Summary of H.R. 3038, the "Highway and Transportation Funding Act of 2015, Part II"

Summary of Title I

- **Extend authorizations through December 18, 2015.** The bill extends the authorizations of the federal surface transportation programs as well as the hazardous materials transportation program and the Dingell-Johnson Sport Fish Restoration Act through December 18, 2015.

- **Fund surface programs at the FY2014 level.** The bill funds the surface transportation programs at the level authorized for fiscal year 2014, providing a proportional amount of authorized contract and budget authority to allow the states to continue to fund programs and projects.

Summary of Title II

- **Extend Highway Trust Fund expenditure authority.** The bill would extend, through December 18, 2015, the general expenditure authority for the Highway Trust Fund (HTF), as well as its expenditure authority for two related programs (the Sport Fish Restoration and Boating Trust Fund and the Leaking Underground Storage Tank (LUST) Trust Fund).

- **Transfer funding to the Highway Trust Fund.** The bill would transfer $6.068 billion from the General Fund to the HTF's Highway Account, and would transfer $2 billion from the General Fund to the HTF's Mass Transit Account. The provision would be effective on the date of enactment.

- **Require lenders to report more information on outstanding mortgages.** Current law requires lenders to provide the IRS with each borrower's name, address, and taxpayer identification number, as well as the amount of interest paid that year (including discount points). This provision would require them to include the origination date, the amount of outstanding principal, and the property's address—all of which would help reduce inaccurate reporting.

- **Clarify the statute of limitations on reassessing certain tax returns.** Current law gives the IRS six years to reassess taxpayers who substantially understate income (by 25 percent or more). The Supreme Court ruled that this statute does not apply in cases where taxpayers misrepresent the "basis" (or original cost) of a piece of property and, as a result, substantially understate their tax liability when they sell it. This provision would make the intent of the law clear and affirm that the six-year rule also applies in cases where any overstatement of basis results in a substantial omission of income.

- **Require estates to report the value of property upon the owner's death.** Many years after inheriting property, beneficiaries can overstate the original value of an inherited piece of property on their income tax returns and, as a result, understate their tax liability on profits made when they sell it. This provision would require the largest estates (i.e., only those with positive estate tax liability) to provide the IRS the value of a piece of property upon the owner's death.

- **Adjust tax-filing deadlines for businesses.** This provision would modify rules on tax-filing deadlines for partnerships, S corporations, and C corporations.

- **Allow employers to transfer excess defined-benefit-plan assets to retiree medical accounts and group-term life insurance.** The Highway, Investment, Job Creation, and Economic Growth Act of 2012 (MAP-21) gave employers this option through the end of 2021. This provision would extend the rule through the end of 2025.

- **Equalize taxes on natural-gas fuels.** Current law taxes liquefied natural gas (LNG) the same as diesel (24.3 cents per gallon) and liquefied petroleum gas (LPG) the same as gasoline (18.3 cents per gallon), even though LNG and LNP produce less energy than those fuels. This provision would uniformly impose taxes on LNG, LPG, and compressed natural gas (CNG) on an energy-equivalent basis. So it would lower taxes on LNG (to 14.1 cents per gallon) and LPG (to 13.2 cents per gallon).

Summary of Title III

- **Extend current budget treatment of TSA fees.** Current law will treat a portion of Transportation Security Administration fees as mandatory savings until 2024. This provision extends that accounting treatment for two more years. This provision makes no changes to TSA fees themselves, and it does **not** increase costs for passengers. But it reduces outlays by preventing the fees from being spent later.