On January 1st, 2022, the sole source of revenue for the Black Lung Disability Trust Fund was cut by more than half after Congress failed to extend the Black Lung Excise Tax before the end of 2021. Thousands of coal miners disabled by black lung disease and their families in West Virginia and across the country rely on the trust fund to pay for their health insurance and a small living stipend.

Now, the trust fund is piling up more debt, and taxpayers are picking up the tab as the benefits that miners have earned are put under a cloud of uncertainty.

The Black Lung Excise tax is a small excise tax paid by coal companies per ton of coal sold domestically to support the trust fund. Because the trust fund pays for benefits in cases where the miners’ employer has gone bankrupt, the trust fund is more important now than ever before as a wave of coal industry bankruptcies has transferred hundreds of millions of dollars of liability onto the fund.

The Build Back Better Act that stalled in the Senate includes a 4-year extension to the tax at the higher historic rate; since the Act failed to pass Congress by the end of 2021, the tax rate has now been cut by more than half. A 10-year extension at the higher rate would provide longer-term security for the fund and for the miners who depend on it.

The living stipend is less than $700 per month for a single miner, but it is often one of the primary sources of income for widows and family members left behind. Health insurance benefits can make all the difference for the survival of families dealing with this devastating disease.

In FY2021, over $149 million in black lung compensation was paid from the trust fund; these funds supported miners in 47 states.

Miners in West Virginia received over $38 million in payments from the trust fund in FY2021 — equivalent to over 25% of the total annual payout from the fund.

Including both trust fund and coal company cases, as of September 2021, there are 4,423 West Virginia miners and their families receiving federal black lung compensation.

In 2021, the Black Lung Excise tax collected $271 million in revenue from coal companies, an average of $5.2 million per week. Based on 2021 revenue, we can estimate that the trust fund is losing approximately $2.8 million per week due to Congress’s inaction. That amounts to new tax benefits for coal companies and new expenses that fall on taxpayers.

If Congress doesn’t act to extend the historic rate, the trust fund’s debt could skyrocket to over $15 billion by 2050. This burden will be paid by taxpayers and not the coal companies responsible for the disease.

These numbers show that black lung is not a disease of the past. Rates of black lung disease have hit a 25-year high in Appalachian coal mining states and have reached epidemic levels in coal communities across the nation.

Coal miners risked their lives to power this country. They deserve our support to make sure the Black Lung Disability Trust Fund remains solvent into the future.
This report examines (1) the extent to which Trust Fund debt may change through 2050 and (2) the extent to which Trust Fund financial position. GAO reviewed Trust Fund financial data from fiscal years 1979 through 2017. GA O also reviewed the financial position of the Trust Fund since its inception beginning in 2019. GAO was asked to review the financial position of the Trust Fund and identify options to improve it. When necessary to make expenditures, the Trust Fund borrows from Treasury’s general fund. As a result, the Trust Fund continued to borrow from Treasury’s general fund from fiscal years 2010 through 2017 to cover its debt repayment expenditures.

Multiple factors have challenged Black Lung Disability Trust Fund (Trust Fund) finances since it was established about 40 years ago. Its expenditures have increased due, in part, to the 2008 recession and increased competition from other energy sources, according to DOL and Treasury officials. As a result, the Trust Fund has borrowed almost every year since 1979, its first complete fiscal year, and as a result, the Trust Fund’s financial position has become more precarious. For example, maintaining the current coal tax rates and tax structures would result in debt and interest payments increased. Legislative actions were taken over the years including (1) raising the rate of the coal tax that provides Trust Fund revenue and (2) forgiving debt. For example, the Energy Improvement and Extension Act of 2008 provided an appropriation toward Trust Fund debt forgiveness; about $6.5 billion was forgiven, according to Department of Labor (DOL) data (see figure). However, coal tax revenues were less than expected due, in part, to the 2008 recession and increased competition from other energy sources, according to DOL and Treasury officials. As a result, the Trust Fund also borrowed about $1.3 billion in fiscal year 2017 to cover its debt repayment expenditures.

Trust Fund extraordinary expenditures have also contributed to its financial challenge. For example, Black Lung Benefits Program expenditures were almost $16 billion in fiscal year 2017, which is about half of the Trust Fund’s revenue. As a result, the Trust Fund is scheduled to decrease by about 55 percent that will take effect in 2019 and declining coal production. The coal tax that supports the Trust Fund and its coal miners is subject to future legislative challenges, the coal tax would burden the coal industry, particularly at a time when coal production has been declining. Further, Treasury officials noted that the costs associated with forgiving Trust Fund interest or debt would be paid by taxpayers. Treasury officials noted that the costs associated with forgiving Trust Fund interest or debt would be paid by taxpayers. Further, Treasury officials noted that the costs associated with forgiving Trust Fund interest or debt would be paid by taxpayers.

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