B3: Special Excise Fees on Energy

Worksheet Tables Follow the Text

Special Excise Fees on Energy

In a number of cases, the federal government levies fees on energy which are not levied on other goods or services. The proceeds of these fees are generally placed in Trust Funds, and may be spent only on a specified set of activities, often related to the production or use of the energy resource. With the exception of the pending general tax on energy, we found very few cases where excise fees on energy supported government activities not benefitting the taxed energy form.

Description

While a number of excise charges are levied specifically on energy, most of these would generally be regarded as user fees rather than taxes. The difference between a "user-fee" and a "tax" is somewhat arbitrary, but important to estimate subsidies. User-fees are levied on the beneficiary of the service which the proceeds go to support, or on the creator of a problem that the fees are used to solve. A simple example is a toll on a highway. The funds are collected from highway users to pay for the initial construction of the road and its upkeep. In general, to the extent that funds are being collected to provide a necessary service for the paying industry (or to correct externalities of that industry), the levy should be regarded as a user-fee. Short-falls in collections generate a subsidy to the beneficiary group. Levies in excess of that needed to provide the service in question, or which are not going to the original use, should be considered taxes.

One problem with assessing the adequacy of a user fee is that the balance of collections with outlays needs to occur over the long-term. Thus, surpluses in the Trust Funds may constitute insurance "premiums" against a single incident for which the funds will be needed and therefore not constitute a tax. Some funds ensure that only the necessary "premium" is collected by ceasing to collect fees once the unobligated portion of the fund reaches some pre-determined level. On the other hand, temporary short-falls may not be subsidies if such shortfalls are made up through borrowing funds, with interest, that will be repaid by users over the long-term.

Classification of these fees is easier in the extremes. Collected fees (or portions of collected fees) which are placed in the general fund for unrestricted use are clearly taxes.[1] Similarly, excise fees which are collected and held by the federal government in Trust Funds are taxes to the extent that unused balances do not earn interest at market rates. In this case, by holding the funds the government can reduce the amount of interest-bearing debt it must issue. Conversely, excise fees supporting Trust Funds which do not cover the costs of their activities, or which borrow money from Treasury in order to do so at below-market interest rates act as subsidies. The gray area includes a gradual increase in unused balances which Congress does not appropriate, but does pay interest on. In this case, we assume there is no tax so long as the fund continues to earn market interest. Similarly, funds can run large deficits without being classified as subsidies so long as interest on borrowing continues to accrue at market rates, and future collections to cover the debt are relatively certain.

All of the Trust Fund accounts are, in fact, interest-bearing accounts (see the spreadsheet following this section). Our calculations suggest that the interest rates paid to the funds is similar to that paid to external holders of Treasury bonds. Interest was not always paid to the funds, although we do not have details on when payments started for each Trust Fund. We did not compare interest rates paid to the fund to those prevailing in the private market at the time, although one could make an argument that

[1] In some cases, these collections may offset the use of general revenues to finance the activity for which the Trust Fund was set up. For example, most highway construction is financed through the motor fuel excise tax. However, a portion of the tax is used for deficit reduction. At the same time, federal funds not raised from the excise tax are used for road construction.

Trust Fund surpluses forced taxed entities to borrow additional private market funds and that Fund deficits covered through Treasury borrowing enabled firms to avoid private market borrowing.

Trust Fund receipts must be appropriated by Congress in order to be usable, even for the earmarked purpose. Since Congress cannot generally prevent the expenditure of funds once contracts for projects have been approved, spending control is exercised through the control of obligations accepted. Recently, a number of the Trust Funds (the Highway, Mass Transit, and Aviation accounts in particular) have held large positive balances. A portion of this surplus is due to laws which require that the funds be solvent enough to pay for services contracted-for, but not yet paid. A portion is due to funds which have been provided to the states, but not yet spent. State officials say that this protects them against an unpredictable flow of federal money. (GAO/T-RCED-90-78, 7).

Some analysts have also argued that the large positive balances retained are used to finance the deficits in other areas of federal activity. While this may be true, our estimates do not suggest that the interest paid to the trust fund differs from the interest which would otherwise have to be paid to an external holder of government securities.[2] Because user fees cover the costs of specific programs, they are netted out of the size of the subsidy for these programs. For convenience, we list the fees here and cross-reference the point in the text where they are subtracted from subsidy estimates.

Special Excise Fees on Coal

Black Lung Trust Fund: This Fund is supported by levies on coal extraction and provides benefits to miners where the operator liable for the payments does not pay or no longer exists. The levies are set at $1.10/ton coal from underground mines and $0.55/ton mined above ground (capped at 4.4% of the selling price of coal). (Sussman, 30). The payments compensate coal miners or their survivors for disability or death due to black lung disease. Excise fees do not cover the cost of the program; additional federal subsidies are required. Therefore, we do not consider this fund to be a tax, and in fact the Fund received large interest subsidies in 1989. See the Department of Labor and the Social Security Administration for more detail on the use of funds and the net amount of the subsidy.

Abandoned Mine Reclamation Fund: This trust fund supports the cleanup of abandoned coal mines throughout the country. It is financed through the lesser of a 35 cent/ton fee on surface-mined coal (15 cents/ton of underground-mined coal) or 10 percent of the value of the coal at the mine. Lignite is also charged at the lesser of 10 cents/ton or 2 percent of the value of the coal at the mine. (Sussman, 30). The current excise fees are inadequate to support the reclamation of all abandoned coal mine lands without additional government support. Since the fund is used only to rectify an externality of the taxed industry,[3] we do not consider this fund to be a tax. See the Office of Surface Mining Reclamation and Enforcement for more detail on the use of funds.

[2]This does not completely invalidate the argument, however. Additional federal debt sales could increase the required market interest rate. Therefore, simply the act of not having to borrow more funds on the capital markets can reduce the government's overall cost of capital.

[3]A small portion of the coal excise tax receipts are used to reclaim non-coal abandoned mine sites. These expenditures are netted from our estimates of subsidies through the Office of Surface Mining Reclamation and Enforcement.

Special Excise Fees on Uranium

Nuclear Waste Trust Fund: A 0.1 cent/kWh fee on nuclear-generated electricity is paid into the Nuclear Waste fund. In return, "utilities are relieved of further financial obligation for waste disposal." (GAO/RCED-90-65, 2). The government uses the money to develop sufficient technologies and facilities to handle all of the commercial wastes. Beginning in 1992, about $20 million per year may also be used to compensate the Nuclear Regulatory Commission for its oversight of utilities. The fee overall will either just cover, or fall short, of paying the costs for which is was created. See the Department of Energy Nuclear Waste Fund for more detail on fee adequacy.

Special Excise Fees on Petroleum

Motor Fuels Excise Fee: An excise fee of 14.1 cents per gallon on gasoline and 20.1 cents per gallon on diesel fuel supports a range of related activities (these levels were 9.1 and 15.1 cents/gallon respectively in 1989). Higher diesel charges are meant to reflect the higher level of damage that trucks do to federal highways, although current levels still do not reflect differential damage levels. Of the 14.1 cents/gallon fee on gasoline, 0.1 cents supports the Leaking Underground Storage Tank Trust Fund; 11.5 cents supports the Highway Trust Fund (which in turn allocates 1.5 cents for mass transit support); and 2.5 cents is earmarked for deficit reduction. (Talley, 7). Highway officials estimated that this tax would contribute approximately $2.3 billion towards deficit reduction in FY 1991, and about $15.2 billion between 1991 and 1995. (GAO/RCED-92-48FS, 10).

While oil excise fees may support general government spending beginning in 1991, general tax revenues have also historically supported road construction. For example, in 1989 about $2.4 billion in funds other than user fees were used on highway construction. (MacKenzie et al, 10). Numerous federal agencies are involved in road construction. Many pay for a portion of the construction via revenues from (or in exchange for) natural resources, such as Forest Service roads paid in part with the value of the timber surrounding the roads. For federal, state, and local governments, $29.3 billion in excess of user fees supported road construction in 1989 (MacKenzie et al, 10), even excluding federal revenue losses from the use of tax-exempt bonds for road construction. On net, therefore, the motor fuel excise fee does not act as a tax on oil, even with the deficit reduction portion.

