

Resolution No. 1

Date: 1/29/2021

City: Washington, DC

NAHB Resolution

Title: Federal Funding for Infrastructure
Sponsor: Taxation Subcommittee of Federal Government Affairs Committee
Submitted by: Mark Konter

WHEREAS, historically all of the federal highway program and 80% of the public transportation program have been funded with revenues from the Highway Trust Fund (HTF);

WHEREAS, the federal government accounts for about one-quarter of all public spending on roads and highways, with the remaining three-quarters financed by state and local governments;

WHEREAS, HTF revenues are raised from a combination of fuel, truck and tire taxes, with fuel taxes providing 85% to 90% of the money in recent years;

WHEREAS, the tax rate on diesel fuel is 33% higher than that levied on gasoline and ethanol blended fuels;

WHEREAS, 25% of all U.S. public road mileage is federally funded roads;

WHEREAS, the Congressional Budget Office (CBO) projects the HTF will be exhausted by mid-2021;

WHEREAS, CBO projects that if scheduled payments are maintained, the HTF faces a 10-year shortfall of \$203 billion;

WHEREAS, from 2008 through 2019, the HTF's spending exceeded revenues by \$127 billion;

WHEREAS, to match funding with revenue in 2022, Congress would have to cut transportation spending by roughly 25%, or increase gas taxes by 10 to 15 cents to match current funding needs;

WHEREAS, the federal gas tax rate has not been adjusted since 1993;

WHEREAS, inflation, along with greater fuel efficiency, have reduced the amount of revenue into the HTF;

WHEREAS, over 1.6 million electric vehicles (EVs) have been sold in the United States since 2010, and those cars do not pay the federal gas tax;

WHEREAS, estimates suggest the number of EVs on the road will hit 18.7 million in 2030 (7 percent of all cars), which will further reduce the effectiveness of the gas tax as a funding mechanism for the HTF;

WHEREAS, the lack of infrastructure funding has forced a growing number of states to privatize existing highways or to use public-private partnerships to construct new roads, which are funded by tolls often based on distance travelled;

WHEREAS, each annual HTF shortfall that is funded by a transfer from the Treasury increases our nation's debt;

WHEREAS, the lack of federal funding may put more pressure on residential development to finance national, regional and local transportation needs; and

WHEREAS, Congress has debated different options to fund our infrastructure needs, including increasing the gas tax, indexing the gas tax to inflation, or shifting to a Vehicle Miles Traveled (VMT) tax,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders support efforts in Congress to fully and adequately fund the federal Highway Trust Fund, using funding mechanisms that fairly spread the burden amongst all users and vehicle types, and oppose efforts that would target or shift the financial burden onto residential developments;

BE IT FURTHER RESOLVED, that NAHB call on Congress to:

1. Shift away from the gas tax to a new revenue source *only if* the gas tax is eliminated;
2. Separate public transportation funding from the Highway Trust Fund to ensure the HTF prioritizes roads and bridges; and
3. Tax vehicles that do not consume motor fuel to ensure all vehicles contribute to the HTF, if the gas tax remains the primary revenue source.

Leadership Council Action:

Resolutions Committee Action:

Land Development Committee Action:

State and Local Government Affairs Committee Action:

Federal Government Affairs Committee Action:

Taxation Subcommittee of the

Federal Government Affairs Committee Action:

APPROVED

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval