

114TH CONGRESS
1ST SESSION

H. R. 1724

To amend title 23, United States Code, to reduce Federal spending on surface transportation programs by limiting State and local taxation on purchases of construction materials made with funds made available from the Highway Trust Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2015

Mr. WESTERMAN introduced the following bill; which was referred to the
Committee on Transportation and Infrastructure

A BILL

To amend title 23, United States Code, to reduce Federal spending on surface transportation programs by limiting State and local taxation on purchases of construction materials made with funds made available from the Highway Trust Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transportation Funds
5 Exemption Act of 2015”.

1 **SEC. 2. TREATMENT OF STATE AND LOCAL TAXES UNDER**
2 **FEDERAL-AID HIGHWAY PROGRAM.**

3 (a) IN GENERAL.—Chapter 1 of title 23, United
4 States Code, is amended by inserting after section 154 the
5 following:

6 **“§ 155. Treatment of State and local taxes**

7 “(a) IN GENERAL.—The Secretary shall not approve
8 any project under section 106 in a State for a fiscal year
9 if the Secretary determines that in the previous fiscal year
10 State or local sales taxes were collected within the State
11 on covered purchases of construction materials made, in
12 whole or in part, with funds made available under this
13 chapter.

14 “(b) DEFINITIONS.—In this section, the following
15 definitions apply:

16 “(1) COVERED PURCHASE.—The term ‘covered
17 purchase’—

18 “(A) means a purchase of construction ma-
19 terials that are used and consumed during the
20 construction of a project or incorporated into
21 the constructed, reconstructed, or improved
22 product or facility; but

23 “(B) does not include a purchase of equip-
24 ment, heavy equipment, mechanized vehicles,
25 and construction materials that are not fully
26 consumed during the construction of a project.

1 “(c) CONSTRUCTION MATERIAL.—The term ‘con-
2 struction material’ means any substance specified or nec-
3 essary to satisfactorily complete the contract work for a
4 project.”.

5 (b) CLERICAL AMENDMENT.—The analysis for such
6 chapter is amended by inserting after the item relating
7 to section 154 the following:

“155. Treatment of State and local taxes.”.

8 (c) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall apply to fiscal year 2017 and each
10 fiscal year thereafter.

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