Each of the activities supported by the motor fuel excise fee is presented below:

Leaking Underground Storage Tank Trust Fund: The LUST fund, as it is popularly known, is financed by 0.1 cent per gallon of the motor fuels excise fee (including on fuels used for transport on inland waterways). Receipts are used primarily to clean up leaking petroleum tanks where privately-financed cleanups are not possible. Once the fund reached $500 million, collection of the fee was supposed to stop. (Sussman, 31). While the fund reached $500 million in August 1990, (Talley, 6), the Omnibus Budget Reconciliation Act of 1990 reimposed the fee through December 31, 1995. (GAO/RCED-92-48FS, 10). However, there is no evidence to suggest money is being diverted away from its intended purpose.

Aquatic Resources Trust Fund: 11.5 cents per gallon of the motor fuel excise fee on fuel used by motor boats goes into this fund, which supports boating safety and restores and manages sport and recreational fish populations. (Sussman, 30). An additional 0.1 cents per gallon from boat fuel sales supports the LUST Trust Fund (above). The remaining 2.5 cents/gallon levied on motor boats goes into the general Treasury. (Sussman, 28). The portion of the motor boat fuel fee going to Treasury is already reflected in the GAO deficit reduction estimates presented under the general motor fuels excise fee section above.

Highway Trust Fund: Since 1956 most of the motor fuels excise fee has supported federal construction of highways.[4] Funds are stored in the Highway Trust Fund accounts, and disbursed to particular highway projects over time. Often, these projects are carried out on the state level. Trust fund revenues are also used to pay salaries and administrative costs of the Federal Highway Administration. As of 1990, a $10.6 billion positive balance remained in the trust fund account. (Hill, 1). Between 1956 and 1989, a total of $219.6 billion in revenues and interest were accumulated and $209 billion disbursed. (Hill, 5). Over the long-term, the fund has been more or less in balance. The fund currently earns market interest on its unspent funds. Some argue that currently Congress is not releasing the funds in order to mask the deficit. (Hill, 2). Whether or not this is the case, so long as the fund is earning market rate interest on its surplus, there is no *de facto* tax on oil.

However, since the Revenue Reconciliation Act of 1990, 2.5 cents per gallon collected went into the general fund rather than to an oil-based transportation-related expenditure. This portion of the motor vehicles excise tax *is* a tax, though it would not affect our 1989 net subsidy estimates and does not appear to exceed road spending from general revenues. The description of the motor fuel excise fee (above) includes an estimate of the magnitude of oil-financed deficit reduction.

While the Highway account is currently running a surplus, the existing commitments exceed the current balance. (GAO/RCED-92-48FS, 13). Since cash outlays for current commitments occur over a period of years, new excise fee receipts are expected in order to pay off a portion of these current commitments. The Byrd amendment, as revised by the 1982 Surface Transportation Assistance Act of 1983, caps the level of commitments to ensure that contracted-for services do not exceed the reasonably-expected fuel excise fee revenues. This cap is set at the current cash reserves plus the expected revenues for the next two years. To protect against poor revenue projections, FHWA tries to maintain a $3 billion safety cushion. (GAO/RCED-92-48FS, 14).

The **Mass Transit Account** of the Highway Trust Fund now receives 1.5 cents/gallon of motor fuel sold. This provision, enacted in the Highway Revenue Act of 1982, has generated an estimated $13.5 billion for mass transit through FY 1991. (Hill, 12). Funds support mass transit grants and planning. Between 1983 when the Mass Transit Account was established and FY 1991, the mass transit account has funded about 30 percent of mass transit spending, with the remainder financed by regular tax revenues. (GAO/T-RCED-91-15, 4).

The Mass Transit account, like the highway account, may show a larger balance than funds are actually available, due to contractual commitments which have not yet been paid. To avoid overspending the available funds, the Rostenkowki Amendment limits commitments to the current balance plus expected receipts for the next year. To protect against poor revenue projections depleting the fund, UMTA tries to maintain a $0.5 billion safety cushion. (GAO/RCED-92-48FS, 15). Mass transit transfers are described qualitatively in general description of transportation subsidies found in Appendix A.

Crude Oil Windfall Profits Tax: The Windfall Profits Tax was enacted in 1980 in return for lifting price controls on oil. It imposed an excise tax on most domestically-produced oil ranging from 15 to 70 percent.

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[4]Gasohol (gasoline containing at least 10 percent alcohol) is exempted from 6 cents of the regular fuel excise tax. (Gelb and Lazzari, 1). Provisions enacted in the Energy Policy Act of 1992 pro-rates this exemption to fuel blends with less than 10 percent alcohol. This exemption is treated as a tax subsidy for ethanol, and is described in Chapter B2.

