Paul-Boxer "Invest in Transportation Act"

Senator Paul and Senator Boxer introduced the *Invest in Transportation Act of 2015*, a bipartisan transportation funding solution. Using revenue from repatriation, the proposal would extend the Highway Trust Fund, which supports millions of jobs. The bipartisan bill would also boost economic growth and create jobs by providing an incentive for companies to bring back some of the estimated $2 trillion in foreign earnings that are being held overseas.

Summary of the measure:

- Extends the Highway Trust Fund and prevents devastating cuts to transportation programs.

- Allows companies to voluntarily return their foreign earnings to the United States at a tax rate of 6.5 percent. The rate is only for repatriations that exceed each company's average repatriations in recent years, and funds must have been earned in 2015 or earlier. Companies have up to five years to complete the transfer, but must bring home money starting in the first year.

- Ensures that at least 25 percent of repatriated funds will be used for increased hiring, wages and pensions; R&D; environmental improvements; public-private partnerships; capital improvements; and acquisitions. Spending on R&D, increased hiring, and capital improvements only counts toward the 25 percent requirement if it does not supplant already-planned funding. However, if a company increases its total spending on R&D, increased hiring, and capital improvements in the five-year period by more than 25 percent compared to the previous five-year period, the requirement that spending not supplant already-planned spending shall not apply. No funds may be spent on increases in executive compensation.

- All tax revenues from the repatriation program will be transferred into the Highway Trust Fund.

- Companies that invert within 10 years of participating in this program must repay the tax incentive with interest.

Extends the Highway Trust Fund.

- The *Invest in Transportation Act* would extend the Highway Trust Fund, which pays for investments in our roads, bridges, and transit systems, ensuring that states and local communities have the certainty they need to plan and construct transportation infrastructure projects all across the country.

- A modern transportation system is the foundation for a strong U.S. economy and maintaining and improving our roads, bridges, and transit systems is necessary to ensure our nation's global competitiveness. Transportation is and should be a nonpartisan issue and taking action to save the Highway Trust Fund and invest in our aging infrastructure is strongly supported by businesses, labor, and transportation organizations.

Federal funding for our highways, bridges, and transit systems is facing an urgent crisis.

- The authorization for surface transportation programs will expire on May 31st, and the Highway Trust Fund is projected to face insolvency shortly after that. If Congress does not provide additional revenue to the Highway Trust Fund before that time, States will face cash-flow problems during the extremely busy summer construction season.

- Arkansas, Georgia, Wyoming, and Tennessee have already delayed or canceled construction projects due to the uncertainty in federal transportation funding. Numerous states took preemptive action to cancel transportation projects due to the uncertainty created by the transportation funding crisis last summer.

Our infrastructure needs are immense.

- According to the Federal Highway Administration, there are 63,500 bridges that are structurally deficient and 50 percent of our nation's roads are in less than good condition.

- According to the Texas Transportation Institute, Americans spend 5.5 billion hours in traffic each year, costing families more than $120 billion in extra fuel and lost time.

- In the most recent World Economic Forum rankings, the U.S. had in less than a decade fallen from 7th to 18th overall in the quality of our roads.

Constructions workers are still hurting from the Great Recession.

- There are approximately 1.4 million fewer construction workers today compared to 2006 -- which equals nearly 20 percent of all construction jobs -- and over 800,000 construction workers remain out of work in the U.S.

Boosts economic growth by bringing back hundreds of billions of dollars in foreign earnings, which would otherwise be held offshore indefinitely.

- U.S. companies are holding more than $2 trillion in foreign earnings overseas. These funds can and should be used to stimulate and grow the U.S. economy, adding millions of jobs and several hundred billion dollars to GDP.

- In 2011, economist Laura Tyson and others studied a similar proposal and concluded that that it could result in an increase of $178 billion to $336 billion in GDP and an increase of 1.3 million to 2.5 million jobs.

- A U.S. Chamber of Commerce study in 2013 estimated that a similar repatriation proposal could increase GDP by $440 billion and help companies create 3.5 million jobs.