



Legislative Bulletin.....September 11, 2008

Contents:

H.R. 6532—To amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: No CBO score is available, but the bill allows \$8 billion of new deficit spending in FY 2008 and FY 2009 by transferring \$8 billion from the General Treasury to the Highway Trust Fund.

Effect on Revenue: \$0

Total Change in Mandatory Spending: \$0

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 1

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

H.R. 6532— To amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance (*Rangel, D-NY*)

Order of Business: H.R. 6532 is scheduled to be considered on Thursday, September 11, 2008, under a motion to suspend the rules and pass the bill.

Summary: H.R. 6532 transfers \$8.017 billion from the General Treasury to the Highway Trust Fund.

Additional Background: According to the Department of Transportation, the Highway Account of the Highway Trust Fund (HTF) is projected to have a \$3.2 billion shortfall in

FY 2009, as a consequence of motorists driving less due to high gas prices. H.R. 6532 would transfer \$8 billion from the General Treasury to the Highway Trust Fund. This allows \$8 billion worth of spending for programs in the Highway Trust Fund that otherwise could not occur under current law, while imposing no requirement that the spending be offset. Consequently, the bill allows an \$8 billion increase to the FY 2009 deficit.

The 2005 highway bill provided \$286 billion in guaranteed spending authority, setting a path for spending to be 23 percent higher in FY 2009 (\$53.5 billion) than in FY 2005 (\$43.5 billion). In terms of overall transportation spending, in 2007, the federal government spent \$78.7 billion compared to \$41.1 billion in 1997—an increase of 91.6% compared to ten years earlier. The current highway bill lapses at the end of FY 2009. Chairman Oberstar has suggested that the next highway bill might spend between \$450 billion or \$500 billion over six years.

Within the federal transportation budget, choices are made about where to devote resources. For example, the 2005 highway bill included 6,300 earmarks at a cost to taxpayers of \$24 billion, including many parking garages, bike paths, and non-interstate local roads. Congress recently enacted H.R. 1195, the highway “technical corrections” bill, which made changes to approximately 500 earmarks, but did not address the HTF shortfall.

The House previously passed H.R. 6532 on July 23, 2008 by a vote of 387 to 37 ([roll call 518](#)). On September 10, 2008, the Senate passed H.R. 6532 with an amendment to change the date of the transfer from September 30, 2008 to the date of enactment. The House is considering the Senate-passed version of the legislation.

Possible Conservative Concerns: Some conservatives note that this legislation allows \$8 billion of additional deficit spending, since this provision enables the Highway Trust Fund to spend \$8 billion more than it would otherwise be able to spend—and there is no requirement that any additional spending enabled by this provision be offset with savings from the non-HTF portion of the budget. CBO projects that the federal deficit will be \$407 billion (2.9% of GDP) in FY 2008 and \$438 billion (3.0% of GDP) in FY 2009, which would be the first and third largest nominal budget deficits in U.S. history.

Some conservatives may also have concerns with establishing a new precedent of transferring funds from the General Treasury to the Highway Trust Fund, which could open the way for more deficit financing of the HTF in the future.

Committee Action: H.R. 6532 was introduced on July 17, 2008, and was referred to the Committee on Ways and Means, which took no official action. The House passed the legislation on July 23, 2008 by a vote of 387 to 37 ([roll call 518](#)). On September 10, 2008, the Senate passed the legislation with an amendment to change date of the transfer from September 30, 2008 to the date of enactment.

Cost to Taxpayers: A CBO score for H.R. 6532 is not currently available. However, the bill transfers \$8 billion to the HTF, which will allow overall federal spending to increase by the same amount.

Does the Bill Expand the Size and Scope of the Federal Government? Yes. The bill transfers \$8 billion from the General Treasury to the HTF, allowing for additional spending beyond what it currently can bear.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? A Committee report designating compliance with clause 9 of rule XXI is unavailable.

Constitutional Authority: A Committee report citing Constitutional authority is unavailable. House Rule XIII, Section 3(d)(1), requires that all committee reports contain a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution. [*emphasis added*]

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