The burden of the tax was high early on due to high world oil prices and low reference base prices against which "windfall" profits were measured (oil from wells producing prior to 1979 was the most heavily taxed). Between 1982 and 1986, this situation was reversed, and the burden began to decline. (Lazzari, 5). Since 1986, prices have fallen too low for any windfall profits taxes to be levied. The tax was repealed in August 1988.

Part of the windfall profit tax receipts were supposed to help the poor meet heating costs (GAO/HRD-91-1BR, 14) through the Low Income Home Energy Assistance Program (LIHEAP). Sixty percent of the receipts were also to support income tax reductions for individuals and corporations. Fifteen percent were to support energy conservation or production programs. ("Windfall Profits Tax," 5). In the end, LIHEAP was financed via general revenues (although additional funds from oil overcharge settlements, described in Chapter B5, were also used in part to finance LIHEAP).

Superfund Feedstock Fee. Enacted in 1980 as part of the Comprehensive Environmental Response, Compensation, and Liability Act, this fee is levied on petroleum products, listed hazardous chemicals, and certain imported substances containing or derived from listed hazardous substances. The fee is levied per barrel of crude oil received at refineries. Oil is included since it is the base material for many hazardous petrochemicals.

The funds are earmarked to clean up hazardous waste sites, many of which are contaminated with chemicals derived from oil. (Lazzari, 6). The charge is now set at 9.7 cents/barrel of crude oil. (Sussman, 29). Superfund receives Congressional appropriations in addition to the Superfund Fee revenues.[5] If the unobligated balance in the fund exceeds $3.5 billion, or if total cumulative collections exceed $6.65 billion, collection of the fee ceases. (JCT, 3/1/90, 10).

Oil Spill Liability Trust Fund. An excise charge of 5 cents per barrel is imposed on domestic crude oil and imported petroleum products or crude to fund the Oil Spill Liability Trust fund. The collections form an insurance fund to cover the costs of oil spills not covered by other means. The fund is also used to pay for immediate cleanups which are supposed to be reimbursed later from alternative sources of funds such as private insurers.

Collection of the fee is suspended once the unobligated balance in the trust fund exceeds $1 billion, and reimposed once the balance falls below this level. (JCT, 3/1/90, 10). The initial fee rate was set at 1.3 cents/barrel under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), but the fee was never imposed since qualifying legislation to authorize expenditures from the Trust Fund was not enacted. In 1989 (after the Exxon Valdez accident), the rate was increased to 5 cents per barrel, with the fee set effective January 1, 1990. (JCT, 3/1/90, 11). No funds were collected in 1989.

Airport and Airway Trust Fund. This fund was established in 1970. In addition to a levy on airline tickets and international departures, a 12 cent per gallon excise fee on gasoline used at airports and 14 cents per gallon on jet fuel used for aviation is earmarked for airport and airway expansion and improvements, and to pay a portion of the Federal Aviation Administration operating costs.[6] (Under the

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[5]For example, in FY 1990, the fund received an additional appropriation from the general fund of $150 million. (OMB '91, p. A-1039).

[6]Historically, the Trusts Funds have gone into the general fund rather than the Aviation Trust Fund twice: $1.18 billion in 1981 and $1.04 billion in 1982. (GAO/T-RCED-90-78, 16).

Omnibus Budget Reconciliation Act of 1990, these levels were scheduled to increase to 15 and 17.5 cents/gallon respectively). (Sussman, 29). The trust fund receives the bulk of its revenues from the ticket and departure fees, rather than from the aviation fuel levy. (OMB '91, A-936).

The Airport and Airway Safety and Capacity Expansion Act of 1987 set conditions to reduce the excise fee if the funds were not being used for their intended purposes. Specifically, if less than 85 percent of the funds authorized by Congress for facilities, equipment acquisition, and R&D in the following two years were spent, the fee would be cut in half. (GAO/T-RCED-90-78, 16).

