consisted of investments of \$12,468.7 million and an undisbursed balance of \$95.8 million.

Cumulative summary

Cumulative operations, from inception in 1956 through September 30, 1979, are summarized as follows:

Receipts

<i>Excise taxes:</i>	<i>Millions</i>
Gasoline.....	\$73,066.9
Diesel and special motor fuels.....	5,451.7
Tires, tubes, and tread rubber.....	12,761.3
Trucks, buses, and trailers.....	10,088.4
Use of certain vehicles.....	3,083.9
Parts and accessories.....	1,618.8
Lubricating oils.....	1,322.0
 Total taxes.....	 107,393.1
Transfers to land and water conservation fund.....	-434.4
Refunds of tax receipts.....	-3,041.0
 Net taxes.....	 103,917.7
Interest on investments.....	4,658.8
Miscellaneous interest.....	4.8
Reimbursements from general fund.....	15.1
 Total receipts.....	 <u>108,596.4</u>

Outlays

Highway program.....	96,025.3
Interest on advances from general fund.....	6.3
Administration and enforcement of labor standards.....	.4
 Total outlays.....	 <u>96,032.0</u>

Balances in the fund

Investments in public debt securities.....	12,468.7
Undisbursed balance.....	95.8
 Total balances.....	 12,564.5

Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operations of the Highway Trust Fund was enacted by the 96th Congress, 1st session.

Public Law 96-126, approved November 27, 1979, appropriated \$15,500,000 for fiscal 1980 from the Highway Trust Fund to liquidate contract authority provided under section 105(a)(8) of Public Law 94-280 for the Cumberland Gap Tunnel.

Public Law 96-131, approved November 30, 1979, appropriated \$7,070,046,333 for fiscal 1980 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways and to other programs authorized to be appropriated from the fund.

The status of Highway Trust Fund under existing legislation is shown in Statement No. 2. This statement shows actual revenues, outlays, and balances for fiscal years 1957 through 1979 and estimated amounts for fiscal years 1980 through 1984.

Total estimated outlays of the Highway Trust Fund are \$150,118 million and include \$88,919 million for interstate programs and for noninterstate programs (primary, secondary, urban, safety, bridge, etc.). Anticipated revenues exceed authorizations by \$365 million.

This projection does not take into account pending litigation by Puerto Rico and the Virgin Islands seeking to recover all taxes on gasoline refined on those islands and transported to the United States. If judgment is paid from the Highway Trust Fund, the trust fund could lose between \$916 million and \$1,337 million over the next 5 years through retroactive rebates and future losses in revenues and interest.

STATEMENT NO. 1—STATUS OF HIGHWAY TRUST FUND, SEPT. 30, 1979

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through		Fiscal year 1979		Fiscal year 1978		Increase or decrease (-) 1979 compared with 1978
		Sept. 30, 1979	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline	4081	\$73,066,855,261	67.3	\$4,478,531,277	55.7	\$4,383,396,768	57.9	\$95,134,509
Diesel and special motor fuels	4081(a)(b)	5,451,748,428	5.0	497,259,547	6.2	484,611,260	6.4	12,648,287
Tires used on highway vehicles	4071(a)(1)	11,399,145,722	10.5	808,760,071	10.1	761,476,190	10.1	47,283,881
Tread rubber	4071(a)(4)	530,833,890	5	20,456,658	3	23,423,617	3	-4,966,959
Trucks, buses, and trailers	4081(a)(1)	10,088,446,859	9.3	943,579,447	11.7	850,518,948	11.2	93,060,499
Use of certain vehicles	4481	3,083,894,669	2.8	235,332,571	2.9	245,545,737	3.2	-10,213,166
Inner tubes	4071(a)(3)	558,633,508	5	37,732,793	5	31,453,708	4	6,279,085
Other tires	4071(a)(2)	272,718,179	3	224,730,056	2.8	187,468,642	2.5	37,261,414
Parts and accessories	4081(b)	1,618,818,292	1.5	109,415,321	1.4	105,986,832	1.4	3,428,489
Lubricating oils	4091(b)	1,321,996,904	1.2	109,415,321	1.4	105,986,832	1.4	3,428,489
Total taxes	4081	107,393,091,713	98.9	7,355,797,741	91.4	7,075,881,702	93.5	279,916,039
Less transfer to land and water conservation fund	4081	434,362,978	.4	33,562,978	.4	34,000,000	.4	-437,022
Gross taxes		106,958,728,735	98.5	7,322,234,763	91.0	7,041,881,702	93.1	280,353,061
Less refunds of taxes (reimbursed to general fund):								
Gasoline used on farms	39 and 6420	2,218,940,051	2.0	103,769,016	1.3	106,572,949	1.4	-2,803,933
Gasoline used for nonhighway purposes or local transit	39 and 6421	380,231,123	.4	4,106,935	.1	5,068,035	.1	-961,100
Gasoline, other	6412	103,008	(?)					
Tires and tread rubber	6412	97,417	(?)					
Trucks, buses, and trailers	6412	66,651	(?)					
Floor stock taxes	6412	640	(?)					
Lubricating oils not used in highway motor vehicles	39 and 6424	266,754,247	.2	25,543,752	.3	25,806,302	.3	-262,550
Light-duty trucks	6412	174,820,838	.2					
Fuel—taxicabs	6427	2,750	(?)	2,750	(?)			2,750
Total refunds of taxes		3,041,015,445	2.8	133,422,453	1.7	137,447,286	1.8	-4,024,833
Net taxes								
Interest on investments		103,917,713,290	95.7	7,188,812,310	89.3	6,904,434,416	91.2	284,377,894
Miscellaneous interest		4,658,787,521	4.3	852,902,324	10.5	662,155,133	8.8	190,747,191
Advances from general fund		4,829,583	(?)	4,383,566	.1	4,844	(?)	4,378,662
Repayment of advances from general fund		489,000,000	.5					
Reimbursement from general fund		-489,000,000	-.5					
Total receipts		108,596,428,166	100.0	8,046,098,140	100.0	7,566,594,393	100.0	479,503,747

OUTLAYS

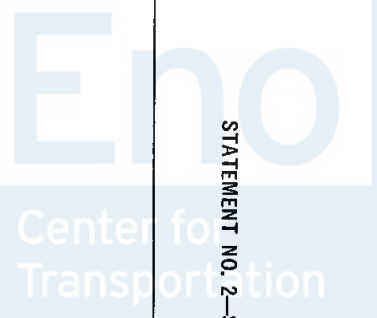
Highway programs:

Federal-Aid Highway Act of 1956	93,380,766,172	97.2	6,875,980,377	96.1	5,866,611,906	96.8	1,009,368,471
Right-of-way revolving fund	160,976,875	.2	440,959	(2)	16,884,100	.3	16,443,141
Trust fund share of other highway programs	121,796,788	1	21,634,189	.3	14,034,898	.2	7,599,291
Trust fund share of traffic safety program	851,686,323	.9	193,400,000	2.7	143,700,000	2.4	49,700,000
Reimbursement to general fund	501,018,553	.5					
Forest highways	10,000,000	(2)					
Pentagon road network	2,245,111	(2)					
Public lands highways	5,000,000	(2)					
Overseas highways	17,631,495	(2)	12,591,958	.2	3,209,875	.1	9,382,083
Highland Scenic Highway	11,470,005	(2)	4,406,126	.1	5,732,413	.1	1,326,287
Highland Scenic Highway Study	119,375	(2)	119,375	(2)			119,375
Acceleration of projects	13,498,310	(2)	7,377,228	.1			1,763,762
Highway safety construction	870,000,000	9					9,677,110
Baltimore-Washington Parkway	1,538,192	(2)	882,730	(2)			9,756,352
Highway safety research and development	29,991,605	(2)	7,618,090	.1	124,411	.2	756,352
Highway-related safety grants	39,152,658	(2)	23,622,824	.3	8,876,745	.1	1,258,065
Traffic control demonstration projects	8,457,290	(2)	6,946,656	.1	15,529,834	.3	8,092,995
Intermodal urban demonstration project	2,308	(2)	2,308	(2)	1,510,634	(2)	5,436,022
Administration and enforcement of labor standards	368,225	(2)					2,382,239
Interest on advances from general fund	6,288,481	(2)					
Total outlays	96,031,967,766	100.0	7,154,140,901	100.0	6,057,737,191	100.0	1,096,403,710

FUND ASSETS

Investments (Government account series), Treasury certificates of indebtedness:							
7 1/8 percent, maturing June 30, 1979	567,009,000		567,009,000		9,678,591,000		-9,678,591,000
7 1/8 percent, maturing June 30, 1979	11,901,648,000		11,901,648,000		1,303,591,000		-1,303,591,000
8 1/2 percent, maturing June 30, 1980	95,803,399		95,803,399		595,900,000		-595,900,000
8 3/4 percent, maturing June 30, 1980					94,421,160		567,009,000
Undisbursed balance							11,901,648,000
Total assets	12,564,460,399		12,564,460,399		11,672,503,160		11,901,648,000
							1,382,239
							891,957,239

1 Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.
 2 Less than 0.05 of 1 percent.



STATEMENT NO. 2—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-79 AND ESTIMATES 1980-84 UNDER EXISTING LEGISLATION
 [In millions of dollars, fiscal years]

	Receipts		Outlays		Total	Balance in the fund	Liability for—	
	Net excise taxes ¹	Interest (net) ²	Authorizations				Unpaid obligations	Unpaid authorizations ⁵
			Interstate 1957-85 ³	All other 1957-82 ⁴				
Actual:								
1957	1,479	3	211	755	966	516	2,421	4,702
1958	2,026	18	673	838	1,511	1,049	3,855	6,769
1959	2,074	13	1,501	1,112	2,613	523	4,751	7,562
1960	2,539	—	1,861	1,079	2,940	119	4,421	7,300
1961	2,798	3	1,719	900	2,619	299	4,989	7,764
1962	2,949	7	1,914	870	2,784	471	5,239	8,309
1963	3,279	14	2,109	908	3,017	747	6,149	8,886
1964	3,519	20	2,635	1,010	3,645	641	6,669	8,978
1965	3,659	11	3,016	1,010	4,026	285	6,665	8,775
1966	3,917	7	3,924	987	4,911	244	6,748	8,856
1967	4,441	14	4,455	998	5,453	725	6,556	9,332
1968	4,394	34	4,428	964	5,392	821	6,617	10,011
1969	4,637	53	3,149	1,002	4,151	982	7,124	11,435
1970	5,354	115	3,289	1,089	4,378	1,512	7,535	12,710
1971	5,542	183	3,456	1,229	4,685	3,632	7,918	13,977
1972	5,322	206	3,468	1,222	4,690	4,490	7,918	15,357
1973	5,912	247	5,912	1,416	7,328	4,811	7,380	17,512
1974	6,260	415	6,675	1,582	8,257	5,591	7,380	18,481
1975	6,188	586	6,774	1,942	8,716	7,667	8,106	18,057
1976	5,413	587	6,000	3,429	9,429	9,077	9,361	20,163
Transition quarter	1,676	14	854	3,091	5,561	9,009	9,299	20,334
1977	6,709	593	7,302	3,168	10,470	10,164	10,362	17,489
1978	6,905	652	7,557	3,212	10,769	11,673	11,749	18,582
1979	7,189	857	8,046	3,449	11,495	12,564	13,556	19,823
Estimated:								
1980	6,934	1,200	8,134	3,763	11,897	11,664	12,488	19,818
1981	7,082	1,908	8,990	3,749	12,739	12,014	13,508	21,527
1982	7,429	908	8,337	3,530	11,867	11,958	13,950	21,400
1983	7,711	882	8,593	3,656	12,249	12,334	13,283	16,908
1984	7,728	935	8,663	3,449	12,112	12,365	13,283	0
Total	7140,818	9,665	150,483	88,919	61,199	150,118		

¹ Excludes refunds and transfers. Fiscal 1968 includes reimbursement of \$15,000,000 to the fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.

² Receipts of interest on investments netted by payment of interest on general fund advances of \$5,000,000 in 1960, \$1,000,000 in 1961, and \$1,000,000 in 1966. Advances from the general fund repaid in the same year were \$359,000,000 in 1960, \$60,000,000 in 1961, and \$70,000,000 in 1966.

³ Interstate authorizations for fiscal years 1986 through 1990 totaling \$18,125,000,000 are not reflected because those authorizations are scheduled for apportionment after the trust fund's existing termination date.

⁴ Includes all funds authorized for fiscal 1982 and prior fiscal years plus \$100,000,000 authorized for 1983 and 1984 emergency relief.

⁵ Fiscal 1977 and prior years noninterstate authorizations and all fiscal year authorizations for interstate construction and resurfacing are available for obligation in advance of the fiscal year for which authorized. Fiscal 1978 and subsequent noninterstate authorizations become available on Oct. 1 of the fiscal year for which authorized.

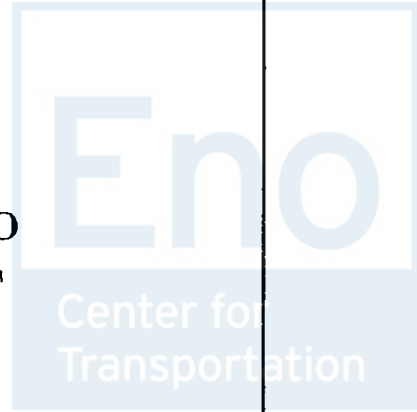
⁶ Provides for complete disbursement of interstate funds authorized for fiscal 1985 and prior fiscal years and all noninterstate funds authorized for fiscal 1984, and prior fiscal years.

⁷ Excludes receipts of tax liabilities accrued prior to Oct. 1, 1984, but collected thereafter (\$191,000,000).

⁸ Reflects reduction in trust fund liability for substitutions approved pursuant to 23 U.S.C. 103(e)(4) and 142(c) through fiscal 1979.

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HIGHWAY TRUST FUND
25TH ANNUAL REPORT



COMMUNICATION

FROM

THE FISCAL ASSISTANT SECRETARY
OF THE TREASURY

TRANSMITTING

THE 25TH ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST
FUND, PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY
REVENUE ACT OF 1956, AS AMENDED



JUNE 2, 1981.—Referred to the Committee on Ways and Means and
ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1981

LETTER OF SUBMITTAL

DEPARTMENT OF THE TREASURY,
Washington, D.C., May 22, 1981.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the twenty-fifth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund, data on fiscal 1980 and prior year operations and financial condition and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1984.

Sincerely yours,

PAUL H. TAYLOR,
Fiscal Assistant Secretary.

Enclosure.

TWENTY-FIFTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND
RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND,
SEPTEMBER 30, 1980

FOREWORD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration,

Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during subsequent fiscal years. The Federal-Aid Highway Act of 1978 (Public Law 95-599, approved November 6, 1978) extended the termination date of the fund to September 30, 1984.

Following is a summary statement of the operations for fiscal 1980:

	<i>Millions</i>
Net receipts.....	\$7, 647. 3
Outlays.....	9, 212. 3
Excess of outlays.....	<u>1, 565. 0</u>
Net purchases of investments.....	- 1, 609. 1
Increase in undisbursed balances.....	44. 1
Total decrease in assets.....	<u>- 1, 565. 0</u>
Balances in the fund:	
Investment holdings.....	10, 859. 5
Undisbursed balance.....	139. 9
Total balances.....	<u>10, 999. 5</u>

NOTE.—Further details of the operations are included in statement No. 1. Details of figures may not add to totals because of rounding.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1980 were: Gasoline, diesel fuel, and special motor fuels, 4 cents a gallon' trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, 75 cents per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,619.8 million in fiscal 1980, a net decrease of \$569.0 million compared with transfers of \$7,188.8 million in fiscal 1979.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	Fiscal 1980		Fiscal 1979		Increase, or decrease (—)
	Net taxes transferred	Percent of total	Net taxes transferred	Percent of total	
Gasoline, diesel fuel, and special motor fuels.....	\$4,419.6	66.8	\$4,834.3	67.2	—\$414.7
Trucks, buses, and trailers ¹	912.2	13.8	943.6	13.1	—31.4
Tires.....	633.3	9.6	808.8	11.3	—175.5
Use of certain vehicles.....	277.4	4.2	235.3	3.3	42.1
Lubricating oils.....	76.9	1.2	83.9	1.2	—7.0
Parts and accessories.....	253.1	3.8	224.7	3.1	28.3
Inner tubes and tread rubber.....	47.3	.7	58.2	.8	—10.9
Total.....	6,619.8	100.0	7,188.8	100.0	—569.0

¹ The Energy Tax Act of 1978 (Public Law 95-618, approved Nov. 6, 1978) removed excise taxes on buses and bus parts purchased after Apr. 20, 1977, and allowed credits or refunds for such taxes paid.

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Adjustments in amounts transferred, included above, resulted in a net decrease of \$34.9 million during fiscal 1980.

Outlays

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1980, the outlays from the fund amounted to \$9,212.3 million, an increase of \$2,058.2 million from the outlays of \$7,154.1 million in 1979. Outlays from the fund are shown in Statement No. 1 and summarized as follows:

[In millions of dollars]

	Fiscal 1980	Fiscal 1979	Increase, or decrease (—)
Federal Highway Administration:			
Federal-aid highways.....	8,838.3	6,876.0	1,962.3
Right-of-way revolving fund.....	26.2	— .4	26.6
Trust fund share of other highway programs.....	38.7	21.6	17.1
Baltimore-Washington Parkway.....	.2	.9	— .7
Highway safety research and development.....	8.3	7.6	.7
Overseas highways.....	36.0	12.6	23.4
Highland Scenic Highway.....	3.5	4.4	— .9
Highland Scenic Highway study.....	.3	.1	.2
Acceleration of projects.....	9.4	7.4	2.0
Highway-related safety grants.....	28.4	23.6	4.8
Traffic control demonstration projects.....	1.5	6.9	—5.4
Intermodal urban demonstration project.....	.3	(¹)	.3
Traffic control signal demonstration projects.....	7.2	—	7.2
Carpools and vanpools grants.....	.1	—	.1
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....	213.9	193.4	20.5
Total outlays.....	9,212.3	7,154.1	2,058.2

¹ Less than \$50,000.

Investments

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On September 30, 1980, the fund held \$118.1 million in Government account series, Treasury certificates of indebtedness bearing interest at 9½ percent, maturing June 30, 1981, and \$10,741.4 million in Government account series, Treasury certificates of indebtedness bearing interest at 10¼ percent, maturing June 30, 1981. The trust fund was credited with \$1,027.5 million in interest on investments in fiscal 1980, compared with \$852.9 million credited in 1979.

During 1980, \$30.9 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897). This amount represents the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1980, estimated tax credit of \$112.0 million, actual credits and adjustments of prior estimates of \$22.9 million, and actual cash refunds of \$10.4 million accounted for a total of \$145.3 million in reduction of transfers to the fund.

During fiscal 1980, the trust fund was credited with \$1,027.5 million of interest on investments in public debt securities and a minimal amount of miscellaneous interest, bringing the total credits to \$7,647.3 million compared with \$8,046.1 million in fiscal 1979.

(In millions of dollars)

	Fiscal 1980	Fiscal 1979	Increase, or decrease (—)
Transfers on basis of estimates.....	6,827.1	7,272.8	-445.7
Quarterly adjustments.....	-34.9	83.0	-117.9
Total transfers.....	6,792.2	7,355.8	-563.6
Transfers to land and water conservation fund.....	-30.9	-33.6	2.7
Refunds of taxes.....	-141.6	-133.4	-8.1
Net transfers.....	6,619.8	7,188.8	-569.0
Interest on investments.....	1,027.5	852.9	174.5
Miscellaneous interest.....	(¹)	4.4	-4.4
Total receipts.....	7,647.3	8,046.1	-398.8

¹ Less than \$50,000.

Balance in the fund

The balance in the fund as of September 30, 1980, was \$10,999.5 million, a decrease of \$1,565.0 million from the September 30, 1979, balance of \$12,564.5 million. The balance consisted of investments of \$10,859.5 million and an undisbursed balance of \$139.9 million.

Cumulative summary

Cumulative operations, from inception in 1956 through September 30, 1980, are summarized as follows:

<i>Receipts</i>		<i>Millions</i>
<i>Excise taxes:</i>		
Gasoline.....	-----	\$77, 108. 5
Diesel and special motor fuels.....	-----	5, 974. 3
Tires, tubes, and tread rubber.....	-----	13, 442. 0
Trucks, buses, and trailers.....	-----	11, 000. 6
Use of certain vehicles.....	-----	3, 361. 3
Parts and accessories.....	-----	1, 871. 9
Lubricating oils.....	-----	1, 426. 7
 Total taxes.....	-----	 114, 185. 3
Transfers to land and water conservation fund.....	-----	- 465. 2
Refunds of tax receipts.....	-----	- 3, 182. 6
 Net taxes.....	-----	 110, 537. 5
 Interest on investments.....	-----	 5, 686. 2
Miscellaneous interest.....	-----	4. 9
Reimbursements from general fund.....	-----	15. 1
 Total receipts.....	-----	 116, 243. 7
 <i>Outlays</i>		
Highway program.....	-----	105, 237. 6
Interest on advances from general fund.....	-----	6. 3
Administration and enforcement of labor standards.....	-----	4
 Total outlays.....	-----	 105, 244. 3
 <i>Balances in the fund</i>		
Investments in public debt securities.....	-----	10, 859. 5
Undisbursed balance.....	-----	139. 9
 Total balances.....	-----	 10, 999. 5

NOTE.—Further details regarding the cumulative operations are included in statement No. 1

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operation of the Highway Trust Fund was enacted by the 96th Congress, 2d session.

Public Law 96-304, approved July 8, 1980, appropriated an additional \$1,403,200,000 for fiscal 1980 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways, the carpool/vanpool support program authorized to be appropriated from the fund, and salaries and expenses associated with the October 1, 1980, pay increase for the National Highway Traffic Safety Administration.

The act also provided for an increase of \$250 million to a level of \$350 million in obligation authority for fiscal 1980 to carry out the provisions of 23 U.S.C. 125 (emergency relief). The increase was for highways in the States of Washington, Oregon, and Idaho affected by the eruptions of the Mount St. Helens volcano and for highways in Alabama affected by Hurricane Frederick in September 1979.

Public Law 96-400, approved October 9, 1980, appropriated \$7,753,263,500 for fiscal 1981 from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways and to other programs authorized to be appropriated from the fund.

The status of the Highway Trust Fund under existing legislation is shown in Statement No. 2. This statement shows actual revenues, outlays and balances for fiscal years 1957 through 1980 and estimated amounts for fiscal years 1981 through 1984.

Total estimated expenditures of the Highway Trust Fund are \$147,360 million and include \$88,749 million for interstate programs and \$60,970 million for noninterstate programs (primary, secondary, urban, safety, bridge, etc.) less \$2,296 million and \$63 million, respectively, withheld from apportionment because projected revenues through September 30, 1984, are not sufficient to finance them.

STATEMENT 1.—STATUS OF HIGHWAY TRUST FUND, SEPT. 30, 1980

Description	Internal Revenue Code, section (26 U.S.C.)	Cumulative through		Fiscal year 1980		Fiscal year 1979		Increase or decrease (-) 1980 compared with 1979
		Sept. 30, 1980	Amount	Percent of total	Amount	Percent of total	Amount		Percent of total
RECEIPTS								
Excise taxes (Transferred from general fund)								
Gasoline	4081	\$77,108,532,403	66.3	\$4,041,677,142	52.9	\$4,478,531,277	55.7	-\$436,854,135
Diesel and special motor fuels	4041(a)(0)	3,974,301,822	3.1	522,553,394	6.8	497,259,547	6.2	25,293,847
Tires used on highway vehicles	4071(a)(1)	12,032,443,827	10.4	633,298,105	8.3	808,760,071	10.1	-175,461,966
Tread rubber	4061(a)(4)	551,928,179	.5	1,034,289	.3	20,456,658	.3	637,631
Trucks, buses, and trailers	4061(a)(1)	11,000,647,262	9.5	912,200,403	11.9	943,579,447	11.7	-31,379,044
Use of certain vehicles	4481	3,381,313,744	2.9	277,419,075	3.6	235,332,571	2.9	42,086,504
Inner tubes	4071(a)(3)	584,871,528	.5	26,238,020	.4	37,732,793	.5	-11,494,773
Other tires	4071(a)(2)	272,718,179	.2	253,051,739	3.3	224,730,056	2.8	28,331,683
Parts and accessories	4061(a)	1,871,880,031	1.6	104,702,343	1.4	109,415,321	1.4	-4,712,978
Lubricating oils	4091(b)	1,426,699,247	1.2	104,702,343	1.4	109,415,321	1.4	-4,712,978
Total taxes	4081	114,185,336,223	98.2	6,792,244,510	88.8	7,355,797,741	91.4	-563,553,231
Less transfer to land and water conservation fund		465,213,225	.4	30,850,247	.4	33,562,978	.4	-2,712,731
Gross taxes		113,720,122,998	97.8	6,761,394,263	83.4	7,322,234,763	91.0	-560,840,500
Less refunds of taxes (Reimbursed to general fund):								
Gasoline used on farms ¹	39 and 6420	2,323,510,288	2.0	104,570,237	1.4	103,769,016	1.3	801,221
Gasoline used for nonhighway purposes or local transit ¹	39 and 6421	385,023,895	.3	4,792,772	.1	4,106,935	.1	685,837
Gasoline, other	6412	103,008	(?)					
Tires and tread rubber	6412	97,417	(?)					
Trucks, buses, and trailers	6412	66,651	(?)					
Floor stock taxes	6412	—640	(?)					
Lubricating oils not used in highway motor vehicles ¹	39 and 6424	294,555,167	.3	27,800,920	.4	25,543,752	.3	2,257,168
Light-duty trucks	6412	174,820,838	.2					
Fuel—taxicabs	6427	4,407,176	(?)	4,404,426	.1	2,750	(?)	4,401,676
Total refunds of taxes		3,182,583,800	2.7	141,568,355	1.9	133,422,453	1.7	8,145,902
Net taxes		110,537,539,198	95.1	6,619,825,908	86.6	7,188,812,310	89.4	-568,986,402
Interest on investments		5,686,238,181	4.9	1,027,450,661	13.4	852,902,324	10.6	174,548,337
Miscellaneous interest		4,862,733	(?)	33,150	(?)	4,383,506	.1	-4,350,356
Advances from general fund		489,000,000	.4					
Repayment of advances from general fund		-489,000,000	-.4					
Reimbursement from general fund		15,097,772	(?)					
Total receipts		116,243,737,885	100.0	7,647,309,719	100.0	8,046,098,140	100.0	-398,788,421

See footnotes at end of table.

STATEMENT 1.—STATUS OF HIGHWAY TRUST FUND, SEPT. 30, 1980—Continued

Description	Internal Revenue Code, section (26 U.S.C.)	Cumulative through Sept. 30, 1980		Fiscal year 1980		Fiscal year 1979		Increase or decrease (—) 1980 compared with 1979
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
OUTLAYS								
Highway program		102,219,044,798	97.1	8,838,278,617	95.9	6,875,980,377	96.1	1,962,298,240
Federal-Aid Highway Act of 1956		187,138,457	.2	26,161,581	.3	—440,959	(²)	26,602,540
Right-of-way revolving fund		160,499,102	.2	38,742,314	.4	21,634,189	.3	17,108,125
Trust fund share of other highway programs		1,065,590,427	1.0	213,904,105	2.3	193,400,000	2.7	20,504,105
Reimbursement to general fund		501,018,533	.5					
Forest highways		10,000,000	(²)					
Pentagon road network		2,245,111	(²)					
Public lands highways		5,000,000	(²)					
Overseas highways		53,606,269	.1	35,974,774	.4	12,591,958	.2	23,382,816
Highland Scenic Highway		14,964,799	(²)	3,494,794	(²)	4,406,126	.1	—911,332
Highland Scenic Highway study		468,927	(²)	349,552	(²)	119,375	(²)	230,177
Acceleration of projects		22,860,571	(²)	9,362,280	.1	7,377,228	.1	1,985,032
Highway safety construction		870,000,000	.8	202,771	(²)	882,730	(²)	—679,959
Baltimore-Washington Parkway		1,740,962	(²)	8,310,745	.1	7,618,090	.1	692,655
Highway safety research and development		38,302,350	(²)	28,434,621	.3	23,622,824	.3	4,811,797
Highway-related safety grants		67,587,279	.1	1,542,710	(²)	6,946,656	.1	—5,403,946
Traffic control demonstration projects		10,000,000	(²)	7,161,269	.1			7,161,269
Traffic control signal demonstration projects		7,161,269	(²)	263,423	(²)			261,115
Intermodal urban demonstration project		265,731	(²)	127,065	(²)	2,308	(²)	127,065
Carpools and vanpools grants		127,065	(²)					
Administration and enforcement of labor standards		368,225	(²)					
Interest on advances from general fund		6,288,481	(²)					
Total outlays		105,244,278,366	100.0	9,212,310,600	100.0	7,154,140,901	100.0	2,058,169,699
FUND ASSETS								
Investments (Government account series), Treasury certificates of indebtedness								
8½ percent, maturing June 30, 1980		118,101,000		118,101,000		567,009,000		—567,009,000
8¾ percent, maturing June 30, 1980		10,741,430,000		10,741,430,000		11,901,648,000		—11,901,648,000
9½ percent, maturing June 30, 1981		139,928,518		139,928,518		95,803,399		10,741,430,000
10½ percent, maturing June 30, 1981								44,125,119
Undisbursed balance								
Total assets		10,999,459,511		10,999,459,518		12,564,460,399		—1,565,000,881

¹ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

² Less than 0.05 of 1 percent.

STATEMENT 2—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-80 AND ESTIMATES 1981-84 UNDER EXISTING LEGISLATION

[In millions of dollars]

Fiscal year	Net excise taxes 1	Receipts		Outlays				Balance in the fund	Liability for—	
		Interest (net) 2	Total	Authorizations		Total	Unpaid obligations		Unpaid authorizations	
				Interstate	Withheld from apportionment (deduct)					All other	Unpaid authorizations
1957	1,479	3	1,482	211	755	966	516	2,421	4,702	
1958	2,026	18	2,044	673	838	1,511	1,049	3,855	6,769	
1959	2,074	13	2,087	1,501	1,112	2,613	523	4,751	7,562	
1960	2,539	-3	2,536	1,861	1,079	2,940	119	4,421	7,300	
1961	2,798	1	2,799	1,719	900	2,619	299	4,989	7,764	
1962	2,949	7	2,956	1,914	870	2,784	471	5,239	8,309	
1963	3,279	14	3,293	2,109	908	3,017	747	6,149	8,866	
1964	3,519	20	3,539	2,636	1,010	3,645	641	6,669	8,978	
1965	3,659	11	3,670	3,016	1,010	4,026	285	6,685	8,775	
1966	3,917	14	3,924	2,978	987	3,965	244	6,748	8,856	
1967	4,441	14	4,455	2,976	998	3,974	725	6,556	9,332	
1968	4,394	34	4,428	3,149	964	4,113	982	6,617	10,011	
1969	4,637	53	4,690	3,289	1,089	4,378	1,521	7,134	11,435	
1970	5,354	113	5,467	3,456	1,229	4,685	2,612	7,535	12,710	
1971	5,342	183	5,525	3,456	1,229	4,685	3,652	7,512	13,977	
1972	5,322	206	5,528	3,468	1,222	4,690	4,490	7,918	15,357	
1973	5,665	247	5,912	3,395	1,416	4,811	5,591	7,380	10,546	
1974	6,260	415	6,675	3,017	1,582	4,599	7,667	8,106	18,057	
1975	6,188	586	6,774	2,902	1,942	4,844	9,597	11,173	20,163	
1976	5,413	587	6,000	3,429	3,091	6,520	9,077	9,361	18,481	
1977	1,676	14	1,690	854	904	1,758	9,009	9,299	20,334	
1978	6,709	593	7,302	2,979	3,168	6,147	10,164	10,362	17,489	
1979	6,905	662	7,567	2,846	3,212	6,058	11,673	11,749	18,582	
1979	7,189	857	8,046	3,449	3,706	7,155	12,564	13,556	19,823	
1980	6,620	1,027	7,647	4,334	4,878	9,212	10,999	12,768	19,242	

See footnotes at end of table.



STATEMENT 2—STATUS OF HIGHWAY TRUST FUND, ACTUAL FISCAL YEARS 1957-80 AND ESTIMATES 1981-84 UNDER EXISTING LEGISLATION
 [In millions of dollars]

Fiscal year	Receipts			Authorizations				Total	Balance in the fund	Liability for—	
	Net excise taxes ¹	Interest (net) ²	Total	Interstate		All other				Unpaid obligations	Unpaid authorizations ⁵
				Fiscal years 1957-85 ³	from apportionment (deduct)	Fiscal years 1957-82 ⁴	from apportionment (deduct)				
Estimated:											
1981	6,823	1,112	7,935	3,786		4,973		8,759	10,175	13,265	20,005
1982	6,871	891	7,762	3,588		4,594		8,142	9,795	13,749	20,129
1983	7,037	823	7,860	3,558		5,216		8,774	8,881	13,602	15,080
1984	6,888	677	7,565	12,450	(2,296)	6,395	(63)	*16,446	0	0	2,359
Total	7138,173	9,187	147,360	*88,749	(2,296)	*60,970	(63)	147,360			

¹ Excludes refunds and transfers. Fiscal year 1968 includes reimbursement of \$15 million to the fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.

