

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT April 2011

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 6.9 percent in April, due to strong motor fuels tax collections and the timing of interest receipts. Year-to-date, transportation fund revenues are up 4.2 percent, slightly ahead of the official growth rate of 3.0 percent. Adjusted for the accelerated sales tax program (AST), year-to-date CTF revenues are up 5.7 percent.

### Motor Fuels Tax

April collections increased by 7.3 percent. On a year-to-date basis, collections are up 3.0 percent.

West Texas Intermediate (WTI) crude oil spot prices averaged \$89 per barrel in February, \$103 per barrel in March, and \$110 per barrel in April. During the first week of May, WTI crude oil prices fell by nearly \$17 per barrel to \$97 per barrel, along with a broad set of commodities, and then quickly rebounded by almost \$6 per barrel.

Despite the moderate downward revision to the outlook for oil prices, the rise in crude oil prices from last year continues to imply higher petroleum product prices this year compared with last. The annual average regular-grade retail gasoline price is expected to increase from \$2.78 per gallon in 2010 to \$3.63 per gallon 2011 and to \$3.66 per gallon in 2012. The forecast regular-grade motor gasoline retail price averages \$3.81 per gallon during this summer's driving season (from April 1 through September 30), up from \$2.76 per gallon last summer. Current market prices of futures and options contracts for gasoline suggest a 41-percent probability that the national monthly average retail price for regular gasoline could exceed \$4.00 per gallon during July 2011.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.3 percent in April, the eighteenth consecutive month of growth in this source. Annual collections in this source are up 13.8 percent. Notwithstanding the double-digit annual growth, fiscal year 2011 collections through April are still below fiscal year 2003 levels at a comparative point in the fiscal year.

Barring any further increase in gasoline prices, vehicle sales are expected to reach 13.7 million units (SAAR) by the end of the year. Other factors that could dampen near-term

sales are reduced inventories and the resulting increase in prices as vehicle manufacturers see less need to offer various incentives. Since the end of 2010 through March, new vehicle prices were already 1.6% higher. While reduced affordability could drive more potential buyers to used vehicles, prices for these have also been climbing.

Encouraging for vehicle sales is that retail sales account for all the improvement this year. Last year, it was fleet sales that drove the improvement. However, the labor market will need to improve considerably more for sales to return to their pre-recession levels. This is not expected until 2013 or 2014. In addition to the improving labor market, better access to credit and the release of pent-up demand will drive sales higher.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 1.3 percent in April. Adjusted for the AST program, year-to-date sales tax collections have increased by 2.9 percent.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 4.0 percent in April.

**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 2010 and 2011  
(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$855,500	25.33	\$62,804	\$58,551	7.3	\$634,545	\$616,210	3.0	3.1
Priority Transportation Fund (PTF)	150,300	4.45	2,000	2,000	0.0	146,327	145,102	0.8	0.8
Motor Vehicle Sales and Use Tax	506,500	15.00	46,871	45,371	3.3	438,833	385,467	13.8	6.9
State Sales and Use Tax	480,800	14.24	43,592	43,040	1.3	391,615	407,655	(3.9)	(2.0)
Motor Vehicle License Fees	234,800	6.95	21,362	22,251	(4.0)	196,961	188,898	4.3	2.0
International Registration Plan	61,300	1.82	5,879	3,090	90.3	51,781	47,104	9.9	2.6
Recordation Tax	32,200	0.95	2,871	2,637	8.9	28,656	28,560	0.3	(8.5)
Interest Earnings	38,600	1.14	3,995	28	#	13,250	6,429	106.1	68.1
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,139	1,246	(8.6)	10,857	10,504	3.4	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$2,372,700</b>	<b>70.26</b>	<b>\$190,513</b>	<b>\$178,214</b>	<b>6.9</b>	<b>\$1,912,825</b>	<b>\$1,835,929</b>	<b>4.2</b>	<b>3.0</b>