Other Energy-Related Taxes

Gas Guzzler Tax. An excise tax of between $500 and $3,850 is levied on the purchase of new automobiles that do not get at least 22.5 miles per gallon. The rate doubled in January 1991 due to the Omnibus Budget Reconciliation Act of 1990. (Sussman, 31). In fiscal 1989, this tax raised about $110 million from purchasers of energy-inefficient automobiles. (IRS, 10/28/92). Although the tax was created as a disincentive to purchase the most energy-inefficient automobiles, the requirements enable most of the fleet, not just efficient automobiles, to avoid taxation. The gas guzzler tax is addressed qualitatively in the general description of transportation subsidies in Appendix A.

Summary on Energy Excise Fees

Of all the excise fees presented above, only a portion of the motor fuel excise fee is being used in large amounts to finance general government spending. A small portion of the Abandoned Mine Reclamation Fund supports non-coal projects, and is deducted from the net subsidy to coal through the Office of Surface Mining Reclamation and Enforcement. None of the other fees, in our opinion, constitute taxes on energy.

All funds currently pay a market interest rate on unused balances, although this was not always the case. In fiscal year 1989, the motor fuel excise fee did not include any collections for deficit reduction. While these collection did begin in 1991, some evidence suggests that they are about equal to highway construction which is paid for with general tax revenues rather than the fuel excise fee. (MacKenzie et al, 10). Further research is needed to determine the level to which past road construction has been financed from general tax revenues.

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Energy-Related Special Taxes and User Fees

Part 1: Characteristics of Energy-Related Trust Funds and Taxes

Trust Fund/Special Tax	Levied On	Use of Funds	User-Fee or Tax?	Status	Financial Characteristics: Short-Term Deficit?	Financial Characteristics: Longer-Term Deficit?	Collection Limits?	Trust Fund Purpose Also Receiving General Funds?
Windfall Profits Tax	Oil	General revenues	Tax	Repealed	N/A	N/A	No	N/A
Highway Trust Fund	Oil	Roads, mass transit, Deficit Reduction	Mostly User Fee	Active	No	Yes	No	Yes
Airport & Airway Safety	Oil	Airport Infrastructure	User Fee	Active	No	Probably Not	Yes	Unknown
Black Lung Disability	Coal	Disabled Miners Pension and Health Care Costs	User Fee	Active	Yes	Yes	No	Yes
Abandoned Mine Reclamation	Coal	Reclaim abandoned mines	User Fee	Active	No	Yes	Yes	Not Currently
Inland Waterway	Water Transport	Water Trans. Infrastructure	User Fee	Active	Yes	Yes	No	Yes
Haz. Substances Response	Oil	Toxic Waste Site Cleanup	User Fee	Active	No	Yes	Yes	Yes
Oil Spill Liability	Oil	Oil Spill Cleanup	User Fee	Active	No	Unknown	Yes	Yes
Aquatic Resources	Oil	Boat safety, fish stocking, deficit reduction	User Fee	Active	No	Probably Not	No	Yes
Underground Storage Tank	Oil	Underground tank removal, cleanup	User Fee	Active	No	Unknown	Yes	Unknown
Nuclear Waste	Fission Elect.	Federal nuclear waste facility	User Fee	Active	No	Probably	No	No
Gas Guzzler Tax	Inefficient Cars	General Revenue	Tax	Active	N/A	N/A	No	N/A

Part 2: Federal Receipts for Selected Taxes and User Fees Levied on Energy ($Millions)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Windfall Profits Tax	23,252	18,407	12,135	8,906	6,348	2,251	0	0	0	0
Highway Trust Fund	6,305	6,744	8,297	11,743	13,015	13,363	13,032	14,114	15,628	13,687
Airport & Airway Safety	21	133	2,165	2,499	2,851	2,736	3,060	3,189	3,664	3,700
Black Lung Disability	237	491	494	518	581	547	572	594	563	665
Inland Waterway	20	30	29	39	40	40	48	48	47	63
Haz. Substances Response	128	244	230	273	273	15	635	698	883	818
Oil Spill Liability										143
Aquatic Resources					126	165	194	208	234	218
Underground Storage Tank							73	125	168	122

Sources: U.S. OMB, "Budget of the United States Government," Fiscal Year 1991, p. A-290; FY '92, p. 7-28.