² Receipts of interest on investments netted by payment of interest on general fund advances of \$5 million in 1960, \$1 million in 1961, and \$1 million in 1966. Advances from the general fund repaid in the same year were \$359 million in 1960, \$60 million in 1961, and \$70 million in 1966.

³ Interstate authorizations for fiscal years 1986 through 1990 totaling \$18,125 million are not reflected because those authorizations are scheduled for apportionment after the trust fund's existing termination date.

⁴ Includes all funds authorized for fiscal 1982 and prior fiscal years plus \$100 million authorized for 1983 and 1984 emergency relief.

⁵ Fiscal 1977 and prior years noninterstate authorizations and all fiscal year authorizations for interstate construction and resurfacing are available for obligation in advance of the fiscal year for which authorized. Fiscal 1978 and subsequent noninterstate authorizations become available on Oct. 1 of the fiscal year for which authorized.

⁶ Provides for complete disbursement of interstate funds authorized for fiscal 1985 and prior fiscal years and all noninterstate funds authorized for fiscal 1984 and prior fiscal years (less \$2,296 million of fiscal 1985 interstate and \$63 million of fiscal 1984 noninterstate funds withheld from apportionment because projected revenues through Sept. 30, 1984, are insufficient to finance them).

⁷ Excludes receipts of tax liabilities accrued prior to Oct. 1, 1984, but collected thereafter (\$178 million).

* Reflects reduction in trust fund liability for substitutions approved pursuant to 23 U.S.C. 103(e)(4) and 142(c) through fiscal 1980.

**TWENTY-SIXTH ANNUAL REPORT ON THE
HIGHWAY TRUST FUND**

COMMUNICATION

FROM

**FISCAL ASSISTANT SECRETARY OF THE
TREASURY**

TRANSMITTING

**THE 26TH ANNUAL REPORT ON THE FINANCIAL CONDITION
AND RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST
FUND, PURSUANT TO SECTION 209(e)(1) OF THE HIGHWAY
REVENUE ACT OF 1956, AS AMENDED**



**MAY 27, 1982.—Referred to the Committee on Ways and Means and
ordered to be printed**

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WASHINGTON : 1982

DEPARTMENT OF THE TREASURY,
Washington, D.C., May 24, 1982.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to submit the twenty-sixth annual report on the financial condition and results of the operations of the Highway Trust Fund, as required by section 209(e)(1) of the Highway Revenue Act of 1956, as amended.

The report contains comments on highlights of the fund, data on fiscal 1981 and prior year operations and financial condition, and estimated data for the following fiscal years. Supporting statements include annual and cumulative data on the basis of existing legislation for each fiscal year through September 30, 1984.

Sincerely yours,

PAUL H. TAYLOR.

Enclosure.

TWENTY-SIXTH ANNUAL REPORT ON THE FINANCIAL CONDITION AND
RESULTS OF THE OPERATIONS OF THE HIGHWAY TRUST FUND,
SEPTEMBER 30, 1981

FORWARD

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, in accordance with provisions of section 209 of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by section 209(e)(1) of the act to be submitted by the Secretary of the Treasury not later than the first day of June, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during subsequent fiscal years. The Federal-Aid High-

way Act of 1978 (Public Law 95-599, approved November 6, 1978) extended the termination date of the fund to September 30, 1984.

	<i>Millions</i>
Net receipts.....	\$7, 433. 7
Outlays	9, 173. 7
Excess of outlays.....	1, 740. 0
Net purchases of investments.....	-1, 673. 8
Decrease in undisbursed balances.....	-66. 2
Total decrease in assets.....	-7, 740. 0
Balances in the fund:	
Investment holdings.....	9, 185. 7
Undisbursed balance.....	73. 7
Total balances.....	9, 259. 4

NOTE.—Further details of the operations are included in statement No. 1. Details of figures may not add to totals because of rounding.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Receipts

The rates of taxes in fiscal 1981 were: Gasoline, diesel fuel, and special motor fuels, 4 cent a gallon; trucks, buses, etc., 10 percent of the manufacturer's, producer's, or importer's price; highway tires and inner tubes, 10 cents per pound; other tires (except laminated tires, 1 cent per pound), 5 cents per pound; tread rubber, 5 cents per pound; highway vehicles of more than 26,000 pounds gross weight, 75 cents per 1,000 pounds per year; lubricating oil, 6 cents per gallon; and parts and accessories for trucks, buses, etc., 8 percent of the manufacturer's, producer's, or importer's price.

Transfers to the trust fund of amounts equivalent to the above taxes, net of transfers to the land and water conservation fund and refunds, amounted to \$6,304.9 million in fiscal 1981, a net decrease of \$314.9 million compared with transfers of \$6,619.8 million in fiscal 1980.

Comparative figures for the two years are shown in Statement No. 1 and summarized as follows:

[Dollar amounts in millions]

Type of tax	Fiscal 1981		Fiscal 1980		Increase, or decrease (-)
	Net taxes transferred	Percent to total	Net taxes transferred	Percent to total	
Gasoline, diesel fuel, and special motor fuels.....	\$4, 450. 0	70. 6	\$4, 419. 6	66. 8	30. 4
Trucks, buses, and trailers ¹	664. 2	10. 5	912. 2	13. 8	-248. 0
Tires.....	599. 4	9. 5	633. 3	9. 6	-33. 9
Use of certain vehicles.....	236. 7	3. 7	277. 4	4. 2	-40. 7
Lubricating oils.....	75. 8	1. 2	76. 9	1. 2	-1. 1
Parts and accessories.....	233. 7	3. 7	253. 1	3. 8	-19. 4
Inner tubes and tread rubber.....	45. 1	. 7	47. 3	. 7	-2. 2
Total.....	6, 304. 9	100. 0	6, 619. 8	100. 0	-314. 9

¹ The Energy Tax Act of 1978 (Public Law 95-618, approved Nov. 6, 1978) removed excise taxes on buses and bus parts purchased after Apr. 20, 1977, and allowed credits or refunds for such taxes paid.

Under the provisions of section 209(c)(4) of the act, amounts are appropriated and transferred to the trust fund twice monthly on the basis of the estimates and adjusted to an actual basis on certifications of the Internal Revenue Service. Transfers on the basis of estimates amounted to \$6,669.9 million. A transfer from an escrow account per Supreme Court decision in the amount of \$170.8 million is also included. Adjustments to amounts transferred, equaled -\$352.3 million during fiscal 1981.

Outlays

Outlays for Federal-aid highways and other programs specified by law are made by the Federal Highway Administration and the National Highway Traffic Safety Administration, Department of Transportation, from funds made available from the trust fund, as provided by appropriation acts. During fiscal 1981, the outlays from the fund amounted to \$9,173.8 million, a decrease of \$38.5 million from the outlays of \$9,212.3 million in 1980. Outlays from the fund are shown in Statement No. 1 and summarized as follows:

[In millions of dollars]

	Fiscal 1981	Fiscal 1980	Increase, or decrease (-)
Federal Highway Administration:			
Federal-aid highways.....	8,821.6	8,838.3	-16.7
Right-of-way revolving fund.....	7.4	26.2	-18.8
Trust fund share of other highway programs.....	43.9	38.7	5.2
Baltimore-Washington Parkway.....	.6	.2	.4
Highway safety research and development.....	9.2	8.3	.9
Overseas highways.....	30.8	36.0	-5.2
Highland Scenic Highway.....	(1)	3.5	-3.5
Highland Scenic Highway study.....	.3	.3	-----
Acceleration of projects.....	.5	9.4	-8.9
Highway-related safety grants.....	29.7	28.4	1.3
Traffic control demonstration projects.....	-----	1.5	-1.5
Intermodal urban demonstration project.....	.2	.3	-.1
Traffic control signal demonstration projects.....	6.4	7.2	-.8
Carpools and vanpools grants.....	1.0	.1	.9
Bicycle programs.....	.4	-----	.4
National Park Service construction.....	(1)	-----	(1)
National Highway Traffic Safety Administration: Trust fund share of traffic safety program.....	221.8	213.9	7.9
Total outlays.....	9,173.8	9,212.3	-38.5

¹ Less than \$50,000.

Investments

Balances in the trust fund determined to be in excess of requirements for current outlays are invested by the Secretary of the Treasury in interest-bearing securities of the United States issued exclusively to the trust fund, as authorized by section 209(e)(2) of the act. The rate of interest on these investments is the average rate on marketable interest-bearing debt adjusted to the next lower one-eighth of 1 percent. On September 30, 1981, the fund held \$7,540.0 million in Government account series, Treasury certificates of indebtedness bearing interest at 11 $\frac{5}{8}$ percent, maturing June 30, 1982, \$547.7 million in Government account series, Treasury certificates of indebtedness bearing interest at 11 $\frac{7}{8}$ percent, maturing June 30, 1982, \$577.0 million in Government account series, Treasury certificates of indebtedness bearing interest at 11 $\frac{3}{4}$ percent, maturing June 30, 1982, and \$521.0 million in Govern-

ment account series, Treasury certificates of indebtedness bearing interest at $12\frac{1}{8}$ percent, maturing June 30, 1982. The trust fund was credited with \$1,127.2 million in interest on investments in fiscal 1981, compared with \$1,027.5 million credited in 1980.

During 1981, \$11.0 million was transferred to the land and water conservation fund in accordance with Public Law 88-578, approved September 3, 1964 (78 Stat. 897) and \$20.0 million was transferred to national boating safety facilities improvement fund in accordance with Public Law 96-451, approved October 14, 1980 (94 Stat. 1983). These amounts represent the equivalent of taxes received from the sale of special motor fuels and gasoline used in motorboats.

The provisions of Public Law 89-44, approved June 21, 1965 (79 Stat. 168), as amended, Public Law 91-258 (84 Stat. 249), approved May 21, 1970, require, with certain exceptions, that amounts payable to the taxpayer as refunds of taxes with respect to certain use of gasoline, special fuels, and lubricating oils be allowed as a credit against the taxpayer's income tax. As required by the legislation, amounts equivalent to these tax credits, under section 39 of the Internal Revenue Code of 1954, are charged to the trust fund on the basis of estimates by the Secretary of the Treasury. The estimates are subject to adjustments in later charges to the fund on the basis of certifications of the Internal Revenue Service. In fiscal 1981, estimated tax credit of \$110.4 million, actual credits and adjustments of prior estimates of \$33.9 million, and actual cash refunds of \$8.2 million accounted for a total of \$152.5 million of refunds.

During fiscal 1981, the trust fund was credited with \$1,127.2 million of interest on investments in public debt securities and a minimal amount of miscellaneous interest, bringing the total credits to \$7,433.7 million compared with \$7,647.3 million in fiscal 1980.

[In millions of dollars]

	Fiscal 1981	Fiscal 1980	Increase, or decrease (-)
Transfers on basis of estimates.....	6,669.9	6,827.1	-157.2
Quarterly adjustments.....	-352.3	-34.9	-317.4
Transfer from escrow account.....	170.8		170.8
Total transfers.....	6,488.4	6,792.2	-303.8
Transfers to land and water conservation, and national boating safety facilities funds ¹	-31.0	-30.9	-.1
Refunds of taxes.....	-152.5	-141.6	-10.9
Net transfers.....	6,304.9	6,619.8	-314.9
Interest on investments ²	1,127.2	1,027.5	99.7
Miscellaneous interest.....	1.6	(³)	1.6
Total receipts.....	7,433.7	7,647.3	-213.6

¹ Excludes \$1,300,000 transferred from Puerto Rico and Virgin Island escrow account to the land and water conservation fund.

² Includes \$21,300,000 of interest transferred from the Virgin Island and Puerto Rico escrow account per Supreme Court decision.

³ Less than \$50,000.

Balance in the fund

The balance in the fund as of September 30, 1981, was \$9,259.4 million, a decrease of \$1,740.1 million from the September 30, 1980, balance of \$10,999.5 million. The balance consisted of investments of \$9,185.7 million and an undisbursed balance of \$73.7 million.

Cumulative summary

Cumulative operations, from inception in 1956 through September 30, 1981, are summarized as follows:

Receipts:

Excise taxes:

Gasoline -----	\$81,155.6
Diesel and special motor fuels -----	6,535.3
Tires, tubes, and tread rubber -----	14,086.4
Trucks, buses, and trailers -----	11,664.9
Use of certain vehicles -----	3,598.0
Parts and accessories -----	2,105.6
Lubricating oils -----	1,527.8
Total taxes -----	120,673.7
Transfers to land and water conservation fund ¹ -----	-476.7
Transfer to national boating safety facilities improvement fund -----	-20.0
Refunds of tax receipts -----	-3,335.0
Net taxes -----	116,842.5
Interest on investments ² -----	6,813.5
Miscellaneous interest -----	6.4
Reimbursements from general fund -----	15.1
Total receipts -----	123,677.5

Outlays:

Highway program -----	114,411.4
Interest on advances from general fund -----	6.3
Administration and enforcement of labor standards -----	.4
Total outlays -----	114,418.1

Balances in the fund:

Investments in public debt securities -----	9,185.7
Undisbursed balance -----	73.7
Total balances -----	9,259.4

¹ Excludes \$1,300,000 transferred from Puerto Rico and Virgin Islands escrow account to the land and water conservation fund.

² Includes \$21,000,000 of interest transferred from the Virgin Islands and Puerto Rico escrow account per Supreme Court decision.

NOTE.—Further details regarding the cumulative operations are included in Statement No. 1.

PROJECTIONS UNDER EXISTING LEGISLATION

Legislation relating to the operation of the Highway Trust Fund was enacted by the 97th Congress.

Public Law 97-12, approved June 5, 1981, appropriated an additional \$1,269 million from the Highway Trust Fund for the payment of obligations incurred in carrying out the provisions of title 23, United States Code, attributable to Federal-aid highways, the National Scenic and Recreational Highway program, and the highway-related safety grants program (sec. 402). This act also provided for an increase of \$33,959,000 in obligation authority for the purpose of completing routes designated under the urban high density program prior to May 5, 1976.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) approved August 13, 1981, reduced authorizations contained

in the Highway Safety Act of 1978 (Public Law 95-599) by a total of \$221.5 million for the following programs: 23 U.S.C. 402 (safety grants), 403 and 307(a) (research and development), 154 (national maximum speed limit), 406 (schoolbus driver training), 407 (innovative project grants), and section 206 of the Highway Safety Act of 1978 (accident data). The act also provided new authorizations in the amounts of \$155.5 million for 1983 and \$154 million for 1984 for these programs. In addition, this act rescinded unobligated balances of funds authorized for the safety grants program (23 U.S.C. 402) in the amount \$173 million.

The Federal-Aid Highway Act of 1981 (Public Law 97-134), approved December 29, 1981, reduced the authorization for fiscal 1983 provided in the Surface Transportation Assistance Act of 1978 for construction of the interstate system by \$100 million and eliminated the authorization of \$275 million for the interstate 3R program for fiscal 1983. It also provided new authorizations of \$800 million for each of fiscal years 1983 and 1984 for the interstate 4R program, and an authorization of \$60 million for the Woodrow Wilson Bridge.

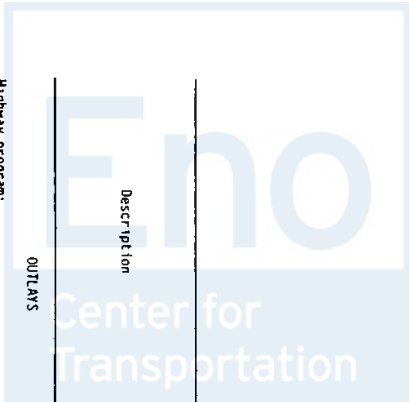
The status of the Highway Trust Fund under existing legislation is shown in Statement No. 2. This statement shows actual revenues, expenditures, and balances for the fiscal years 1957 through 1981 and estimated amounts for fiscal years 1982 through 1984.

Total estimated expenditures of the Highway Trust Fund are \$148,525 million and include \$89,934 million for interstate programs and \$60,540 million for noninterstate programs (primary, secondary, urban, safety, bridges, etc.) less \$1,821 million and \$128 million, respectively, withheld from apportionment because projected revenues are not sufficient to finance them.



STATEMENT NO. 1. - Status of Highway Trust Fund, Sept. 30, 1981

Description	Internal Revenue Code Section (26 U.S.C.)	Cumulative through Sept. 30, 1981		Fiscal year 1981		Fiscal year 1980		Increase or decrease (-) 1981 compared with 1980
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
RECEIPTS								
Excise taxes (transferred from general fund):								
Gasoline.....	4081.....	\$81,155,647,050	65.6	\$4,047,114,647	54.4	\$4,041,677,142	52.9	\$5,437,505
Diesel and special motor fuels.....	4081 (a) (b).....	6,535,273,681	5.3	560,971,659	7.6	522,553,394	6.8	38,418,465
Tires used on highway vehicles.....	4071 (a) (1).....	12,631,862,301	10.2	599,418,474	8.1	633,298,105	8.3	-33,879,631
Tread rubber.....	4071 (a) (4).....	571,022,123	0.5	19,093,944	0.3	21,094,289	0.3	-2,000,345
Trucks, buses, and trailers.....	4081 (a) (1).....	11,664,875,084	9.4	664,227,822	8.9	912,200,403	11.9	-247,972,581
Use of certain vehicles.....	4071 (a) (3).....	3,597,967,683	2.9	236,653,939	3.2	277,419,075	3.6	-40,765,136
Other tires.....	4071 (a) (2).....	610,837,039	0.5	25,965,511	0.4	26,238,020	0.3	-272,109
Parts and accessories.....	4081 (b).....	272,718,179	0.2	233,710,542	3.1	253,061,739	3.3	-19,351,197
Lubricating oils.....	4091 (b).....	2,105,599,573	1.7	101,222,368	1.4	104,202,343	1.4	-3,479,975
1,527,921,615			1.2					
Total taxes.....		120,673,215,329	97.6	6,488,379,106	87.3	6,792,244,510	88.8	-303,865,404
Less: transfer to land and water conservation fund.....	4081.....	476,213,226	.4	11,000,000	.2	30,850,247	.4	-19,850,247
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	20,000,000	(.2)	20,000,000	.3	.....	.....	20,000,000
Gross taxes.....		120,177,502,104	97.1	6,457,379,106	86.9	6,761,394,263	88.4	-304,015,157
Less: refunds of taxes (reimbursed to general fund):								
Gasoline used on farms.....	3966420	2,440,574,195	2.0	117,063,907	1.6	104,570,237	1.4	12,493,670
Gasoline used for nonhighway purposes or local transit.....	3966421	391,159,641	.3	6,135,746	.1	4,792,772	.1	1,342,974
Gasoline, other.....	6412	103,008	(.2)	.....	.....	.....	.....	.....
Tires and tread rubber.....	6412	97,417	(.2)	.....	.....	.....	.....	.....
Trucks, buses, and trailers.....	6412	66,651	(.2)	.....	.....	.....	.....	.....
Floor stock tags.....	6412	-640	(.2)	.....	.....	.....	.....	.....
Lubricating oils not used in highway motor vehicles.....	3966424	319,945,159	.3	25,389,992	.3	27,800,920	.4	-2,410,928
Light-duty trucks.....	6412	174,820,838	.1	.....	.....	.....	.....	.....
Fuel-tanks.....	6427	5,152,021	(.2)	744,845	(.2)	4,404,426	.1	-3,659,581
Commercial fishing vessels.....	4081 (a)	1,719,579	(.2)	1,719,579	(.2)	.....	.....	1,719,579
Gasohol (tax paid gasoline).....	4081 (c)	1,398,889	(.2)	1,398,889	(.2)	.....	.....	1,398,889
Total refunds of taxes.....		3,335,036,798	2.7	152,452,958	2.1	141,568,355	1.9	10,884,603
Net taxes.....		116,842,465,347	94.5	6,304,926,148	84.8	6,619,825,908	86.6	-314,899,760
Interest on investments.....		6,813,478,334	5.5	1,127,240,152	15.1	1,027,450,661	13.4	99,789,491
Miscellaneous interest.....		6,441,685	(.2)	1,578,952	(.2)	33,150	(.2)	1,545,802
Advances from general fund.....		489,000,000	.4	.....	.....	.....	.....	.....
Repayment of advances from general fund.....		-489,000,000	-.4	.....	.....	.....	.....	.....
Reimbursement from general fund.....		15,097,772	(.2)	.....	.....	.....	.....	.....
Total receipts.....		123,677,483,137	100.0	7,433,745,253	100.0	7,647,309,719	100.0	-213,564,466



STATEMENT NO. 1 - Status of Highway Trust Fund, Sept. 30, 1991 -- Continued

Description	Internal Revenue Code Section (26 U.S.C.)		Cumulative through Sept. 30, 1991		Fiscal year 1991		Fiscal year 1990		Increase or decrease (-) 1991 compared with 1990
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	

OUTLAYS									
Highway program:									
Federal-aid Highway Act of 1956.....	111,040,598,853	97.1	8,821,554,054	96.2	8,838,278,617	95.9	-16,724,553		
Right-of-way revolving fund.....	194,563,911	1	7,425,455	1	26,161,581	4	-18,736,126		
Trust fund share of other highway programs.....	204,399,323	2	43,900,221	5	39,742,374	4	5,157,847		
Trust fund share of traffic safety programs.....	1,287,344,548	1.1	221,754,121	2.4	213,904,108	2.3	7,850,016		
Reimbursement to general fund.....	501,018,553	4	.....	.....	.....	.....	.....
Forest highways.....	10,000,000	.....	.....	.....	.....	.....	.....
Pentagon road network.....	2,245,111	.....	.....	.....	.....	.....	.....
Public lands highways.....	5,000,000	.....	.....	.....	.....	.....	.....
Overseas highways.....	84,408,596	.....	30,802,127	.....	31,974,774	.....	.....
Highland Scenic Highway.....	15,000,000	.....	35,201	.....	3,484,784	.....	.....
Highland Scenic Highway Study.....	719,360	.....	250,433	.....	349,552	.....	.....
Acceleration of projects.....	23,407,413	.....	546,842	.....	9,362,260	.....	.....
Highway safety construction.....	870,000,000	8	.....	.....	.....	.....	.....
Baltimore-Washington Parkway.....	2,368,599	.....	628,637	.....	202,771	.....	.....
Highway safety research and development.....	47,475,529	.....	9,173,180	.....	8,310,745	.....	.....
Highway-related safety grants.....	97,321,944	.....	29,734,665	.....	28,414,621	.....	.....
Traffic control demonstration projects.....	10,000,000	.....	.....	.....	1,542,710	.....	.....
Traffic control signal demonstration projects.....	13,520,219	.....	6,358,950	.....	7,161,269	.....	.....
Intermodal urban demonstration project.....	449,900	.....	184,169	.....	263,423	.....	.....
Carpools and vanpools grants.....	1,106,933	.....	979,868	.....	127,065	.....	.....
Bicycle programs.....	432,981	.....	432,981	.....	.....	.....	.....
National Park Service construction.....	847	.....	847	.....	.....	.....	.....
Administration and enforcement of labor standards	368,225	.....	.....	.....	.....	.....	.....
Interest on advances from general fund.....	6,288,481	.....	.....	.....	.....	.....	.....
Total outlays.....	114,418,040,326	100.0	9,173,761,960	100.0	9,212,310,600	100.0	-38,548,540		

FUND ASSETS									
Investments (Government account series), Treasury									
certificates of indebtedness:									
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Increase or decrease (-) 1991 compared with 1990
9-1/2 percent, maturing June 30, 1991.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10-1/4 percent, maturing June 30, 1991.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11-5/8 percent, maturing June 30, 1992.....	7,540,017,000	.....	7,540,017,000	.....	10,741,439,000	.....	-10,741,439,000		
11-7/8 percent, maturing June 30, 1992.....	547,200,000	.....	547,200,000	.....	.....	.....	.....
11-3/4 percent, maturing June 30, 1992.....	577,000,000	.....	577,000,000	.....	.....	.....	.....
12-1/8 percent, maturing June 30, 1992.....	521,011,000	.....	521,011,000	.....	.....	.....	.....
Undisbursed balance.....	23,714,811	.....	3,714,811	.....	13,490,518	.....	.....
Total assets.....	9,259,442,811	.....	9,259,442,811	.....	10,999,459,518	.....	-1,740,016,707		

Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.
Less than 0.05 of 1 percent.

STATEMENT NO. 2. -- Status of Highway Trust Fund, actual fiscal years 1957-61 and estimates 1962-64 under existing legislation
(in millions of dollars)

Fiscal year	Net excise taxes ^{1/}	Interest ^{2/}	Total	Authorizations			Total	Balance in the fund	Unpaid obligations	Unpaid authorizations ^{3/}
				Interstate		All other				
				Fiscal years 1957-61 ^{3/}	Withheld from apportionment (deduct)	Fiscal years 1957-62					Withheld from apportionment (deduct)
1957	1,479	3	1,482	211		755	966	516	2,471	4,702
1958	2,026	18	2,044	273		838	1,511	1,049	3,655	6,769
1959	2,074	13	2,087	1,561		1,112	2,613	323	4,751	7,562
1960	2,519	-3	2,516	1,079		1,079	2,940	119	4,421	7,300
1961	2,798	1	2,799	1,219		870	2,639	471	4,989	7,764
1962	2,949	7	2,956	1,914		908	3,079	71	5,239	8,309
1963	3,279	14	3,293	2,109		988	3,645	647	6,149	8,865
1964	3,519	20	3,539	2,635		1,010	4,026	244	6,665	9,178
1965	3,659	11	3,670	3,016		1,010	4,026	244	6,665	9,178
1966	3,917	7	3,924	2,978		987	3,965	725	6,748	9,772
1967	4,441	14	4,455	2,976		964	3,974	982	6,556	10,011
1968	4,394	34	4,428	3,207		964	4,171	982	6,556	10,011
1969	4,637	53	4,690	3,149		1,002	4,151	1,521	7,124	11,415
1970	5,354	115	5,469	3,289		1,089	4,378	2,612	7,537	12,710
1971	5,322	183	5,505	3,456		1,279	4,685	3,652	7,513	13,950
1972	5,322	206	5,528	3,468		1,222	4,690	4,490	7,375	15,373
1973	5,685	247	5,932	3,395		1,416	4,811	5,591	7,315	17,683
1974	6,174	415	6,589	3,017		1,582	4,599	7,667	8,115	19,671
1975	6,188	86	6,274	2,902		1,942	4,884	9,197	8,115	19,671
1976	5,413	58	5,471	3,464		3,091	6,320	9,107	N/A	N/A
1977	1,676	14	1,690	1,690		1,690	1,795	10,704	9,323	16,098
1978	6,709	593	7,302	2,979		3,158	6,050	11,523	10,347	17,076
1979	6,905	662	7,567	2,886		3,212	6,050	11,523	10,347	17,076
1980	7,189	857	8,046	3,449		3,706	7,155	12,564	11,554	18,005
1981	6,620	1,027	7,647	4,334		4,878	9,212	10,909	12,766	18,872
1982	6,305	1,129	7,434	4,111		5,063	9,174	9,259	12,993	18,914
1983	6,582	1,079	7,661	3,722		4,618	8,340	8,580	12,809	19,106
1984	7,482 ^{5/}	1,817 ^{6/}	9,299	13,154	(1,821)	6,330	8,237	8,236	12,605	15,605
Total	137,880	10,645	148,525	89,934 ^{6/} (1,871)		60,540 ^{6/} (128)	148,525	-	17,535 ^{7/}	1,949

^{1/} Refunds of taxes and transfers to other funds have been deducted. Fiscal year 1968 includes reimbursement of \$15 million to the fund for emergency relief expenditures authorized by the 1964 amendments to the Alaska Omnibus Act and the Pacific Northwest Disaster Relief Act of 1965.

^{2/} Receipts of interest on investments netted by payment of interest on general fund advances of \$5 million in 1960, \$1 million in 1961, and \$1 million in 1965. Advances from the general fund repaid in the same year were \$39 million in 1960, \$60 million in 1961, and \$70 million in 1965.

^{3/} Interstate authorizations for fiscal years 1966 through 1990 totaling \$18,125 million are not reflected because those authorizations are scheduled for apportionment after the trust fund's existing termination date.

^{4/} Fiscal 1977 and prior years noninterest authorizations and all fiscal year authorizations for interstate construction and resurfacing are available for obligation in advance of the fiscal year for which authorized. Fiscal 1978 and subsequent noninterest authorizations become available on Oct. 1 of the fiscal year for which authorized.

^{5/} Includes interest to be earned in fiscal 1985 (\$878 million).

^{6/} Includes receipts of tax liabilities accrued prior to Oct. 1, 1984, but collected thereafter (\$201 million).

^{7/} Includes interest on general fund advances of interstate funds authorized for FY 1985 and prior fiscal years and all noninterstate funds authorized for FY 1984 and prior fiscal years (less \$1,821 million of FY 1985 interstate and \$128 million of FY 1984 non-interstate funds withheld from apportionment because projected revenues through Sept. 30, 1984, are insufficient to finance them).

^{8/} Reflects reduction in trust fund liability for substitutions approved pursuant to 23 U.S.C. 103(e)(4) and 182(c) through fiscal 1981.

Highway Trust Fund

The Highway Trust Fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury under the Surface Transportation Assistance Act of 1982. Amounts equivalent to excise taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1988, as a result of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, approved Oct. 6, 1983). The act also established a mass transit account within the trust fund to be funded by one-ninth of the excise tax collections under sections 4041

and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 6 fiscal years.

Results of Operations, Fiscal Year 1982

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1981.....		\$9,259,442,811
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	724,563,163
Diesel and special motor fuels.....	4041 (a) (b).....	594,082,636
Gasoline.....	4081.....	4,257,517,233
Tires used on highway vehicles.....	4071 (a) (1).....	625,895,891
Inner tubes.....	4071 (a) (3).....	22,551,899
Tread rubber.....	4071 (a) (4).....	23,401,874
Other tires.....	4071 (a) (2).....	-
Use of certain vehicles.....	4481.....	332,813,058
Parts and accessories.....	4061 (b).....	224,175,771
Lubricating oils.....	4091 (b).....	105,281,570
Total taxes.....		6,910,283,095
Less transfer to land and water conservation fund.....	4081.....	30,300,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	-
Gross taxes.....		6,879,983,095
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms 1/.....	3986420.....	85,074,993
Gasoline used for nonhighway purposes or local transit 1/.....	6421.....	6,393,503
Floor stock taxes.....	6412.....	-
Lubricating oils not used in highway motor vehicles 1/.....	6424.....	29,100,900
Fuel--taxicabs.....	6427.....	4,111,048
Commercial fishing vessels.....	4081 (a).....	2,613,606
Gasohol (tax paid gasoline).....	4081 (c).....	2,710,010
Gasoline, other.....	6412.....	6,300,000
Total refunds of taxes.....		136,304,060
Net taxes.....		6,743,679,035
Interest on investments.....		1,078,501,907
Total receipts.....		7,822,180,942
Outlays:		
Highway program:		
Federal-Aid Highway Act of 1956.....		7,788,588,665
Right-of-way revolving fund.....		1,369,671
Trust fund share of traffic safety program.....		174,185,680
Trust fund share of other highway programs.....		12,711,093
Highway safety construction.....		-
Baltimore-Washington Parkway.....		281,995
Highway safety research and development.....		7,040,649
Overseas highways.....		23,795,490
Highland Scenic Highway.....		(33,293)
Acceleration of projects.....		80,681
Highway-related safety grants.....		21,302,211
Highland Scenic Highway Study.....		69,518
Intermodal urban demonstration project.....		577,941
Traffic control signal demonstration project.....		3,020,975
Carpool and vanpool grants.....		1,527,052
Bicycle programs.....		561,717
National Park Service construction.....		126,279
Total outlays.....		8,035,206,322
Balance Sept. 30, 1982.....		9,046,417,431

/ Includes income tax credits. Tax credits are charged to the fund on the basis of estimates and later adjusted to actual.

