

# COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

## February 2007

### Summary

Revenue collections slowed in February, declining by 4.7 percent. February's drop was driven by a fall-off in motor fuels and motor vehicle sales tax collections. On a year-to-date basis, growth is up 2.6 percent, ahead of the forecast of 0.5 percent growth.

### Motor Fuels Tax

Motor Fuels Tax collections fell by 5.1 percent in February. Annual collections through the first eight months of fiscal year 2007 are down 2.0 percent, lagging the 1.0 percent decline expected in the official forecast.

Implied demand for gasoline has been growing at a steady 3% clip in the past month, suggesting that underlying energy demand remains strong in the economy. Sharply rising gasoline prices may take some steam out of this market. Retail gasoline prices rose by 20 cents for the month of February, the biggest February increase in over a decade. Gas prices are expected to continue rising through May, as they typically do at this time of the year, and are currently expected to top off the \$2.70 level, given oil in the low \$60 range.

### Motor Vehicle Sales and Use Tax (including Rental Tax)

Vehicle sales slowed significantly in February, dropping by 7.9 percent. Collections in this source have fallen 3.2 percent for the year, slightly behind the official estimate of a 1.7 percent decline.

### State Retail Sales Tax

The transportation portion of retail sales tax fell by 3.1 percent in February. Collections in this source are up 12.7 percent in fiscal year 2007, mainly due to the fiscal year 2006 termination of the Accelerated Sales Tax program.

### Motor Vehicle Licenses

Motor Vehicle Registrations increased by 1.3 percent in February. Collections of \$12.7 million were slightly higher than the \$12.5 million collected last February. Motor vehicle license receipts are up 1.3 percent for the year.

Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Summary Statement of Selected Revenue Estimates & Collections  
For the Fiscal Years 2006 and 2007  
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	Change	
Motor Fuel Taxes	\$861,600	22.46	\$69,721	\$73,478	(5.1)	\$511,395	\$521,923	(2.0)	(1.0)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax	618,300	16.12	40,442	43,902	(7.9)	400,274	413,375	(3.2)	(1.7)
State Sales and Use Tax	508,700	13.26	37,000	38,200	(3.1)	350,941	311,289	12.7	6.8
Motor Vehicle License Fees	170,400	4.44	12,654	12,496	1.3	108,519	107,139	1.3	0.6
International Registration Plan	62,400	1.63	2,349	2,440	(3.7)	29,812	21,726	37.2	3.0
Interest Earnings	33,800	0.88	25	12	108.3	24,597	14,231	72.8	(12.5)
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	783	21.5	7,947	7,303	8.8	5.9
<b>Total State Taxes and Fees (a)</b>	<b>\$2,287,900</b>	<b>59.64</b>	<b>\$165,142</b>	<b>\$173,311</b>	<b>(4.7)</b>	<b>\$1,445,485</b>	<b>\$1,408,986</b>	<b>2.6</b>	<b>0.5</b>

# Percentage is greater than or equal to 1,000%.

(a) Certain Fiscal Year 2007 year-to-date and Fiscal Year 2006 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Statement of Revenue Estimates & Collections  
For the Fiscal Years 2006 and 2007  
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$743,300	19.38	\$60,752	\$64,109	(5.2)	\$442,580	\$453,724	(2.5)	(1.2)
Motor Vehicle Sales and Use Tax	381,900	9.95	24,887	27,222	(8.6)	247,445	255,612	(3.2)	(2.1)
Motor Vehicle License Fees	149,200	3.89	11,057	10,894	1.5	94,689	93,830	0.9	0.6
International Registration Plan	62,400	1.63	2,349	2,440	(3.7)	29,812	21,726	37.2	3.0
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	783	21.5	7,947	7,303	8.8	5.9
<b>Total State Taxes and Fees</b>	<b>\$1,349,500</b>	<b>35.18</b>	<b>\$99,996</b>	<b>\$105,448</b>	<b>(5.2)</b>	<b>\$822,473</b>	<b>\$832,195</b>	<b>(1.2)</b>	<b>(1.0)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$3,029	\$1,057	186.6	\$17,607	\$21,786	(19.2)	(100.0)
Miscellaneous Revenues (a)	10,600	0.27	1,669	2,251	(25.9)	12,120	16,950	(28.5)	(50.8)
Transfer (to) / from Transportation Trust Fund	286,303	7.46	(7,940)	0	-	231,205	186,199	24.2	53.8
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,646,403</b>	<b>42.91</b>	<b>\$96,754</b>	<b>\$108,756</b>	<b>(11.0)</b>	<b>\$1,083,405</b>	<b>\$1,057,130</b>	<b>2.5</b>	<b>2.4</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$118,300	3.08	\$8,969	\$9,369	(4.3)	\$68,815	\$68,199	0.9	(0.1)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	236,400	6.17	15,555	16,680	(6.7)	152,829	157,763	(3.1)	(0.9)
State Sales and Use Tax	508,700	13.26	37,000	38,200	(3.1)	350,941	311,289	12.7	6.8
Motor Vehicle License Fees	21,200	0.55	1,597	1,602	(0.3)	13,830	13,309	3.9	0.6
Interest Earnings	33,800	0.88	25	12	108.3	24,597	14,231	72.8	(12.5)
<b>Total State Taxes and Fees</b>	<b>\$938,400</b>	<b>24.46</b>	<b>\$65,146</b>	<b>\$67,863</b>	<b>(4.0)</b>	<b>\$623,012</b>	<b>\$576,791</b>	<b>8.0</b>	<b>2.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,354,852	35.32	\$38,767	\$29,926	29.5	\$420,749	\$315,550	33.3	181.8
Receipts from Cities/Counties (a)	69,303	1.81	(864)	1,431	(160.4)	34,441	31,277	10.1	46.4
Toll Revenues (Includes Route 28)	96,447	2.51	11,386	8,915	27.7	67,195	73,619	(8.7)	(15.0)
Miscellaneous Revenues	17,391	0.45	2,878	1,317	118.5	14,408	11,041	30.5	(21.0)
<b>Total Other Revenues</b>	<b>\$1,537,993</b>	<b>40.09</b>	<b>\$52,167</b>	<b>\$41,589</b>	<b>25.4</b>	<b>\$536,793</b>	<b>\$431,487</b>	<b>24.4</b>	<b>131.8</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.46)	\$7,940	\$0	-	(\$231,205)	(\$186,199)	(24.2)	(53.8)
<b>Total Transportation Trust Fund</b>	<b>\$2,190,090</b>	<b>57.09</b>	<b>\$125,253</b>	<b>\$109,452</b>	<b>14.4</b>	<b>\$928,600</b>	<b>\$822,079</b>	<b>13.0</b>	<b>57.5</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,836,493</b>	<b>100.00</b>	<b>\$222,007</b>	<b>\$218,208</b>	<b>1.7</b>	<b>\$2,012,005</b>	<b>\$1,879,209</b>	<b>7.1</b>	<b>27.9</b>

# Percentage is greater than or equal to 1,000%.

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues." In order to provide comparable data, the Fiscal Year 2007 and Fiscal Year 2006 monthly and year-to-date amounts were likewise reclassified.