Part 3: Summary of Trust Funds Acting at Least in Part as Taxes

Collection	Why?	How Treated
Windfall Profits Tax	Receipts treated as general revenues	As a tax (though provision has been repealed)
Motor Fuels Excise Tax (Note 1)	After 1991, a portion of taxes used for deficit reduction	Netted Against Highway Spending from General Fund
Transfers to Mass Transit	Taxes road vehicles; supports mass transit.	As a subsidy for mass transit (Note 2)
Abandoned Mine Reclamation	A portion of the receipts clean up non-coal sites	Non-coal portion credited to coal in calculating expected Fund shortfall on OSMRE spreadsheet
Gas Guzzler Tax	Receipts treated as general revenues	As a subsidy for one type of auto transport (Note 2)

Notes:

(1) Includes receipts used for deficit reduction from both highway vehicles and motor boats.

(2) Throughout this report, transport subsidies have been included only to the extent that the beneficiary mode directly carries energy commodities. Other subsidies or cross-subsidies which alter the inter-modal tradeoffs have been excluded. These two provisions are a good example. The mass transit subsidies move funds from oil taxes to transit run by oil and electricity, and which is generally more-efficient on an energy use/passenger-mile basis. The gas guzzler tax increases the cost of very energy-inefficient cars, indirectly helping efficiency. Other policies, not covered here, may work in an opposite direction. For example, parking garage spaces for automobiles are tax-exempt to a much greater degree than costs for riding public transit. Extensive federal support for railroads helps that mode. Federal road construction prior to the highway trust fund, and with general funds, favors road transport over rail.

Part 4: Financial Detail on Selected Trust Funds

A. Motor Fuel Excise Tax

1. Taxes Credited (Net of Refunds)

Type of Tax	1987	1988	1989	1990	1991	Notes
Gasoline Excise	8,493	9,053	9,081	8,673	11,642	
Gasohol Excise	197	220	172	149		(1)
Diesel Fuel	2,804	2,755	4,319	3,201	3,407	
Tires	292	334	316	255	315	
Trucks/Trailers	724	1,277	1,240	1,112	1,049	
Use/others	621	581	612	590	584	(2)
Transfers	(99)	(106)	(112)	(113)	(180)	(3)
Land and Water Fund			(1)			
Aquatic Resources Fund			(111)			
Net Taxes	13,032	14,114	15,628	13,867	16,817	
Interest	1,278	1,193	1,245	1,562	1,490	
Total	14,310	15,307	16,873	15,429	18,307	
Transfers to Mass Transit Acct.			1,739			

Notes:

(1) Gasohol excise tax revenues were not separated from regular gasoline in FY91

(2) Includes fines, penalties, and taxes on parts, accessories, inner tubes, tread rubber, and lubricating oil.

(3) Receipts from motorboat fuel taxes transferred to the Land and Water Conservation Fund (1% of transfers) or the Aquatic Resources Trust Fund (99% of transfers).

(4) Assumes a short-term rate since the surplus may be used in any year. Interest rates are from RATES2.WK1.

(5) 90 data: OMB '92, p. 4-867; '89 data: OMB '91, p. A-912.

(6) OMB '91, A-932 for '89 data.

2. Fund Balances in 1989

a. Highway Trust Fund

Starting Balance	14,186.7	
Receipts		
Excise Taxes	15,627.8	
Interest	1,244.8	
Total Receipts	16,872.6	
Total Outlays	(14,451.0)	
Ending Balance	16,608.3	OMB '91, A-913
Transfers to Mass Transit	(1,738.3)	Includes interest on unspent balance
Uncommitted Balance, End of Year	(19,230)	
Implicit Interest Rate	8.77%	

b. Mass Transit Account

Starting Balance	5,167.6	
Receipts		
Excise Taxes	1,269.4	
Interest	468.9	
Outlays	(848.5)	
Ending Balance	6,057.4	OMB '91, A-933.
Uncommitted Balance	Incorporated in this measure for Highway Trust Fund above	
Implicit Interest Rate	9.07%	

B. Leaking Underground Storage Tank Trust Fund

Starting Balance	170.2	
Less Unrealized Discount	(26.3)	
Receipts		
Interest	36.8	
UST Petroleum Excise Tax Receipts	168.1	
Total Receipts	204.9	
Outlays	(50.0)	
End-of Year Balance	338.7	
Less unrealized disc. on securities	39.9	
Net Funds Available	298.8	OMB '91, A-1041
Implicit Interest Rate	21.62%	

