

## June 2018 Monthly Washington, D.C. Report



**To:** Steve Heminger, Executive Director

**From:** Tom Bulger, President GRI

**Date:** June 29, 2018

**RE:** Monthly Report for June 2018

- **Senate Appropriations Committee Approves Fiscal Year 2019 Spending**
- **On-Line Sales Tax Supreme Court Decision**
- **Senate Rejects Administrations \$15 Billion Recessions**
- **Transportation Fringe Benefit**
- **Coming and Going**

### **Senate Appropriations Committee Approves Fiscal Year 2019 Spending**

On June 7, 2018, the Senate Appropriations Committee approved a bill to fund the U.S. Department of Transportation (USDOT) and U.S. Department of Housing and Urban Development (HUD). The bill passed on a 31 to 0 vote. The Senate's Appropriations bill is \$383 million less than the companion House bill. The Senate's bill includes additional funding for HUD at the expense of USDOT.

Key elements of the Senate Committee's bill include:

- Federal-Aid Highways (General Fund) at \$3.3 billion, which is \$904 million less than the House bill, distributed through the Highway Surface Transportation Program formula program. In addition, the federal aid highway program received \$45.3 billion in obligation authority, an increase of \$1 billion above FY 2018. In addition, the bill provides \$739 million in Highway Trust Fund contract authority.
- Federal Transit Formula Grants (General Fund) are funded at \$800 million, the same as the House bill.
- Federal Transit Capital Investment Grants are funded at \$2.6 billion, which is \$61 million less than the House bill. In addition, the Senate bill provides \$9.9 billion for the Federal Transportation Administration as directed by the Fixing America's Surface Transportation Act.

### **On-Line Sales Tax Supreme Court Decision**

On June 21, 2018, the Supreme Court ruled in a 5 to 4 decision re. South Dakota v. Wayfair case to overturn the 1992 Quill decision that had blocked state and local governments from requiring out-of-state retailers to collect sales taxes. State and local governments can now require retailers with no physical presence in the state to collect sales taxes. This should be good news for the Bay Area's self-help counties.

### **Senate Rejects Administration's \$15 Billion Rescissions**

On June 20, 2018, the Senate rejected the Administration's \$15 billion recession proposal on a 50 to 48 vote. Prior to that, the Federal Highway rescissions were deleted. Thus, a relief for the Golden Gate seismic project that was concurrently obligated.

### **Transportation Fringe Benefit**

Rep. Michael Conaway (R-TX) has introduced H.R. 6037 to repeal two provisions concerning Unrelated Business Income Tax from the recent Tax Act. The bill would exempt organizations from paying the Unrelated Business Income Tax at 21% of the value of the transportation fringe benefit applicable to transit benefits, parking benefits and vanpools. If enacted into law this provision would positively affect non-profit organizations such as churches and universities that would otherwise be required to pay taxes on the transportation fringe benefits they offer.

### **Coming and Going**

Pete Ruane, President and Chief Executive Officer of the American Road & Transportation Builders Association (ARTBA) announced he will be retiring in October after 30 years of service. William D. Toohey, Jr. will serve as acting CEO. I have known Pete for years and I will miss him.