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

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 2010 and 2011  
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$739,800	21.90	\$54,813	\$49,190	11.4	\$545,166	\$528,851	3.1	3.5
Motor Vehicle Sales and Use Tax	309,800	9.17	28,933	28,460	1.7	267,313	234,925	13.8	7.0
Motor Vehicle License Fees	213,700	6.33	19,453	20,279	(4.1)	179,408	171,880	4.4	2.0
International Registration Plan	61,300	1.82	5,879	3,090	90.3	51,781	47,104	9.9	2.6
Recordation Tax (1 cent)	10,700	0.32	957	879	8.9	9,552	9,520	0.3	(8.8)
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,139	1,246	(8.6)	10,857	10,504	3.4	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$1,348,000</b>	<b>39.92</b>	<b>\$111,174</b>	<b>\$103,144</b>	<b>7.8</b>	<b>\$1,064,077</b>	<b>\$1,002,784</b>	<b>6.1</b>	<b>3.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,809	\$445	306.5	\$17,133	\$15,674	9.3	(100.0)
Miscellaneous Revenues	16,191	0.48	3,412	1,524	123.9	11,492	13,357	(14.0)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.13	0	0	-	266,940	300,000	(11.0)	0.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,875,189</b>	<b>55.53</b>	<b>\$116,395</b>	<b>\$105,113</b>	<b>10.7</b>	<b>\$1,359,642</b>	<b>\$1,331,815</b>	<b>2.1</b>	<b>1.9</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$115,700	3.43	\$7,991	\$9,361	(14.6)	\$89,379	\$87,359	2.3	0.6
PTF Motor Fuels	20,000	0.59	2,000	2,000	0.0	16,000	16,000	0.0	0.0
PTF Insurance Premiums Tax	130,300	3.86	0	0	-	130,327	129,102	0.9	0.9
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	196,700	5.83	17,938	16,911	6.1	171,520	150,542	13.9	6.8
State Sales and Use Tax	480,800	14.24	43,592	43,040	1.3	391,615	407,655	(3.9)	(2.0)
Motor Vehicle License Fees	21,100	0.62	1,909	1,972	(3.2)	17,553	17,018	3.1	1.8
Recordation Tax (2 cents)	21,500	0.63	1,914	1,758	8.9	19,104	19,040	0.3	(8.3)
Interest Earnings	38,600	1.14	3,995	28	#	13,250	6,429	106.1	68.1
<b>Total State Taxes and Fees</b>	<b>\$1,024,700</b>	<b>30.34</b>	<b>\$79,339</b>	<b>\$75,070</b>	<b>5.7</b>	<b>\$848,748</b>	<b>\$833,145</b>	<b>1.9</b>	<b>1.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$881,334	26.09	\$53,321	\$64,454	(17.3)	\$709,002	\$695,047	2.0	6.9
Receipts from Cities/Counties	59,007	1.75	1,298	4,753	(72.7)	35,796	43,510	(17.7)	28.0
Toll Revenues (Includes Route 28)	30,035	0.89	7,274	7,154	1.7	18,208	33,293	(45.3)	(32.4)
Miscellaneous Revenues	17,862	0.53	(4,265)	1,590	(368.2)	48,230	23,815	102.5	(39.7)
<b>Total Other Revenues</b>	<b>\$988,238</b>	<b>29.26</b>	<b>\$57,628</b>	<b>\$77,951</b>	<b>(26.1)</b>	<b>\$811,236</b>	<b>\$795,665</b>	<b>2.0</b>	<b>4.7</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.13)	\$0	\$0	-	(\$266,940)	(\$300,000)	11.0	(0.7)
<b>Total Transportation Trust Fund</b>	<b>\$1,501,940</b>	<b>44.47</b>	<b>\$136,967</b>	<b>\$153,021</b>	<b>(10.5)</b>	<b>\$1,393,044</b>	<b>\$1,328,810</b>	<b>4.8</b>	<b>4.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,377,129</b>	<b>100.00</b>	<b>\$253,362</b>	<b>\$258,134</b>	<b>(1.8)</b>	<b>\$2,752,686</b>	<b>\$2,660,625</b>	<b>3.5</b>	<b>2.9</b>

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