Center for
Transportation

Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1983-88
[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1983	1984	1985	1986	1987	1988
Balance Oct. 1.....	\$9,046	\$9,956	\$10,468	\$10,200	\$9,150	\$7,652
Receipts: 1/						
Excise taxes, net of refunds.....	8,469	11,420	12,076	12,394	12,807	13,347
Interest, net.....	1,083	1,045	994	906	755	1,016
Total receipts.....	9,552	12,465	13,070	13,300	13,562	2/14,363
Outlays.....	8,642	11,953	13,338	14,350	15,060	19,118
Balance Sept. 30.....	9,956	10,468	10,200	9,150	7,652	2,897

Mass Transit Account

	1983	1984	1985	1986	1987	1988
Balance Oct. 1.....	-	\$481	\$1,376	\$2,103	\$2,648	\$3,016
Receipts: 1/						
Excise taxes, net of refunds.....	\$536	1,086	1,086	1,095	1,107	3/1,160
Interest, net.....	-	51	131	187	218	4/469
Total receipts.....	536	1,137	1,217	1,282	1,325	1,629
Outlays.....	55	242	490	737	957	1,748
Balance Sept. 30.....	481	1,376	2,103	2,648	3,016	2,897

Highway Account

	1983	1984	1985	1986	1987	1988
Balance Oct. 1.....	\$9,046	\$9,475	\$9,092	\$8,097	\$6,502	\$4,636
Receipts: 1/						
Excise taxes, net of refunds 5/.....	7,933	10,334	10,990	11,299	11,700	6/12,187
Interest, net 7/.....	1,083	994	863	719	537	8/547
Total receipts.....	9,016	11,328	11,853	12,018	12,237	12,734
Outlays:						
Gross outlays.....	8,587	11,711	12,848	13,613	14,103	23,778
Withheld from apportionment.....	-	-	-	-	-	-6,408
Net outlays.....	8,587	11,711	12,848	13,613	14,103	17,370
Balance Sept. 30.....	9,475	9,092	8,097	6,502	4,636	-
Unfunded authorizations.....	13,955	16,076	19,570	23,089	14,992	6,408
24-month revenue estimate 9/.....	23,181	23,871	24,255	24,558	12,844	-

1/ Revenue estimates based on economic assumptions used to develop the President's budget.

2/ Includes receipts of tax liabilities accrued prior to Oct. 1, 1988, but collected thereafter (\$253 million) and interest to be earned in fiscal year 1989 (\$432 million).

3/ Includes receipts of tax liabilities accrued prior to Oct. 1, 1988, but collected thereafter (\$33 million).

4/ Includes interest to be earned in fiscal year 1989 (\$239 million).

5/ Refunds of taxes and transfers to other funds have been deducted.

6/ Includes receipts of tax liabilities accrued prior to Oct. 1, 1988, but collected thereafter (\$220 million).

7/ Receipts of interest on investment netted by payment of interest on general fund advances.

8/ Includes interest to be earned in fiscal year 1989 (\$193 million).

9/ The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and "unfunded highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the Highway Trust Fund, over (b) the amount available in the Highway Trust Fund at such time to defray such commitments.

Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1988, as a result of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, approved Jan. 6, 1983). The act also established a mass transit account within the trust fund to be funded by one-ninth of the excise tax collections under sections 4041

and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1983

Center for
Transportation

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1982.....		<u>\$9,046,417,431</u>
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	51,403,366
Diesel and special motor fuels.....	4041 (a) (b).....	957,988,886
Truck taxes:		
a. Manufacturer's tax.....	4061 (a) (1).....	36,000,000
b. Retail tax.....	4051 (a) (1) (b).....	233,000,000
c. Transitional tax.....	4051 (d).....	18,000,000
Gasoline.....	4081.....	6,189,283,341
Tires used on highway vehicles.....	4071 (a) (1).....	577,310,677
Inner tubes.....	4071 (a) (3).....	19,559,077
Tread rubber.....	4071 (a) (4).....	19,001,223
Other tires.....	4071 (a) (2).....	-
Use of certain vehicles.....	4481.....	235,883,304
Parts and accessories.....	4061 (b).....	47,825,569
Lubricating oils.....	4091 (b).....	28,063,560
Total taxes.....		<u>8,413,319,003</u>
Less: Transfer to land and water conservation fund.....	4081.....	24,085,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	25,000,000
Gross taxes.....		<u>8,364,234,003</u>
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	3916420.....	37,537,865
Gasoline used for nonhighway purposes of local transit.....	6421.....	(700,271)
Floor stock taxes.....	6412.....	-
Lubricating oils not used in highway motor vehicles.....	6424.....	19,216,644
Fuel--taxicabs.....	6427.....	2,355,546
Commercial fishing vessels.....	4081 (a).....	1,642,081
Gasohol (tax paid gasoline).....	4081 (c).....	2,522,598
Gasoline, other.....	6412.....	5,000,000
Total refunds of taxes.....		<u>67,574,463</u>
Net taxes.....		<u>8,296,659,540</u>
Interest on investments.....		1,078,341,640
Miscellaneous interest.....		26,562
Total receipts.....		<u>9,375,027,742</u>
Outlays:		
Highway program:		
Federal-Aid Highway Act of 1956.....		8,718,243,687
Right-of-way revolving fund.....		(47,480,020)
Trust fund share of traffic safety program.....		130,370,804
Trust fund share of other highway programs.....		8,824,759
Highway safety construction.....		530,374
Baltimore-Washington Parkway.....		5,732,990
Highway safety research and development.....		4,189,887
Overseas highways.....		1,677
Highland Scenic Highway.....		4,312
Acceleration of projects.....		13,017,926
Highway-related safety grants.....		51,297
Highland Scenic Highway Study.....		108,043
Intermodal urban demonstration project.....		1,564,823
Traffic control signal demonstration project.....		1,564,564
Carpool and vanpool grants.....		182,490
Bicycle programs.....		729,204
National Park Service construction.....		-
Mass Transit.....		<u>3,131,463</u>
Total outlays.....		<u>8,840,768,280</u>
Balance Sept. 30, 1983.....		<u>9,580,676,893</u>

Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1984-88
[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1984	1985	1986	1987	1988
Balance Oct. 1.....	\$9,581	\$10,969	\$11,168	\$10,832	\$9,999
Receipts:					
Excise taxes, net of refunds.....	11,668	12,763	13,233	13,563	13,811
Interest, net.....	1,030	1,138	1,089	975	825
Total receipts.....	12,698	13,901	14,322	14,538	14,636
Outlays.....	11,310	13,702	14,658	15,371	15,654
Balance Sept. 30.....	10,969	11,168	10,832	9,999	8,981

Mass Transit Account

	1984	1985	1986	1987	1988
Balance Oct. 1.....	\$519	\$1,522	\$2,346	\$2,956	\$3,411
Receipts:					
Excise taxes, net of refunds.....	1,151	1,168	1,177	1,181	1,176
Interest, net.....	56	158	229	266	281
Total receipts.....	1,207	1,326	1,406	1,447	1,457
Outlays.....	204	502	796	992	1,121
Balance Sept. 30.....	1,522	2,346	2,956	3,411	3,747

Highway Account

	1984	1985	1986	1987	1988
Balance Oct. 1.....	\$9,062	\$9,447	\$8,822	\$7,876	\$6,588
Receipts:					
Excise taxes, net of refunds ^{1/}	10,517	11,595	12,056	12,382	12,635
Interest, net ^{2/}	974	980	860	709	544
Total receipts.....	11,491	12,575	12,916	13,091	13,179
Outlays.....	11,106	13,200	13,862	14,379	14,533
Balance Sept. 30.....	9,447	8,822	7,876	6,588	5,234
Unfunded authorizations.....	16,722	19,004	21,676	24,173	26,585
24-month revenue estimate ^{3/}	25,491	26,007	26,270	26,475	4/ N/A

^{1/} Refunds of taxes and transfer to other funds have been deducted.
^{2/} Receipts of interest on investments netted by payment of interest on general fund advances.

^{3/} The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and "unfunded highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the Highway Trust Fund, over (b) the amount available in the Highway Trust Fund at such time to defray such commitments.

^{4/} As no estimates have yet been made for revenue to be earned in FY 1990 (the President's budget figures extend only through FY 1989) a 24-month revenue estimate is not available for 1988. As a result, a determination cannot be made at this time as to whether or not all 1988 funds can be apportioned.

Note.--Data is in conformance with the President's fiscal year 1985 budget. The budget assumes extension of the trust fund and additional authorizations for substantially all programs at the level provided for FY 1986 by the Surface Transportation Assistance Act of 1982.

Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982 and recently modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1988, as a result of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, approved Jan. 6, 1983). The act also established a mass transit account within the trust

fund to be funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Center for
Transportation

Results of Operations, Fiscal Year 1984

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1983.....		
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	2,350,803
Diesel and special motor fuels.....	4041 (a) (b).....	1,630,227,597
Trucks.....	4051 (a).....	862,472,730
Gasoline.....	4081.....	8,979,114,114
Tires used on highway vehicles.....	4071 (a) (1).....	319,747,257
Inner tubes.....	4071 (a) (3).....	8,052,049
Tread rubber.....	4071 (a) (4).....	3,800,744
Other tires.....	4071 (a) (2).....	-
Use of certain vehicles.....	4481.....	179,665,220
Parts and accessories.....	4061 (b).....	(28,359,147)
Lubricating oils.....	4091 (b).....	(3,786,132)
Total taxes.....		<u>11,953,285,235</u>
Less: Transfer to land and water conservation fund.....	4081.....	56,241,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	12,500,000
Gross taxes.....		<u>11,884,544,235</u>
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	3986420.....	104,973,801
Gasoline used for nonhighway purposes of local transit.....	6421.....	5,053,928
Floor stock taxes.....	6412.....	-
Lubricating oils not used in highway motor vehicles.....	6424.....	6,369,089
Fuel--taxicabs.....	6427.....	4,792,523
Commercial fishing vessels.....	4081(a).....	2,219,199
Gasohol (tax paid gasoline).....	4081(c).....	2,224,297
Gasoline, other.....	6412.....	16,200,000
Aviation fuels--farms.....	4041.....	87,396
Total refunds of taxes.....		<u>141,920,233</u>
Net taxes.....		<u>11,742,624,002</u>
Interest on investments.....		1,115,675,344
Miscellaneous interest.....		-
Total receipts.....		<u>12,858,299,346</u>
Outlays:		
Highway program:		
Federal-Aid Highway Act of 1956.....		10,226,763,550
Right-of-way revolving fund.....		(17,802,619)
Trust fund share of traffic safety program.....		140,042,339
Trust fund share of other highway programs.....		10,154,002
Highway safety construction.....		-
Baltimore-Washington Parkway.....		16,804
Highway safety research and development.....		8,422,490
Overseas highways.....		137,261
Highland Scenic Highway.....		-
Acceleration of projects.....		151,414
Highway-related safety grants.....		12,169,435
Highland Scenic Highway Study.....		4
Intermodal urban demonstration project.....		114,042
Traffic control signal demonstration project.....		(46,332)
Carpool and vanpool grants.....		1,174,085
Bicycle programs.....		104,709
National Park Service construction.....		1,166,140
Motor carrier safety grants.....		233,195,737
Mass Transit.....		1,671,252
Total outlays.....		<u>10,617,434,311</u>
Balance Sept. 30, 1984.....		11,821,541,928

Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1985-89
[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1985	1986	1987	1988	1989
Balance Oct. 1.....	\$11,821.6	\$13,009.1	\$13,691.8	\$13,985.5	\$14,145.4
Receipts:					
Excise taxes, net of refunds.....	13,318.0	13,621.0	13,835.0	14,032.0	14,299.0
Interest, net.....	1,270.8	1,414.7	1,437.6	1,381.1	1,273.1
Total receipts.....	14,588.8	15,035.7	15,272.6	15,413.1	15,572.1
Outlays.....	13,401.3	14,353.0	14,978.9	15,253.2	15,721.0
Balance Sept. 30.....	13,009.1	13,691.8	13,985.5	14,145.4	13,996.5

Mass Transit Account

	1985	1986	1987	1988	1989
Balance Oct. 1.....	\$1,611.0	\$2,662.0	\$3,526.4	\$4,169.8	\$4,708.5
Receipts:					
Excise taxes, net of refunds.....	1,237.0	1,242.0	1,249.0	1,247.0	1,257.0
Interest, net.....	173.2	289.5	370.3	411.8	423.8
Total receipts.....	1,410.2	1,531.5	1,619.3	1,658.8	1,680.8
Outlays.....	359.2	667.1	975.9	1,120.1	1,123.3
Balance Sept. 30.....	2,662.0	3,526.4	4,169.8	4,708.5	5,266.0

Highway Account

	1985	1986	1987	1988	1989
Balance Oct. 1.....	\$10,210.6	\$10,347.1	\$10,165.4	\$9,815.7	\$9,436.9
Receipts:					
Excise taxes, net of refunds ^{1/}	12,081.0	12,379.0	12,586.0	12,785.0	13,042.0
Interest, net ^{2/}	1,097.6	1,125.2	1,067.3	969.3	849.3
Total receipts.....	13,178.6	13,504.2	13,653.3	13,754.3	13,891.3
Outlays.....	13,042.1	13,685.9	14,003.0	14,133.1	14,597.7
Balance Sept. 30.....	10,347.1	10,165.4	9,815.7	9,436.9	8,730.5
Unfunded authorizations.....	16,722.0	18,718.8	20,532.2	22,245.2	23,821.9
24-month revenue estimate ^{3/}	27,157.5	27,407.6	27,645.6	27,826.9	4/

^{1/} Refunds of taxes and transfer to other funds have been deducted.^{2/} Receipts of interest on investments netted by payment of interest on general fund advances.^{3/} The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and "unfunded highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the

amount available in the highway trust fund at such time to defray such commitments.

^{4/} As no estimates have yet been made for revenue to be earned in FY 1991 (the President's budget figures extend only through FY 1990), a 24-month revenue estimate is not available for 1989. As a result, a determination cannot be made at this time as to whether or not all 1989 funds can be apportioned.

Note.--Data is in conformance with the President's fiscal year 1986 budget.

Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury under the Transportation Assistance Act of 1982 and recently modified by the Intermodal Surface Transportation Act of 1984 (Public Law 98-369, approved July 19, 1984), which transferred to the trust fund certain excise taxes on gasoline, diesel fuel, tires, tread rubber, commercial motor vehicles, truck use, lubricating oil, and its accessories for trucks, buses, etc., are designated by the act to be deposited and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the extent of actual tax receipts. Amounts available in the fund in excess of outlays are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay commitments in excess of available revenues during a portion of a fiscal year, necessary.

The termination date of the fund was extended to Sept. 30, 1989, as a result of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, approved 6, 1983). The act also established a pass-through account within the trust

fund to be funded by one-ninth of the excise tax collections under sections 4081 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund; refunds of certain taxes; repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the results of the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1985

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Since Oct. 1, 1984.....		<u>211,821,541,828</u>
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	207,036,720
Diesel and special motor fuels.....	4041 (a) (b).....	2,556,614,545
Trucks.....	4051 (b).....	1,189,659,707
Gasoline.....	4081.....	8,952,501,991
Tires used on highway vehicles.....	4071 (a) (1).....	223,650,891
Inner tubes.....	4071 (a) (3).....	-860,528
Tread rubber.....	4071 (a) (4).....	-780,953
Use of certain vehicles.....	4481.....	378,591,528
Parts and accessories.....	4061 (b).....	965,343
Lubricating oils.....	4091 (b).....	-89,492
Fines and penalties.....		<u>1,218,385</u>
Total taxes.....		<u>13,509,517,937</u>
Transfers to land and water conservation fund.....	4081.....	-1,000,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	-65,882,000
Gross taxes.....		<u>13,442,635,937</u>
Refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	394620.....	-206,320,857
Gasoline used for nonhighway purposes of local transit.....	6421.....	2,100,414
Lubricating oils not used in highway motor vehicles.....	6426.....	-9,656,890
Commercial fishing vessels.....	4027.....	-3,169,918
Gasoline (tax paid gasoline).....	4081(a).....	-18,220,781
Gasoline, other.....	4081(c).....	-6,636,908
Aviation fuels—farms.....	6412.....	-15,845,440
Aviation fuels.....	4041.....	-1,521,053
Diesel fuels.....		<u>-165,410,930</u>
Total refunds of taxes.....		<u>-427,682,374</u>
Net taxes.....		<u>13,014,953,563</u>
Interest on investments.....		1,312,676,941
Collateral interest.....		-
Total receipts.....		<u>14,327,630,504</u>
Outlays:		
Federal-aid highway program:		
Federal-aid Highway Act of 1956.....		12,584,323,169
Light-of-way revolving fund.....		-15,099,290
Trust fund share of traffic safety program.....		141,162,936
Trust fund share of other highway programs.....		10,152,066
Baltimore-Washington Parkway.....		82
Highway safety research and development.....		9,745,620
Reverse highways.....		344,578
Acceleration of projects.....		11,325
Highway-related safety grants.....		11,547,861
Highway safety research and development project.....		45,159
Traffic control signal demonstration project.....		207,714
Gravel and vanguard grants.....		897,439
Tricycle programs.....		146,403
National Park Service construction.....		3,588,445
Motor carrier safety grants.....		9,071,519
Mass Transit.....		<u>506,998,500</u>
Total outlays.....		<u>13,263,147,625</u>
Balance Sept. 30, 1985.....		12,886,624,806

Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1986-90
 [In millions]
 Combined Statement (Highway and Mass Transit Accounts)

	1986	1987	1988	1989	1990
Balance Oct. 1.....	\$12,886.0	\$12,660.1	\$13,268.2	\$14,462.3	\$15,901.4
Receipts:					
Excise taxes, net of refunds.....	13,022.0	13,814.0	14,072.0	14,329.0	14,619.0
Interest, net.....	1,401.3	1,265.8	1,260.5	1,265.4	1,252.2
Total receipts.....	14,423.3	15,079.8	15,332.5	15,594.4	15,871.2
Outlays.....	14,649.2	14,471.7	14,138.4	14,155.3	14,775.5
Balance Sept. 30.....	12,660.1	13,268.2	14,462.3	15,901.4	16,997.1

Mass Transit Account

	1986	1987	1988	1989	1990
Balance Oct. 1.....	\$2,524.0	\$1,126.4	\$1,597.8	\$3,806.0	\$4,056.4
Receipts:					
Excise taxes, net of refunds.....	1,078.0	1,216.0	1,230.0	1,242.0	1,256.0
Interest, net.....	274.5	312.6	341.8	333.0	319.4
Total receipts.....	1,352.5	1,528.6	1,571.8	1,575.0	1,575.4
Outlays.....	750.1	1,057.2	1,363.6	1,324.6	1,439.5
Balance Sept. 30.....	3,126.4	3,597.8	3,806.0	4,056.4	4,192.3

Highway Account

	1986	1987	1988	1989	1990
Balance Oct. 1.....	\$10,362.0	\$9,533.7	\$9,670.4	\$10,656.3	\$11,845.0
Receipts:					
Excise taxes, net of refunds ^{1/}	11,944.0	12,598.0	12,842.0	13,093.0	13,363.0
Interest, net ^{2/}	1,126.8	953.2	918.7	932.4	932.8
Total receipts.....	13,070.8	13,551.2	13,760.7	14,019.4	14,295.8
Outlays.....	13,899.1	13,414.5	12,774.8	12,830.7	13,336.0
Balance Sept. 30.....	9,533.7	9,670.4	10,656.3	11,845.0	12,804.8
Unfunded authorizations.....	20,659.2	20,063.6	19,241.0	18,170.6	16,824.3
24-month revenue estimate ^{3/}	27,311.9	27,780.1	28,315.2	28,872.1	^{4/}

^{1/} Refunds of taxes and transfer to other funds have been deducted.

^{2/} Receipts of Interest on Investments netted by payment of Interest on general fund advances.

^{3/} The Highway Revenue Act of 1982 requires that, before an appropriation can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and "unfunded highway authorizations" at the excess, if any, of (a) the total potential unpaid commitments as a result of appropriation to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount authorized to be appropriated from the highway trust fund at such time to defray such commitments.

^{4/} As no estimates have yet been made for revenue to be earned in FY 1992 (the President's budget figures extend only through FY 1991), a 24-month revenue estimate is not available for FY 1990. As a result, a determination cannot be made at this time as to whether or not all FY 1990 funds can be appropriated.

Note.—Data is in conformance with the President's FY 1987 budget. Actual Highway trust fund balances at the beginning of FY 1986 are in conformance with the U.S. Government Annual Report Appendix.

Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982 and recently modified by the Excise Tax Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984). Items equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tires, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the trust fund of actual tax receipts. Amounts available in the fund in excess of outlay commitments are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay commitments in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1988, as a result of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, approved June 6, 1983). The act also established a mass transit account within the trust

fund to be funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Center for
Transportation

Results of Operations, Fiscal Year 1986

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1985.....		<u>\$12,886,024,806</u>
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	-37,731,425
Diesel and special motor fuels.....	4041 (a) (b).....	2,667,358,207
Trucks.....	4051 (a).....	1,182,191,000
Gasoline.....	4081.....	8,975,953,009
Tires used on highway vehicles.....	4071 (a) (1).....	319,544,836
Inner tubes.....	4071 (a) (3).....	685,746
Tread rubber.....	4071 (a) (4).....	-237,569
Use of certain vehicles.....	481.....	532,790,783
Parts and accessories.....	4061 (b).....	756,969
Lubricating oils.....	4091 (b).....	-622,119
Fines and penalties.....		2,085,768
Total taxes.....		<u>13,642,775,205</u>
Less: Transfer to land and water conservation fund.....	4081.....	-1,000,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	-69,301,000
Gross taxes.....		<u>13,572,474,205</u>
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	3986420.....	170,587,540
Gasoline used for nonhighway purposes of local transit.....	6421.....	-67,566,290
Fuel--taxicabs.....	6427.....	1,754,870
Commercial fishing vessels.....	4081 (a).....	7,628,600
Gasohol (tax paid gasoline).....	4081 (c).....	930,120
Gasoline, other.....	6412.....	66,309,810
Aviation fuels--farms.....	4041.....	1,915,530
Diesel fuels.....	4041.....	26,360,850
Gas/diesel/alcohol mixtures.....	4081.....	1,702,320
Total refunds of taxes.....		<u>209,623,350</u>
Net taxes.....		<u>13,362,850,855</u>
Interest on investments.....		1,336,912,213
Miscellaneous interest.....		-
Total receipts.....		<u>14,699,763,068</u>
Outlays:		
Highway program:		
Federal-Aid Highway Act of 1956.....		13,951,327,237
Right-of-way revolving fund.....		15,534,339
National highway traffic safety program.....		159,380,753
Trust fund share of other highway programs.....		10,178,213
Baltimore-Washington Parkway.....		-3,863
Highway safety research and development.....		8,122,659
Overseas highways.....		735,868
Highland scenic highway--Forest Service.....		31,617
Acceleration of projects.....		1,734
Highway-related safety grants.....		10,804,193
Intermodal urban demonstration projects.....		106,171
Traffic control signal demonstration project.....		552,389
Carpool and vanpool grants.....		256,800
Bicycle programs.....		105,019
National Park Service construction.....		9,627,413
Motor carrier safety grants.....		13,598,546
Mass transit.....		632,562,712
Total outlays.....		<u>14,812,921,798</u>
Balance Sept. 30, 1986.....		<u>12,772,866,076</u>

Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1987-91
[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1987	1988	1989	1990	1991
Balance Oct. 1.....	\$12,772.9	\$14,028.7	\$16,030.0	\$16,925.1	\$18,500.5
Receipts:					
Excise taxes, net of refunds.....	13,651.0	15,063.0	15,303.0	15,664.0	16,006.0
Interest, net.....	1,245.4	1,210.0	1,282.4	1,269.4	1,295.0
Total receipts.....	14,896.4	16,273.0	16,585.4	16,933.4	17,301.0
Outlays.....	13,640.6	14,271.7	15,690.3	15,358.0	15,391.1
Balance Sept. 30.....	14,028.7	16,030.0	16,925.1	18,500.5	20,410.4

Mass Transit Account

	1987	1988	1989	1990	1991
Balance Oct. 1.....	\$3,286.9	\$3,878.4	\$4,267.9	\$4,282.2	\$4,334.1
Receipts:					
Excise taxes, net of refunds.....	1,169.0	1,300.0	1,321.0	1,335.0	1,357.0
Interest, net.....	320.5	334.5	341.4	321.2	303.4
Total receipts.....	1,489.5	1,634.5	1,662.4	1,656.2	1,660.4
Outlays.....	898.0	1,245.0	1,648.1	1,604.3	1,557.6
Balance Sept. 30.....	3,878.4	4,267.9	4,282.2	4,334.1	4,436.9

Highway Account

	1987	1988	1989	1990	1991
Balance Oct. 1.....	\$9,496.0	\$10,150.3	\$11,762.1	\$12,642.9	\$14,166.4
Receipts:					
Excise taxes, net of refunds ^{1/}	12,482.0	13,763.0	13,982.0	14,329.0	14,649.0
Interest, net ^{2/}	924.9	875.5	941.0	948.2	991.6
Total receipts.....	13,406.9	14,638.5	14,923.0	15,277.2	15,640.6
Outlays.....	12,742.6	13,026.7	14,042.2	13,753.7	13,333.5
Balance Sept. 30.....	10,150.3	11,762.1	12,642.9	14,166.4	15,973.5
Unfunded authorizations.....	20,609.5	19,584.8	18,287.0	16,636.2	15,645.0
24-month revenue estimate ^{3/}	29,561.5	30,200.2	30,917.8	31,630.9	4/

^{1/} Refunds of taxes and transfer to other funds have been deducted.^{2/} Receipts of interest on investments netted by payment of interest on general fund advances.^{3/} The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amounts available in the highway trust fund at such time to defray such commitments.^{4/} As no estimates have yet been made for revenue to be earned in FY 1993 (the President's budget figures extend only through FY 1992), a 24-month revenue estimate is not available for FY 1991. As a result, a determination cannot be made at this time as to whether or not all funds assumed to be authorized in 1991 could be apportioned.

Note.--Data is in conformance with the President's FY 1988 budget. Actual highway trust fund balances at the beginning of FY 1987 are in conformance with the Government Annual Report Appendix.

Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, as modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), and subsequently by the Surface Transportation and Uniform Relocation Assistance Act of 1987. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1993, as a result of the Surface Transportation and Uniform Relocation Assistance Act of 1987

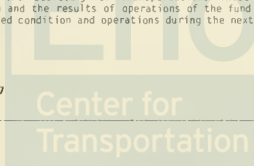
(Public Law 100-17, approved April 2, 1987). Within the trust fund is a mass transit account, funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a). Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1987

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1986.....		\$12,772,866,076
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	-87,835,972
Diesel and special motor fuels.....	4041 (a) (b).....	2,810,977,321
Trucks.....	4081 (a) (3).....	811,566,755
Gasoline.....	4081.....	8,810,643,622
Tires used on highway vehicles.....	4071 (a) (1).....	291,668,875
Inner tubes.....	4071 (a) (3).....	-
Tread rubber.....	4071 (a) (4).....	-54,237
Use of certain vehicles.....	4481.....	620,196,652
Parts and accessories.....	4061 (b).....	-430,856
Lubricating oils.....	4091 (b).....	-
Fines and penalties.....	.....	1,656,891
Total taxes.....	.....	13,258,404,519
Less: Transfer to land and water conservation fund.....	4081.....	-1,000,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	-98,162,000
Gross taxes.....	.....	13,159,242,519
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	396420.....	27,679,000
Gasoline used for nonhighway purposes of local transit.....	6421.....	1,579,480
Fuel-taxicabs.....	6427.....	-1,999,710
Commercial fishing vessels.....	4081(a).....	9,596,670
Gasohol (tax paid gasoline).....	4081(c).....	614,690
Trucks.....	4051.....	80,101,260
Aviation fuels-farms.....	4041.....	1,734,000
Diesel fuels.....	4041.....	6,684,500
Gas/diesel/alcohol mixtures.....	4081.....	495,910
Total refunds of taxes.....	.....	126,886,300
Net taxes.....	.....	13,032,356,219
Interest on investments.....	.....	1,277,764,633
Miscellaneous interest.....	.....	-
Total receipts.....	.....	14,310,120,903
Outlays:		
Highway program:		
Federal-aid Highway Act of 1956.....	.....	12,614,065,163
Right-of-way revolving fund.....	.....	-26,899,199
National highway traffic safety program.....	.....	148,138,137
Trust fund share of other highway programs.....	.....	10,253,757
Galimore-Washington Parkway.....	.....	201,584
Highway safety research and development.....	.....	7,496,022
Overseas highways.....	.....	362,200
Acceleration of projects.....	.....	6,435
Highway-related safety grants.....	.....	9,049,579
Intermodal urban demonstration projects.....	.....	239,948
Traffic control signal demonstration project.....	.....	26,860
Carson and various grants.....	.....	12,760
Bicycle programs.....	.....	40,932
National Park Service construction.....	.....	12,127,166
Motor carrier safety grants.....	.....	26,342,704
Mass transit.....	.....	667,533,758
Safety Improvement.....	.....	206,058
Safety economic development demonstration project.....	.....	105,127
Total outlays.....	.....	13,469,371,963
Balance Sept. 30, 1987.....	.....	13,613,615,014



Highway Trust Fund—Continued

Expected Condition and Results of Operations, Fiscal Years 1988-92
[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1988	1989	1990	1991	1992
Balance Oct. 1.....	\$13,607.2	\$14,893.9	\$15,715.2	\$16,729.7	\$17,896.4
Receipts:					
Excise taxes, net of refunds.....	14,332.0	14,298.0	14,498.0	14,671.0	14,887.0
Interest, net.....	1,173.6	1,228.7	1,217.9	1,212.9	1,208.0
Total receipts.....	15,505.6	15,526.7	15,715.9	15,883.9	16,095.0
Outlays.....	14,218.9	14,705.4	14,701.4	14,717.2	14,823.6
Balance Sept. 30.....	14,893.9	15,715.2	16,729.7	17,896.4	19,167.8
Mass Transit Account					
	1988	1989	1990	1991	1992
Balance Oct. 1.....	\$4,202.1	\$5,030.2	\$5,545.5	\$5,628.9	\$5,541.5
Receipts:					
Excise taxes, net of refunds.....	1,219.0	1,276.0	1,286.0	1,294.0	1,307.0
Interest, net.....	362.4	415.0	429.8	408.1	374.1
Total receipts.....	1,581.4	1,691.0	1,715.8	1,702.1	1,681.1
Outlays.....	753.3	1,175.7	1,632.4	1,789.5	1,936.4
Balance Sept. 30.....	5,030.2	5,545.5	5,628.9	5,541.5	5,286.2
Highway Account					
	1988	1989	1990	1991	1992
Balance Oct. 1.....	\$9,405.1	\$9,863.7	\$10,169.7	\$11,100.8	\$12,354.9
Receipts:					
Excise taxes, net of refunds ^{1/}	13,113.0	13,022.0	13,212.0	13,377.0	13,580.0
Interest, net ^{2/}	811.2	813.7	788.1	804.8	833.9
Total receipts.....	13,924.2	13,835.7	14,000.1	14,181.8	14,413.9
Outlays.....	13,465.6	13,529.7	13,069.0	12,927.7	12,887.2
Balance Sept. 30.....	9,863.7	10,169.7	11,100.8	12,354.9	13,881.6
Unfunded authorizations.....	21,583.6	21,677.2	21,756.3	21,654.5	21,740.6
24-month revenue estimate ^{3/}	27,835.8	28,181.9	28,595.7	29,011.5	29,400.0

^{1/} Refunds of taxes and transfer to other funds have been deducted.

^{2/} Receipts of interest on investments netted by payment of interest on general fund advances.

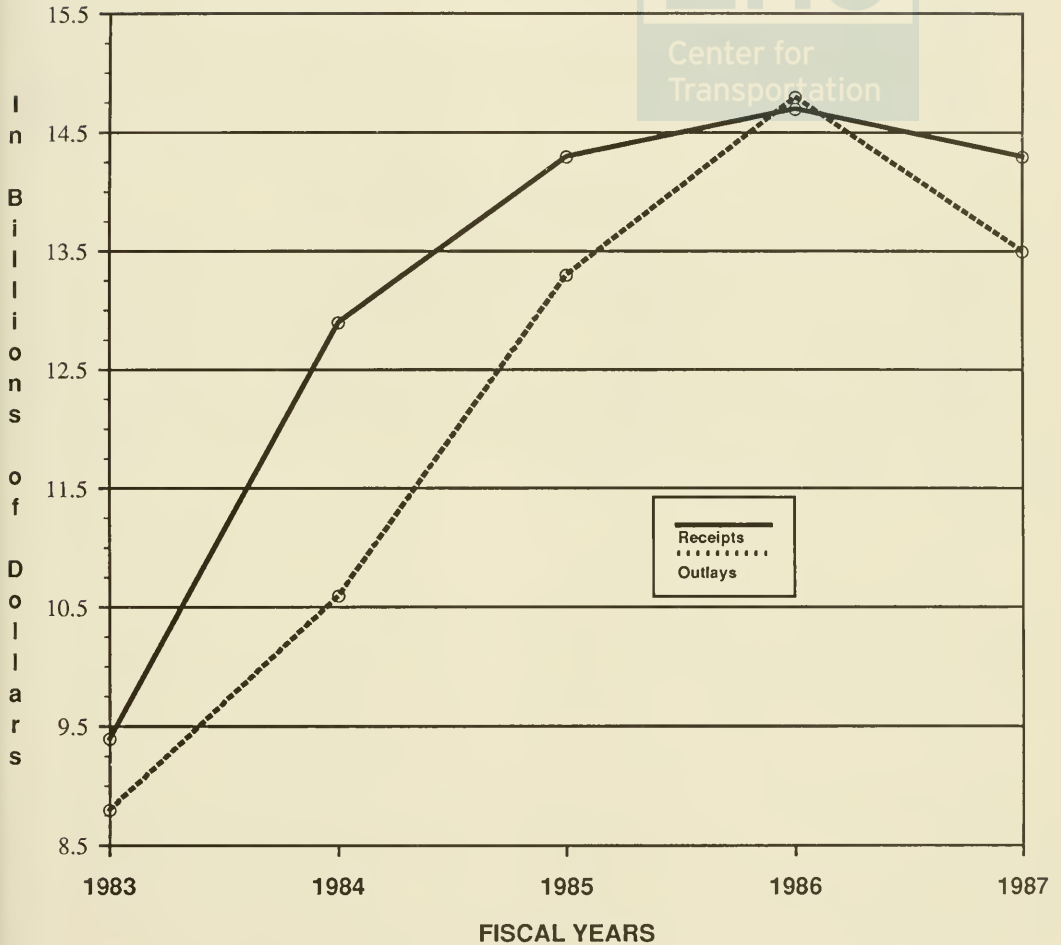
^{3/} The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount available in the highway trust fund at such time to defray such commitments.

