

## INTRODUCTION: Harbor Maintenance Trust Fund

The Harbor Maintenance Trust Fund was established on the books of the Treasury on April 1, 1987, according to the Water Resources Development Act of 1986 (Public Law 99-662, November 17, 1986) (26 United States Code 9505).

Amounts in the Harbor Maintenance Trust Fund are available as provided by appropriation acts for making expenditures to carry out section 210(a) of the Water Resources Development Act of 1986. The appropriations act for the Department of Transportation (DOT) for fiscal year 1995 (Public Law 103-331, September 28, 1994), section 339, waived collection of charges or tolls on the Saint Lawrence Seaway in accordance with section 13(b) of the Act of May 13, 1954 (as in effect on April 1, 1987). Legislation was passed in the North American Free Trade Agreement Implementation Act (Public Law 103-182, section 683), which amends paragraph (3) of section 9505(c) of the IRC of 1986, to authorize payment of up to \$5 million annually to Treasury for all expenses of administration incurred by the Treasury, the U.S. Army Corps of Engineers and the Department of Commerce (Commerce) related to the administration of subchapter A of chapter 36 (relating to harbor maintenance tax). Section 201 of the Water Resources Development Act of 1996 (Public Law 104-303) authorizes use of the Harbor Maintenance Trust Fund for construction of dredged material disposal facilities

associated with the operation and maintenance of Federal navigation projects for commercial navigation.

A summary judgment issued October 25, 1995, by the United States Court of International Trade in the case *United States Shoe Corp. v. United States* (Court No. 94-11-00668) found the Harbor Maintenance fee unconstitutional under the Export Clause of the Constitution (Article I, section 9, clause 5) and enjoined the Customs and Border Protection from collecting the fee on exports.

The decision was affirmed by the Supreme Court on March 31, 1998 (118 Supreme Court 1290). With the tax on exports no longer collected, revenues have been reduced by approximately 30 percent.

The Secretary of the Treasury invests in interest-bearing obligations of the United States that portion of the trust fund, in his judgment, not required to meet current withdrawals. The interest on, and proceeds from, the sale or redemption of any obligation held in the trust fund is credited to the trust fund.

The Code requires the Secretary of the Treasury to submit an annual report to Congress [26 United States Code 9602(a)]. The report must present the financial condition and results of operations of the fund during the past fiscal year and the expected condition and operations of the fund during the next five fiscal years.

**TABLE TF-4.—Harbor Maintenance Trust Fund  
Results of Operations, Fiscal Year 2015**

[Source: Department of the Army Corps of Engineers]

Balance Oct. 1, 2014.....	\$8,499,058,104
Receipts:	
Excise taxes:	
Imports .....	1,148,504,308
Exports .....	-
Domestic .....	76,041,813
Passengers .....	11,235,853
Foreign trade.....	193,187,248
Interest on investments.....	63,047,094
Total receipts.....	<u>1,492,016,315</u>
Expenses:	
Corps of Engineers .....	1,204,588,000
Saint Lawrence Seaway Development Corporation/DOT .....	32,042,000
Administrative cost for Department of Homeland Security (Customs) .....	3,274,000
Operating expenses, miscellaneous returns.....	-
Total expenses.....	<u>1,239,904,000</u>
Balance Sept. 30, 2015 * .....	<u>8,751,170,419</u>

\* The Balance for September 30, 2015, does not tie to the September 30, 2015, published financial statement 3310 ending balance. The equity balance is not affected throughout the entire fiscal year, but changes after adjusting/closing entries are made at the beginning of the following fiscal year. The balance shown here for September 30, 2015, reflects the net activity for fiscal year 2015 and adjusting/closing entries made in October 2015.

**Harbor Maintenance Trust Fund  
Expected Condition and Results of Operations, Fiscal Years 2016-2020 \***

[In millions of dollars. Source: Department of the Army Corps of Engineers]

	2016	2017	2018	2019	2020
Balance Oct. 1 .....	8,751.2	9,113.3	9,919.0	10,827.1	11,839.2
Receipts:					
Harbor maintenance fee .....	1,557.0	1,674.0	1,766.0	1,846.0	1,927.0
Interest on investments.....	95.1	118.7	148.1	182.1	220.4
Total receipts .....	<u>1,652.1</u>	<u>1,792.7</u>	<u>1,914.1</u>	<u>2,028.1</u>	<u>2,147.4</u>
Total available.....	<u>10,403.3</u>	<u>10,906.0</u>	<u>11,833.1</u>	<u>12,855.2</u>	<u>13,986.6</u>
Outlays:					
Harbor Maintenance Trust Fund, legislative proposal not subject to paygo.....	-	-	-	-	-
Corps of Engineers operation, maintenance, and administrative expenses .....	1,157.7	886.0	904.0	911.0	918.0
Corps of Engineers construction .....	96.3	65.0	65.0	68.0	70.0
Saint Lawrence Seaway Development Corporation/DOT .....	32.0	32.0	33.0	33.0	34.0
Administrative expenses for Department of Homeland Security (Customs Service).....	4.0	4.0	4.0	4.0	4.0
Total outlays.....	<u>1,290.0</u>	<u>987.0</u>	<u>1,006.0</u>	<u>1,016.0</u>	<u>1,026.0</u>
Balance Sept. 30.....	<u>9,113.3</u>	<u>9,919.0</u>	<u>10,827.1</u>	<u>11,839.2</u>	<u>12,960.6</u>

\* Outyear projections are for planning purposes and are based on economic conditions and agencies' best projections of revenues and expenses.