

**ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR TITLE XI. OF H.R. 3,
"HIGHWAY REAUTHORIZATION AND EXCISE TAX SIMPLIFICATION"**

Fiscal Years 2005 - 2015

[Millions of Dollars]

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-09	2005-10	2005-15
Trust Fund Reauthorization															
A. Extend Highway Trust Fund and Aquatic Resources Trust Fund Expenditure Authority Through September 29, 2009, and Related Taxes Through September 30, 2011	DOE	----- No Revenue Effect -----													
B. No Extension of General Fund Retention of 4.8 Cents/Gallon of Taxes on Motorboat and Small Engine Gasoline [1].....	10/1/05	----- No Revenue Effect -----													
Total of Trust Fund Reauthorization		----- No Revenue Effect -----													
Excise Tax Reform and Simplification															
A. Highway Excise Taxes															
1. Modify gas guzzler tax	10/1/05	---	-3	-4	-4	-4	-5	-5	-5	-5	-5	-6	-15	-20	-46
2. Exclusion for tractors with a gross vehicle weight rating of 19,500 pounds or less from Federal excise tax on heavy trucks and trailers.....	sa 9/30/05	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-14	-31
3. Excise tax credit and imposition of tax on alternative fuels [2]	suora 9/30/06	---	---	-162	-175	46	25	39	42	44	47	49	-291	-265	-44
B. Aquatic Excise Taxes															
1. Eliminate Aquatic Resources Trust Fund and transform Sport Fish Restoration Account.....	10/1/05	----- No Revenue Effect -----													
2. Repeal harbor maintenance tax on exports [3].....	boaa DOE	----- No Revenue Effect -----													
3. Cap excise tax on certain fishing equipment [4].....	[5]	---	-3	-3	-4	-4	-4	-4	-4	-5	-5	-5	-14	-17	-41
C. Aerial Excise Taxes															
1. Clarify excise tax exemptions for agricultural aerial applicators and exempt certain fixed-wing aircraft engaged in forestry operations.....	fuoa 9/30/05	---	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-16	-20	-40
2. Modify the definition of rural airport	10/1/05	---	-3	-3	-4	-4	-4	-4	-4	-4	-5	-5	-14	-18	-40
3. Exempt from ticket taxes transportation provided by seaplanes.....	ta 9/30/05	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-5	-11
4. Exempt certain sightseeing flights from taxes on air transportation.....	[6]	---	-7	-7	-7	-7	-8	-8	-8	-9	-9	-9	-28	-36	-79
D. Taxes Relating to Alcohol															
1. Repeal special occupational taxes on producers and marketers of alcoholic beverages.....	7/1/08	---	---	---	-50	-59	-59	-59	-59	-59	-59	-59	-109	-167	-459
2. Provide income tax credit for cost of carrying tax-paid distilled spirits in wholesale inventories and in control State bailment warehouses.....	tyba 9/30/05	---	-9	-17	-19	-20	-20	-20	-20	-21	-21	-21	-65	-84	-188
3. Quarterly filing by small alcohol producers.....	qpboaa 1/1/06	---	-5	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-5	-5	-6
E. Sports Excise Taxes - Provide Exemption for Certain Custom Gunsmiths [8].....	[5]	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-4	-8
Total of Excise Tax Reform and Simplification		-1	-38	-204	-272	-61	-84	-70	-67	-68	-66	-65	-576	-655	-993

