

Jan - 46 - 82

DOT PROPOSAL, NOVEMBER 29

Revised Revenue Forecasts

1985 REVENUE BY VEHICLE TYPE  
(millions of dollars)

Vehicle Class	1985 Base Case	Option	Percent Change	Ratio of Revenue to Cost
Autos and Motorcycles	\$2,930.9	\$5,392.0	+84	.99
Intercity Buses	1.6	10.8	+575	.35
Other Buses	0.0	5.8	+-	.00
Pickups/Vans	1,401.0	2,390.9	+71	1.10
Other Single Units	1,063.5	1,034.8	-3	1.11
Combinations	1,809.0	3,668.0	+103	.96
Under 70,000 lbs.	(669.7)	(1,041.7)	+56	1.14
70,000 to 75,000 lbs.	(497.3)	(1,055.2)	+112	.98
Over 75,000 lbs.	(642.0)	(1,571.1)	+145	.86
<b>Total</b>	<b>\$7,206.0</b>	<b>\$12,502.3</b>	<b>+73</b>	<b>1.00</b>

1985 REVENUE PER VEHICLE

Vehicle Class	1985 Base Case	Option
Autos and Motorcycles	\$ 20	\$ 45
Intercity Buses	79	535
Other Buses	0	12
Pickups/Vans	40	69
Other Single Units	234	228
Combinations	1,310	2,670
Under 70,000 lbs.	(990)	(1,540)
70,000 to 75,000 lbs.	(1,550)	(3,300)
Over 75,000 lbs.	(1,700)	(4,160)
<b>Total</b>	<b>\$ 45</b>	<b>\$ 78</b>

DOT USER FEE PROPOSAL  
TAX TYPES BY VEHICLE CLASS  
(Millions of Dollars)

	Gasoline	Diesel	New Tire	Retread Rubber	Parts	Sales	Heavy Vehicle Use	Total
Large Autos	3573.0	102.0	0.0	36.7	0.0	0.0	0.0	3711.7
Small Autos	1584.1	50.7	0.0	4.4	0.0	0.0	0.0	1639.2
Motorcycles	32.5	0.0	0.0	0.0	0.0	0.0	0.0	32.5
Intercity Buses	0.0	10.7	0.0	0.0	0.0	0.0	0.0	10.7
Other Buses	5.8	0.0	0.0	0.0	0.0	0.0	0.0	5.8
Pickups and Vans	2323.5	38.1	0.0	25.5	0.0	0.0	0.0	2387.1
S.U. Trucks < 26,000 lbs.	372.7	45.4	0.0	6.0	0.0	0.0	0.0	424.1
S.U. Trucks > 26,000 lbs.	120.2	161.8	22.0	7.9	28.0	243.2	25.8	608.9
Combinations < 50,000 lbs.	26.6	130.3	1.6	4.8	15.7	109.6	0.0	288.6
Combinations 50-70,000 lbs.	16.9	235.5	28.2	10.8	29.7	283.2	147.4	751.8
Combinations 70-75,000 lbs.	1.9	348.1	44.6	16.0	36.3	283.9	323.2	1054.0
Combinations > 75,000 lbs.	0.8	453.4	62.7	22.1	45.1	365.6	619.9	1569.6
	<u>8058.0</u>	<u>1576.0</u>	<u>159.1</u>	<u>134.2</u>	<u>154.0</u>	<u>1285.5</u>	<u>1116.3</u>	<u>12,483.9</u>