^{4/} As no estimates have yet been made for revenue to be earned in FY 1994 (the President's budget figures extend only through FY 1993), a 24-month revenue estimate is not available for FY 1992. As a result, a determination cannot be made at this time as to whether or not all funds assumed to be authorized for 1992 could be apportioned.

Note.—Data is in conformance with the President's FY 1989 budget. Actual highway trust fund balances at the beginning of FY 1988 are in conformance with the U.S. Government Annual Report Appendix.

RECEIPTS AND OUTLAYS HIGHWAY TRUST FUND

Fiscal Years 1983-87



Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, as modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), and subsequently by the Surface Transportation and Uniform Relocation Assistance Act of 1987. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1993, as a result of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17, approved Apr. 2, 1987).

Within the trust fund is a mass transit account, funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1988

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1987.....		\$13,613,615,016
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers.....	4061 (a) (1).....	-
Diesel and special motor fuels.....	4041 (a) (b).....	2,768,270,880
Trucks.....	4051 (a).....	1,277,156,455
Gasoline.....	4081.....	9,551,568,830
Tires used on highway vehicles.....	4071 (a) (1).....	334,074,174
Repealed taxes (2).....	4071 (a) (3).....	-3,254,393
Use of certain vehicles.....	4481.....	581,292,710
Fines and penalties.....		3,461,264
Total taxes.....		14,512,569,920
Less: Transfer to land and water conservation fund.....	4081.....	1,000,000
Transfer to national boating safety facilities improvement fund.....	4041 (b).....	105,451,000
Gross taxes.....		14,406,118,920
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms.....	39&6420.....	150,152,720
Gasoline used for nonhighway purposes of local transit.....	6421.....	-20,501,560
Fuel-taxicabs.....	6427.....	3,081,480
Commercial fishing vessels.....	4081(a).....	14,678,690
Gasohol (tax paid gasoline).....	4081(c).....	14,163,780
Gasoline, other.....	6412.....	114,283,350
Aviation fuels--farms.....	4041.....	1,922,310
Diesel fuels.....	4041.....	13,739,500
Gas/diesel/alcohol mixtures.....	4081.....	741,540
Total refunds of taxes.....		292,261,810
Net taxes.....		14,113,857,110
Interest on investments.....		1,192,733,064
Miscellaneous interest.....		-
Total receipts.....		15,306,590,174
Outlays:		
Highway program:		
Federal-Aid Highway Act of 1956.....		13,829,076,817
Right-of-way revolving fund.....		-2,946,653
National highway traffic safety program.....		115,536,127
Trust fund share of other highway programs.....		8,253,177
Baltimore-Washington Parkway.....		4,584,058
Highway safety research and development.....		7,255,021
Acceleration of projects.....		-7,540
Highway-related safety grants.....		8,373,812
Highland scenic highway--Forest Service.....		850,572
Intermodal urban demonstration projects.....		625,700
Traffic control signal demonstration project.....		436,355
Carpool and vanpool grants.....		187,993
Bicycle programs.....		22,246
National Park Service construction.....		9,356,292
Motor carrier safety grants.....		47,293,239
Mass transit.....		695,675,179

Highway Trust Fund

Results of Operations, Fiscal Year 1988--Con.

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Outlays--Con.		
Highway program--Con.		
Safety Improvement		\$1,211,354
Safety economic development demonstration project		4,798,407
Airport access demonstration		2,850,000
Theodore Roosevelt Bridge		104,970
Total outlays		<u>14,733,537,126</u>
Balance Sept. 30, 1988		14,186,668,062

Expected Condition and Results of Operations, Fiscal Years 1989-93

(In millions)

Combined Statement (Highway and Mass Transit Accounts)

	1989	1990	1991	1992	1993
Balance Oct. 1	\$14,186.9	\$15,744.6	\$17,254.4	\$19,325.2	\$21,547.8
Receipts:					
Excise taxes, net of refunds	14,919.0	14,804.0	15,037.0	15,245.0	15,442.0
Interest, net	1,223.6	1,318.6	1,380.4	1,401.1	1,373.7
Total receipts	<u>16,142.6</u>	<u>16,122.6</u>	<u>16,417.4</u>	<u>16,646.1</u>	<u>16,815.7</u>
Outlays	<u>14,584.8</u>	<u>14,612.8</u>	<u>14,346.5</u>	<u>14,423.5</u>	<u>14,445.8</u>
Balance Sept. 30	15,744.6	17,254.4	19,325.2	21,547.8	23,917.6

Mass Transit Account

	1989	1990	1991	1992	1993
Balance Oct. 1	\$5,167.5	\$5,916.2	\$6,618.0	\$7,115.8	\$7,356.0
Receipts:					
Excise taxes, net of refunds	1,173.0	1,304.0	1,327.0	1,336.0	1,346.0
Interest, net	445.7	495.5	529.4	515.9	468.9
Total receipts	<u>1,618.7</u>	<u>1,799.5</u>	<u>1,856.4</u>	<u>1,851.9</u>	<u>1,814.9</u>
Outlays	<u>870.0</u>	<u>1,097.7</u>	<u>1,358.6</u>	<u>1,611.7</u>	<u>1,729.5</u>
Balance Sept. 30	5,916.2	6,618.0	7,115.8	7,356.0	7,441.5

Highway Account

	1989	1990	1991	1992	1993
Balance Oct. 1	\$9,019.3	\$9,828.4	\$ 10,636.4	\$12,209.4	14,191.8
Receipts:					
Excise taxes, net of refunds ¹	13,746.0	13,500.0	13,710.0	13,909.0	14,096.0
Interest, net ²	777.9	823.1	850.9	885.2	904.7
Total receipts	<u>14,523.9</u>	<u>14,323.1</u>	<u>14,560.9</u>	<u>14,794.2</u>	<u>15,000.7</u>
Outlays	<u>13,714.8</u>	<u>13,515.1</u>	<u>12,987.9</u>	<u>12,811.8</u>	<u>12,716.4</u>
Balance Sept. 30	9,828.4	10,636.4	12,209.4	14,191.8	16,476.2
Unfunded authorizations (EQY)	21,771.6	21,527.2	21,045.8	20,331.7	19,411.7
24-month revenue estimate ³	28,884.0	29,355.1	29,794.9	30,258.5	30,731.6

¹ Refunds of taxes and transfer to other funds have been deducted.

² Receipts of interest on investments netted by payment of interest on general fund advances.

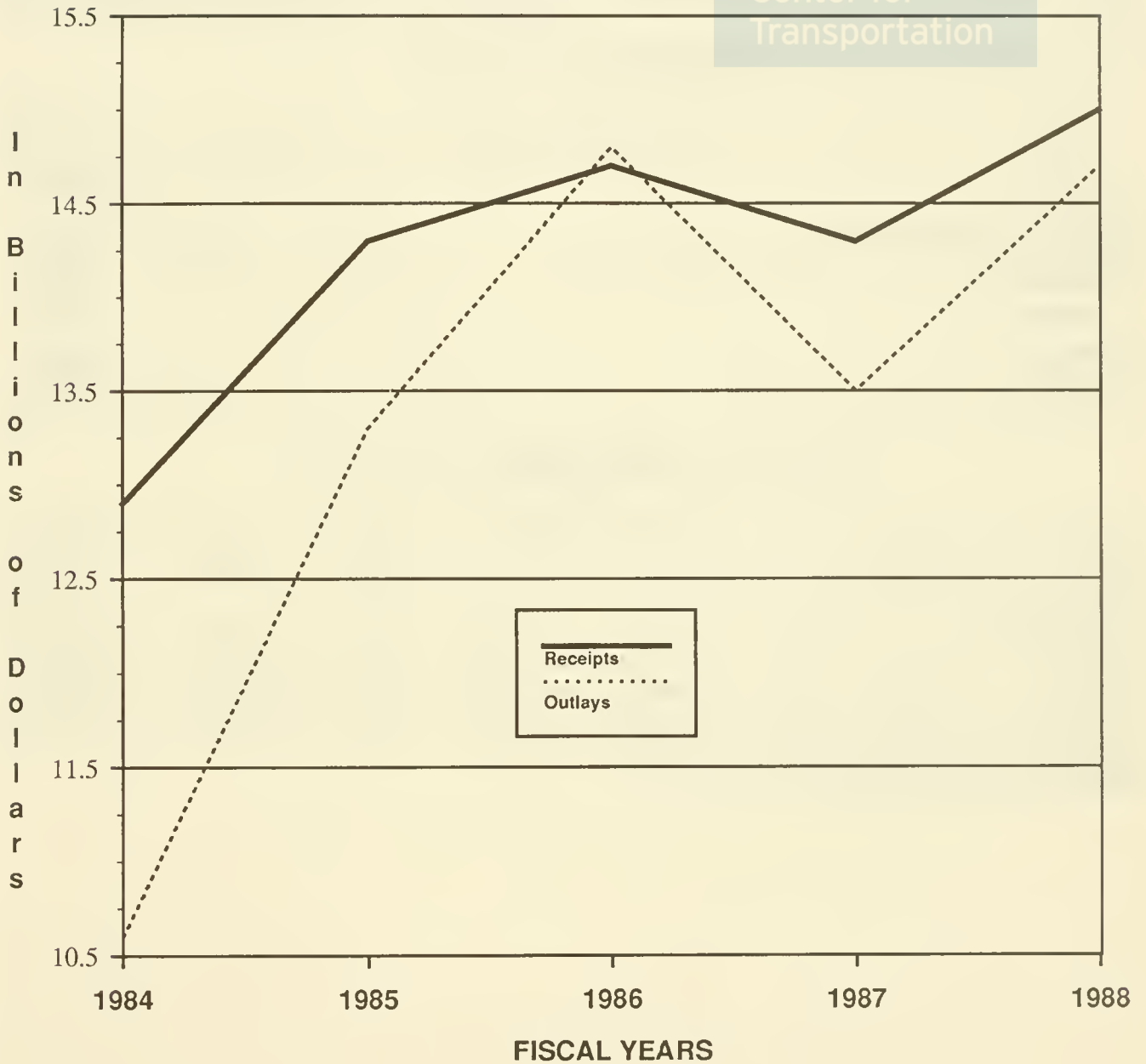
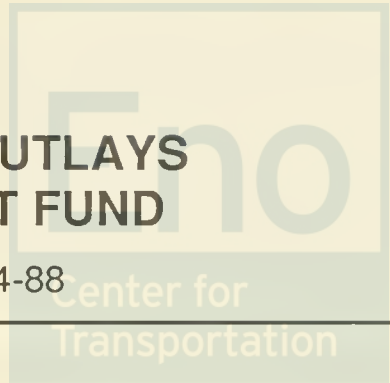
³ The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded

highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount available in the highway trust fund at such time to defray such commitments.

Note.--Data is in conformance with the President's FY 1990 budget.

RECEIPTS AND OUTLAYS HIGHWAY TRUST FUND

Fiscal Years 1984-88



Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, as modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), and subsequently by the Surface Transportation and Uniform Relocation Assistance Act of 1987. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to Sept. 30, 1993, as a result of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17, approved Apr. 2, 1987).

Within the trust fund is a mass transit account, funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1989

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1988		\$14,186,668,062
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers	4061 (a) (1)	-22,487,857
Diesel and special motor fuels	4041 (a) (b)	4,375,420,664
Trucks	4051 (a)	1,262,024,000
Gasoline	4081	10,042,040,714
Tires used on highway vehicles	4071 (a) (1)	316,044,395
Repealed taxes	4071 (a) (3)	-716,187
Use of certain vehicles	4481	608,314,063
Fines and penalties		4,278,550
Total taxes		16,584,918,342
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to national boating safety facilities improvement fund	4041 (b)	110,917,000
Gross taxes		16,473,001,342
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms	39&6420	264,871,250
Gasoline used for nonhighway purposes of local transit	6421	8,062,660
Fuel-taxicabs	6427	1,647,080
Commercial fishing vessels	4081(a)	53,527,960
Gasohol (tax paid gasoline)	4081(c)	53,156,880
Gasoline, other	6412	388,857,372
Aviation fuels--farms	4041	3,964,230
Diesel vehicle rebate	4041	56,172,850
Gas/diesel/alcohol mixtures	4081	1,696,120
Exempt use		13,166,900
Total refunds of taxes		845,123,302
Net taxes		15,627,878,040
Interest on investments		1,244,782,568
Total receipts		16,872,660,608

Highway Trust Fund

Results of Operations, Fiscal Year 1989--Con.

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal-aid highways		13,306,421,320
Right-of-way revolving fund		-11,240,954
National Highway Traffic Safety Administration		201,987,483
Trust fund share of highway programs		1,842,503
Baltimore-Washington Parkway		4,970,751
Highway safety research and development		10,495,474
Acceleration of projects		1,171
Highway-related safety grants		10,268,355
Overseas highway		4,589
Mount Saint Helens		906,771
Intermodal urban demonstration		4,321,985
Traffic control signal demonstration		79,439
Carpool and vanpool grants		93,498
Bicycle programs		2,087
National Park Service construction		12,921,778
Motor carrier safety grants		53,559,624
Mass transit		848,507,537
Safety improvement project		507,793
Safety economic development demonstration project		5,178,224
Theodore Roosevelt Bridge		25,030
Vehicular and pedestrian safety demonstration		243
Nuclear waste transportation safety demonstration		132,823
Total expenses		14,450,987,526
Balance Sept. 30, 1989		16,608,341,144

Expected Condition and Results of Operations, Fiscal Years 1990-94

[In millions]

Combined Statement (Highway and Mass Transit Accounts)

	1990	1991	1992	1993	1994
Balance Oct. 1	\$16,608	\$17,926	\$19,412	\$21,670	\$24,621
Receipts:					
Excise taxes, net of refunds	14,747	15,113	15,646	16,076	16,443
Interest, net	1,516	1,502	1,505	1,544	1,631
Total receipts	16,263	16,615	17,151	17,620	18,074
Outlays	14,945	15,127	14,892	14,669	14,584
Balance Sept. 30	17,925	19,412	21,669	24,620	28,111

Mass Transit Account

	1990	1991	1992	1993	1994
Balance Oct. 1	\$6,057	\$6,945	\$7,776	\$8,556	\$9,378
Receipts:					
Excise taxes, net of refunds	1,311	1,345	1,373	1,402	1,429
Interest, net	553	582	603	610	621
Total receipts	1,864	1,927	1,976	2,012	2,050
Outlays	976	1,095	1,195	1,190	1,227
Balance Sept. 30	6,945	7,776	8,556	9,378	10,201

Highway Trust Fund

Expected Condition and Results of Operations, Fiscal Years 1990-94--Con.

Highway Account

	1990	1991	1992	1993	1994
Balance Oct. 1	\$10,551	\$10,981	\$11,636	\$13,114	\$15,243
Receipts:					
Excise taxes, net of refunds ¹	13,436	13,768	14,273	14,674	15,014
Interest, net ²	963	920	902	934	1,010
Total receipts	14,399	14,688	15,175	15,608	16,024
Outlays	13,969	14,032	13,697	13,479	13,357
Balance Sept. 30	10,981	11,636	13,114	15,243	17,910
Unfunded authorizations (EQY)	21,989	21,644	20,798	19,521	17,828
24-month revenue estimate ³	29,863	30,783	31,632	32,509	33,423

¹ Refunds of taxes and transfer to other funds have been deducted.

² Receipts of interest on investments netted by payment of interest on general fund advances.

³ The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded

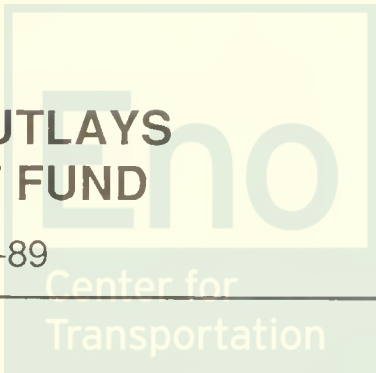
highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount available in the highway trust fund at such time to defray such commitments.

Note.--Data is in conformance with the President's FY 1991 budget.

TRUST FUND REPORTS

RECEIPTS AND OUTLAYS HIGHWAY TRUST FUND

Fiscal Years 1985-89



Highway Trust Fund

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The termination date of the fund was extended to Sept. 30, 1993, as a result of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17, approved Apr. 2, 1987).

Within the trust fund is a mass transit account, funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after Mar. 31, 1983. The funds from this account shall be used for expenditures in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made in accordance with the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal-aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

Results of Operations, Fiscal Year 1990

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1989		\$16,957,786,655
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers	4061 (a) (1)	-46,820,569
Diesel and special motor fuels	4041 (a) (b)	3,239,789,002
Trucks	4051 (a)	1,159,081,000
Gasoline	4081	9,484,415,794
Tires used on highway vehicles	4071 (a) (1)	254,793,400
Repealed taxes	4071 (a) (3)	-287,716
Use of certain vehicles	4481	583,715,541
Fines and penalties		6,846,787
Total taxes		14,681,533,239
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to national boating safety facilities improvement fund	4041 (b)	112,004,000
Gross taxes		14,568,529,239
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms	3986420	150,496,370
Gasoline used for nonhighway purposes of local transit	6421	44,190,470
Fuel-taxicabs	6427	1,667,330
Commercial fishing vessels	4081(a)	23,728,510
Gasohol (tax paid gasoline)	4081(c)	75,940,310
Gasoline, other	6412	331,197,630
Aviation fuels--farms	4041	3,189,600
Diesel vehicle rebate	4041	38,603,200
Gas/diesel/alcohol mixtures	4081	961,900
Exempt use		31,226,470
Total refunds of taxes		701,201,790
Net taxes		13,867,327,449
Interest on investments		1,212,946,127
Total receipts		15,080,273,576

Highway Trust Fund
Results of Operations, Fiscal Year 1990--Con.

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal-aid highways		\$14,068,240,257
Right-of-way revolving fund		2,750,326
National Highway Traffic Safety Administration		171,368,037
Trust fund share of highway programs		11,720,951
Baltimore-Washington Parkway		10,018,895
Highway safety research and development		6,201,514
Airport executive demonstration		129,861
Highway-related safety grants		12,543,503
Overseas highway		247,186
Mount Saint Helens		2,110,410
Intermodal urban demonstration		3,389,826
Traffic control signal demonstration		-18,205
Carpool and vanpool grants		13,418
Bicycle programs		31,910
National Park Service construction		9,322,052
Motor carrier safety grants		65,430,002
Mass transit		878,953,393
Safety improvement project		2,756,725
Safety economic development demonstration project		4,676,804
Theodore Roosevelt Bridge		829,070
Vehicular and pedestrian safety demonstration		12,341
Nuclear waste transportation safety demonstration		511,147
Corridor safety improvement		31,733
Bridge capacity improvement		29,701
Highway railroad grade crossing		1,265,981
Airport access highway demonstration project		1,580,453
Total expenses		15,254,147,291
Balance Sept. 30, 1990		16,783,912,940

Expected Condition and Results of Operations, Fiscal Years 1991-95
(In millions)

Combined Statement (Highway and Mass Transit Accounts)

	1991	1992	1993	1994	1995
Balance Oct. 1	\$16,784	\$19,493	\$22,062	\$23,523	\$24,706
Receipts:					
Excise taxes, net of refunds	16,817	17,776	18,467	19,005	19,461
Interest, net	1,490	1,632	1,738	1,764	1,760
Total receipts	18,307	19,408	20,205	20,769	21,221
Outlays	15,598	16,839	18,743	19,586	20,088
Balance Sept. 30	19,493	22,062	23,524	24,706	25,839

Mass Transit Account

	1991	1992	1993	1994	1995
Balance Oct. 1	\$7,155	\$8,387	\$9,447	\$9,936	\$9,981
Receipts:					
Excise taxes, net of refunds	1,732	1,911	1,961	2,008	2,054
Interest, net	635	702	744	745	711
Total receipts	2,367	2,613	2,705	2,753	2,765
Outlays	1,135	1,553	2,216	2,708	3,054
Balance Sept. 30	8,387	9,447	9,936	9,981	9,692

Highway Trust Fund

Expected Condition and Results of Operations, Fiscal Years 1991-95--Con.

	Highway Account				
	1991	1992	1993	1994	1995
Balance Oct. 1	\$9,629	\$11,106	\$12,615	\$13,587	\$14,725
Receipts:					
Excise taxes, net of refunds ¹	15,085	15,865	16,506	16,997	17,407
Interest, net ²	855	930	994	1,019	1,049
Total receipts	15,940	16,795	17,500	18,016	18,456
Outlays	14,463	15,286	16,527	16,878	17,034
Balance Sept. 30	11,106	12,615	13,588	14,725	16,147
Unfunded authorizations (EOY)	21,187	20,657	19,720	18,836	18,964
24-month revenue estimate ³	32,735	35,516	36,472	34,282	32,751

¹ Refunds of taxes and transfer to other funds have been deducted.

² Receipts of interest on investments netted by payment of interest on general fund advances.

³ The Highway Revenue Act of 1982 requires that, before an apportionment can be made, projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded

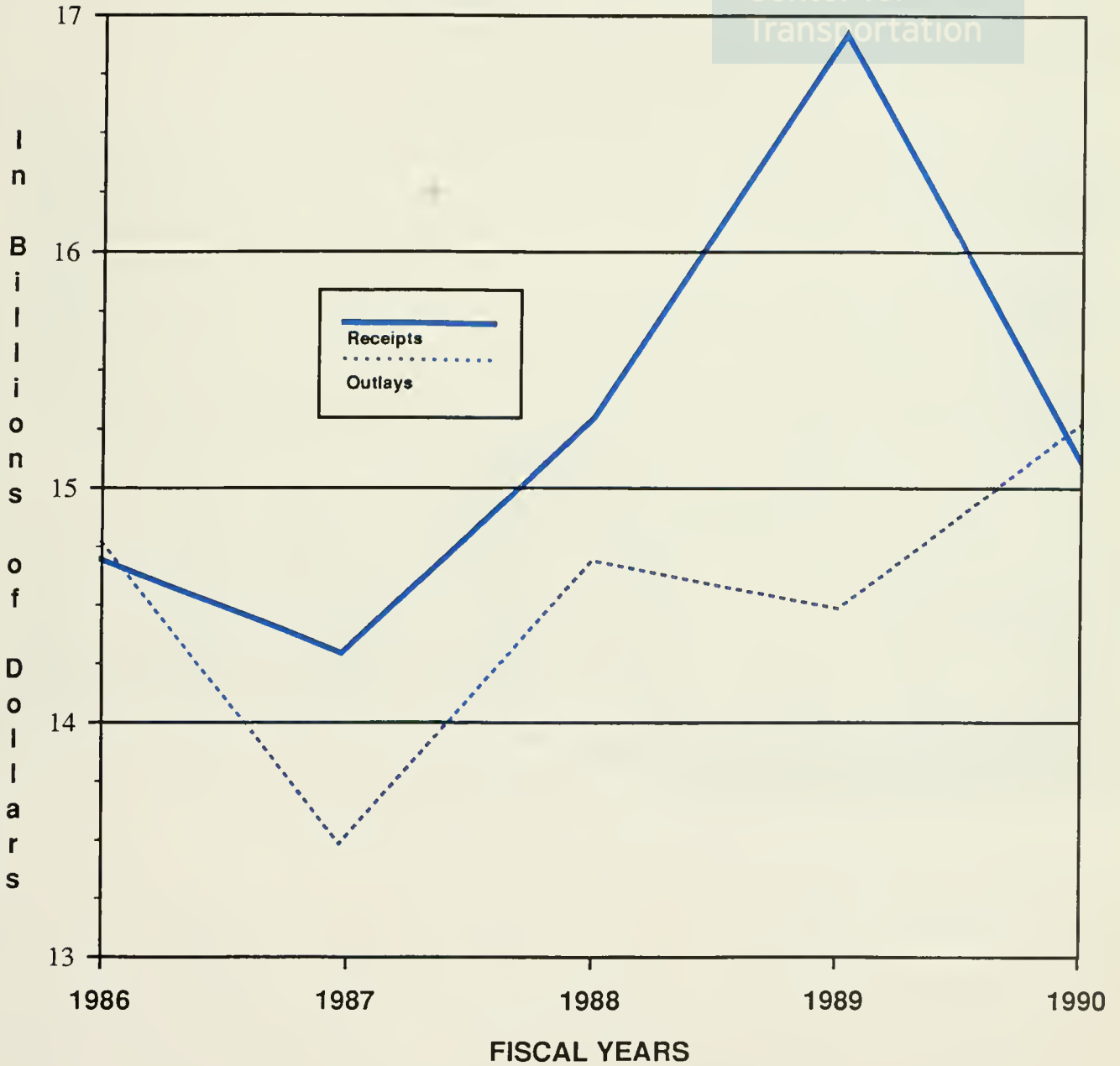
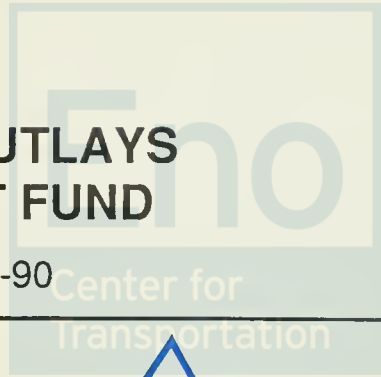
highway authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount available in the highway trust fund at such time to defray such commitments.

Note.--Data is in conformance with the President's FY 1992 budget.

TRUST FUND REPORTS

RECEIPTS AND OUTLAYS HIGHWAY TRUST FUND

Fiscal Years 1986-90



INTRODUCTION: Highway Trust Fund

The highway trust fund was originally established on the books of the Treasury according to provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, as modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), and subsequently by the Surface Transportation and Uniform Relocation Assistance Act of 1987. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements exceeding available revenues during a portion of a fiscal year, if necessary.

The termination date of the fund was extended to September 30, 1993, as a result of the Surface Transportation and Uniform Reloca-

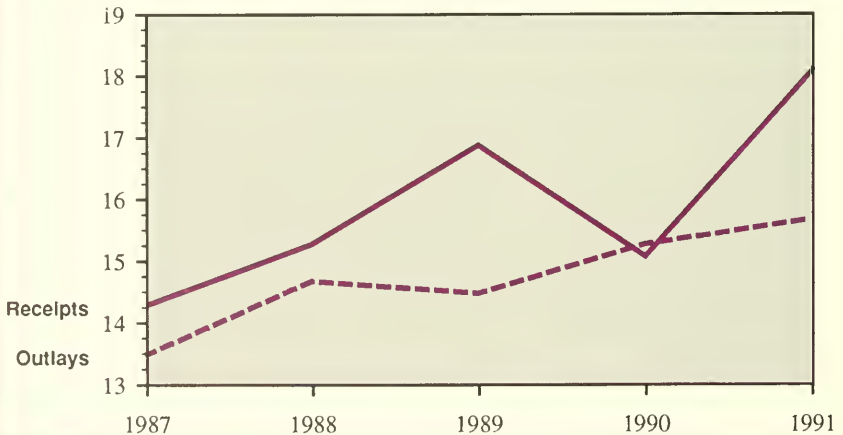
tion Assistance Act of 1987 (Public Law 100-17, approved April 2, 1987). Within the fund is a mass transit account, funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after March 31, 1983. The funds from this account shall be used for expenditures according to section 21(a)(2) of the Urban Mass Transportation Act of 1964. The remaining excise taxes collected shall be included in a highway account within the trust fund, and expenditures for this account shall be made according to the provisions of Public Law 97-424.

Amounts required for outlays to carry out the Federal aid highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, refunds of certain taxes, repayments of advances from the general fund, and the interest on advances.

Annual reports to Congress are required by 26 U.S.C. 9602 (a), Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and the results of operations of the fund for the past fiscal year and its expected condition and operations during the next 5 fiscal years.

CHART TF-G.--Highway Trust Fund Receipts and Outlays

Fiscal 1987-91
(In billions of dollars)



TRUST FUND REPORTS

TABLE TF-15.--Highway Trust Fund Results of Operations, Fiscal Year 1991

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1990		<u>\$17,108,984.024</u>
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, and trailers	4061 (a) (1)	37,499,000
Diesel and special motor fuels	4041 (a) (b)	3,614,289,000
Trucks	4051 (a)	1,009,823,000
Gasoline	4081	11,914,337,000
Tires used on highway vehicles	4071 (a) (1)	357,070,000
Repealed taxes	4071 (a) (3)	515,000
Use of certain vehicles	4481	574,928,220
Fines and penalties		-----
Total taxes		<u>17,508,559,220</u>
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to national boating safety facilities improvement fund	4041 (b)	178,000,000
Gross taxes		<u>17,329,559,220</u>
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms	39&6420	44,609,210
Gasoline used for nonhighway purposes of local transit	6421	16,313,840
Fuel-taxicabs	6427	37,350
Commercial fishing vessels	4081(a)	3,560,060
Gasohol (tax paid gasoline)	4081(c)	112,022,000
Gasoline, other	6412	127,729,500
Aviation fuels--farms	4041	1,525,000
Diesel vehicle rebate	4041	12,781,780
Gas/diesel/alcohol mixtures	4081	7,852,700
Exempt use		24,443,450
Total refunds of taxes		<u>350,872,890</u>
Net taxes		<u>16,978,686,330</u>
Interest on investments		1,149,004,633
Total receipts		<u>18,127,690,963</u>

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal-aid to highways		<u>\$14,325,663,259</u>
Right-of-way revolving fund		16,769,364
National Highway Traffic Safety Administration		191,639,376
Trust fund share of highway programs		8,086,102
Baltimore-Washington Parkway		9,764,463
Highway safety research and development		7,138,495
Airport executive demonstration		294,351
Highway-related safety grants		11,654,251
Overseas highway		649,097
Mount Saint Helens		2,487,333
Intermodal urban demonstration		974,659
Traffic control signal demonstration		242,673
Carpool and vanpool grants		21,179
Bicycle programs		26,339
National Park Service construction		14,429,802
Motor carrier safety grants		62,035,061
Mass transit		1,054,115,456
Safety improvement project		9,119,321
Safety economic development demonstration project		3,712,322
Theodore Roosevelt Bridge		540,930
Vehicular and pedestrian safety demonstration		85,410
Nuclear waste transportation safety demonstration		211,683
Corridor safety improvement		2,039,017
Bridge capacity improvement		42,556
Highway railroad grade crossing		1,430,951
Airport access highway demonstration project		919,547
Acceleration of project		32,712
University Transportation Center		1,314,253
Department of Transportation/rent		15,108,000
Total expenses		<u>15,740,610,562</u>
Balance Sept. 30, 1991		<u>19,496,064,425</u>

TRUST FUND REPORTS

**TABLE TF-15.--Highway Trust Fund, Con.
Expected Condition and Results of Operations, Fiscal 1992-96**

(In millions of dollars)

Combined Statement (Highway and Mass Transit Accounts)

	1992	1993	1994	1995	1996
Balance Oct. 1	19,496	21,092	20,390	18,842	17,271
Receipts:					
Excise taxes, net of refunds	17,387	17,712	18,110	18,484	18,872
Interest, net	1,608	1,529	1,351	1,178	1,036
Total receipts	18,995	19,241	19,461	19,662	19,908
Outlays	17,400	19,943	21,009	21,233	21,310
Balance Sept. 30.	21,092	20,390	18,842	17,271	15,869

Mass Transit Account

	1992	1993	1994	1995	1996
Balance Oct. 1	9,250	9,831	9,816	9,810	9,988
Receipts:					
Excise taxes, net of refunds	1,062	1,913	1,943	1,978	2,021
Interest, net	763	713	650	613	599
Total receipts	1,825	2,626	2,593	2,591	2,620
Outlays	1,245	2,640	2,599	2,413	2,456
Balance Sept. 30.	9,831	9,816	9,810	9,988	10,152

Highway Account

	1992	1993	1994	1995	1996
Balance Oct. 1	10,246	11,261	10,574	9,031	7,283
Receipts:					
Excise taxes, net of refunds ¹	16,325	15,799	16,167	16,506	16,851
Interest, net ²	845	816	701	565	437
Total receipts	17,170	16,615	16,868	17,071	17,288
Outlays	16,155	17,302	18,410	18,819	18,854
Balance Sept. 30.	11,261	10,574	9,031	7,283	5,717
Unfunded authorizations (EOY)	27,441	29,420	-	-	-
24-month revenue estimate ³	33,483	33,938	34,359	34,880	-

¹ Refunds of taxes and transfer to other funds have been deducted.

