

The “Getting Beyond Gridlock” Plan

A Highway Trust Fund Stabilization & Investment Growth Proposal

Goals:

- Restore the “User Pays” funding concept for future federal Highway & Transit Program investments; end General Fund bailouts and budget gimmicks for Highway Trust Fund (HTF) investments.
- Fund a 6-year, \$401B Surface Transportation Program reauthorization.
 - Baseline Core Highway Program increased annually for inflation (\$259B/6 years)
 - Baseline Core Transit Program increased annually for inflation (\$65B/6 years)
 - Fund new National Freight Network Improvement Program Projects of National & Regional Significance (\$62B/6 years)
 - Fund new Transit Capital Projects Highway Congestion Relief Program (\$15B/6 years)

How to Fund:

- 15 cents per gallon federal gasoline and diesel user fee increase
 - Generates \$159B in new revenue for the HTF over 6 years
 - New total revenue stream to the HTF—\$401B over 6 years
 - Average annual cost to driver \$88; to trucker \$682

If Politically Necessary... A Federal Gas Tax Rebate

- Send annual Federal Tax Rebate covering 100% of cost of 15 cents user fee increase to all federal income tax filers with an Adjusted Gross Income of \$100K or less (single) or \$200K or less (double)
 - Covers 94% of all federal income tax filers
 - \$90 annual rebate for single filers; \$180 annual rebate for joint filers
 - Total revenue needed \$103.3B/6 years

One Way to Pay for the Annual Gas Tax Rebate:

- Use \$103.3B generated by a one-time Federal Repatriation Transition Tax

Major Benefits:

- Surface Transportation Program will see significant growth in Year 1—34%—from \$50B to \$67B, allowing state DOTs to do robust, long-term planning; helps mitigate program loss since 1993 due to inflationary impact on federal highway user fee
- At end of 6-year authorization, no new “cliff”—HTF still supporting \$67B/year Surface Transportation investment