C. Airport and Airway Trust Fund

	1989	
Starting Balance	11,120.2	OMB '91, A-936
Receipts		
Passenger Ticket Tax	3,201.4	
Waybill tax	180.6	
Fuel Tax	626.6	
Internat'l Departure Tax	105.8	
Tax Refund	(452.0)	
Interest on Fund Balance	1,009.3	
Total Receipts	4,673.7	
Outlays	(2,856.5)	
Ending Balance	12,937.4	
Uncommitted Balance	6,869.5	
Implicit Interest Rate	9.08%	

D. Superfund Trust Fund

Starting Balance	335.0	
Less Unrealized Discount	(95.1)	
Receipts		
Interest	118.9	
Fines and Recoveries	66.7	
Feedstock tax on petroleum	1,175.0	
Payments from the General Fund	150.0	
Total Receipts	1,510.6	
Outlays	(1,410.0)	
End-of Year Balance	475.5	
Less unrealized disc. on securities	(135.0)	
Net Funds Available	340.5	OMB '91, A-1039
Implicit Interest Rate	35.49%	

Trust Fund Receipts

	1987	1988	1989	1990	% of '87-'90
Imported Oil	114.6	299.1	320.1	313.3	36.84%
Domestic Oil	133.3	256.6	260.6	265.2	32.23%
Chemicals (Import & Domes.)	112.7	235.4	270.6	257.3	30.93%

Source: Internal Revenue Service, Case Processing Branch fund receipts data provided by Ed Dozark, 10/28/92.

E. Aquatic Resources Trust Fund

Starting Balance	429.0	
Less Unrealized Discount	(4.1)	
Receipts		
Motorboat Fuels Tax	110.9	
Tax on Sport Fishing Equip.	76.2	
Import duties on tackle & yachts	46.7	
Interest	37.4	
Total Receipts	271.2	
Outlays		
Land & Water Conserv. Fund	1.0	
Boat Safety	30.0	
Boat Safety Oper. Exp.	30.0	
Sport Fish restoration acct.	186.7	
Total Outlays	(247.7)	
End-of Year Balance	448.4	
Less unrealized disc. on securities	(2.2)	
Net Funds Available	446.2	OMB '91, A-946.
Implicit Interest Rate	8.72%	

F. Gas Guzzler Tax Receipts

Fiscal Year	Receipts	Fiscal Year	Receipts	
1980	0.3	1987	145.9	
1981	0.8	1988	116.8	
1982	1.9	1989	109.7	
1983	3.5	1990	103.2	
1984	8.5	1991	118.4	Tax Rate Doubled 1/1/91
1985	39.8	1992	85.7	
1986	147.7			

Source: Internal Revenue Service, Case Processing Branch fund receipts data provided by Ed Dozark, 10/28/92.

G. Black Lung Trust Fund

See Data in Black Lung section of the Department of Labor Section

H. Inland Waterway Trust Fund

See Data in Army Corps of Engineers section.

I. Oil Spill Liability Trust Fund

Not active in 1989.

J. Nuclear Waste Trust Fund

See Data in the Nuclear Waste Fund section of the Department of Energy.

K. Abandoned Mine Reclamation Fund

See Data in Office of Surface Mining Reclamation and Enforcement section of the Department of Interior.

Notes to Details on Trust Funds:

(1) Surplus funds are invested in Treasury securities, and earn interest accordingly. Treasury bonds may sell at a discount when the general interest rates rise (since the bond pays a fixed yield which is now below the available market rates). Some of the Trust Funds have line-items titled "unrealized discount" which refer to this phenomena.

(2) Implicit interest rates were calculated simply by dividing the interest credited by the starting trust fund balance. In no case did the interest rate appear to be below the yields on 1- or 3-year Treasury issues.

(3) "Uncommited Balances" incorporate the cost of multi-year contracts which the government has already commited to. Different trust funds have different ways of calculating this number. Generally, the value is equal to current cash (the trust fund balance) plus some expected future revenues (1 or 2 years), less the cost of contracts already signed.

Federal Energy Subsidies:

Energy, Environmental, and Fiscal Impacts

Technical Appendix
(Appendix B)

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April 1993

The Alliance to Save Energy
Energy Price and Tax Program
Mary Beth Zimmerman, Program Manager