² Receipts of interest on investments netted by payment of interest on general fund advances.

³ The Highway Revenue Act of 1982 requires that before an apportionment can be made projected unfunded highway authorizations at the close of the fiscal year must be less than the projected net revenues for the following 24-month period, and defines "unfunded high-

way authorizations" as the excess, if any, of (a) the total potential unpaid commitments as a result of apportionment to the States of the amounts authorized to be appropriated from the highway trust fund, over (b) the amount available in the highway trust fund at such time to defray such commitments.

Note.--Data is in conformance with the President's fiscal 1993 budget.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1971, according to provisions of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, and modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the Omnibus Budget Reconciliation Act of 1990. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

The termination date of the fund was extended to September 30, 1999, as a result of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-24, approved December 18, 1991).

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the

Internal Revenue Code (26 U.S.C.). The funds from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1992**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1991		\$19,875,616,131
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	3,313,674,939
Trucks	4051 (a)	874,162,000
Gasoline	4081	12,402,733,132
Tires used on highway vehicles	4071 (a) (1)	256,683,000
Repealed taxes	4071 (a) (3)	-28,000
Use of certain vehicles	4481	620,008,000
Fines and penalties		12,465,611
Total taxes		17,479,698,682
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to national boating safety facilities improvement fund	4041 (b)	192,888,000
Gross taxes		17,285,810,682
Less refunds of taxes (reimbursed to general fund):		
Gasoline used on farms	398&6420	194,314,570
Gasoline used for nonhighway purposes of local transit	6421	-
Fuel-taxicabs	6427	56,180,910
Commercial fishing vessels	4081 (a)	-
Gasohol (tax paid gasoline)	4081 (c)	-3,359,840
Gasoline, other	6412	227,871,250
Aviation fuels--farms	4041	21,485,580
Diesel vehicle rebate	4041	-4,932,950
Gas/diesel/alcohol mixtures	4081	24,708,060
Exempt use		36,131,510
Total refunds of taxes		552,399,090
Net taxes		16,733,411,592
Interest on investments		1,274,951,808
Total receipts		\$18,008,363,400

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1992, con.**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$15,181,599,638
Right-of-way revolving fund		19,943,590
National Highway Traffic Safety Administration		132,360,481
Trust fund share of highway programs		11,322,269
Baltimore-Washington Parkway		13,862,711
Highway safety research and development		4,154,364
Airport executive demonstration		486,335
Highway-related safety grants		9,899,364
Overseas highway		2,705,758
Mount Saint Helens		3,304,798
Intermodal urban demonstration		401,887
Traffic control signal demonstration		-
Carpool and vanpool grants		47,084
Bicycle programs		-
National Park Service construction		37,237,080
Motor carrier safety grants		63,987,487
Mass transit		1,267,845,165
Safety improvement project		5,491,639
Safety economic development demonstration project		8,536,453
Theodore Roosevelt Bridge		-
Vehicular and pedestrian safety demonstration		-
Nuclear waste transportation safety demonstration		-
Corridor safety improvement		1,078,120
Bridge capacity improvement		51,868
Highway railroad grade crossing		1,593,902
Airport access highway demonstration project		-
Acceleration project		2,282
University Transportation Center		3,459,194
Department of Transportation		16,225,000
Total expenses		16,785,596,469
Balance Sept. 30, 1992		\$21,098,383,062

**TABLE TF-15.--Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 1993-97**

[In millions of dollars]

Combined Statement (Highway and Mass Transit Accounts)

	1993	1994	1995	1996	1997
Balance Oct. 1	21,098	19,979	16,577	13,180	12,842
Receipts:					
Excise taxes, net of refunds	17,806	18,245	18,563	22,170	22,606
Interest, net	1,530	1,274	953	725	706
Total receipts	19,336	19,519	19,516	22,895	23,312
Outlays	20,456	22,921	22,913	23,233	24,559
Balance Sept. 30	19,979	16,577	13,180	12,842	11,596

Mass Transit Account

	1993	1994	1995	1996	1997
Balance Oct. 1	9,798	10,027	9,993	9,871	10,434
Receipts:					
Excise taxes, net of refunds	1,959	1,987	2,022	2,730	2,783
Interest, net	710	639	575	543	574
Total receipts	2,669	2,626	2,597	3,273	3,357
Outlays	2,441	2,660	2,718	2,709	3,705
Balance Sept. 30	10,027	9,993	9,871	10,434	10,086

Highway Account

	1993	1994	1995	1996	1997
Balance Oct. 1	11,300	9,952	6,584	3,309	2,408
Receipts:					
Excise taxes, net of refunds	15,847	16,258	16,541	19,440	19,823
Interest, net	819	634	379	182	132
Total receipts	16,666	16,892	16,920	19,622	19,955
Outlays	18,015	20,260	20,194	20,523	20,853
Balance Sept. 30	9,952	6,584	3,309	2,408	1,510
Unfunded authorizations	33,917	36,863	-	-	-
24-month revenue estimates	33,812	36,542	39,577	40,148	40,626

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1971, according to provisions of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). It was reestablished on the books of the Treasury by the Surface Transportation Assistance Act of 1982, and modified by the Deficit Reduction Act of 1984 (Public Law 98-369, approved July 18, 1984), the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the Omnibus Budget Reconciliation Act of 1990. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

The termination date of the fund was extended to September 30, 1999, as a result of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-24, approved December 18, 1991).

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the

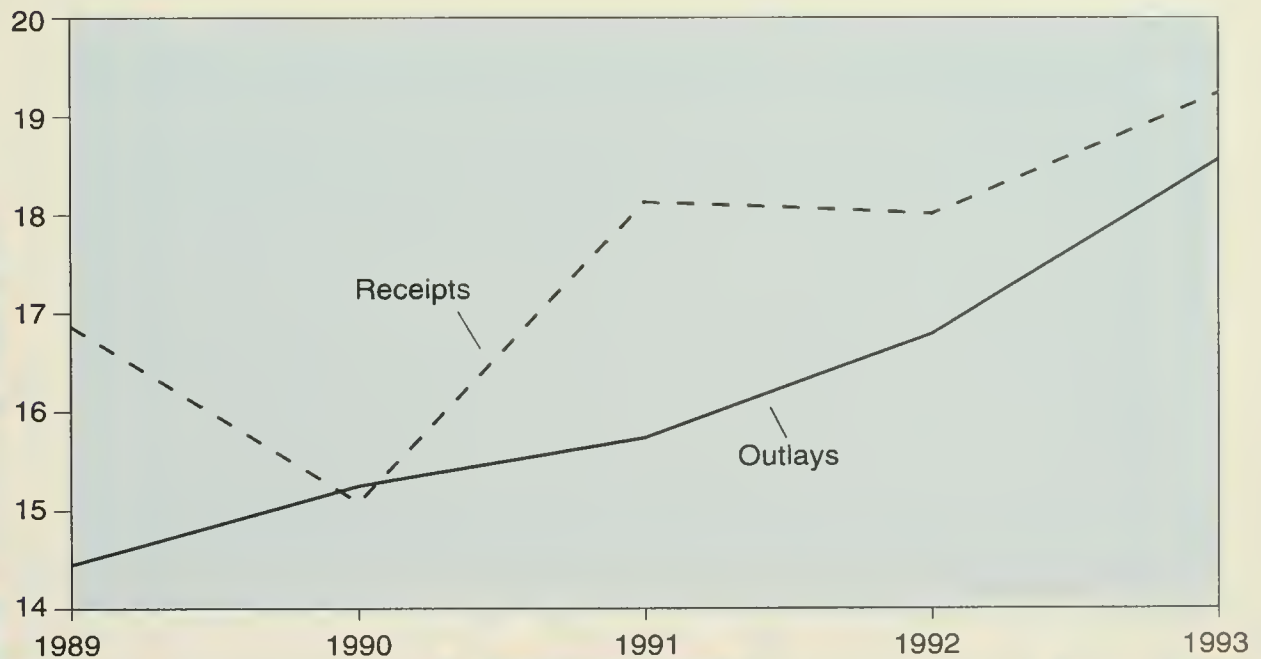
Internal Revenue Code (26 U.S.C.). The funds from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

CHART TF-E.--Highway Trust Fund Receipts and Outlays Fiscal 1989-93

(In billions of dollars)



**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1993**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1992		\$21,456,720,437
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	3,582,376,000
Trucks	4051 (a)	1,199,291,000
Gasoline	4081	12,797,060,600
Tires used on highway vehicles	4071 (a) (1)	304,482,000
Repealed taxes	4071 (a) (3)	-
Use of certain vehicles	4481	630,401,000
Fines and penalties		14,433,075
Total taxes		18,528,043,675
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041 (b)	206,633,000
Gross taxes		18,320,410,675
Less refunds of taxes (reimbursed to general fund)		
Diesel-powered vehicle	39 & 6420	8,360,160
Gasoline other	6421	95,287,005
Gasohol 3.1/8.7	6427	30,757,255
Diesel 15.1/20.1	4081 (a)	122,560,535
Special motor fuel 9.1/14.1	4081 (c)	12,225,766
Aviation Htf. 12.1/15.1	6412	3,807,827
Gas to make gasohol	4041	3,512,430
Diesel fuel bus use	4041	5,389,883
Gas/diesel/alcohol mixtures	4081	-
Exempt use		-
Total refunds of taxes		281,900,861
Net taxes		18,038,509,814
Interest on investments		1,201,657,196
Total receipts		19,240,167,010

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Center for
Transportation

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1993, con.**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$16,259,208,839
Right-of-way revolving fund		9,195,097
National Highway Traffic Safety Administration		178,674,635
Trust fund share of highway programs		7,641,797
Baltimore-Washington Parkway		14,007,875
Highway safety research and development		1,160,884
Airport executive demonstration		1,251,783
Highway-related safety grants		10,978,143
Overseas highway		19,489
Mount Saint Helens		511,321
Intermodal urban demonstration		4,673,405
Traffic control signal demonstration		-
Carpool and vanpool grants		29,176
Bicycle programs		-
National Park Service construction		24,815,116
Motor carrier safety grants		62,966,100
Mass transit		1,915,661,561
Safety improvement project		6,888,412
Safety economic development demonstration project		22,932,606
Theodore Roosevelt Bridge		-
Vehicular and pedestrian safety demonstration		512,328
Nuclear waste transportation safety demonstration		-
Corridor safety improvement		3,165,903
Bridge capacity improvement		21,855
Highway railroad grade crossing		4,147,388
Urban highway/corridor bicycle transportation demonstration		958,000
Highway demonstration projects		7,973,500
Kentucky bridge demonstration program		15,237
Department of Transportation/rent		19,000,000
Total expenses		18,556,410,450
Balance September 30, 1993		22,140,476,997

**TABLE TF-15.--Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1994-98**

[In millions of dollars. Source: Financial Management Service]

Combined Statement Highway and Mass Transit Accounts

	1994	1995	1996	1997	1998
Balance Oct. 1	22,140	20,483	18,454	19,268	19,526
Receipts:					
Excise taxes, net of refunds	18,290	18,642	22,367	22,788	22,143
Interest, net	1,439	1,127	969	988	1,001
Total receipts	19,729	19,769	23,336	23,776	24,144
Outlays	21,386	21,798	22,521	23,518	23,708
Balance Sept. 30	20,483	18,454	19,268	19,526	19,962

Mass Transit Account

	1994	1995	1996	1997	1998
Balance Oct. 1	10,617	10,126	9,942	10,443	10,267
Receipts:					
Excise taxes, net of refunds	1,980	2,017	2,726	2,777	2,817
Interest, net	690	557	522	535	526
Total receipts	2,670	2,574	3,248	3,312	3,343
Outlays	3,161	2,758	2,746	3,489	3,612
Balance Sept. 30	10,126	9,942	10,443	10,267	9,997

Highway Account

	1994	1995	1996	1997	1998
Balance Oct. 1	11,523	10,357	8,511	8,824	9,259
Receipts:					
Excise taxes, net of refunds	16,310	16,625	19,641	20,011	20,326
Interest, net	749	570	447	452	475
Total receipts	17,059	17,195	20,088	20,463	20,801
Outlays	18,225	19,041	19,775	20,028	20,095
Balance Sept. 30	10,357	8,511	8,824	9,259	9,965
Unfunded authorizations (EOY)	35,222	38,327	-	-	-
24-month revenue estimate	37,283	40,551	41,264	41,978	42,749

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway and surface transportation acts since 1959. The Intermodal Surface Transportation Efficiency Act of 1991 extended the Highway Trust Fund and its taxes through September 30, 1999. It has also been modified by the Deficit Reduction Act of 1984, the Omnibus Budget Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the Internal Revenue Code (26 U.S.C.). The funds

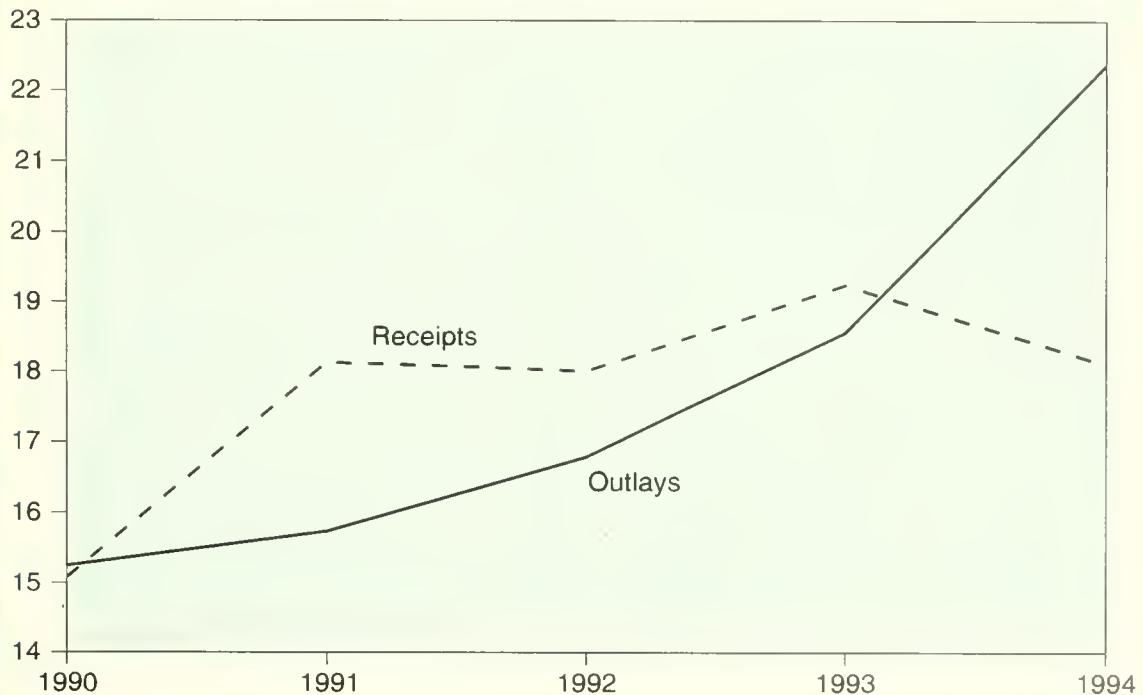
from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

CHART TF-E.--Highway Trust Fund Receipts and Outlays Fiscal 1990-94

(In billions of dollars)



**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1994**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1993		\$22,140,476,997
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	3,805,796,900
Trucks	4051 (a)	1,405,218,000
Gasoline	4081	11,465,240,300
Tires used on highway vehicles	4071 (a) (1)	327,398,000
Repealed taxes	4071 (a) (3)	-
Use of certain vehicles	4481	618,423,000
Fines and penalties		8,835,883
Total taxes		<u>17,630,912,083</u>
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041 (b)	205,046,000
Gross taxes		<u>17,424,866,083</u>
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicles	39 & 6420	25,493,014
Gasoline, other	6421	195,404,369
Gasohol 3 1/8.7	6427	29,858,598
Diesel 15.1/20.1	4081 (a)	337,525,045
Special motor fuel 9.1/14.1	4081 (c)	79,429,455
Aviation Htf. 12.1/15.1	6412	-
Gas to make gasohol	4041	75,072,342
Diesel fuel bus use	4041	14,345,107
Gas/diesel/alcohol mixtures	4081	-
Exempt use		-
Total refunds of taxes		<u>757,127,930</u>
Net taxes		<u>16,667,738,153</u>
Interest on investments		1,438,009,945
Total receipts		<u>\$18,105,748,098</u>

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1994, con.**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$18,638,292,182
Right-of-way revolving fund		11,955,819
National Highway Traffic Safety Administration		188,453,768
Trust fund share of highway programs		6,697,921
Baltimore-Washington Parkway		16,850,515
Highway safety research and development		388,565
Airport executive demonstration		287,671
Highway-related safety grants		9,781,618
Overseas highway		-
Mount Saint Helens		97,006
Intermodal urban demonstration		-1,578,235
University transportation center		525,854
Carpool and vanpool grants		38,631
Metropolitan planning project		955,477
National Park Service construction		12,342,861
Motor carrier safety grants		60,134,571
Mass transit		3,363,651,842
Safety improvement project		2,284,150
Safety economic development demonstration project		14,913,566
Railroad administration		156,375
Vehicular and pedestrian safety demonstration		1,272,386
Nuclear waste transportation safety demonstration		-
Corridor safety improvement		7,720,116
Bridge capacity improvement		23,933
Highway railroad grade crossing		3,305,399
Urban highway/corridor bicycle transportation demonstration		7,590
Highway demonstration projects		28,620,811
Kentucky bridge demonstration program		4,064,153
Department of Transportation/rent		3,262,000
Total expenses		\$22,374,506,546
Balance Sept. 30, 1994		17,871,718,549

**TABLE TF-15.--Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1995-99**

[In millions of dollars. Source: Financial Management Service]

Combined Statement Highway and Mass Transit Accounts					
	1995	1996	1997	1998	1999
Balance Oct. 1	17,872	17,477	19,116	19,336	20,423
Receipts:					
Excise taxes, net of refunds	20,665	22,954	23,174	23,597	23,980
Interest, net	1,128	1,073	1,194	1,209	1,276
Total receipts	21,793	24,027	24,368	24,806	25,256
Outlays	22,188	22,388	24,148	23,719	23,695
Balance Sept. 30	17,477	19,116	19,336	20,423	21,984

Mass Transit Account

	1995	1996	1997	1998	1999
Balance Oct. 1	9,945	10,753	11,496	11,489	11,542
Receipts:					
Excise taxes, net of refunds	2,767	2,815	2,870	2,920	2,963
Interest, net	622	659	718	718	721
Total receipts	3,389	3,474	3,588	3,638	3,684
Outlays	2,581	2,731	3,595	3,585	3,750
Balance Sept. 30	10,753	11,496	11,489	11,542	11,476

Highway Account

	1995	1996	1997	1998	1999
Balance Oct. 1	7,927	6,724	7,620	7,847	8,881
Receipts:					
Excise taxes, net of refunds	17,898	20,139	20,304	20,677	21,017
Interest, net	506	414	476	491	555
Total receipts	18,404	20,553	20,780	21,168	21,572
Outlays	19,607	19,657	20,553	20,134	19,945
Balance Sept. 30	6,724	7,620	7,847	8,881	10,508
Unfunded authorizations (EOY)	37,473	34,184	34,878	35,059	34,805
24-month revenue estimate	41,333	41,948	42,740	43,595	-

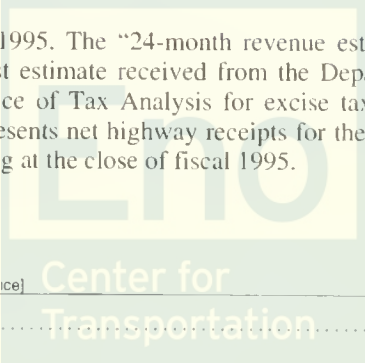
TABLE TF-15A.--Highway Trust Fund, Highway Account

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning only the highway account of the Highway Trust Fund. The figure described as "unfunded authorizations" is the latest estimate received from the Department of Transporta-

tion for fiscal 1995. The "24-month revenue estimate" includes the latest estimate received from the Department of Treasury's Office of Tax Analysis for excise taxes, net of refunds. It represents net highway receipts for the 24-month period beginning at the close of fiscal 1995.

[In millions of dollars Source: Financial Management Service]

Unfunded authorizations (EOY)	37,473
24-month revenue estimate	41,333



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway and surface transportation acts since 1959. The Intermodal Surface Transportation Efficiency Act of 1991 extended the Highway Trust Fund and its taxes through September 30, 1999. It has also been modified by the Deficit Reduction Act of 1984, the Omnibus Budget Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the Internal Revenue Code (26 U.S.C.). The funds

from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1995**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1994		\$17,871,718,549
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	5,705,829,400
Trucks	4051 (a)	2,008,840,000
Gasoline	4081	14,930,103,300
Tires used on highway vehicles	4071 (a) (1)	395,443,000
Cash management improvement act	4071	660,836
Use of certain vehicles	4481	681,792,000
Fines and penalties		10,681,007
Total taxes		23,733,349,543
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041	208,020,000
Gross taxes		23,524,329,543
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	9,916,770
Gasoline other	6421	274,957,230
Gasohol 3.1/8.7	6427	10,331,320
Diesel 15.1/20.1	4081	491,359,960
Special motor fuel 9.1/14.1	4081	37,589,460
Aviation Hlf. 12.1/15.1	6412	-
Gas to make gasohol	4041	67,361,230
Diesel fuel bus use	4041	20,726,180
Gas/diesel/alcohol mixtures	4081	-
Exempt use		-
Total refunds of taxes		912,242,150
Net taxes		22,612,087,393
Investment Income:		
Interest on investments		934,225,365
Accrued interest income		211,228,495
Total investment income		1,145,453,860
Net receipts		23,757,541,253

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1995, con.**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$19,112,922,065
Right-of-way revolving fund		2,748,995
National Highway Traffic Safety Administration		145,441,000
Trust fund share of highway programs		10,067,969
Baltimore-Washington Parkway		3,289,861
Highway safety research and development		89,154
PA toll road demonstration		2,265,632
Highway-related safety grants		8,782,573
Alabama HYW bypass demonstration		139,171
Urban airport access safety demonstration		3,840,000
Intermodal urban demonstration		7,392,533
University transportation center		7,535,708
Carpool and vanpool grants		26,582
Metropolitan planning project		713,146
National Park Service construction		7,964,801
Motor carrier safety grants		65,616,442
Mass transit		3,178,768,188
Safety improvement project		1,605,655
Safety economic development demonstration project		7,591,179
Railroad administration		-
Vehicular and pedestrian safety demonstration		145,373
Highway demonstration		1,840,868
Corridor safety improvement		13,953,393
Bridge capacity improvement		33,058
Highway railroad grade crossing		4,091,086
Urban highway/corridor bicycle transportation demonstration		491,427
Highway demonstration projects		39,060,968
Kentucky bridge demonstration program		237,801
Department of Transportation/rent		1,976,000
Total expenses		<u>22,628,990,627</u>
Outlays:		
Outlays to cash management improvement act		85,017
Balance Sept. 30, 1995		<u>19,000,184,158</u>

**TABLE TF-15.—Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1996-2000**

[In millions of dollars. Source: Financial Management Service]

Combined Statement Highway and Mass Transit Accounts					
1996	1997	1998	1999	2000	
Balance Oct. 1	19,000	21,386	23,922	27,273	33,052
Receipts:					
Excise taxes, net of refunds	24,554	24,904	25,240	25,672	26,127
Interest, net	1,306	1,402	1,525	1,723	1,983
Total receipts	25,860	26,306	26,765	27,395	28,110
Outlays	23,474	23,770	23,114	21,916	20,070
Balance Sept. 30	21,386	23,922	27,573	33,052	41,092

Mass Transit Account					
1996	1997	1998	1999	2000	
Balance Oct. 1	9,579	10,080	9,808	9,844	10,173
Receipts:					
Excise taxes, net of refunds	2,932	2,960	2,988	3,033	3,080
Interest, net	659	680	625	615	610
Total receipts	3,591	3,640	3,613	3,648	3,690
Outlays	3,090	3,912	3,577	3,319	3,094
Balance Sept. 30	10,080	9,808	9,844	10,173	10,769

Highway Account					
1996	1997	1998	1999	2000	
Balance Oct. 1	9,421	11,307	14,115	17,730	22,880
Receipts:					
Excise taxes, net of refunds	21,622	21,944	22,252	22,639	23,047
Interest, net	648	722	900	1,108	1,373
Total receipts	22,270	22,666	23,152	23,747	24,420
Outlays	20,384	19,858	19,537	18,597	16,976
Balance Sept. 30	11,307	14,115	17,730	22,880	30,324
Unfunded authorizations (EOY)	39,253	41,425	-	-	-
Twenty-four month revenue estimate	45,818	46,899	48,167	49,613	51,327

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the Department of Transportation for fiscal 1995. The 24-and

12-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from the Department of Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1995.

Highway Account

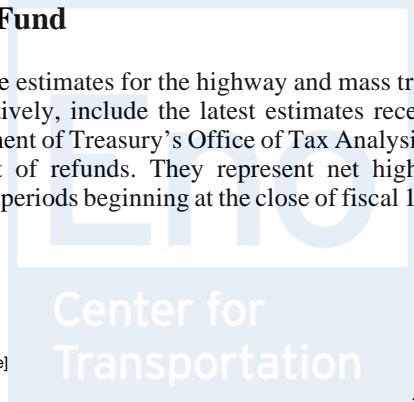
[In millions of dollars. Source: Financial Management Service]

Unfunded authorizations (EOY)	39,253
24-month revenue estimate.	45,818

Mass Transit Account

[In millions of dollars. Source: Financial Management Service]

Unfunded authorizations (EOY)	4,938
12-month revenue estimate.	3,640



INTRODUCTION: Highway Trust Fund

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Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the Internal Revenue Code (26 U.S.C.). The funds

from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1996**

[Source: Department of Transportation]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1995		\$19,000,184,158
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	764,810,000
Gas manufacture gasohol	4041	174,116,000
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	5,991,014,100
Trucks	4051 (a)	1,878,863,400
Gasoline	4081	15,438,922,200
Tires used on highway vehicles	4071 (a) (1)	532,352,000
Cash management improvement act	4071	2,110,547
Use of certain vehicles	4481	739,878,000
Fines and penalties		7,375,841
Total taxes		25,529,442,088
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041	218,135,000
Gross taxes		25,310,307,088
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	12,241,460
Gasoline other	6421	316,550,740
Gasohol 3.1/8.7	6427	14,316,420
Diesel 15.1/20.1	4081	662,422,000
Special motor fuel 9.1/14.1	4081	6,401,580
Aviation Htf. 12.1/15.1	6412	-
Gas to make gasohol	4041	27,898,140
Diesel fuel bus use	4041	27,520,450
Gas/diesel/alcohol mixtures	4081	-410,047,000
Exempt use		-
Total refunds of taxes		657,303,790
Net taxes		24,653,003,298
Investment income:		
Interest on investments		1,320,959,851
Accrued interest income		-
Total investment income		1,320,959,851
Net receipts		25,973,963,149

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1996, con.**

[Source: Department of Transportation]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$19,543,893,941
Right-of-way revolving fund		29,181,615
National Highway Traffic Safety Administration		243,198,577
Trust fund share of highway programs		13,183,566
Baltimore-Washington Parkway		345,991
Highway safety research and development		353,426
PA toll road demonstration		102,531
Highway-related safety grants		11,047,482
Alabama HYW bypass demonstration		553,082
Urban airport access safety demonstration		-
Intermodal urban demonstration		6,434,691
University transportation center		60,743
Carpool and vanpool grants		-
Metropolitan planning project		684,745
National Park Service construction		5,777,797
Motor carrier safety grants		73,704,872
Mass transit		3,335,987,874
Safety improvement project		1,697,334
Safety economic development demonstration project		9,396,956
Railroad administration		1,629,135
Vehicular and pedestrian safety demonstration		115,726
Highway demonstration		2,189,091
Corridor safety improvement		7,169,695
Bridge capacity improvement		189,305
Highway railroad grade crossing		1,561,705
Urban highway/corridor bicycle transportation demonstration		10,567
Highway demonstration projects		38,869,057
Kentucky bridge demonstration program		87,111
Virginia HOV safety demonstration program		1,600,000
Department of Transportation/rent		1,897,000
Total expenses		<u>23,330,923,615</u>
Outlays:		
Outlays to cash management improvement act		41,287
Balances expired or permanently cancelled		<u>-22,000,000</u>
Balance Sept. 30, 1996		<u>21,621,182,405</u>

**TABLE TF-15.--Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1997-2001**

[In millions of dollars. Source: Department of Transportation]

Combined Statement Highway and Mass Transit Accounts					
	1997	1998	1999	2000	2001
Balance Oct. 1	21,620	24,370	27,744	31,442	34,963
Receipts:					
Excise taxes, net of refunds	24,853	24,697	25,317	25,829	26,570
Interest, net	1,349	1,441	1,595	1,720	1,879
Total receipts	26,203	26,137	26,912	27,550	28,449
Outlays	23,453	22,763	23,214	24,028	24,296
Balance Sept. 30	24,370	27,744	31,442	34,963	39,116

Mass Transit Account

	1997	1998	1999	2000	2001
Balance Oct. 1	9,525	9,586	11,285	12,678	13,085
Receipts:					
Excise taxes, net of refunds	3,006	3,063	3,131	2,956	3,023
Interest, net	595	569	649	693	703
Total receipts	3,602	3,631	3,780	3,650	3,726
Outlays	3,541	1,932	2,387	3,243	3,735
Balance Sept. 30	9,586	11,285	12,678	13,085	13,076

Highway Account

	1997	1998	1999	2000	2001
Balance Oct. 1	12,095	14,784	16,459	18,764	21,878
Receipts:					
Excise taxes, net of refunds	21,847	21,634	22,186	22,873	23,547
Interest, net	754	872	946	1,027	1,176
Total receipts	22,601	22,506	23,132	23,900	24,723
Outlays	19,912	20,831	20,827	20,785	20,561
Balance Sept. 30	14,784	16,459	18,764	21,878	26,040
Unfunded authorizations (EOY)	41,506	44,200	-	-	-
Twenty-four month revenue estimate	45,638	47,032	48,623	24,723	-

TABLE TF-15A.--Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from three Department of Transportation for fiscal 1996. The 24-

and 12-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from the Department of Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1996.

Highway Account

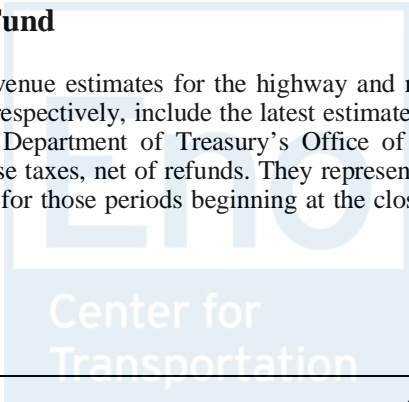
[In millions of dollars. Source: Department of Transportation]

Unfunded authorizations (EOY)	39,123
24-month revenue estimate	45,154

Mass Transit Account

[In millions of dollars. Source: Department of Transportation]

Unfunded authorizations (EOY)	4,561
12-month revenue estimate	7,233



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway and surface transportation acts since 1959. The Intermodal Surface Transportation Efficiency Act of 1991 extended the Highway Trust Fund and its taxes through September 30, 1999. It has also been modified by the Deficit Reduction Act of 1984, the Omnibus Budget Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the Internal Revenue Code (26 U.S.C.). The funds

from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1997**

[Source: Department of Transportation]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1996,		\$21,621,182,405
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	887,873,083
Gas manufacture gasohol	404	-
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	5,913,942,720
Trucks	4051 (a)	1,674,348,000
Gasoline	4081	15,341,566,453
Tires used on highway vehicles	4071 (a) (1)	299,745,000
Cash management improvement act	4071	2,884,992
Use of certain vehicles	4481	761,759,580
Fines and penalties		5,853,429
Total taxes		24,887,973,257
Less: Transfer to land and water conservation fund	4081	-
Transfer to aquatic reserve	4041	221,537,000
Gross taxes		24,666,436,257
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	11,331,644
Gasoline 9.1/14.1	6421	222,376,940
Gasohol 3.1/8.7	6427	13,270,140
Diesel 15.1/20.1	4081	445,032,838
Special motor fuel 9.1/14.1	4081	11,198,798
Aviation Hlf. 12.1/15.1	6412	-
Gas to make gasohol	4041	12,384,070
Diesel fuel, bus use	4041	29,085,075
Diesel	4081	51,872,000
Exempt use		-
Total refunds of taxes		796,551,505
Net taxes		23,869,884,752
Investment income:		
Interest on investments		1,448,360,948
Accrued interest income		-
Total investment income		1,448,360,948
Net receipts		\$25,318,245,700

**TABLE TF-15.--Highway Trust Fund
Results of Operations, Fiscal 1997, con.**

[Source: Department of Transportation]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$20,466,500,426
Right-of-way revolving fund		1,711,969
National Highway Traffic Safety Administration		233,129,458
Trust fund share of highway programs		865,813
Baltimore-Washington Parkway		87,507
Highway safety research and development		173,802
Pennsylvania toll road demonstration		787,312
Highway-related safety grants		9,200,448
Alabama highway bypass demonstration		441
Urban airport access safety demonstration		-
Intermodal urban demonstration		13,453,337
University transportation center		1,982,877
Carpool and vanpool grants		-
Metropolitan planning project		123,913
National Park Service construction		1,563,274
Motor carrier safety grants		78,454,853
Mass transit		3,662,696,553
Safety improvement project		560,969
Safety economic development demonstration project		4,516,453
Railroad administration		7,428,101
Vehicular and pedestrian safety demonstration		19,668
Highway demonstration		-269,576
Corridor safety improvement		729,096
Bridge capacity improvement		56,032
Highway railroad grade crossing		1,741,112
Urban highway/corridor bicycle transportation demonstration		594,786
Highway demonstration projects		27,012,362
Kentucky bridge demonstration program		424,182
Pennsylvania reconstruction demonstration project		3,174,482
Mineola grade crossing		2,180
Department of Transportation/rent		2,022,000
Total expenses		<u>24,518,743,830</u>
Outlays:		
Outlays to cash management improvement act		226,099
Balances expired or permanently cancelled		678,323
Balance September 30, 1997		<u>\$22,419,779,853</u>

**TABLE TF-15.--Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1998-2002**

[In millions of dollars. Source: Department of Transportation]

Combined Statement Highway and Mass Transit Accounts

1998	1999	2000	2001	2002
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At the time of publication, these figures were not made available to the Financial Management Service.



