

**ESTIMATED TRUST FUND AND GENERAL FUND EFFECTS OF CERTAIN PROVISIONS IN
THE "HIGHWAY REAUTHORIZATION AND EXCISE TAX SIMPLIFICATION ACT OF 2004,"
AS PASSED BY THE SENATE**

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
Credit the Highway Trust Fund With Interest on Unexpended Balances [1]	1/1/04	----- Estimate Will Be Provided by the Congressional Budget Office -----											
Apportionments Based on 4 Years (Rather Than 2 Years) of Excise Tax Receipts [1]	DOE	----- Estimate Will Be Provided by the Congressional Budget Office -----											
Transfer the Full Amount of Alcohol Fuel Excise Taxes to the Highway Trust Fund [1] [2]													
Highway Account.....	fsoua 9/30/03	901	928	947	964	982	1,001	1,019	1,037	1,055	1,074	4,722	9,908
General Fund.....	fsoua 9/30/03	-901	-928	-947	-964	-982	-1,001	-1,019	-1,037	-1,055	-1,074	-4,722	-9,908
Provide That all Alcohol Fuels Excise Tax Credits and Outlay Payments are Paid From the General Fund [1] [3]													
Highway Account.....	fsoua 9/30/04	---	1,811	1,847	1,880	1,915	1,950	1,985	2,020	2,055	2,092	7,452	17,556
General Fund.....	fsoua 9/30/04	---	-1,811	-1,847	-1,880	-1,915	-1,950	-1,985	-2,020	-2,055	-2,092	-7,452	-17,556
Expiration of Alcohol Fuels Subsidies after December 31, 2010 [4]													
General Fund.....	fsoua 12/31/10	---	---	---	---	---	---	---	1,131	1,559	1,586	---	4,276
Fuel Fraud Provisions [5]													
Highway Account.....	[6]	2	223	248	250	251	252	253	252	252	251	973	2,232
Mass Transit Account.....	[6]	[7]	54	59	60	60	61	61	61	61	60	234	537
Airport and Airway Trust Fund.....	[6]	---	395	425	429	432	435	435	433	431	430	1,682	3,846
LUST Trust Fund.....	[6]	[7]	3	3	3	3	3	3	3	3	3	13	30
Modifications of Tax on Use of Highway Vehicles													
Highway Account.....	tpba DOE	191	159	163	166	169	172	172	175	177	180	847	1,723
Transfers from Airport and Airway Trust Fund to Highway Trust Fund [8]													
Highway Account.....	10/1/04	---	352	378	382	385	387	387	386	384	383	1,497	3,423
Mass Transit Account.....	10/1/04	---	43	47	47	48	48	48	48	47	47	185	423
Airport and Airway Trust Fund.....	10/1/04	---	-395	-425	-429	-432	-435	-435	-433	-431	-430	-1,682	-3,846
Exemption From Certain Excise Taxes for Mobile Machinery Vehicles													
Highway Account.....	[9]	---	93	124	124	124	124	124	124	124	124	464	1,082
Mass Transit Account.....	[9]	---	12	16	16	16	16	16	16	16	16	62	144
LUST Trust Fund.....	[9]	---	[7]	1	1	1	1	1	1	1	1	2	5

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
Dedication of Gas Guzzler Tax to Highway Trust Fund [10]													
Highway Account.....	DOE	38	75	74	74	74	73	73	72	72	72	335	697
General Fund.....	DOE	-38	-75	-74	-74	-74	-73	-73	-72	-72	-72	-335	-697
Repeal of Section 9503(c)(2) Transfers From Trust Funds to General Fund [1]													
Highway Account.....	4/1/04	614	1,262	1,299	1,326	1,357	1,388	1,418	1,447	1,476	1,507	5,857	13,093
Mass Transit Account.....	4/1/04	82	169	174	178	182	186	190	194	198	202	784	1,753
LUST Trust Fund.....	4/1/04	4	7	7	8	8	8	8	8	8	9	33	75
General Fund.....	4/1/04	-700	-1,438	-1,480	-1,511	-1,546	-1,582	-1,616	-1,649	-1,682	-1,717	-6,675	-14,921
Interaction of 9503(c)(2) Repeal and Ethanol Provisions [11]													
Highway Account.....	fsoua 9/30/04	--	-42	-43	-43	-43	-44	-44	-45	-45	-45	-171	-395
TOTAL TRUST FUND EFFECTS													
Highway Account		1,745	4,860	5,036	5,122	5,212	5,302	5,387	5,468	5,550	5,637	21,975	49,319
Mass Transit Account		83	279	296	301	306	311	315	319	322	326	1,265	2,858
Airport and Airway Trust Fund		--	--	--	--	--	--	--	--	--	--	--	--
LUST Trust Fund		4	10	11	11	11	11	12	12	12	12	47	105
General Fund		-1,639	-4,252	-4,347	-4,429	-4,517	-4,606	-4,693	-3,647	-3,306	-3,370	-19,184	-38,806

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

DOE = date of enactment

fsoua = fuel sold or used after

tpba = taxable periods beginning after

[1] Estimates provided by the Congressional Budget Office ("CBO").

[2] The application of the budget law for constructing the CBO baseline in the case of expiring excise taxes dedicated to trust funds provides that such taxes are assumed to be permanently extended. Under present law, the taxes on motor fuels dedicated to the Highway Trust Fund expire in 2005 are assumed to be permanently extended in CBO's baseline.

[3] The bill repeals the lower rate of tax on alcohol fuels and creates an excise tax credit that is to be paid from the General Fund. Estimates were provided by CBO under the assumption that both the tax rate and excise tax credit are permanent.

[4] The bill provides that the excise tax credit expires after 2010. If this bill is enacted, CBO's subsequent baseline would not assume extension of the excise tax credit beyond its expiration because the requirement to assume extension of excise taxes dedicated to trust funds does not apply to excise tax credits paid from the General Fund. For purposes of this revenue estimate, therefore, it is assumed that the excise tax credit would expire as scheduled. This treatment generates changes in revenues beyond 2010.

[5] Includes the trust fund effects of the provision repealing reduced-rate sales of gasoline for blending with ethanol. Excludes the trust fund effects of the modifications to the tax on use of highway vehicles, which are included elsewhere in this table.

[6] The fuels fraud provisions are generally effective for fuel sold or used after September 30, 2004. The provision to tax motor fuel at the point of entry when the importer is not registered is effective on the date of enactment.

[7] Gain of less than \$500,000.

[8] The estimates in the table are based on the Joint Committee on Taxation staff estimates of the revenues that would be received by the Airport and Airway Trust Fund for jet fuel used in highway vehicles. The bill provides that "the Secretary shall pay annually from the Airport and Airway Trust Fund into the Highway Trust Fund an amount (as determined by him) equivalent to amounts received in the Airport and Airway Trust Fund which are attributable to fuel that is used primarily for highway transportation purposes." The bill does not provide any guidance to the Treasury with regard to the methodology that should be used to estimate the amounts received by the Airport and Airway Trust Fund that are attributable to jet fuel used in highway transportation. The Treasury may employ a high standard of proof in estimating the amounts of jet fuel used in highway vehicles, under the expectation that the estimating methodology will be audited.

[9] Generally effective after the date of enactment, except for fuel taxes, effective for taxable years beginning after the date of enactment.

[10] The bill would repeal the gas guzzler tax on limousines, which would reduce the receipts generated by the tax. These lines show the trust fund effects of dedicating the reduced amount to the Highway Account.

[11] This line adjusts for the double-counting of certain alcohol fuels excise tax refunds elsewhere in this table.