LEGISLATIVE ISSUES IN PROPOSALS TO REVISE HIGHWAY EXCISE  
TAX STRUCTURE AND EXTEND THE HIGHWAY TRUST FUND

JCX-46-82

ISSUE AREA	PRESENT LAW	ADMINISTRATION PROPOSAL (H.R. 7330)	POSSIBLE MODIFICATIONS
A. TAX-RELATED ITEMS			
1. Gasoline/diesel fuel/ special motor fuels	4¢/gal. through Sept. 30, 1984 (1-1/2¢/gal. thereafter)	9¢/gal. through Mar. 31, 1990 (1-1/2¢/gal. thereafter)	9¢/gal. through Sept. 30, 1988
2. Motorboat fuel <sup>1/</sup>	4¢/gal. through Sept. 30, 1984 (1-1/1¢/gal. thereafter)	9¢/gal. through Mar. 31, 1990 (1-1/2¢/gal. thereafter)	9¢/gal. through Sept. 30, 1988 (no change in transfers to LWCF or Boating Fund)
3. Fuel exemptions:			
a. Gasohol (10% alcohol)	4¢/gal. exemption (through 1992)	9¢ exemption (through 1992)	4¢/gal. exemption (through Sept. 30, 1988)
b. Intercity, school and local buses (private)	4¢ exemption	4¢ exemption (through Mar. 31, 1990)	9¢ exemption for school and local buses; 4¢ for intercity buses (through Sept. 30, 1988)
c. Qualified taxicabs	4¢ exemption (through 1982)	4¢ exemption	4¢ exemption (through Sept. 30, 1984) w/study
d. State and local government	4¢ exemption	9¢ exemption (through Mar. 31, 1990)	9¢ exemption (through Sept. 30, 1988)
e. Nonprofit educational	4¢ exemption	9¢ exemption	"
f. Farming	4¢ exemption	9¢ exemption	"
g. Nonhighway qualified business use	2¢ exemption	9¢ exemption	"
h. Other nonhighway, non- motorboat use (other than non-commercial aviation)	no exemption	no exemption	no exemption

<sup>1/</sup> Revenues transferred generally to Land and Water Conservation Fund (LWCF), except up to \$20 million per year (through FY 1983) to Boating Fund.

<u>ISSUE AREA</u>	<u>PRESENT LAW</u>	<u>ADMINISTRATION PROPOSAL (H.R. 7330)</u>	<u>POSSIBLE MODIFICATIONS</u>
4. <u>Tires</u>			
a. Highway tires	9.75¢/lb. through Sept. 30, 1984 (4.875¢/lb. thereafter)	25¢/lb., if over 100 lbs., through Mar. 31, 1990 (4.875 ¢/lb. thereafter)	Same, except through Sept. 30, 1988
b. Nonhighway tires (e.g., aircraft)	4.875¢/lb.	4.875¢/lb.	Repeal
c. Laminated tires (non- highway)	1¢/lb.	1¢/lb.	Repeal
5. Tread rubber (for highway vehicles--trucks and autos)	5¢/lb. through Sept. 30, 1984 (no tax thereafter)	25¢/lb. through Mar. 31, 1990 (No tax thereafter)	25¢/lb. for tires over 100 lbs. (through Sept. 30, 1988)
6. Innertubes	10¢/lb. through Sept. 30, 1984 (9¢/lb. thereafter)	Repeal	Same as Administration
7. Lubricating oil	6¢/gal.	Repeal	Same as Administration
8. <u>Truck-related taxes:</u>			
a. New trucks, truck trailers	10% mfrs. sale price, if more than 10,000 lbs., through Sept. 30, 1984 (5% thereafter)	12% mfrs. sale price, if more than 33,000 lbs., through Mar. 31, 1990 (5% thereafter)	Same as Administration, except through Sept. 30, 1988
b. Truck parts & accessories	8% mfrs. sale price, if for trucks of more than 10,000 lbs., through Sept. 30, 1984 (5% thereafter)	12% mfrs. sale price, if for trucks of more than 33,000 lbs. through Mar. 31, 1990 (5% thereafter)	Same as Administration, except through Sept. 30, 1988

9. Heavy vehicle use tax  
(Annual; July 1-June 30  
taxable period)

a. Tax rate

\$3/1000 lbs., if taxable  
gross weight more than  
26,000 lbs., through  
Sept. 30, 1984 (No tax  
thereafter)

Under 55,000 lbs.--No tax  
55-70,000 lbs.--\$100, plus  
\$6/100 lbs. over 55,000  
70-80,000 lbs.--\$1,000  
plus \$17/100 lbs. over  
70,000  
Over 80,000 lbs.--\$2,700

b. Mileage exemption

None

Exemption if less than 2,500  
miles per year on public  
highways

Same as Administration,  
with technicals

c. State verification

None

Require receipt for payment  
of Federal use tax before  
State will register vehicle  
(effective Jan. 1, 1985)