Mass Transit Account

1998	1999	2000	2001	2002
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At the time of publication, these figures were not made available to the Financial Management Service.

Highway Account

1998	1999	2000	2001	2002
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The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as "unfunded authorizations" is the latest estimate received from three Department of Transportation for fiscal 1996. The 24-

and 12-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from the Department of Treasury's Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1996.

Highway Account

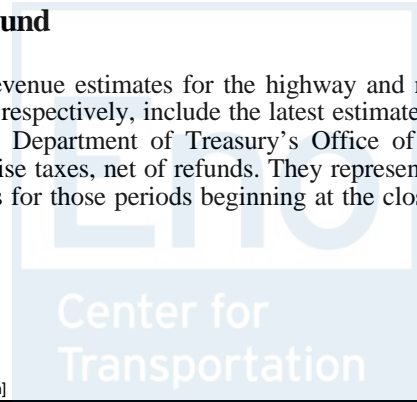
[In millions of dollars. Source: Department of Transportation]

Unfunded authorizations (EOY)	39,123
24-month revenue estimate	45,154

Mass Transit Account

[In millions of dollars. Source: Department of Transportation]

Unfunded authorizations (EOY)	4,561
12-month revenue estimate	7,233



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway and surface transportation acts since 1959. The Intermodal Surface Transportation Efficiency Act of 1991 extended the Highway Trust Fund and its taxes through September 30, 1999. It has also been modified by the Deficit Reduction Act of 1984, the Omnibus Budget Reconciliation Act of 1990 and the Omnibus Budget Reconciliation Act of 1993. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles and truck use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities, and interest is credited to the fund.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081

and 4091 of the IRC (26 United States Code). The funds from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, DOT. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 United States Code 9602 (a) IRC as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1998**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 1997		22,419,779,853
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	1,095,864,692
Gas manufacture gasohol	4041	-
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	6,122,312,027
Trucks	4051 (a)	2,040,532,000
Gasoline	4081	17,100,306,384
Tires used on highway vehicles	4071 (a) (1)	399,305,000
Cash Management Improvement Act	4071	1,321,288
Use of certain vehicles	4481	862,923,540
Fines and penalties		5,586,614
Total taxes		27,628,151,545
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041	194,084,000
Gross taxes		27,433,067,545
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 6420	4,142,700
Gasoline 9.1 14.1	6421	309,542,508
Gasohol 3.1 8.7	6427	16,356,740
Diesel 15.1 20.1	4081	434,006,070
Special motor fuel 9.1 14.1	4081	9,504,150
Gasoline	6412	-33,809,441
Gas to make gasohol	4041	16,081,000
Diesel fuel, bus use	4041	24,821,657
Diesel	4081	23,335,492
Exempt use		-
Total refunds of taxes		803,980,876
Net taxes		26,629,086,669
Investment income:		
Interest on investments		1,706,027,292
Accrued interest income		-
Total investment income		1,706,027,292
Net receipts		28,335,113,961

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1998, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to highways		19,967,116,169
Right-of-way revolving fund		-1,982,639
National Highway Traffic Safety Administration		252,319,000
Trust fund share of highway programs		4,486,136
Baltimore-Washington Parkway		-6,003
Highway safety research and development		1,991,955
Pennsylvania toll road demonstration		575
Highway-related safety grants		2,757,987
Alabama highway bypass demonstration		837
Urban airport access safety demonstration		-
Intermodal urban demonstration		4,187,705
University transportation center		-
Carpool and vanpool grants		-
Metropolitan planning project		47,600
National Park Service construction		4,702,506
Motor carrier safety grants		72,960,582
Mass transit		4,132,993,000
Safety improvement project		26,857
Safety economic development demonstration project		174,024
Railroad administration		2,971,000
Vehicular and pedestrian safety demonstration		151,431
Highway demonstration		25,643,672
Corridor safety improvement		610,346
Bridge capacity improvement		1,271,811
Highway railroad grade crossing		3,768,983
Urban highway corridor bicycle transportation demonstration		25,648
Highway demonstration projects		3,235,990
Kentucky bridge demonstration program		-
Pennsylvania reconstruction demonstration project		1,481,706
Mineola grade crossing		1,069,961
DOT rent		-
Total expenses		<u>24,482,006,839</u>
Outlays:		
Outlays to Cash Management Improvement Act		209,026
Balances expired or permanently cancelled		-
Balance Sept. 30, 1998		<u>26,272,677,949</u>

**TABLE TF-15.—Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 1999-2003**

[In millions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts					
	1999	2000	2001	2002	2003
Balance Oct. 1	18.5	27.9	28.7	28.9	29.3
Receipts:					
Excise taxes, net of refunds	38.6	33.1	33.6	34.3	34.9
Interest, net	-	-	-	-	-
Total receipts	38.6	33.1	33.6	34.3	34.9
Outlays	29.2	32.3	33.4	33.8	34.2
Balance Sept. 30	27.9	28.7	28.9	29.3	30.1

Mass Transit Account

	1999	2000	2001	2002	2003
Balance Oct. 1	10.1	9.7	8.2	7.0	5.7
Receipts:					
Excise taxes, net of refunds	5.4	4.5	4.6	4.7	4.8
Interest, net	-	-	-	-	-
Total receipts	5.4	4.5	4.6	4.7	4.8
Outlays	5.7	6.1	5.8	5.9	6.1
Balance Sept. 30	9.7	8.2	7.0	5.7	4.5

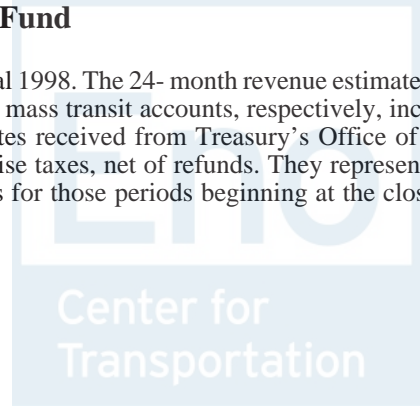
Highway Account

	1999	2000	2001	2002	2003
Balance Oct. 1	8.5	18.2	20.6	22.0	23.7
Receipts:					
Excise taxes, net of refunds	33.2	28.7	29.0	29.5	30.1
Interest, net	-	-	-	-	-
Total receipts	33.2	28.7	29.0	29.5	30.1
Outlays	23.5	26.2	27.6	27.9	28.1
Balance Sept. 30	18.2	20.6	22.0	23.7	25.7
Unfunded authorizations (EOY)	-	-	-	-	-
24-month revenue estimate	-	-	-	-	-

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from

the DOT for fiscal 1998. The 24- month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1998.



Highway Account

[In millions of dollars. Source: DOT]

Unfunded authorizations (EOY)	33,299
24-month revenue estimate	61,649

Mass Transit Account

[In millions of dollars. Source: DOT]

Unfunded authorizations (EOY)	-4,922
24-month revenue estimate	9,912

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway, surface transportation and other acts since 1959. The Transportation Equity Act for the 21st Century (TEA-21) extended the Highway Trust Fund and its taxes through September 30, 2005. The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 also amended trust fund law.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this

account are used for expenditures according to section 5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991, or the TEA-21. The remaining excise taxes are included in a higher account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit an annual report to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

TABLE TF-15.—Highway Trust Fund Results of Operations, Fiscal 1999

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Bal ance Oct. 1, 1998		\$26,272,677,949
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	
Gas manufacture gasohol	4041	2,067,967,794
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	9,165,312,490
Trucks	4051 (a)	2,809,900,000
Gasoline	4081	25,430,675,712
Tires used on highway vehicles	4071 (a) (1)	416,034,000
Cash Management Improvement Act	4071	1,890,364
Use of certain vehicles	4481	813,698,000
Fines and penalties		6,687,496
Total taxes		40,712,165,856
Less: Trans fer to land and wa ter con ser va tion fund	4081	1,000,000
Trans fer to aquatic re serve	4041	275,658,000
Gross taxes		40,435,507,856
Less re funds of taxes (re im bursed to gen eral fund):		
Diesel-powered vehicle	39 & 6420	779,072
Gasoline 9.1/14.1	6421	361,048,573
Gasohol 3.1/8.7	6427	21,869,000
Diesel 15.1/20.1	4081	616,054,086
Spe cial mo tor fuel 9.1/14.1	4081	16,102,875
Gasoline	6412	-
Gas to make gasohol	4041	32,962,382
Die sel fuel, bus use	4041	35,828,801
Diesel	4081	49,677,834
Ex empt use		-
Total re funds of taxes		1,134,322,623
Net taxes		39,301,185,233
Investment in come:		
Interest on investments		-
Acrued in ter est in come		-
Total in vest ment in come		-
Net re ceipts		\$39,301,185,233

**TABLE TF-15.—High way Trust Fund
Results of Operations, Fiscal 1999, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to high ways		\$26,741,807,920
Right-of-way revolving fund		-3,955,493
National Highway Traffic Safety Administration		264,990,181
Trust fund share of high way programs		-
Baltimore-Washington Parkway		-179,425
Highways safety research and development		431,891
Mount St. Helen's		25,303
Highway-related safety grants		1,147,604
Alabama highway bypass demonstration		9,519
Urban airport access safety demonstration		-
Intermodal urban demonstration		2,245,204
University transportation center		-
Carpool and vanpool grants		54,257
Metropolitan planning project		41,130
National Park Service construction		1,351,094
Motor carrier safety grants		87,493,935
Mass transit		4,251,800,000
Safety improvement project		211,056
Safety economic development demonstration project		-92,549
Railroad administration		1,806,551
Vehicular and pedestrian safety demonstration		37,723
Highway demonstration		24,731,218
Corridor safety improvement		288,433
Bridge capacity improvement		3,615,336
Highway railroad grade crossing		5,796,686
Urban highway/corridor bicycle transportation demonstration		269,547
Nuclear waste transportation safety		548
Kentucky bridge demonstration program		-20,390
Pennsylvania reconstruction demonstration project		466,400
Mineola grade crossing		2,112,298
Transit program		1,523,668,572
Total expenses		<u>28,910,154,549</u>
Outlays:		
Outlays to Cash Management Improvement Act		51,304
Balances transferred to general fund 10-1-98		<u>8,017,355,427</u>
Bal ance Sept. 30, 1999		<u>\$28,646,301,902</u>

**TABLE TF-15.—High way Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 2000-2004**

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts					
	2000	2001	2002	2003	2004
Balance Oct. 1	18.5	28.9	31.5	32.4	33.2
Receipts:					
Excise taxes, net of re funds	39.3	34.3	35.1	35.6	36.2
Interest, net	-	-	-	-	-
Total receipts	39.3	34.3	35.1	35.6	36.2
Outlays	28.9	31.7	34.2	34.8	34.6
Balance Sept. 30	28.9	31.5	32.4	33.2	34.8

Mass Transit Account

	2000	2001	2002	2003	2004
Balance Oct. 1	10.1	9.8	8.5	7.3	6.2
Receipts:					
Excise taxes, net of re funds	5.5	4.6	4.7	4.8	4.9
Interest, net	-	-	-	-	-
Total receipts	5.5	4.6	4.7	4.8	4.9
Outlays	5.8	5.9	5.9	5.9	6.0
Balance Sept. 30	9.8	8.5	7.3	6.2	5.1

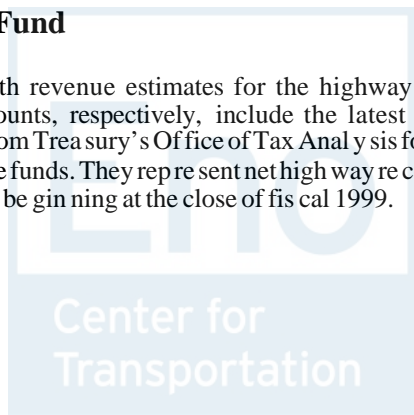
Highway Account

	2000	2001	2002	2003	2004
Balance Oct. 1	8.5	19.2	23.1	25.1	27.1
Receipts:					
Excise taxes, net of re funds	33.9	29.8	30.4	30.8	31.3
Interest, net	-	-	-	-	-
Total receipts	33.9	29.8	30.4	30.8	31.3
Outlays	23.2	25.9	28.4	28.8	28.6
Balance Sept. 30	19.2	23.1	25.1	27.1	29.8
Unfunded authorizations (EOY)	-	-	-	-	-
24-month revenue estimate	-	-	-	-	-

TABLE TF-15A.—High way Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal 1999.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1999.



Highway Account

[In millions of dollars. Source: DOT]

Unfunded authorizations (EOY)	37,258
24-month revenue estimate	60,006

Mass Transit Account

[In millions of dollars. Source: DOT]

Unfunded authorizations (EOY)	-6,540
24-month revenue estimate	9,453

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway, surface transportation and other acts since 1959. Section 9002 of the Transportation Equity Act for the 21st Century (TEA-21) (Public Law 105-178) extended the Highway Trust Fund and its taxes through September 30, 2005.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with section

5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), or the TEA-21. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit an annual report to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

TABLE TF-15.—Highway Trust Fund Results of Operations, Fiscal 2000

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 1999		\$28,959,376,656
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	1,808,897,000
Gas manufacture gasohol	4041	-
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	8,419,659,000
Trucks	4051 (a)	4,684,280,000
Gasoline	4081	21,297,638,000
Tires used on highway vehicles	4071 (a) (1)	-
Cash Management Improvement Act Interest	4071	163,330
Use of certain vehicles	4481	-
Fines and penalties		12,909,380
Total taxes		36,223,546,710
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041	235,336,000
Gross taxes		35,987,210,710
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	110,000
Gasoline 9.1/14.1	6421	271,720,214
Gasohol 3.1/8.7	6427	13,969,000
Diesel 15.1/20.1	4081	483,030,162
Special motor fuel 9.1/14.1	4081	-2,831,330
Gasoline	6412	-
Gas to make gasohol	4041	186,113,900
Diesel fuel, bus use	4041	62,321,250
Diesel	4081	-
Exempt use		-
Total refunds of taxes		1,014,433,196
Net taxes		34,972,777,514
Investment income:		
Interest on investments		-
Accrued interest income		
Total investment income		-
Net receipts		\$34,972,777,514

**TABLE TF-15.—High way Trust Fund
Results of Operations, Fiscal 2000, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to high ways		\$24,936,139,454
Right-of-way revolving fund		-49,264,849
National Highway Traffic Safety Administration		264,129,304
Trust fund share of high way programs		-
Baltimore-Washington Parkway		-
High way safety research and development		-129,340
Mount St. Helen's (Agriculture)		22,030
High way-related safety grants		505,971
Alabama high way bypass demonstration		521,804
Urban airport access safety demonstration		-
Intermodal urban demonstration		4,827,349
University transportation center		-
Carpool and vanpool grants		-
Metropolitan planning project		5,286
National Park Service construction		1,493,376
Motor carrier safety grants/administration		155,121,862
Mass transit		7,477,894,568
Safety improvement project		246,706
Safety economic development demonstration project		223,755
Railroad administration		2,713,592
Vehicular and pedestrian safety demonstration		15,255
Highway demonstration		26,486,444
Corridor safety improvement		1,087,940
Bridge capacity improvement		189,404
High way rail road grade crossing		5,732,561
Urban high way/corridor bicycle transportation demonstration		240,731
Nuclear waste transportation safety		-
Kentucky bridge demonstration program		-
Pennsylvania reconstruction demonstration project		-
Mineola grade crossing		2,240,472
Transit program		-
Climbing lane and high way safety demonstration projects		607,391
Highway demonstration		173
Total expenses		<u>32,830,905,859</u>
Outlays:		
Outlays to Cash Management Improvement Act		<u>259,987</u>
Balances expired or permanently cancelled		-
Balance Sept. 30, 2000		<u>\$31,100,988,324</u>

**TABLE TF-15.—High way Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 2001-2005**

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts					
	2001	2002	2003	2004	2005
Bal ance Oct. 1	31.1	32.6	32.9	33.3	33.4
Receipts:					
Ex cise taxes, net of re funds	35.4	36.5	37.6	38.7	39.8
Interest, net	-	-	-	-	-
Total receipts	35.4	36.5	37.6	38.7	39.8
Outlays	33.6	36.2	337.5	38.6	39.7
Bal ance Sept. 30	32.6	32.9	33.0	33.4	33.5

Mass Transit Account

	2001	2002	2003	2004	2005
Bal ance Oct. 1	8.5	7.2	6.0	4.9	3.9
Receipts:					
Ex cise taxes, net of re funds	4.7	4.8	4.9	5.0	5.1
Interest, net	-	-	-	-	-
Total receipts	4.7	4.8	4.9	5.0	5.1
Outlays	6.0	6.0	6.0	6.0	6.0
Bal ance Sept. 30	7.2	6.0	4.9	3.9	3.0

Highway Account

	2001	2002	2003	2004	2005
Bal ance Oct. 1	22.6	25.7	27.2	28.4	29.5
Receipts:					
Ex cise taxes, net of re funds	30.7	31.7	32.7	33.7	34.7
Interest, net	-	-	-	-	-
Total receipts	30.7	31.7	32.7	33.7	34.7
Outlays	27.6	30.2	31.5	32.6	33.7
Bal ance Sept. 30	25.7	27.2	28.4	29.5	30.5
Un funded authorizations (EOY)	-	-	-	-	-
24-month revenue estimate	-	-	-	-	-

TABLE TF-15A.—High way Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal 2002.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 2002.

High way Account

[In billions of dollars. Source: DOT]

Com mit ments (unobligated bal ances plus un paid ob li ga tions, EOY)	75.6
less:	
Cash bal ance (EOY)	27.2
Unfunded authorizations (EOY)	48.4
24-month rev e nue es ti mate (fis cal 2003 and 2004)	66.4

Mass Transit Ac count

[In mil lions of dol lars. Source: DOT]

Com mit ments (unobligated bal ances plus un paid ob li ga tions, EOY)	0.4
less:	
Cash bal ance (EOY)	6.0
Unfunded authorizations (EOY)	-5.6
24-month rev e nue es ti mate (fis cal 2003 and 2004)	9.9

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway, surface transportation and other acts since 1959. Section 9002 of the Transportation Equity Act for the 21st Century (TEA-21) (Public Law 105-178) extended the Highway Trust Fund and its taxes through September 30, 2005.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with section

5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), or the TEA-21. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 2001**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2000		\$31,100,988,324
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	2,077,875,000
Gas manufacture gasohol	4041	-
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	8,115,003,000
Trucks	4051 (a)	2,441,039,000
Gasoline	4081	20,059,032,000
Tires used on highway vehicles	4071 (a) (1)	-
Cash Management Improvement Act Interest	4071	781,525
Use of certain vehicles	4481	-
Fines and penalties		16,092,794
Total taxes		32,709,823,319
Less: Transfer to land and water conservation fund	4081	1,000,000
Transfer to aquatic reserve	4041	243,901,000
Gross taxes		32,464,922,319
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	262,000
Gasoline	6421	285,188,000
Gasohol	6427	19,301,000
Diesel	4081	654,291,430
Special motor fuel	4081	1,168,010
Gasoline	6412	-
Gas to make gasohol	4041	21,466,000
Diesel fuel, bus use	4041	13,620,400
Diesel	4081	-
Exempt use		-
Total refunds of taxes		995,296,840
Net taxes		31,469,625,479
Investment income:		
Interest on investments		-
Accrued interest income		-
Total investment income		-
Net receipts		\$31,469,625,479

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 2001, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to highways		\$27,244,826,779
Right-of-way revolving fund		-19,218,077
National Highway Traffic Safety Administration		293,759,978
Trust fund share of highway programs		-
Baltimore-Washington Parkway		269,408
Highway safety research and development		326,487
Mount St. Helen's (Agriculture)		-
Highway-related safety grants		133,654
Alabama highway bypass demonstration		1,674,245
Urban airport access safety demonstration		-
Intermodal urban demonstration		6,432,372
University transportation center		-
Carpool and vanpool grants		21,877
Metropolitan planning project		81
National Park Service construction		1,411,981
Motor carrier safety grants/administration		199,082,283
Mass transit		7,022,425,288
Safety improvement project		865,302
Safety economic development demonstration project		32,055
Railroad administration		2,048,980
Vehicular and pedestrian safety demonstration		791
Highway demonstration		21,557,344
Corridor safety improvement		7,343,148
Bridge capacity improvement		917,534
Highway railroad grade crossing		3,661,654
Urban highway/corridor bicycle transportation demonstration		171,993
Nuclear waste transportation safety		902
Kentucky bridge demonstration program		128
Pennsylvania reconstruction demonstration project		-
Mineola grade crossing		1,116,730
Transit program		-
Appalachian development projects		9,389,909
Miscellaneous highway projects, fiscal year 2000 plus		29,026,534
Study of improvements (Highway 8)		257,941
Climbing lane and highway safety demonstration projects		2,662,120
Highway demonstration		-
Total expenses		34,830,199,421
Outlays:		
Outlays to Cash Management Improvement Act		-
Balances expired or permanently cancelled		-
Balance Sept. 30, 2001		\$27,740,414,382

**TABLE TF-15.—Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 2002-2006**

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts					
	2002	2003	2004	2005	2006
Balance Oct. 1	27.7	24.6	22.7	24.6	28.4
Receipts:					
Excise taxes, net of refunds	32.2	33.3	34.4	35.7	36.9
Interest, net	-	-	-	-	-
Total receipts	32.2	33.3	34.4	35.7	36.9
Outlays	35.4	35.1	32.6	31.9	32.3
Balance Sept. 30	24.6	22.7	24.6	28.4	32.9

Mass Transit Account

	2002	2003	2004	2005	2006
Balance Oct. 1	7.4	5.8	4.3	3.1	2.0
Receipts:					
Excise taxes, net of refunds	4.6	4.7	4.8	5.0	5.1
Interest, net	-	-	-	-	-
Total receipts	4.6	4.7	4.8	5.0	5.1
Outlays	6.1	6.2	6.1	6.1	6.2
Balance Sept. 30	5.8	4.3	3.1	2.0	0.9

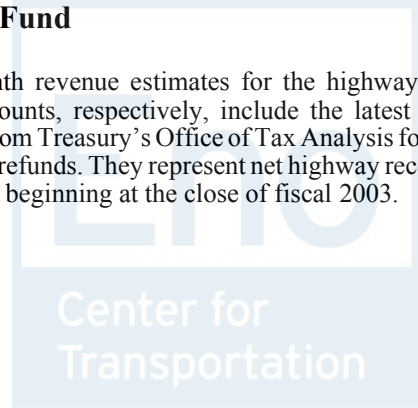
Highway Account

	2002	2003	2004	2005	2006
Balance Oct. 1	20.4	18.7	18.4	21.5	26.4
Receipts:					
Excise taxes, net of refunds	27.7	28.6	29.6	30.7	31.8
Interest, net	-	-	-	-	-
Total receipts	27.7	28.6	29.6	30.7	31.8
Outlays	29.3	29.0	26.5	25.8	26.2
Balance Sept. 30	18.7	18.4	21.5	26.4	32.1
Unfunded authorizations (EOY)	54.8	58.0	56.3	58.3	60.0
24-month revenue estimate	58.2	60.4	62.6	64.7	67.0

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal 2003.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 2003.



Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, FY 2003)	76.33
less:	
Cash balance (FY 2003)	18.36
Unfunded authorizations (FY 2003)	57.97
24-month revenue estimate (fiscal 2004 and 2005)	60.35

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, FY 2003)	0.24
less:	
Cash balance (FY 2003)	4.34
Unfunded authorizations (FY 2003)	-4.10
24-month revenue estimate (fiscal 2004 and 2005)	9.77

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway, surface transportation and other acts since 1959. Section 9002 of the Transportation Equity Act for the 21st Century (TEA-21) (Public Law 105-178) extended the Highway Trust Fund and its taxes through September 30, 2005.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance

with section 5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), or the TEA-21. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 2002**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2001.....		\$27,740,414,382
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol.....	6427	2,244,139,000
Gas manufacture gasohol.....	4041	-
Trucks, buses, trailers.....	4061 (a) (1)	127,217
Diesel and special motor fuels.....	4041 (a) (b)	8,350,276,000
Trucks.....	4051 (a)	2,598,739,000
Gasoline.....	4081	20,873,221,000
Tires used on highway vehicles.....	4071 (a) (1)	-
Cash Management Improvement Act Interest.....	4071	1,458,637
Use of certain vehicles.....	4481	-
Fines and penalties.....		14,790,307
Total taxes.....		34,082,751,161
Less: Transfer to land and water conservation fund.....	4081	1,000,000
Transfer to aquatic reserve.....	4041	282,746,000
Transfer to general fund.....		115,526,000
Gross taxes.....		33,683,479,161
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle.....	39 & 6420	4,000
Gasoline.....	6421	323,332,000
Gasohol.....	6427	19,402,000
Diesel.....	4081	677,408,030
Special motor fuel.....	4081	4,228,880
Gasoline.....	6412	-
Gas to make gasohol.....	4041	21,515,000
Diesel fuel, bus use.....	4041	33,411,220
Diesel.....	4081	-
Exempt use.....		-
Total refunds of taxes.....		1,079,301,130
Net taxes.....		32,604,178,031
Investment income:		
Interest on investments.....		-
Accrued interest income.....		-
Total investment income.....		-
Net receipts.....		\$32,604,178,031

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 2002, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to highways.....		\$30,161,429,588
Right-of-way revolving fund.....		-12,362,170
National Highway Traffic Safety Administration.....		312,534,642
National Highway Traffic Safety Administration, National Driver Register.....		1,976,935
Baltimore-Washington Parkway.....		-
Highway safety research and development.....		204,626
Mount St. Helen's (Agriculture).....		-
Highway -related safety grants.....		14,732
Alabama highway bypass demonstration.....		58,356
Urban airport access safety demonstration.....		-
Intermodal urban demonstration.....		24,628
Border enforcement.....		6,951,429
Carpool and vanpool grants.....		-
Metropolitan planning project.....		433
National Park Service construction.....		1,979,568
Motor carrier safety grants/administration.....		267,876,535
Mass transit.....		7,067,949,907
Safety improvement project.....		-32,735
Safety economic development demonstration project.....		700,085
Railroad administration.....		24,804
Vehicular and pedestrian safety demonstration.....		13,955
Highway demonstration.....		5,220,137
Corridor safety improvement.....		2,254,307
Bridge capacity improvement.....		1,449,491
Highway railroad grade crossing.....		1,043,966
Urban highway/corridor bicycle transportation demonstration.....		500,095
Nuclear waste transportation safety.....		96,641
Kentucky bridge demonstration program.....		-
Pennsylvania reconstruction demonstration project.....		-
Mineola grade crossing.....		661,671
Transit program.....		-
Appalachian development projects.....		79,575,732
Miscellaneous highway projects, fiscal year 2000 plus.....		210,748,420
Study of improvements (Highway 8).....		-
Climbing lane and highway safety demonstration projects.....		565,289
Highway demonstration.....		-
Total expenses.....		38,111,461,067
Outlays:		
Outlays to Cash Management Improvement Act.....		121,205
Balances expired or permanently cancelled.....		-
Balance Sept. 30, 2002.....		\$22,233,010,141

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal 2003-2007

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2003	2004	2005	2006	2007
Balance Oct. 1.....	22.2	19.5	23.3	25.4	26.6
Receipts:					
Excise taxes, net of refunds.....	32.8	34.9	36.0	37.2	38.3
Interest, net.....	-	-	-	-	-
Total receipts.....	32.8	34.9	36.0	37.2	38.3
Outlays.....	35.6	31.1	33.9	36.0	38.1
Balance Sept. 30.....	19.5	23.3	25.4	26.6	26.8

Mass Transit Account

	2003	2004	2005	2006	2007
Balance Oct. 1.....	6.1	4.5	8.2	10.6	11.7
Receipts:					
Excise taxes, net of refunds.....	4.7	4.8	4.9	5.1	5.2
Interest, net.....	-	-	-	-	-
Total receipts.....	4.7	4.8	4.9	5.1	5.2
Outlays.....	6.2	1.1	2.6	3.9	4.8
Balance Sept. 30.....	4.5	8.2	10.6	11.7	12.1

Highway Account

	2003	2004	2005	2006	2007
Balance Oct. 1.....	16.1	14.9	15.1	14.8	14.9
Receipts:					
Excise taxes, net of refunds.....	28.1	30.1	31.1	32.2	33.1
Interest, net.....	-	-	-	-	-
Total receipts.....	28.1	30.1	31.1	32.2	33.1
Outlays.....	29.3	30.0	31.4	32.1	33.3
Balance Sept. 30.....	14.9	15.1	14.8	14.9	14.7
Unfunded authorizations (EOY).....	58.3	59.6	60.3	61.1	61.9
24-month revenue estimate.....	61.2	63.3	65.3	67.2	68.9

Note.—Detail may not add to totals due to rounding.

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal 2004.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 2004.