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-09	2005-10	2005-15
Miscellaneous Provisions															
A. Establish a Motor Fuel Tax Enforcement Advisory Commission.....	DOE	----- No Revenue Effect -----													
B. Establish a National Surface Transportation Infrastructure Financing Commission.....	DOE	----- No Revenue Effect -----													
C. Tax-Exempt Financing of Highway Projects and Rail-Truck Transfer Facilities	bia DOE	[7]	-5	-14	-25	-36	-50	-72	-97	-122	-146	-170	-79	-131	-738
D. Treasury Study of Highway Fuels Used by Trucks for Non-Transportation Purposes.....	DOE	----- No Revenue Effect -----													
E. Diesel Fuel Tax Evasion Report.....	DOE	----- No Revenue Effect -----													
F. State Acquisition of Real Estate Investment Trust Interests.....	[9]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-1	-1	-2
Total of Miscellaneous Provisions.....		[7]	-5	-14	-25	-36	-50	-72	-97	-122	-146	-170	-80	-132	-740
Technical Corrections	[11]	----- No Revenue Effect -----													
Provisions to Combat Fuel Fraud															
A. Treatment of Kerosene Used in Aviation.....	[12]	---	48	49	50	50	50	50	50	50	49	49	197	247	495
B. Repeal of Ultimate Vendor Refund Claims with Respect to Farming.....	sa 9/30/05	---	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
C. Refunds of Excise Taxes on Exempt Sales of Fuel by Credit Card.....	sa 12/31/05	----- Negligible Revenue Effect -----													
D. Reregistration in Event of Change in Ownership.....	aofaa DOE	[10]	4	4	4	4	4	4	5	5	5	5	16	21	45
E. Reconciliation of On-Loaded Cargo.....	DOE	---	[10]	4	4	4	4	4	5	5	5	5	12	17	41
F. Treatment of Deep-Draft Vessels	DOE	[10]	3	2	2	2	2	3	3	3	3	3	10	12	26
G. Penalty with Respect to Certain Adulterated Fuels.....	tsohofsoa DOE	----- Negligible Revenue Effect -----													
Total of Provisions to Combat Fuel Fraud.....		[10]	55	59	60	60	60	61	63	63	62	62	235	297	607
NET TOTAL		-1	12	-159	-237	-37	-74	-81	-101	-127	-150	-173	-421	-490	-1,126

Joint Committee on Taxation

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

Legend for "Effective" column:

aofaa = actions, or failures to act, after
 bia = bonds issued after
 boaa = before, on, and after
 DOE = date of enactment

fuoa = fuel use or air transportation after
 qpboaa = quarterly periods beginning on and after
 sa = sales after
 suora = sale, use or removal after

ta = transportation after
 tsohofsoa = transfer, sale, or holding out for sale occurring after
 tyba = taxable years beginning after

- [1] The conference agreement allows the present-law expiration of the general fund retention of the 4.8 cents per gallon of taxes on gasoline and special motor fuels used in motorboats and in the non-business use of small-engine outdoor power equipment. Because the Congressional Budget Office ("CBO") baseline assumes the general fund retention of the 4.8 cents per gallon tax will not expire, the conference agreement provision is scored by CBO as a reduction in receipts to the general fund and an increase in receipts to the Sport Fish Restoration and Boating Trust Fund. The increases in receipts to the Sport Fish Restoration and Boating Trust Fund trigger an increase in outlays, which are estimated by CBO to be \$1,061 million for fiscal years 2005 through 2015.
- [2] The credit generally expires September 30, 2009. However, for liquefied hydrogen, the credit expires after September 30, 2014.
- [3] Estimate provided by the Congressional Budget Office.
- [4] Estimate does not include a decrease in outlays of \$32 million for the fiscal years 2005 through 2015.
- [5] Effective for articles sold by the manufacturer, producer, or importer after September 30, 2005.
- [6] Effective with respect to transportation beginning after September 30, 2005, but shall not apply to any amount paid before that date for such transportation.
- [7] Loss of less than \$500,000.
- [8] Estimate does not include a decrease in outlays of \$9 million for the fiscal years 2005 through 2015.
- [9] Effective on and after the date a State becomes the owner of all outstanding shares of a qualified corporation, provided that the State becomes owner of all of the voting stock of the corporation on or before December 31, 2003, and becomes the owner of all of the outstanding stock of the corporation on or before December 31, 2006.
- [10] Gain of less than \$500,000.
- [11] Effective as if included in the section of the bill to which the technical correction applies.
- [12] Effective for fuels or liquids removed, entered into the United States, or sold after September 30, 2005.