Same as Administration

d. Enforcement mechanism

Reduce State apportionment  
(title 23 amendment)

(To be included in H.R. 6211)

10. Effective dates

Generally, increased rates  
apply April 1, 1983-  
March 31, 1990  
(July 1, 1983 for vehicle  
use tax)

Generally increased  
rates apply April 1,  
1983-Sept. 30, 1988  
(July 1, 1983  
for use tax)

11. Transition rules:

- a. Floor stocks taxes
- b. Floor stocks refunds/  
credits

Imposed on April 1, 1983,  
at the increase in tax  
rate

Same generally as  
Administration,  
with technicals

For items held in inventory  
on April 1, 1983, at which  
higher tax rates had been  
paid previously; consumer  
refunds for trucks, trail-  
ers and truck parts sold  
between Nov. 28, 1982 and  
April 1, 1983, for which  
tax no longer applies on  
April 1, 1983

Same generally as  
Administration,  
with technicals

12. Sunset:

- a. Highway excise taxes
- b. Exemptions

Same reduction of expira-  
tion schedule as present  
law, except on April 1,  
1990

Sunset all highway  
excise taxes on  
Oct. 1, 1988

Trust Fund taxes are  
reduced or expire  
(tread rubber and  
vehicle use tax) on  
October 1, 1984

Exemptions for gasohol  
intercity, alcohol and  
local buses, and state  
and local governments  
sunset (see above);  
others do not sunset

Sunset all exemptions  
when taxes expire  
(Oct. 1, 1988)

PRESENT  
LAW

ADMINISTRATION PROPOSAL  
(H.R. 7330)

POSSIBLE  
MODIFICATIONS

B. TRUST FUND PROVISIONS

1. Transfer of tax revenues to Trust Fund	Through Sept. 30, 1984	Through Mar. 31, 1990	Through Sept. 30, 1988
2. Expenditures from Trust Fund	Through Sept. 30, 1984	Through Sept. 30, 1991	Through Sept. 30, 1988
3. Transfer of Trust Fund to Internal Revenue Code	(Note: included in H.R. 7092 as reported by Ways & Means)	Not included	Same as H.R. 7092
4. Specificity of Trust Fund expenditure	Meet obligations incurred under Federal-Aid Road Act of July 11, 1916, as amended and supplemented, attributable to Federal-aid highways (including portion of administrative expenses of Bureau of Public Roads.) (Note: H.R. 7092 would cover existing Trust Fund authorizations, as of Sept. 15, 1982, or incurred under H.R. 6965 (Public Works one-year bill).)	Updates language to refer to DOT, FHWA	Permit expenditures authorized under present law, the 1982 Act (H.R. 6211), or future laws for general purposes authorized as of Dec. 31, 1982.
5. Anti-deficit provision ("Byrd amendment")	If projected Trust Fund revenues are not sufficient to cover outstanding authorizations, then Trust Fund appropriations for a year are to be reduced proportionately.	No change	If unfunded authorizations exceed 2 years Trust Fund receipts, appropriations are reduced proportionately.
6. Authority for repayable advances	Yes. (Note: would be deleted in H.R. 7092)	Yes, no change	No. Same as H.R. 7092

ISSUE AREA

PRESENT LAW

ADMINISTRATION PROPOSAL  
(H.R. 7330)

POSSIBLE MODIFICATIONS

C. TRANSIT ACCOUNT

<u>ISSUE AREA</u>	<u>PRESENT LAW</u>	<u>ADMINISTRATION PROPOSAL (H.R. 7330)</u>	<u>POSSIBLE MODIFICATIONS</u>
1. Establishment	None	Separate account included within Highway Trust Fund	Separate account within Highway Trust Fund, but with contract authority (in H.R. 6211).
2. Funding	General funds	Funded by 1¢/gal. from motor fuels taxes	Same as Administration
3. Expenditure purposes		Used for transit capital program under section 22 of the Urban Mass Transportation Act of 1964	Used for transit capital programs under H.R. 6211, including new starts.
4. Anti-deficit provision		None	Yes, unfunded authorizations could not exceed 1 year's account receipts.
5. Authority for repayable advances		Yes	No