Highway Account

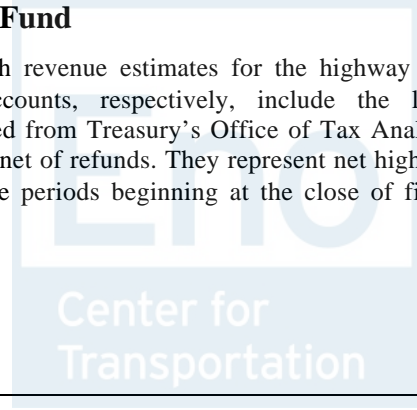
[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal 2004).....	74.67
less:	
Cash balance (fiscal 2004).....	15.05
Unfunded authorizations (fiscal 2004).....	59.62
24-month revenue estimate (fiscal 2005 and 2006).....	63.30

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal 2004).....	5.19
less:	
Cash balance (fiscal 2004).....	8.21
Unfunded authorizations (fiscal 2004).....	-3.02
24-month revenue estimate (fiscal 2005 and 2006).....	9.98



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway, surface transportation and other acts since 1959. Section 9002 of the Transportation Equity Act for the 21st Century (TEA-21) (Public Law 105-178) extended the Highway Trust Fund through September 30, 2003, and has been extended for 5 months under the Surface Transportation Extension Act of 2005.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance

with section 5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), or the TEA-21. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal Year 2003**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2002		\$22,233,010,141
Receipts:		
Excise taxes (transferred from general fund):		
Gasohol	6427	2,034,708,000
Gas manufacture gasohol	4041	-
Trucks, buses, trailers	4061 (a) (1)	-
Diesel and special motor fuels	4041 (a) (b)	7,531,281,000
Trucks	4051 (a)	3,053,139,000
Gasoline	4081	17,565,086,000
Tires used on highway vehicles	4071 (a) (1)	-
Cash Management Improvement Act Interest	4071	2,643,564
Use of certain vehicles	4481	-
Fines and penalties		15,682,617
Total taxes		30,202,540,181
Less: Transfer to land and water conservation fund	4081	844,000
Transfer to aquatic reserve	4041	255,040,000
Transfer to general fund		104,387,000
Gross taxes		29,842,269,181
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle	39 & 6420	-
Gasoline	6421	256,909,000
Gasohol	6427	17,448,000
Diesel	4081	550,075,000
Special motor fuel	4081	766,000
Gasoline	6412	-
Gas to make gasohol	4041	22,309,000
Diesel fuel, bus use	4041	30,430,000
Diesel	4081	-
Exempt use		-
Total refunds of taxes		877,937,000
Net taxes		28,964,332,181
Investment income:		
Interest on investments		-
Accrued interest income		-
Total investment income		-
Net receipts		\$28,964,332,181

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal Year 2003, con.**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Expenses:		
Federal aid to highways		\$30,167,811,428
Right-of-way revolving fund		40,373
National Highway Traffic Safety Administration.....		259,482,741
National Highway Traffic Safety Administration, National Driver Register		2,059,014
Baltimore-Washington Parkway.....		236,926
Highway safety research and development.....		62,767
Mount St. Helen's (Agriculture).....		-
Highway-related safety grants		13,419
Alabama highway bypass demonstration		29,829
Urban airport access safety demonstration		-
Intermodal urban demonstration		8,547
Border enforcement		9,307,292
Carpool and vanpool grants.....		-1
Metropolitan planning project.....		2,279
National Park Service construction.....		142,615
Motor carrier safety grants/administration		256,111,896
Mass transit		7,102,824,960
Safety improvement project		-
Safety economic development demonstration project.....		637,894
Railroad administration		-
Vehicular and pedestrian safety demonstration		38,536
Highway demonstration		5,299,988
Corridor safety improvement.....		710,646
Bridge capacity improvement.....		-
Highway railroad grade crossing		201,195
Urban highway/corridor bicycle transportation demonstration		42,864
Nuclear waste transportation safety		19,596
Kentucky bridge demonstration program.....		-
Pennsylvania reconstruction demonstration project		43,949
Mineola grade crossing.....		10,083
Transit program.....		-
Appalachian development projects.....		92,846,534
Miscellaneous highway projects, fiscal year 2000 plus		246,469,767
Study of improvements (Highway 8).....		-
Climbing lane and highway safety demonstration projects		-
Highway demonstration		-
Total expenses.....		<u>38,144,455,137</u>
Outlays:		
Outlays to Cash Management Improvement Act.....		331,800
Balances expired or permanently cancelled.....		-
Balance Sept. 30, 2003.....		<u>\$13,052,555,385</u>

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2004-2008

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2004	2005	2006	2007	2008
Balance Oct. 1	17.7	15.2	16.7	17.3	17.5
Receipts:					
Excise taxes, net of refunds.....	35.5	36.6	37.9	38.9	39.8
Interest, net.....	-	-	-	-	-
Total receipts	35.5	36.6	37.9	38.9	39.8
Outlays.....	37.9	35.1	37.3	38.8	40
Balance Sept. 30.....	15.2	16.7	17.3	17.5	17.2

Mass Transit Account

	2004	2005	2006	2007	2008
Balance Oct. 1	4.7	3.4	7.4	10	11.5
Receipts:					
Excise taxes, net of refunds.....	4.8	5	5.1	5.2	5.4
Interest, net.....	-	-	-	-	-
Total receipts	4.8	5	5.1	5.2	5.4
Outlays.....	6	1	2.5	3.8	4.7
Balance Sept. 30.....	3.4	7.4	10	11.5	12.1

Highway Account

	2004	2005	2006	2007	2008
Balance Oct. 1	13	11.8	9.3	7.3	6
Receipts:					
Excise taxes, net of refunds.....	30.7	31.6	32.8	33.7	34.4
Interest, net.....	-	-	-	-	-
Total receipts	30.7	31.6	32.8	33.7	34.4
Outlays.....	31.9	34.1	34.8	35	35.3
Balance Sept. 30.....	11.8	9.3	7.3	6	5.1
Unfunded authorizations (EOY).....	62.3	65.8	68.1	69.6	70.6
24-month revenue estimate.....	64.4	66.5	68.1	69.7	71.3

Note.—Detail may not add to totals due to rounding.

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2005.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2005.

Highway Account

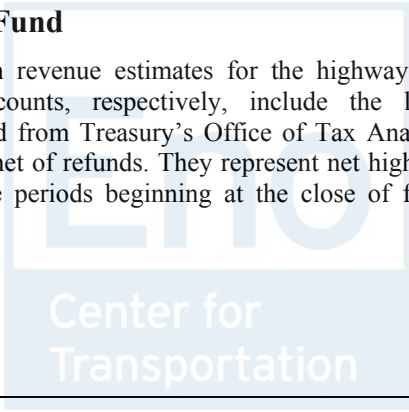
[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2005)	75.01
less:	
Cash balance (fiscal year 2005)	9.25
Unfunded authorizations (fiscal year 2005)	65.76
24-month revenue estimate (fiscal years 2006 and 2007)	66.47

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2005)	5.14
less:	
Cash balance (fiscal year 2005)	7.46
Unfunded authorizations (fiscal year 2005)	-2.32
24-month revenue estimate (fiscal years 2006 and 2007)	10.36



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway, surface transportation and other acts since 1959. Section 9002 of the Transportation Equity Act for the 21st Century (TEA-21) (Public Law 105-178) extended the Highway Trust Fund through September 30, 2003. The Highway Trust Fund has been extended beyond that date by a series of short term acts. The latest extension, the Surface Transportation Extension Act of 2004, Part V (Public Law 108-310), extends the Highway Trust Fund through May 31, 2005.

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and

4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with section 5338 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), or the TEA-21. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. Funds also are transferred to the general fund of the Treasury for the payment of tax refunds.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal Year 2004**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2003 *		\$17,814,832,912
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	18,244,158,000
Gasohol.....	6427	5,716,127,000
Diesel and special motor fuels.....	4041	8,935,465,000
Highway tires.....	4071	445,841,000
Retail tax on trucks.....	4051	1,846,613,000
Heavy vehicle use.....	4081	944,563,000
Total excise taxes		36,132,767,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel, bus use.....		31,423,000
Diesel		625,821,000
Gasohol.....		27,751,000
Gasoline used to make gasohol		22,865,000
Gasoline		305,285,960
Special fuel.....		1,342,000
Total refunds and tax credits		1,014,487,960
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund.....		311,639,000
To general fund.....		111,350,000
Total transfers		423,989,000
Other income:		
Fines and penalties.....		16,456,644
International Mass Transportation Program revenue.....		25,000
Total other income		16,481,644
Net receipts		34,710,771,684
Expenses:		
Federal Highway Administration:		
Federal aid to highways.....		30,049,687,075
Right-of-way revolving fund		465,580
Other		302,111,590
Total		30,352,264,245
Federal Motor Carrier Safety Administration		335,404,060
Federal Transit Administration.....		6,993,896,428
National Highway Traffic Safety Administration:		
Highway-related safety grants		-
Operations and research		53,963,902
Highway traffic safety grants.....		205,509,326
National driver register.....		1,953,549
Total		261,426,777
Federal Railroad Administration		-
Other agencies.....		520,046
Total expenses.....		37,943,511,556
Balance Sept. 30, 2004.....		\$14,582,093,040

* Fiscal year 2004 beginning balance includes data for the Highway Account and Mass Transit Account.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2005-2009

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2005	2006	2007	2008	2009
Balance Oct. 1	14.6	18.8	19.5	19.9	18.9
Receipts:					
Excise taxes, net of refunds.....	38.9	40.2	41.0	41.8	42.5
Interest, net.....	-	-	-	-	-
Total receipts	38.9	40.2	41.0	41.8	42.5
Outlays.....	34.6	39.5	40.6	42.8	46.9
Balance Sept. 30.....	18.8	19.5	19.9	18.9	14.5

Mass Transit Account

	2005	2006	2007	2008	2009
Balance Oct. 1	3.8	7.5	9.2	10.0	9.6
Receipts:					
Excise taxes, net of refunds.....	5.1	5.2	5.3	5.4	5.4
Interest, net.....	-	-	-	-	-
Total receipts	5.1	5.2	5.3	5.4	5.4
Outlays.....	1.4	3.5	4.5	5.7	6.7
Balance Sept. 30.....	7.5	9.2	10.0	9.6	8.3

Highway Account

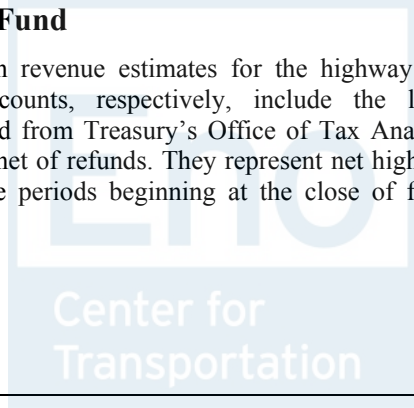
	2005	2006	2007	2008	2009
Balance Oct. 1	10.8	11.4	10.3	10.0	9.3
Receipts:					
Excise taxes, net of refunds.....	33.8	35.0	35.7	36.4	37.0
Interest, net.....	-	-	-	-	-
Total receipts	33.8	35.0	35.7	36.4	37.0
Outlays.....	33.2	36.0	36.1	37.1	40.2
Balance Sept. 30.....	11.4	10.3	10.0	9.3	6.1
Unfunded authorizations (EOY).....	66.0	66.3	66.0	67.6	74.7
24-month revenue estimate	70.7	72.1	73.4	74.7	75.8

Note.—Detail may not add to totals due to rounding.

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2006.

The 24-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2006.



Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2006)	77
less:	
Cash balance (fiscal year 2006)	11
Unfunded authorizations (fiscal year 2006)	66
24-month revenue estimate (fiscal years 2007 and 2008)	70.70

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2006)	7
less:	
Cash balance (fiscal year 2006)	8
Unfunded authorizations (fiscal year 2006)	-1
24-month revenue estimate (fiscal years 2007 and 2008)	11

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds

from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal Year 2005**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2004		r \$14,581,008,644
Receipts:		
Excise taxes:		
Gasoline	4081	23,420,989,000
Gasohol	6427	1,797,493,000
Diesel and special motor fuels	4041	9,551,359,000
Highway tires	4071	467,079,000
Retail tax on trucks	4051	2,992,692,000
Heavy vehicle use	4081	1,089,886,000
Total excise taxes		39,319,498,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel, bus use		26,246,000
Diesel		639,083,000
Gasohol		17,063,000
Gasoline used to make gasohol		11,500,000
Gasoline		308,508,000
Special fuel		4,454,000
Total refunds and tax credits		1,006,854,000
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		320,127,000
To general fund		113,994,000
Total transfers		435,121,000
Other income:		
Fines and penalties		14,070,333
Cash Management Improvement Act interest income		1,054,777
International Mass Transportation Program revenue		-
Total other income		15,125,110
Net receipts		37,892,648,110
Expenses:		
Federal Highway Administration:		
Federal aid to highways		31,235,421,927
Right-of-way revolving fund		-2,169,716
Other		244,799,290
Total		31,478,051,502
Federal Motor Carrier Safety Administration		353,414,118
Federal Transit Administration		7,768,332,340
National Highway Traffic Safety Administration:		
Operations and research		110,980,705
Highway traffic safety grants		216,702,122
National driver register		2,496,194
Total		330,179,021
Federal Railroad Administration		-
Other agencies		1,182,318
Total expenses		39,931,159,299
Balance Sept. 30, 2005		\$12,542,497,455

Note: Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2006-2010

[In millions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2006	2007	2008	2009	2010
Balance Oct. 1	12.5	16.1	14.4	10.4	4.6
Receipts:					
Excise taxes, net of refunds.....	39.1	39.7	40.6	41.4	42.2
Interest, net	-	-	-	-	-
Other	0.2	0.2	0.2	0.2	0.2
Total receipts	39.3	39.9	40.8	41.6	42.4
Outlays.....	35.7	41.6	44.8	47.4	49.5
Balance Sept. 30.....	16.1	14.4	10.4	4.6	-2.6

Mass Transit Account

	2006	2007	2008	2009	2010
Balance Oct. 1	2.0	5.9	7.8	8.0	6.9
Receipts:					
Excise taxes, net of refunds.....	5.0	5.0	5.1	5.2	5.3
Interest, net	-	-	-	-	-
Total receipts	5.0	5.0	5.1	5.2	5.3
Outlays.....	1.0	3.1	4.9	6.4	7.5
Balance Sept. 30.....	5.9	7.8	8.0	6.9	4.7

Highway Account

	2006	2007	2008	2009	2010
Balance Oct. 1	10.6	10.2	6.6	2.4	-2.8
Receipts:					
Excise taxes, net of refunds.....	34.1	34.6	35.4	36.1	36.9
Interest, net	-	-	-	-	-
Total receipts	34.1	34.6	35.4	36.1	36.9
Outlays.....	34.5	38.2	39.7	40.9	41.9
Balance Sept. 30.....	10.2	6.6	2.3	-2.3	-7.3
Unfunded authorizations (EOY).....	71.9	80.4	88.6	87.8	94.8
48-month revenue estimate.....	143.1	146.0	148.9	151.6	154.3

Note.—Detail may not add to totals due to rounding.

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2007.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2007.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2007)	87.0
less:	
Cash balance (fiscal year 2007)	6.6
Unfunded authorizations (fiscal year 2007)	80.4
48-month revenue estimate (fiscal years 2008, 2009, 2010, and 2011)	146.0

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2007)	10.2
less:	
Cash balance (fiscal year 2007)	7.8
Unfunded authorizations (fiscal year 2007)	2.3
48-month revenue estimate (fiscal years 2008, 2009, 2010, and 2011)	21.1

Note: Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2006**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2005		\$12,542,497,455
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	24,667,951,000
Diesel and special motor fuels	4041	9,906,181,000
Highway tires	4071	488,210,000
Retail tax on trucks	4051	3,618,945,000
Heavy vehicle use	4481	1,403,550,000
Total excise taxes		40,084,837,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel, bus use		27,968,000
Diesel		465,959,000
Gasohol		2,436,000
Gasoline used to make gasohol		696,000
Gasoline		385,209,320
Special fuel		887,000
Total refunds and tax credits		883,155,320
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		426,295,000
To general fund		21,018,000
Total transfers		448,313,000
Other income:		
Fines and penalties		10,960,835
Cash Management Improvement Act interest (net)		1,138,794
Transportation Infrastructure Finance and Innovation Act loan subsidy reestimate		13,439,000
Total other income		25,538,629
Net receipts		38,778,907,309
Expenses:		
Federal Highway Administration:		
Federal aid to highways		32,840,184,747
Right-of-way revolving fund		619,047
Other		146,454,073
Total		32,987,257,867
Federal Motor Carrier Safety Administration		434,634,409
Federal Transit Administration		1,952,116,441
National Highway Traffic Safety Administration:		
Operations and research		208,359,928
Highway traffic safety grants		279,243,549
National driver register		2,645,782
Total		490,249,259
Federal Railroad Administration:		
Other agencies		16,121,160
Total expenses		35,880,379,136
Balance Sept. 30, 2006		\$15,441,025,628

Note: Detail may not add to totals due to rounding.

Note: Fiscal Year 2006 beginning balance includes data for the Highway Account and Mass Transit Account.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2007-2011

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2007	2008	2009	2010	2011
Balance Oct. 1	15	16	13	8	2
Receipts:					
Excise taxes, net of refunds.....	40	41	42	43	43
Interest, net	-	-	-	-	-
Total receipts	40	41	42	43	43
Outlays.....	39	44	47	49	50
Balance Sept. 30.....	16	13	8	2	-5

Mass Transit Account

	2007	2008	2009	2010	2011
Balance Oct. 1	6	7	6	4	1
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Outlays.....	4	6	7	8	8
Balance Sept. 30.....	7	6	4	1	-2

Highway Account

	2007	2008	2009	2010	2011
Balance Oct. 1	9	9	7	4	-
Receipts:					
Excise taxes, net of refunds.....	35	36	37	37	38
Interest, net	-	-	-	-	-
Total receipts	35	36	37	37	38
Outlays.....	35	38	40	41	42
Balance Sept. 30.....	9	7	4	-	-4
Unfunded authorizations (EOY).....	72	69	72	68	64
48-month revenue estimate	148	151	153	155	157

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2008.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2008.

Highway Account

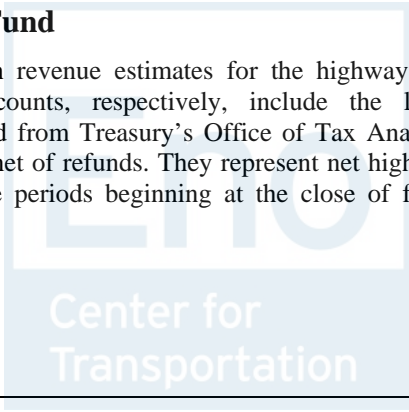
[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2008)	88
less:	
Cash balance (fiscal year 2008)	6
Unfunded authorizations (fiscal year 2008)	82
48-month revenue estimate (fiscal years 2009, 2010, 2011, and 2012)	151

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2008)	12
less:	
Cash balance (fiscal year 2008)	6
Unfunded authorizations (fiscal year 2008)	6
48-month revenue estimate (fiscal years 2009, 2010, 2011, and 2012)	21



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2007**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2006*		\$15,237,491,983
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	25,418,957,000
Diesel and special motor fuels	4041	10,131,803,388
Highway tires	4071	460,957,000
Retail tax on trucks	4051	3,809,479,000
Heavy vehicle use	4481	1,031,884,000
Total excise taxes		40,853,080,388
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel, bus use		27,634,535
Diesel		591,165,133
Gasohol		421,336,000
Total refunds and tax credits		1,040,135,668
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		467,003,000
To general fund		-
Total transfers		468,003,000
Other income:		
Fines and penalties		16,868,607
Cash Management Improvement Act interest (net)		1,836,984
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan subsidy reestimate		-
Total other income		18,705,591
Net receipts		39,363,647,311
Expenses:		
Federal Highway Administration:		
Federal aid to highways		33,707,775,479
Right-of-way revolving fund		21,019
Other		159,974,509
Total		33,867,771,007
Federal Motor Carrier Safety Administration		455,212,596
Federal Transit Administration		4,205,687,784
National Highway Traffic Safety Administration:		
Operations and research		235,381,920
Highway traffic safety grants		416,241,297
National driver register		4,539,700
Total		656,162,917
Federal Railroad Administration:		
Other agencies		87,269
Total expenses		39,184,921,573
Balance Sept. 30, 2007		\$15,416,217,721

Note: The opening balance of \$15,441,025,628 was revised on December 3, 2007, to reflect the actual transfer of aviation fuel excise taxes from the Highway Trust Fund to the Airport Airway Trust Fund and to reduce the TIFIA subsidy.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2008-2012

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2008	2009	2010	2011	2012
Balance Oct. 1	15	9	1	-4	-5
Receipts:					
Excise taxes, net of refunds.....	39	40	41	41	42
Interest, net	-	-	-	-	-
Total receipts	39	40	41	41	42
Outlays.....	45	48	46	42	42
Balance Sept. 30.....	9	1	-4	-5	-5

Mass Transit Account

	2008	2009	2010	2011	2012
Balance Oct. 1	7	6	4	2	1
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Outlays.....	6	7	7	6	6
Balance Sept. 30.....	6	4	2	1	-

Highway Account

	2008	2009	2010	2011	2012
Balance Oct. 1	8	3	-3	-6	-6
Receipts:					
Excise taxes, net of refunds.....	34	35	36	36	37
Interest, net	-	-	-	-	-
Total receipts	34	35	36	36	37
Outlays.....	39	41	39	36	36
Balance Sept. 30.....	3	-3	-6	-6	-5
Unfunded authorizations (EOY).....	86	79	84	92	100
48-month revenue estimate	143	145	147	150	152

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2009.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2009.

Highway Account

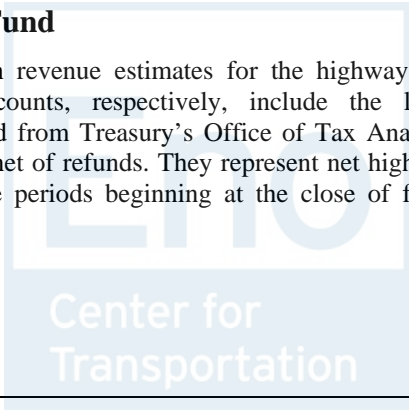
[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2009)	88
less:	
Cash balance (fiscal year 2009)	6
Unfunded authorizations (fiscal year 2009)	82
48-month revenue estimate (fiscal years 2010, 2011, 2012, and 2013)	151

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2009)	12
less:	
Cash balance (fiscal year 2009)	6
Unfunded authorizations (fiscal year 2009)	6
48-month revenue estimate (fiscal years 2010, 2011, 2012, and 2013)	21



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2008**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2007*		\$15,416,217,721
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	25,325,646,000
Diesel and special motor fuels	4041	10,531,919,000
Highway tires	4071	386,627,000
Retail tax on trucks	4051	1,445,621,000
Heavy vehicle use	4481	1,038,312,000
Total excise taxes		38,728,125,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		670,905,000
Gasoline		385,607,000
Total refunds and tax credits		1,056,512,000
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		481,999,000
To Airport Resources Trust Fund		377,524,000
To general fund		444,546,000
Total transfers		1,305,069,000
Other income:		
Fines and penalties		17,988,767
Cash Management Improvement Act interest (net)		2,628,383
Transfer from general fund – P.L. 110-318		8,017,000,000
Total other income		8,037,617,150
Net receipts		44,404,161,150
Expenses:		
Federal Highway Administration:		
Federal aid to highways		35,715,420,258
Right-of-way revolving fund		-9,826,608
Other		142,884,718
Total		35,848,478,368
Federal Motor Carrier Safety Administration		504,611,856
Federal Transit Administration		5,989,594,523
National Highway Traffic Safety Administration:		
Operations and research		167,847,655
Highway traffic safety grants		485,721,461
National driver register		5,266,199
Total		658,835,315
Federal Railroad Administration:		
Other agencies		6,758
Total expenses		43,001,526,820
Balance Sept. 30, 2008		\$16,818,852,050

Note: The opening balance of \$15,441,025,628 was revised on December 3, 2007, to reflect the actual transfer of aviation fuel excise taxes from the Highway Trust Fund to the Airport Airway Trust Fund and to reduce the TIFIA subsidy.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2009-2013

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2009	2010	2011	2012	2013
Balance Oct. 1*	17	7	-5	-17	-28
Receipts:					
Excise taxes, net of refunds.....	37	39	40	40	41
Interest, net	-	-	-	-	-
Total receipts	37	39	40	40	41
Outlays.....	47	50	51	52	53
Balance Sept. 30.....	7	-5	-17	-28	-40

* P.L. 110-318 transferred \$8 billion from the General Fund into the Highway Trust Fund.

Mass Transit Account

	2009	2010	2011	2012	2013
Balance Oct. 1	7	5	2	-1	-4
Receipts:					
Excise taxes, net of refunds.....	6	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	6	5	5	5	5
Outlays.....	8	9	8	8	9
Balance Sept. 30.....	5	2	-1	-4	-8

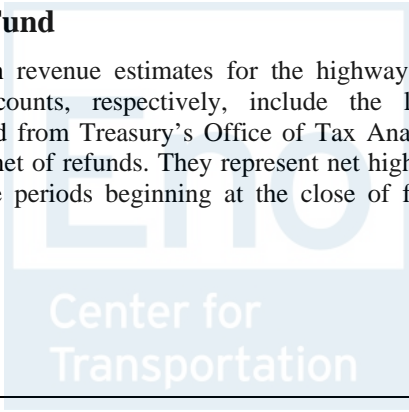
Highway Account

	2009	2010	2011	2012	2013
Balance Oct. 1	10	2	-7	-15	-24
Receipts:					
Excise taxes, net of refunds.....	32	33	35	35	36
Interest, net	-	-	-	-	-
Total receipts	32	33	35	35	36
Outlays.....	40	42	43	44	44
Balance Sept. 30.....	2	-7	-15	-24	-32
Unfunded authorizations (EOY).....	86	95	105	114	124
48-month revenue estimate.....	139	142	145	147	149

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2010.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2010.



Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2010)	79
less:	
Cash balance (fiscal year 2010)	-7
Unfunded authorizations (fiscal year 2010)	<u>86</u>
48-month revenue estimate (fiscal years 2011, 2012, 2013, and 2014)	142

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2010)	14
less:	
Cash balance (fiscal year 2010)	2
Unfunded authorizations (fiscal year 2010)	<u>12</u>
48-month revenue estimate (fiscal years 2011, 2012, 2013, and 2014)	21

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

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trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

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The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2009**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2008		\$16,818,852,050
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	24,626,848,000
Diesel and special motor fuels	4041	9,323,118,000
Highway tires	4071	314,276,000
Retail tax on trucks	4051	1,890,021,000
Heavy vehicle use	4481	962,528,000
Total excise taxes		37,116,791,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		654,505,000
Gasoline		391,262,000
Total refunds and tax credits		1,045,767,000
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		487,001,000
To Airport Resources Trust Fund		647,366,000
To general fund		1,135,367,000
Total transfers		
Other income:		
Fines and penalties		25,586,445
Cash Management Improvement Act interest (net)		1,151,229
Transfer from TIFIA loan subsidy re-estimate		164,342,164
Transfer from general fund – P.L. 110-318		7,000,000,000
Total other income		7,191,079,838
Net receipts		42,126,736,838
Expenses:		
Federal Highway Administration:		
Federal aid to highways		36,347,114,070
Right-of-way revolving fund		-11,735,522
Other		73,410,313
Total		36,408,788,861
Federal Motor Carrier Safety Administration		507,858,507
Federal Transit Administration		7,280,702,116
National Highway Traffic Safety Administration:		
Operations and research		125,766,432
Highway traffic safety grants		523,479,118
National driver register		4,977,508
Total		654,223,058
Federal Railroad Administration:		
Other agencies		446,536
Total expenses		44,852,019,078
Balance Sept. 30, 2009		\$14,093,569,810

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2010-2014

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2010	2011	2012	2013	2014
Balance Oct. 1*	14	-	-14	-15	-8
Receipts:					
Excise taxes, net of refunds.....	36	37	38	39	39
Interest, net	-	-	-	-	-
Total receipts	36	37	38	39	39
Outlays.....	50	51	39	32	38
Balance Sept. 30.....	-	-14	-15	-8	-7

* P.L. 110-318 transferred \$7 billion from the General Fund into the Highway Trust Fund.

Mass Transit Account

	2010	2011	2012	2013	2014
Balance Oct. 1	5	1	-2	-4	-4
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Outlays.....	9	8	7	5	4
Balance Sept. 30.....	1	-2	-4	-4	-3

Highway Account

	2010	2011	2012	2013	2014
Balance Oct. 1	9	-2	-11	-10	-3
Receipts:					
Excise taxes, net of refunds.....	31	32	33	34	34
Interest, net	-	-	-	-	-
Total receipts	31	33	33	34	34
Outlays.....	42	42	32	27	34
Balance Sept. 30.....	-2	-11	-10	-3	-3
Unfunded authorizations (EOY).....	83	97	71	79	82
48-month revenue estimate.....	133	136	138	139	139

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2010.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2010.

Highway Account

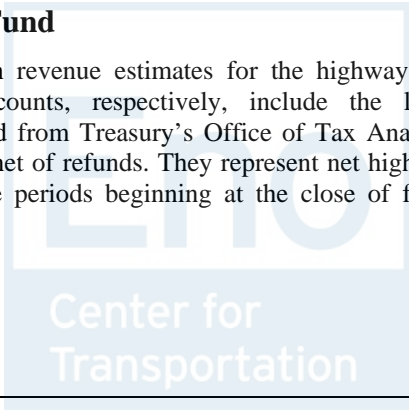
[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2011)	85
less:	
Cash balance (fiscal year 2011)	-12
Unfunded authorizations (fiscal year 2011)	97
48-month revenue estimate (fiscal years 2012, 2013, 2014, and 2015).....	136

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2011)	15
less:	
Cash balance (fiscal year 2011)	-2
Unfunded authorizations (fiscal year 2011)	17
48-month revenue estimate (fiscal years 2012, 2013, 2014, and 2015).....	20



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

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**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2010**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2009 *		\$14,093,569,808
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	24,836,919,000
Diesel and special motor fuels	4041	9,135,819,000
Highway tires	4071	318,251,000
Retail tax on trucks	4051	1,562,325,000
Heavy vehicle use	4481	886,623,000
Total excise taxes		36,739,937,000
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		363,476,900
Gasoline		205,591,620
Total refunds and tax credits		569,068,520
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		490,006,000
To Airport Resources Trust Fund		712,143,000
To general fund		6,800,000
Total transfers		1,209,949,000
Other income:		
Fines and penalties		24,918,331
Cash Management Improvement Act interest (net)		17,485,140
Transfer from TIFIA loan subsidy re-estimate		5,404,435
Transfer from general fund – P.L. 110-318		19,500,000,000
Total other income		19,547,807,906
Net receipts		54,508,727,386
Expenses:		
Federal Highway Administration:		
Federal aid to highways		30,778,205,296
Right-of-way revolving fund		-15,727,853
Appalachian Development Highway System		-1,339,064
Other		41,355,056
Total		30,802,493,435
Federal Motor Carrier Safety Administration		512,972,013
Federal Transit Administration		7,362,974,530
National Highway Traffic Safety Administration:		
Operations and research		120,369,342
Highway traffic safety grants		565,787,030
National driver register		4,723,463
Total		690,879,835
Federal Railroad Administration:		
Other agencies		370,450
Total expenses		39,369,690,263
Balance Sept. 30, 2010		\$29,232,606,931

* Due to rounding in the prior year table, the closing balance does not equal the actual balance shown here.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2011-2015 *

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2011	2012	2013	2014	2015
Balance Oct. 1	29	22	10	-2	-14
Receipts:					
Excise taxes, net of refunds.....	38	39	40	41	42
Interest, net	-	-	-	-	-
Total receipts	38	39	40	41	42
Outlays.....	45	51	52	53	54
Balance Sept. 30.....	22	10	-2	-14	-26

Mass Transit Account

	2011	2012	2013	2014	2015
Balance Oct. 1	9	6	1	-4	-8
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Outlays.....	8	10	10	9	9
Balance Sept. 30.....	6	1	-4	-8	-12

Highway Account

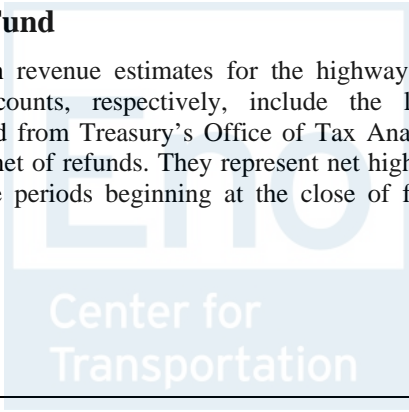
	2011	2012	2013	2014	2015
Balance Oct. 1	20	16	8	-	-8
Receipts:					
+Excise taxes, net of refunds	33	34	35	36	36
Interest, net	-	-	-	-	-
Total receipts	33	34	35	36	36
Outlays.....	37	42	43	44	45
Balance Sept. 30.....	16	8	-	-8	-17
Unfunded authorizations (EOY).....	104	105	106	107	107
Forty-eight-month revenue estimate.....	140	143	145	147	148

* Assumes the current stream of revenues and spending levels are maintained. Numbers may not add due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2011.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2011.



Highway Account *

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2012)	105
less:	
Cash balance (fiscal year 2012)	8
Unfunded authorizations (fiscal year 2012)	97
48-month revenue estimate (fiscal years 2013, 2014, 2015, and 2016).....	143

* Assumes the current stream of revenues and spending levels are maintained.

Mass Transit Account *

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2012)	17
less:	
Cash balance (fiscal year 2012)	2
Unfunded authorizations (fiscal year 2012)	16
48-month revenue estimate (fiscal years 2013, 2014, 2015, and 2016).....	20

* Assumes the current stream of revenues and spending levels are maintained. Numbers may not add due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

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**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2011**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2010 *		29,232,606,932
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	24,986,424,832
Diesel and special motor fuels	4041	9,801,521,713
Highway tires	4071	440,764,404
Retail tax on trucks	4051	2,416,741,987
Heavy vehicle use	4481	364,228,410
Total excise taxes		38,009,681,346
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		496,003,000
To Airport Resources Trust Fund		628,808,166
To general fund – Rescission Section 1007(b) of P.L. 111-18		830,694
Total transfers		1,126,641,860
Other income:		
Fines and penalties		22,753,007
Interest		15,984,611
Transfer from TIFIA loan subsidy re-estimate		15,300,373
Total other income		54,037,991
Net receipts		36,937,077,477
Expenses:		
Federal Highway Administration:		
Federal aid to highways		36,135,739,784
Right-of-way revolving fund		-15,233,586
Appalachian Development Highway System		851,610
Other		24,685,234
Total		36,146,043,042
Federal Motor Carrier Safety Administration		494,834,816
Federal Transit Administration		7,207,212,533
National Highway Traffic Safety Administration:		
Operations and research		103,733,780
Highway traffic safety grants		576,063,029
National driver register		2,982,900
Total		682,779,709
Federal Railroad Administration:		
Other agencies		1,000,599
Total expenses		44,531,870,699
Balance Sept. 30, 2010		21,637,813,710

* Due to rounding in the prior year table, the closing balance does not equal the actual balance shown here.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2012-2016 *

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2012	2013	2014	2015	2016
Balance Oct. 1	22	11	12	45	104
Receipts:					
Excise taxes, net of refunds.....	39	53	91	123	108
Interest, net	-	-	-	-	-
Total receipts	39	53	91	123	108
Outlays.....	49	52	58	64	71
Balance Sept. 30.....	12	12	46	104	141

Mass Transit Account

	2012	2013	2014	2015	2016
Balance Oct. 1	7	5	3	21	38
Receipts:					
Excise taxes, net of refunds.....	5	7	28	28	30
Interest, net	-	-	-	-	-
Total receipts	5	7	28	28	30
Flex fund transfers	1	1	-	-	-
Outlays.....	8	9	10	12	14
Balance Sept. 30.....	5	3	21	38	54

Highway Account

	2012	2013	2014	2015	2016
Balance Oct. 1	14	7	9	23	52
Receipts:					
Excise taxes, net of refunds.....	34	46	60	79	62
Interest, net	-	-	-	-	-
Total receipts	34	46	60	79	62
Flex fund transfers	-1	-1	-	-	-
Outlays.....	40	43	47	50	53
Balance Sept. 30.....	7	9	23	52	61
Unfunded authorizations (EOY).....	101	102	104	105	107
Forty-eight-month revenue estimate.....	142	146	149	152	155

* Numbers may not add due to rounding.

**TABLE TF-6-Transportation Trust Fund
Expected Condition and Results of Operations, Fiscal 2012-2016 cont.**

[In billions of dollars. Source: DOT]

Multimodal Account					
	2012	2013	2014	2015	2016
Balance Oct. 1	-	-	-	1	15
Receipts:					
Revenue.....	-	-	3	16	16
Interest, net.....	-	-	-	-	-
Total receipts	-	-	3	16	16
Flex Fund Transfers.....	-	-	-1	-	-
Outlays	-	-	1	3	4
Balance Sept. 30.....	-	-	1	15	27

* Numbers may not add due to rounding.

TABLE TF-6A.—Highway Trust Fund *

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2011.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2011.

Highway Account

[In billions of dollars. Source: DOT]

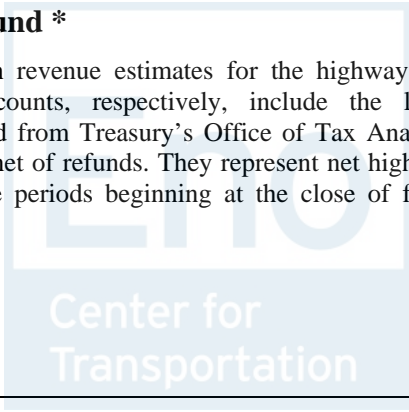
Commitments (unobligated balances plus unpaid obligations, fiscal year 2013)	101
less:	
Cash balance (fiscal year 2013)	<u>7</u>
Unfunded authorizations (fiscal year 2013)	<u>94</u>
48-month revenue estimate (fiscal years 2014, 2015, 2016, and 2017)	142

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2013)	20
less:	
Cash balance (fiscal year 2013)	<u>5</u>
Unfunded authorizations (fiscal year 2013)	<u>15</u>
48-month revenue estimate (fiscal years 2014, 2015, 2016, and 2017)	20

* Numbers may not add due to rounding.



INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2012**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2011		\$21,637,813,710
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	25,529,900,469
Diesel and special motor fuels	4041	9,796,891,541
Highway tires	4071	420,130,907
Retail tax on trucks	4051	3,855,111,065
Heavy vehicle use	4481	1,719,066,679
Total excise taxes		41,321,100,661
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		453,002,000
To Airport Resources Trust Fund		720,704,553
To general fund – Rescission Section 1007(b) of P.L. 111-18		81,825
Total transfers		1,174,788,378
Other income:		
Fines and penalties		22,103,559
Interest		7,296,521
Transfer from TIFIA loan subsidy re-estimate		71,311,135
Transfer from the Leaking Underground Storage Tank Fund ¹		2,400,000,000
Total other income		2,500,711,215
Net receipts		42,647,023,498
Expenses:		
Federal Highway Administration:		
Federal aid to highways		40,017,909,722
Right-of-way revolving fund		-13,904,159
Appalachian Development Highway System		781,662
Other		11,429,369
Total		40,016,216,593
Federal Motor Carrier Safety Administration		518,056,690
Federal Transit Administration		8,209,981,085
National Highway Traffic Safety Administration:		
Operations and research		98,163,592
Highway traffic safety grants		514,815,972
National driver register		1,842,631
Total		614,822,195
Federal Railroad Administration		312,151
Other agencies		419,186
Total expenses		49,359,495,749
Balance Sept. 30, 2012		\$14,925,029,309

¹ Transfer pursuant to Section 40201 of Public Law 112-141.

Note: Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2013-2017 *

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2013	2014	2015	2016	2017
Balance Oct. 1	15	9	8	-6	-20
Receipts:					
Excise taxes, net of refunds.....	39	39	39	40	40
Interest, net	-	-	-	-	-
Total receipts	39	39	39	40	40
Adjustments ¹	6	13	-	-	-
Outlays.....	51	52	53	54	54
Balance Sept. 30.....	9	8	-6	-20	-34

Mass Transit Account

	2013	2014	2015	2016	2017
Balance Oct. 1	5	2	1	-3	-7
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	2	-	-	-
Outlays.....	9	10	10	10	10
Balance Sept. 30.....	2	1	-3	-7	-12

Highway Account

	2013	2014	2015	2016	2017
Balance Oct. 1	10	7	7	-2	-12
Receipts:					
Excise taxes, net of refunds.....	34	34	34	35	35
Interest, net	-	-	-	-	-
Total receipts	34	34	34	35	35
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	6	10	-	-	-
Outlays.....	42	42	43	44	44
Balance Sept. 30.....	7	7	-2	-12	-22
Unfunded authorizations (EOY).....	91	88	97	106	115
Forty-eight-month revenue estimate.....	144	135	163	137	138

¹ Adjustment pursuant to Section 40201 of Public Law 112-141.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund *

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2013.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2013.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2014)	96
less:	
Cash balance (fiscal year 2014)	8
Unfunded authorizations (fiscal year 2014)	88
48-month revenue estimate (fiscal years 2015, 2016, 2017, and 2018)	135

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2014)	22
less:	
Cash balance (fiscal year 2014)	1
Unfunded authorizations (fiscal year 2014)	21
48-month revenue estimate (fiscal years 2015, 2016, 2017, and 2018)	25

* Numbers may not add due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2013**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2012		\$14,925,029,309
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	23,462,805,235
Diesel and special motor fuels	4041	9,468,623,333
Highway tires	4071	359,314,762
Retail tax on trucks	4051	3,197,406,580
Heavy vehicle use	4481	1,090,600,624
Total excise taxes		37,578,750,533
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		459,007,000
To Airport and Airway Trust Fund		670,938,244
To general fund—Rescission Section 1007(b) of P.L. 111-18		-
Total transfers		1,130,945,244
Other income:		
Fines and penalties		15,454,279
Interest		6,452,546
Transfer from TIFIA loan subsidy re-estimate		-
Transfer from the General Fund ¹		5,883,800,000
Total other income		-
Net receipts		42,353,512,114
Expenses:		
Federal Highway Administration:		
Federal aid to highways		41,742,174,308
Right-of-way revolving fund		-16,380,481
Appalachian Development Highway System		2,326,482
Other		16,373,609
Total		41,744,493,918
Federal Motor Carrier Safety Administration		544,912,559
Federal Transit Administration		8,098,183,171
National Highway Traffic Safety Administration:		
Operations and research		109,991,831
Highway traffic safety grants		517,609,022
National driver register		214,810
Total		627,815,663
Federal Railroad Administration		-
Other agencies		-
Total expenses		51,015,405,311
Balance Sept. 30, 2013		\$6,263,136,112

¹ Transfer of \$6,200,000 pursuant to P.L. 112-141 of which \$316,200,000 was sequestered.

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2014-2018

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2014	2015	2016	2017	2018
Balance Oct. 1	6	3	-12	-28	-44
Receipts:					
Excise taxes, net of refunds.....	38	38	39	39	40
Interest, net	-	-	-	-	-
Total receipts	38	38	39	39	40
Adjustments ¹	12	-	-	-	-
Outlays	53	53	55	55	55
Balance Sept. 30.....	3	-12	-28	-44	-59

Mass Transit Account

	2014	2015	2016	2017	2018
Balance Oct. 1	2	1	-2	-7	-11
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	7	6	3	-2	-6
Flex fund transfers	1	1	1	1	1
Adjustments ¹	2	-	-	-	-
Outlays	9	9	10	11	11
Balance Sept. 30.....	1	-2	-7	-11	-16

Highway Account

	2014	2015	2016	2017	2018
Balance Oct. 1	4	2	-10	-22	-32
Receipts:					
Excise taxes, net of refunds.....	33	33	34	34	35
Interest, net	-	-	-	-	-
Total receipts	37	35	24	13	2
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	10	-	-	-	-
Outlays	44	44	44	44	44
Balance Sept. 30.....	2	-10	-22	-32	-43
Unfunded authorizations (EOY).....	91	100	110	120	131
Forty-eight-month revenue estimate.....	131	133	135	136	138

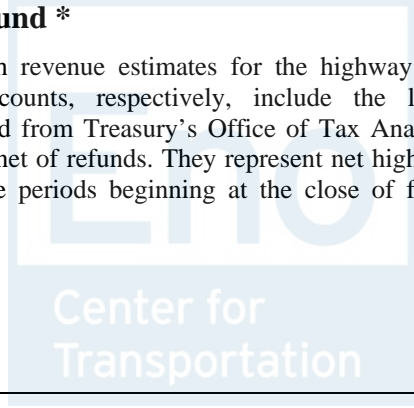
¹ Adjustment pursuant to Section 40201 of Public Law 112-141.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund *

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2013.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2013.



Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2015)	90
less:	
Cash balance (fiscal year 2015)	-10
Unfunded authorizations (fiscal year 2015)	100
48-month revenue estimate (fiscal years 2016, 2017, 2018, and 2019)	133

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2015)	25
less:	
Cash balance (fiscal year 2015)	-2
Unfunded authorizations (fiscal year 2015)	27
48-month revenue estimate (fiscal years 2016, 2017, 2018, and 2019)	25

Note.—Estimates are based on Fiscal Year 2015 President’s Budget assumptions.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), and SAFETEA-LU. The remaining excise taxes are included in a separate account within the

trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The Congressional Committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2014**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2013		\$6,263,136,112
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	24,992,262,847
Diesel and special motor fuels	4041	10,183,596,840
Highway tires	4071	446,603,559
Retail tax on trucks	4051	3,645,184,872
Heavy vehicle use	4481	945,182,057
Total excise taxes		40,212,830,175
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		451,253,000
To Airport and Airway Trust Fund		729,952,337
Total transfers		1,182,205,337
Other income:		
Fines and penalties		18,603,699
Interest		3,667,877
Transfer from the General Fund ¹		22,457,800,000
Total other income		-
Net receipts		61,510,696,414
Expenses:		
Federal Highway Administration:		
Federal aid to highways		42,509,930,802
Right-of-way revolving fund		-2,730,407
Appalachian Development Highway System		2,472
Other		8,637,240
Total		42,515,840,107
Federal Motor Carrier Safety Administration		533,937,394
Federal Transit Administration		9,136,279,466
National Highway Traffic Safety Administration:		
Operations and research		107,849,135
Highway traffic safety grants		633,512,369
National driver register		-
Total		741,361,504
Federal Railroad Administration		-
Other agencies		-
Total expenses		52,927,418,471
Balance Sept. 30, 2014		\$14,846,414,055

¹ Transfer of \$12,600,000 pursuant to P.L. 112-141 of which \$907,200,000 was sequestered. Transfer of \$10,765,000 pursuant to P.L. 113-159.

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2015-2019

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2015	2016	2017	2018	2019
Balance Oct. 1	15	5	11	33	62
Receipts:					
Excise taxes, net of refunds.....	39	40	40	40	40
Interest, net	-	-	-	-	-
Total receipts	39	40	40	40	40
Adjustments ¹	-	-	-	-	-
Outlays	49	34	18	11	8
Balance Sept. 30.....	5	11	33	62	94

Mass Transit Account

	2015	2016	2017	2018	2019
Balance Oct. 1	3	1	-	1	3
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	-	-	-	-
Outlays	9	7	5	4	3
Balance Sept. 30.....	1	-	1	3	6

Highway Account

	2015	2016	2017	2018	2019
Balance Oct. 1	11	4	11	32	59
Receipts:					
Excise taxes, net of refunds.....	34	35	35	35	35
Interest, net	-	-	-	-	-
Total receipts	34	35	35	35	35
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	-	-	-	-	-
Outlays	40	27	13	7	4
Balance Sept. 30.....	4	11	32	59	88
Unfunded authorizations (EOY).....	75	41	7	-28	-62
Forty-eight-month revenue estimate.....	134	135	135	135	136

¹ Adjustment pursuant to Section 40201 of Public Law 112-141.
Outlays reflect authorizations through May 31, 2015.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2014.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2014.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2016)	52
less:	
Cash balance (fiscal year 2016)	11
Unfunded authorizations (fiscal year 2016)	41
48-month revenue estimate (fiscal years 2017, 2018, 2019, and 2020)	135

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2016)	16
less:	
Cash balance (fiscal year 2016)	-
Unfunded authorizations (fiscal year 2016)	16
48-month revenue estimate (fiscal years 2017, 2018, 2019, and 2020)	25

Note.—Estimates are based on Fiscal Year 2016 President’s Budget assumptions.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. Section 1110(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy For Users (SAFETEA-LU) (Public Law 109-59) extended the Highway Trust Fund to be available for making expenditures before September 30, 2009 (October 1, 2009, in the case of expenditures for administrative expenses).

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Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next five fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2015**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2014		\$14,846,414,055
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	25,372,004,207
Diesel and special motor fuels	4041	10,339,498,113
Highway tires	4071	500,967,520
Retail tax on trucks	4051	4,554,325,116
Heavy vehicle use	4481	1,149,768,117
Total excise taxes		41,916,563,073
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		447,250,000
To Airport and Airway Trust Fund		679,525,853
Total transfers		1,127,775,853
Other income:		
Fines and penalties		24,185,949
Interest		1,890,062
Transfer from the General Fund ¹		8,068,000,000
Total other income		8,094,076,011
Net receipts		48,882,863,231
Expenses:		
Federal Highway Administration:		
Federal aid to highways		41,651,735,848
Right-of-way revolving fund		-
Appalachian Development Highway System		204,799
Other		6,238,410
Total		41,658,179,056
Federal Motor Carrier Safety Administration		530,768,521
Federal Transit Administration		8,867,985,448
National Highway Traffic Safety Administration:		
Operations and research		108,022,185
Highway traffic safety grants		654,573,449
National driver register		-
Total		762,595,634
Federal Railroad Administration		-
Other agencies		-
Total expenses		51,819,528,660
Balance Sept. 30, 2015		\$11,909,748,626

¹ Transfer of \$8,068,000,000 was made pursuant to P.L. 114-41.

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund Expected Condition and Results of Operations, Fiscal Years 2016-2020

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2016	2017	2018	2019	2020
Balance Oct. 1	12	69	54	39	23
Receipts:					
Excise taxes, net of refunds.....	41	41	41	41	41
Interest, net	-	-	-	-	-
Total receipts	41	41	41	41	41
Adjustments ¹	70	-	-	-	-
Outlays	54	56	56	57	58
Balance Sept. 30.....	69	54	39	23	6

Mass Transit Account

	2016	2017	2018	2019	2020
Balance Oct. 1	3	17	11	6	1
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	2	2
Adjustments ¹	18	-	-	-	-
Outlays	11	12	11	12	12
Balance Sept. 30.....	17	11	6	1	-3

Highway Account

	2016	2017	2018	2019	2020
Balance Oct. 1	9	52	43	32	21
Receipts:					
Excise taxes, net of refunds.....	36	36	36	36	36
Interest, net	-	-	-	-	-
Total receipts	36	36	36	36	36
Flex fund transfers	-1	-1	-1	-2	-2
Adjustments ¹	52	-	-	-	-
Outlays	43	45	45	45	46
Balance Sept. 30.....	52	43	32	21	9
Unfunded authorizations (EOY).....	38	47	57	69	81
Forty-eight-month revenue estimate.....	138	137	137	137	138

¹ Adjustment pursuant to Sections 31203 and 31201 of Public Law 114-94.
Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2014.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2014.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2017)	89
less:	
Cash balance (fiscal year 2017)	43
Unfunded authorizations (fiscal year 2017)	47
48-month revenue estimate (fiscal years 2018, 2019, 2020, and 2021)	137

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2017)	24
less:	
Cash balance (fiscal year 2017)	11
Unfunded authorizations (fiscal year 2017)	13
48-month revenue estimate (fiscal years 2018, 2019, 2020, and 2021)	26

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. The FAST Act extends through September 30, 2020, the authority to make expenditures from the Highway Trust Fund for authorized purposes. After that 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. [FAST Act § 31101, 26 U.S.C. 9503].

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to Highway Account of the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

The Highway Trust Fund's Mass Transit Account is funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), SAFETEA-LU, Moving Ahead for Progress in the 21st

Century Act (MAP-21) and as amended by Fixing America's Surface Transportation (FAST) Act. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next five fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2016**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2015		\$11,909,748,626
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	26,137,754,943
Diesel and special motor fuels	4041	10,260,122,506
Highway tires	4071	478,090,440
Retail tax on trucks	4051	4,265,611,187
Heavy vehicle use	4481	1,187,832,325
Total excise taxes		42,329,411,402
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		429,254,000
To Airport and Airway Trust Fund		675,056,543
Total transfers		1,105,310,543
Other income:		
Fines and penalties		119,512,749
Interest		123,866,853
Transfer from the General Fund ¹		70,100,000,000
Total other income		70,343,379,602
Net receipts		111,567,480,461
Expenses:		
Federal Highway Administration:		
Federal aid to highways		43,421,077,419
Right-of-way revolving fund		-
Appalachian Development Highway System		25,449
Other		-330,080
Total		43,420,772,788
Federal Motor Carrier Safety Administration		550,220,606
Federal Transit Administration		9,472,175,836
National Highway Traffic Safety Administration:		
Operations and research		127,359,253
Highway traffic safety grants		688,893,831
National driver register		-39,029
Total		816,214,056
Federal Railroad Administration		-
Other agencies		169,925
Total expenses		54,259,553,211
Balance Sept. 30, 2016		\$69,217,675,876

¹ Transfer from General Fund of \$70,000,000,000 per P.L. 114-94; transfer \$100,000,000 from Leaking Underground Storage Tank Trust Fund per P.L. 114-94.

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2017-2021

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2017	2018	2019	2020	2021
Balance Oct. 1	69	58	46	33	21
Receipts:					
Excise taxes, net of refunds.....	42	42	43	43	44
Interest, net	-	-	-	-	-
Total receipts	42	42	43	43	44
Adjustments ¹	-	-	-	-	-
Outlays	53	54	55	56	57
Balance Sept. 30.....	57	46	33	21	8

Mass Transit Account

	2017	2018	2019	2020	2021
Balance Oct. 1	18	15	11	8	4
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	-	-	-	-
Outlays	10	10	10	10	10
Balance Sept. 30.....	15	11	8	4	1

Highway Account

	2017	2018	2019	2020	2021
Balance Oct. 1	51	43	34	25	16
Receipts:					
Excise taxes, net of refunds.....	36	37	38	38	38
Interest, net	-	-	-	-	-
Total receipts	36	37	38	38	38
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	-	-	-	-	-
Outlays	44	45	45	46	47
Balance Sept. 30.....	43	34	25	16	7
Unfunded authorizations (EOY).....	46	55	65	67	77
Forty-eight-month revenue estimate.....	147	148	150	151	152

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2016.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2016.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2018)	90
less:	
Cash balance (fiscal year 2018)	34
Unfunded authorizations (fiscal year 2018)	55
48-month revenue estimate (fiscal years 2019, 2020, 2021, and 2022)	148

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2018)	29
less:	
Cash balance (fiscal year 2018)	11
Unfunded authorizations (fiscal year 2018)	17
48-month revenue estimate (fiscal years 2019, 2020, 2021, and 2022)	26

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. The FAST Act extends through September 30, 2020, the authority to make expenditures from the Highway Trust Fund for authorized purposes. After that 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. [FAST Act § 31101, 26 U.S.C. 9503].

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to Highway Account of the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

The Highway Trust Fund's Mass Transit Account is funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), SAFETEA-LU, Moving Ahead for Progress in the 21st

Century Act (MAP-21) and as amended by Fixing America's Surface Transportation (FAST) Act. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

The Secretary of the Treasury, in consultation with the Secretary of Transportation, is required to submit annual reports to Congress by section 9602(a) of title 26 United States Code. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next five fiscal years.

In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2017**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2016		\$69,217,675,876
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	26,603,593,957
Diesel and special motor fuels	4041	10,735,535,989
Highway tires	4071	475,598,847
Retail tax on trucks	4051	3,117,447,612
Heavy vehicle use	4481	1,206,150,735
Total excise taxes		42,138,327,141
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		430,744,000
To Airport and Airway Trust Fund		722,424,991
Total transfers		1,154,168,991
Other income:		
Fines and penalties		35,006,595
Interest		383,199,022
Transfer from the General Fund ¹		93,100,000
Total other income		511,305,617
Net receipts		41,495,463,766
Expenses:		
Federal Highway Administration:		
Federal aid to highways		43,584,531,593
Right-of-way revolving fund		-
Appalachian Development Highway System		2,118
Other		11,114,109
Total		43,595,647,819
Federal Motor Carrier Safety Administration		562,122,769
Federal Transit Administration		9,442,359,218
National Highway Traffic Safety Administration:		
Operations and research		140,692,409
Highway traffic safety grants		678,719,767
National driver register		-
Total		819,412,176
Federal Railroad Administration		-
Other agencies		109,388
Total expenses		54,419,651,369
Balance Sept. 30, 2017		\$56,293,488,273

¹ Transfer of \$93,100,000 from Leaking Underground Storage Tank Trust Fund per P.L. 114-94 (net of sequester).

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2018-2022

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2018	2019	2020	2021	2022
Balance Oct. 1	56	43	29	14	-2
Receipts:					
Excise taxes, net of refunds.....	42	43	43	44	44
Interest, net	-	-	-	-	-
Total receipts	42	43	43	44	44
Adjustments ¹	-	-	-	-	-
Outlays	55	57	58	59	59
Balance Sept. 30.....	43	29	14	-2	-17

Mass Transit Account

	2018	2019	2020	2021	2022
Balance Oct. 1	15	12	8	4	1
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	-	-	-	-
Outlays	10	10	10	10	10
Balance Sept. 30.....	12	8	4	1	-3

Highway Account

	2018	2019	2020	2021	2022
Balance Oct. 1	41	31	21	9	-3
Receipts:					
Excise taxes, net of refunds.....	37	37	38	38	39
Interest, net	-	-	-	-	-
Total receipts	37	37	38	38	39
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	0	0	0	0	0
Outlays	45	47	48	49	49
Balance Sept. 30.....	31	21	9	-3	-14
Unfunded authorizations (EOY).....	57	66	69	77	75
Forty-eight-month revenue estimate.....	147	149	150	151	151

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2017.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2017.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2019)	87
less:	
Cash balance (fiscal year 2019)	21
Unfunded authorizations (fiscal year 2019)	66
48-month revenue estimate (fiscal years 2020, 2021, 2022, and 2023)	149

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2019)	30
less:	
Cash balance (fiscal year 2019)	8
Unfunded authorizations (fiscal year 2019)	22
48-month revenue estimate (fiscal years 2020, 2021, 2022, and 2023)	26

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. The FAST Act extends through September 30, 2020, the authority to make expenditures from the Highway Trust Fund for authorized purposes. After that 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. [FAST Act § 31101, 26 U.S.C. 9503].

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to Highway Account of the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

The Highway Trust Fund's Mass Transit Account is funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), SAFETEA-LU, Moving Ahead for Progress in the 21st

Century Act (MAP-21) and as amended by Fixing America's Surface Transportation (FAST) Act. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund.

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In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C. 9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2018**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2017		\$56,293,488,273
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	26,686,290,892
Diesel and special motor fuels	4041	11,086,447,600
Highway tires	4071	540,039,314
Retail tax on trucks	4051	4,337,216,000
Heavy vehicle use	4481	1,247,078,524
Total excise taxes		43,897,072,330
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		435,754,000
To Airport and Airway Trust Fund		873,387,018
Total transfers		1,310,141,018
Other income:		
Fines and penalties		27,036,407
Interest		745,609,320
Transfer from the General Fund ¹		93,400,000
Total other income		866,045,727
Net receipts		43,452,977,040
Expenses:		
Federal Highway Administration:		
Federal aid to highways		43,704,511,738
Right-of-way revolving fund		-
Appalachian Development Highway System		360
Other		8,510,811
Total		43,713,022,910
Federal Motor Carrier Safety Administration		580,662,681
Federal Transit Administration		10,106,692,263
National Highway Traffic Safety Administration:		
Operations and research		152,037,720
Highway traffic safety grants		686,615,408
National driver register		-
Total		838,653,128
Federal Railroad Administration		-
Other agencies		-
Total expenses		55,239,030,981
Balance Sept. 30, 2018		\$44,507,434,333

¹ Transfer of \$93,400,000 from Leaking Underground Storage Tank Trust Fund per P.L. 114-94 (net of sequester).

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2019-2023

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2019	2020	2021	2022	2023
Balance Oct. 1	45	31	16	1	-13
Receipts:					
Excise taxes, net of refunds.....	43	43	43	43	43
Interest, net	-	-	-	-	-
Total receipts	43	43	43	43	43
Adjustments ¹	-	-	-	-	-
Outlays	57	58	58	58	58
Balance Sept. 30.....	31	16	1	-13	-28

Mass Transit Account

	2019	2020	2021	2022	2023
Balance Oct. 1	12	8	4	-1	-6
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	-	-	-	-
Outlays	10	11	11	11	11
Balance Sept. 30.....	8	4	-1	-6	-11

Highway Account

	2019	2020	2021	2022	2023
Balance Oct. 1	33	23	12	2	-8
Receipts:					
Excise taxes, net of refunds.....	37	38	38	38	38
Interest, net	-	-	-	-	-
Total receipts	37	38	38	38	38
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	-	-	-	-	-
Outlays	46	47	47	47	47
Balance Sept. 30.....	23	12	2	-8	-17
Unfunded authorizations (EOY).....	64	74	85	87	88
Forty-eight-month revenue estimate.....	148	148	149	149	150

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT for fiscal year 2018.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal year 2018.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2020)	87
less:	
Cash balance (fiscal year 2020)	12
Unfunded authorizations (fiscal year 2020)	74
48-month revenue estimate (fiscal years 2021, 2022, 2023, and 2024)	148

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2020)	31
less:	
Cash balance (fiscal year 2020)	4
Unfunded authorizations (fiscal year 2020)	27
48-month revenue estimate (fiscal years 2021, 2022, 2023, and 2024)	26

Assumes the revenues and spending levels prescribed in the Public Law 114-94.

Note.—Detail may not add to totals due to rounding.

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal year 1957, according to provisions of the Highway Revenue Act of 1956 (Act of June 29, 1956, chapter 462, section 209). It has been amended and extended by various highway surface transportation and other acts since 1959. The FAST Act extends through September 30, 2020, the authority to make expenditures from the Highway Trust Fund for authorized purposes. After that 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. [FAST Act § 31101, 26 U.S.C. 9503].

Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, heavy trucks and trailers, and heavy vehicle use are designated by the Act to be appropriated and transferred from the general fund of the Treasury to Highway Account of the trust fund. These transfers are made twice monthly based on estimates by the Secretary of the Treasury, subject to later adjustments to reflect the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in non-interest-bearing public debt securities.

The Highway Trust Fund's Mass Transit Account is funded by a portion of the excise tax collections under sections 4041 and 4081 of the IRC (title 26 United States Code). The funds from this account are used for expenditures in accordance with chapter 53 of title 49 United States Code, the Intermodal Surface

Transportation Efficiency Act of 1991 (Public Law 102-240), the Transportation Equity Act for the 21st Century (TEA-21), SAFETEA-LU, Moving Ahead for Progress in the 21st Century Act (MAP-21) and as amended by Fixing America's Surface Transportation (FAST) Act. The remaining excise taxes are included in a separate account within the trust fund commonly referred to as the highway account. Expenditures from this account are made according to the provisions of various transportation acts.

Amounts required for outlays to carry out the eligible surface transportation programs are made available to the responsible operating administrations within the Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the Land and Water Conservation Fund and the Aquatic Resources Trust Fund. In addition, the Secretary of the Treasury is required by 26 U.S.C. 9503(d)(7) to report to specified Congressional Committees any estimate which he, in consultation with the Secretary of Transportation, makes pursuant to 26 U.S.C.9503(d)(1) or any determination which he makes pursuant to 26 U.S.C. 9503(d)(2). The congressional committees are the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

**TABLE TF-6.—Highway Trust Fund
Results of Operations, Fiscal Year 2019**

[Source: DOT]

Description	IRC section (26 United States Code)	Amount
Balance Oct. 1, 2018		44,507,434,333
Receipts:		
Excise taxes (transferred from general fund):		
Gasoline	4081	26,450,616,196
Diesel and special motor fuels	4041	11,246,500,921
Highway tires	4071	534,571,760
Retail tax on trucks	4051	5,329,674,245
Heavy vehicle use	4481	1,285,164,153
Total excise taxes		44,846,527,275
Less refunds and tax credits (reimbursed to general fund):		
Diesel fuel		-
Gasoline		-
Total refunds and tax credits		-
Less transfers:		
To Land and Water Conservation Fund		1,000,000
To Aquatic Resources Trust Fund		438,754,000
To Airport and Airway Trust Fund		832,628,838
Total transfers		1,272,382,838
Other income:		
Fines and penalties		97,614,321
Interest		849,426,189
Transfer from the General Fund		-
Total other income		947,040,511
Net receipts		44,521,184,948
Expenses:		
Federal Highway Administration:		
Federal aid to highways		44,166,588,456
Right-of-way revolving fund		-
Appalachian Development Highway System		87,963
Other		8,854,270
Total		44,175,530,688
Federal Motor Carrier Safety Administration		583,502,715
Federal Transit Administration		10,515,264,495
National Highway Traffic Safety Administration:		
Operations and research		143,919,862
Highway traffic safety grants		701,711,613
National driver register		-
Total		845,631,475
Federal Railroad Administration		-
Office of the Secretary of Transportation		2,744,946
Other agencies		31,748
Total expenses		56,122,706,068
Balance Sept. 30, 2019		32,905,913,213

Note.—Detail may not add to totals due to rounding.

Highway Trust Fund
Expected Condition and Results of Operations, Fiscal Years 2020-2024

[In billions of dollars. Source: DOT]

Combined Statement Highway and Mass Transit Accounts

	2020	2021	2022	2023	2024
Balance Oct. 1	33	18	3	-13	-28
Receipts:					
Excise taxes, net of refunds.....	43	43	43	43	43
Interest, net	-	-	-	-	-
Total receipts	43	43	43	43	43
Adjustments ¹	-	-	-	-	-
Outlays	58	58	59	59	59
Balance Sept. 30.....	18	3	-13	-28	-44

Mass Transit Account

	2020	2021	2022	2023	2024
Balance Oct. 1	8	4	-1	-6	-11
Receipts:					
Excise taxes, net of refunds.....	5	5	5	5	5
Interest, net	-	-	-	-	-
Total receipts	5	5	5	5	5
Flex fund transfers	1	1	1	1	1
Adjustments ¹	-	-	-	-	-
Outlays	11	11	11	11	12
Balance Sept. 30.....	4	-1	-6	-11	-16

Highway Account

	2020	2021	2022	2023	2024
Balance Oct. 1	25	14	3	-7	-18
Receipts:					
Excise taxes, net of refunds.....	38	38	38	38	38
Interest, net	-	-	-	-	-
Total receipts	38	38	38	38	38
Flex fund transfers	-1	-1	-1	-1	-1
Adjustments ¹	-	-	-	-	-
Outlays	47	47	47	47	47
Balance Sept. 30.....	14	3	-7	-18	-28
Unfunded authorizations (EOY).....	73	85	96	107	119
Forty-eight-month revenue estimate.....	146	147	148	149	149

Assumes the revenues and spending levels prescribed in the Public Law 114-94 are extended. Note.—Numbers may not add due to rounding.

TABLE TF-6A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment [codified at 26 United States Code 9503(d)] and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the DOT.

The 48-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods.

Highway Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2021)	88
less:	
Cash balance (fiscal year 2021)	3
Unfunded authorizations (fiscal year 2021)	85
48-month revenue estimate (fiscal years 2022, 2023, 2024, and 2025).....	147

Mass Transit Account

[In billions of dollars. Source: DOT]

Commitments (unobligated balances plus unpaid obligations, fiscal year 2021)	31
less:	
Cash balance (fiscal year 2021)	-1
Unfunded authorizations (fiscal year 2021)	32
48-month revenue estimate (fiscal years 2022, 2023, 2024, and 2025).....	26

Assumes the revenues and spending levels prescribed in the Public Law 114-94 are extended Note.—Numbers may not add due to rounding.