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February 3, 2012

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BAUCUS UNVEILS CHAIRMAN'S MARK TO FUND HIGHWAY BILL, CREATE INFRASTRUCTURE JOBS

Finance Committee Will Consider Chairman's Mark on Tuesday

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today unveiled [his Chairman's Mark](#) for the Highway Investment, Job Creation and Economic Growth Act of 2012, which would make critical infrastructure investments across the country and create good-paying jobs by fully funding the Highway Trust Fund and the projects it supports. Chairman Baucus also announced the committee will consider the legislation this **Tuesday, February 7 at 3:00 p.m. in Room 215** of the **Dirksen Senate Office Building**.

"Investing in our transportation system helps drive our economy forward and makes it run smoothly and efficiently. This is an investment in our economy that will create good-paying jobs in Montana and across the country," Baucus said. **"Our ability to continue leading the world economy depends on us building and maintaining a 21st century infrastructure system, and that's exactly what this bill helps do."**

Baucus's legislation would reauthorize and replenish the Highway Trust Fund, which contributes to projects that maintain the interstate highway system. Those programs fund transportation projects, ensure safety and mobility, sustain good-paying jobs, help reduce traffic congestion, improve air quality and fund infrastructure projects of regional and national significance across the country.

According to the Federal Highway Administration, every billion dollars invested in infrastructure creates or sustains nearly 35,000 jobs. Infrastructure improvements also cut operating costs for businesses and allow them to grow. The Highway Trust Fund primarily relies on fuel excise taxes for its revenue, but because higher gas prices are keeping many families off the roads, receipts have dropped. Baucus's legislation would recoup those losses and reauthorize the trust fund to continue making critical investments.

Baucus's bill is a companion piece to the Moving Ahead for Progress for the 21st Century Act (MAP-21), and if favorably reported by the Finance Committee, it will be folded into the larger transportation bill for senate debate. Amendments to the Chairman's Mark will be available Monday on the Finance Committee's website at <http://finance.senate.gov/legislation/>. A summary of the Chairman's Mark appears below:

Summary of the Highway Investment, Job Creation and Economic Growth Act of 2012

Note: *The Chairman's Mark is intended to fully fund the transportation trust funds as provided by the authorization bills (from Environment and Public Works, Commerce and Banking) with a total of \$9.6 billion in offsets. The Senate Finance Committee staff is reviewing additional offsets that have been discussed with Member staffs, but have not seen final scores or specificity. The Chairman intends to provide these offsets in a modification and will notify Members as soon as possible.*

Extension of Revenues and Trust Funds

Extension of Highway-Related Taxes. Six separate excise taxes are imposed to finance the Federal Highway Trust Fund program. Three of these taxes are imposed on highway motor fuels. The remaining three are a retail sales tax on heavy highway vehicles, a manufacturers' excise tax on heavy vehicle tires and an annual use tax on heavy vehicles. The annual use tax on heavy vehicles expires October 1, 2012. Except for 4.3 cents per gallon of the Highway Trust Fund fuels tax rates (which is permanent), the remaining taxes are scheduled to expire after March 31, 2012. This provision would extend the motor fuel taxes and all three non-fuel excise taxes at their current rates through September 30, 2015.

Extension of Highway Trust Fund Expenditure Authority. Under present law, revenues from the highway excise taxes, as imposed through March 31, 2012, generally are dedicated to the Highway Trust Fund. Dedication of excise tax revenues to the Highway Trust Fund are governed by the Internal Revenue Code (IRC). The IRC authorizes expenditures (subject to appropriations) from the Highway Trust Fund through March 31, 2012. This provision would extend the expenditure authority for the Highway Trust Fund through September 30, 2013.

Revenue Provisions

Leaking Underground Storage Tank Trust Fund. The Leaking Underground Storage Tank (LUST) Trust Fund was established in 1986 to support States and the Environmental Protection Agency in efforts to remediate leaks from underground storage tanks. On every gallon of taxable motor fuel, 0.1 cents is deposited in the LUST Trust Fund. These revenues have consistently been greater than outlays and the fund has accumulated a balance of \$3.745 billion as of the end of fiscal year 2011. The total revenue into the fund including interest is over \$300 million per year while outlays are just over \$100 million per year. This provision would transfer \$3 billion from the LUST Trust Fund to the Highway Trust Fund as of the date of enactment. In addition, this provision would direct 0.066 cents-per-gallon of each gallon of taxable motor fuel to the LUST Trust Fund in order to better match revenues to the fund and outlays from the fund. *Revenue estimate for this provision to be provided by the Congressional Budget Office.*

Close Black Liquor Loophole. As part of the kraft process for making paper, a byproduct called black liquor is created. This process has been used for seventy years to manufacture paper. Black liquor qualified for the alternative fuel mixture tax credit and the cellulosic biofuels tax credit. Congress never intended for black liquor to qualify for these credits and, in 2010, prohibited the credit for black liquor sold or used on or after January 1, 2010. This provision would prohibit taxpayers from claiming the alternative mixture credit or the cellulosic biofuels credit on any new or amended returns made on or after February 3, 2012. *This provision is estimated to raise \$2.786 billion over ten years.*

Dedicate Gas Guzzler Tax to Highway Trust Fund. Under current law, a tax is imposed on automobiles that are manufactured primarily for use on public streets, roads, and highways and that are rated at 6,000 pounds unloaded gross vehicle weight or less and fails to meet the current 22.5 miles per gallon fuel economy standard. This provision requires that amounts equivalent to the gas guzzler taxes received in the Treasury be transferred to the Highway Trust Fund. An exemption applies to non-passenger vehicles. *The provision is estimated to provide \$697 million to the Highway Trust Fund over ten years.*

Revoke Passport of Individuals Owning More Than \$50,000 in Back Taxes. Currently the Federal government revokes passports and denies new passports to individuals who owe more than \$2,500 in child support payments. Similarly, this provision would authorize the government to deny the application for a new passport or renewal of an existing passport when the individual has \$50,000 or more (indexed for inflation) of unpaid federal taxes which the IRS is collecting through enforcement action. It would also permit the Federal government to revoke a passport upon reentry into the United States for such individuals. *This provision is estimated to raise \$743 million over ten years.*

Increase Levy Authority on Payments to Medicare Providers with Delinquent Tax Debt. Under current law, the Internal Revenue Service (IRS) may impose a levy of up to 15 percent against Medicare service providers with tax delinquencies. This provision will permit the IRS to impose a levy of up to 100 percent on tax delinquent Medicare service providers. *This provision is estimated to raise \$841 million over ten years.*

Transfer to the Highway Fund Proceeds on Certain Imported Tariffs. This provision would appropriate to the Highway Trust Fund amounts equivalent to amounts received in the general fund on articles classified under subheadings 8703.22.00 and 8703.24.00 of Chapter 87. *The provision provides \$2.475 billion to the Highway Trust Fund between fiscal years 2012 and 2014.*

Who: Senate Finance Committee
U.S. Senator Max Baucus (D-Mont.), Chairman

What: Finance Committee Markup of the Highway Investment, Job Creation and Economic Growth Act of 2012

Where: Dirksen Senate Office Building 215
Washington, D.C. 20510

When: Tuesday, February 7, 2012
3:00 p.m.

Media are encouraged to attend the markup or to view the webcast and witness testimony at <http://finance.senate.gov/hearings>.

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