August 3, 2021

*****************************************************************************

National Taxpayers Union urges all Senators to vote “NO” on substitute amendment #2137 to H.R. 3684, also called the “Infrastructure Investment and Jobs Act.” This legislation would significantly increase spending, impose additional tax burdens on American taxpayers, and lead to more government intrusion in multiple sectors of the economy. Adequately funding hard infrastructure is important, but it must be done within a responsible fiscal framework.

The bill relies on gimmicky “pay-fors,” many of which are bad policy or have questionable revenue projections. These include reinstatement of the “Superfund excise tax,” which has not been in effect for over 25 years, new and rushed cryptocurrency reporting rules, extending Fannie Mae and Freddie Mac guarantee fees on homeowners, and the delay of a Medicare Part D regulation that has never actually gone into effect. Congress should focus on crafting smart, economically-efficient user fees to fund transportation instead of resorting to unrelated revenue provisions like these. Further, while any tax hike on job creators, individuals, or consumers is a precarious endeavor, increasing taxes in the midst of a recovery from a significant downturn could threaten our economic vitality in the years to come.

On the funding side, there are also many dubious provisions. This bill continues the practice of moving general fund money to cover losses in the Highway Trust Fund, which is meant to be self-sufficient, to the tune of $90 billion. It also authorizes billions in spending on “green” initiatives such as subsidies for electric vehicle charging stations, handouts to states for reducing carbon emissions, mass transit, and increased funding for walking and bicycling. The plan also includes $66 billion for Amtrak to upgrade their Northeast corridor lines, as well as new investments in tracks elsewhere in the country and in high-speed rail. Simply adding hundreds of billions of dollars in spending, as this legislation proposes, to the national debt without more regulatory reform, proper oversight, and careful prioritization is financially unsustainable and irresponsible.

While NTU is opposed to the substitute amendment, there are some provisions that would be a net positive for taxpayers. For example, the proposal includes significant regulatory reforms, such as One Federal Decision, expedited timelines for projects, and a maximum environmental impact statement of 200 pages, among other positive changes. Additionally, it contains language for a federal pilot program to study a Vehicle Miles Traveled fee, which could help mitigate the Highway Trust Fund’s long-term solvency issues if carefully implemented. Further, repurposing unspent COVID-19 relief funds for infrastructure purposes is preferable to authorizing new spending.

Unfortunately, the positives of the substitute amendment are far outweighed by the negatives. It effectively doubles down on a bureaucratic, federally-driven process that has plagued infrastructure planning (and Congress) for decades.

Roll call votes on substitute amendment #2137 to H.R. 3684 will be included in NTU’s annual Rating of Congress and a “NO” vote will be considered the pro-taxpayer position.

If you have any questions, please contact NTU Director of Federal Affairs Thomas Aiello at Thomas.Aiello@ntu.org