

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

April 2006

Summary

Revenue collections slipped in April, declining by 4.7 percent. On a year-to-date basis, growth is up 3.4 percent, ahead of the forecast of 2.3 percent growth.

Motor Fuels Tax

Motor Fuels Tax collections increased by 3.4 percent in April. Annual collections through the first ten months of fiscal year 2006 are up 2.1 percent, well ahead of the 0.4 percent decline anticipated in the official forecast.

Although the combination of refinery maintenance and the phase-out of methyl tertiary butyl ether (MTBE) from the gasoline pool had strained gasoline markets the last several months, these pressures appear to be easing as refinery operations increase and the transition to ethanol-based reformulated gasoline progresses. While isolated locations continue to see price volatility and significant supply uncertainties remain, some softening in the near term gasoline balance is expected to dampen retail prices somewhat, barring new, unanticipated supply disruptions. The potential for midsummer retightening exists, however, if demand growth picks up or refinery outages occur at unusual rates.

Motor Vehicle Sales and Use Tax

Vehicle sales slumped badly in April. Collections in this source dropped by 18.8 percent in April and are up 1.6 percent for the year, behind the official estimate of 3.5 percent growth.

The drag on vehicle sales is expected to increase as the year progresses. Employment growth is expected to weaken by year-end, while interest rates are expected to march higher. Therefore, the pace for the quarter of 16.9 million (SAAR) is expected to be the best quarter of the year. Sales for the year are expected to come in at 16.6 million units.

State Retail Sales Tax

The transportation portion of retail sales tax fell by 3.3 percent in April. Collections in this source are up 6.3 percent in fiscal year 2006.

Motor Vehicle Licenses

Motor Vehicle Registrations declined by 11.1 percent in April. April's decline can be attributed to one less business day this April compared to last April. Motor vehicle license receipts are up 2.8 percent for the year, close to the 2.9 percent forecast.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$66,490	\$64,309	3.4	\$652,206	\$639,088	2.1	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	43,790	53,951	(18.8)	512,369	504,532	1.6	3.5
State Sales and Use Tax	474,900	13.79	39,103	40,442	(3.3)	388,739	365,591	6.3	5.6
Motor Vehicle License Fees	169,200	4.91	13,684	15,400	(11.1)	136,876	133,204	2.8	2.9
International Registration Plan	58,600	1.70	6,008	7,408	(18.9)	46,759	46,748	0.0	(3.5)
Interest Earnings	25,700	0.75	8,546	4,864	75.7	22,794	12,619	80.6	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,124	2,381	(10.8)	27,197	25,602	6.2	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$181,745	\$190,755	(4.7)	\$1,802,940	\$1,743,384	3.4	2.3

Percentage is greater than 1,000%.

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Statement of Revenue Estimates & Collections
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Revenue	FY 2006 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$54,905	\$55,723	(1.5)	\$561,832	\$550,352	2.1	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	27,594	34,683	(20.4)	317,758	324,762	(2.2)	(0.2)
Motor Vehicle License Fees	147,900	4.29	11,970	13,456	(11.0)	119,833	116,560	2.8	2.8
International Registration Plan	58,600	1.70	6,008	7,408	(18.9)	46,759	46,748	0.0	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,124	2,381	(10.8)	27,197	25,602	6.2	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$102,601	\$113,651	(9.7)	\$1,073,379	\$1,064,024	0.9	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$470	\$0	-	\$26,589	\$20,716	28.4	(100.0)
Transfer (to) / from Transportation Trust Fund									
	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$103,071	\$113,651	(9.3)	\$1,286,167	\$1,279,717	0.5	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,300	3.49	\$11,585	\$8,586	34.9	\$90,374	\$88,736	1.8	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	241,400	7.01	16,196	19,268	(15.9)	194,611	179,770	8.3	10.1
State Sales and Use Tax	474,900	13.79	39,103	40,442	(3.3)	388,739	365,591	6.3	5.6
Motor Vehicle License Fees	21,300	0.62	1,714	1,944	(11.8)	17,043	16,644	2.4	3.5
Interest Earnings	25,700	0.75	8,546	4,864	75.7	22,794	12,619	80.6	45.7
Total State Taxes and Fees	\$903,600	26.24	\$79,144	\$77,104	2.6	\$729,561	\$679,360	7.4	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$38,677	\$53,005	(27.0)	\$374,680	\$374,816	0.0	121.8
Receipts from Cities/Counties	70,400	2.04	4,304	1,112	287.1	41,268	24,335	69.6	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	12,871	10,932	17.7	94,924	84,769	12.0	(20.5)
Miscellaneous Revenues	20,200	0.59	662	845	(21.7)	13,436	23,878	(43.7)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$56,514	\$65,894	(14.2)	\$524,308	\$507,798	3.3	91.9
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$135,658	\$142,998	(5.1)	\$1,067,670	\$992,181	7.6	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,444,100	100.00	\$238,729	\$256,649	(7.0)	\$2,353,837	\$2,271,898	3.6	20.7

Percentage is greater than 1,000%.