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**Repatriation: A Tax Holiday that Doesn't Deliver for our Highways
June 10, 2014**

The New York Times reported today that Senate Majority Leader Harry Reid and Senator Rand Paul are pushing a plan to extend the life of the Highway Trust Fund with revenue from a one-time repatriation holiday. According to press reports, combining this policy with a limit on interest deductibility would raise \$30 billion over two years, while losing \$27 billion in the subsequent eight years.

The following is a statement from Maya MacGuineas, President of the Committee for a Responsible Federal Budget:

“The Highway Trust Fund is in dire financial straits and needs to be strengthened as quickly as possible, yet instead of working through the hard choices necessary to save it, our leaders keep looking for the easy way out. A repatriation holiday serves as a poor and gimmicky offset because while it raises money in the short run, it loses significantly more over time. An alternative pay-for suggested by the House to use \$12 billion primarily from Postal Service reform also falls short since it provides only short-term relief and tries to count the same money twice, both to improve the financial condition of the Postal Service *and* to fund transportation projects.

“How about we have a moratorium on reckless budget gimmicks? We should be working to find lasting solutions to close the structural imbalance between dedicated revenue and highway spending by reducing federal highway costs, increasing gas taxes, or identifying legitimate alternative sources of financing. Absent a more permanent solution, any temporary general revenue transfers need to be fully offset.

“While serious, the quickly depleting highway trust fund isn't close to our biggest fiscal challenge. But if our leaders can't even fix this problem in a responsible manner, how can we count on them to secure Social Security and Medicare for future generations?”

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