

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT April 2012

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 4.8 percent in April. April's collections were driven by solid growth in motor vehicle sales tax collections. On a year-to-date basis, collections are up 3.0 percent, slightly ahead of the annual estimate of 2.2 percent growth.

### Motor Fuels Tax

Motor fuel taxes increased by 3.2 percent in April. Year-to-date, collections have declined by 1.0 percent.

With falling global crude oil prices over the past month, the expected average regular gasoline retail price forecast for the current April-through-September summer driving season has fallen to \$3.79 per gallon, 16 cents per gallon below the forecast earlier in the year. Regular gasoline retail prices are expected to average \$3.71 per gallon in 2012 and \$3.67 per gallon in 2013, compared with \$3.53 per gallon in 2011.

The September 2012 New York Harbor Reformulated Blendstock for Oxygenate Blending (RBOB) futures contract averaged \$2.99 per gallon for the five trading days ending May 3. Based on the market value of futures and options contracts, there is a 22 percent probability that the RBOB contract price at expiration will exceed \$3.30 per gallon, consistent with an average regular-grade gasoline retail price exceeding \$4.00 per gallon in September.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 6.8 percent in April, bringing annual growth to 8.1 percent.

Vehicle sales have been growing strongly during the first quarter. The unseasonably warm and storm-free winter likely pulled some sales forward from the spring months, but the fact that consumers have been willing to buy more vehicles than at any time during the past four years also reflects improving conditions. Sales during the next two months will remain roughly at the first quarter pace.

Given the average vehicle age of 10.8 years, combined with the improving economy, consumers are finally replacing their vehicles. In addition, the share of subprime loans originated by auto finance companies has increased to more than 30% from a low of 24%

during the recession. Banks are also relaxing their lending standards. Tax refunds may also have fueled sales in March. Remarkably, anecdotal evidence is emerging that some consumers are even dipping into home equity to finance their vehicle purchases. Finally incentives have been climbing again.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 5.4 percent in April. Year-to-date growth is also at 5.4 percent.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 2.4 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 2011 and 2012**  
**(Dollars in Thousands)**

Revenue	FY 2012 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
<b>Motor Fuel Taxes</b>	\$832,900	23.23	\$64,817	\$62,804	3.2	\$628,260	\$634,545	(1.0)	(1.4)
<b>Priority Transportation Fund (PTF)</b>	157,300	4.39	2,000	2,000	0.0	153,297	146,327	4.8	4.6
<b>Motor Vehicle Sales and Use Tax</b>	554,600	15.47	50,064	46,871	6.8	474,489	438,833	8.1	4.2
<b>State Sales and Use Tax</b>	504,800	14.09	45,964	43,592	5.4	412,825	391,615	5.4	5.8
<b>Motor Vehicle License Fees</b>	239,200	6.67	21,877	21,362	2.4	195,962	196,961	(0.5)	0.6
<b>International Registration Plan</b>	62,000	1.72	7,141	5,879	21.5	52,889	51,781	2.1	1.6
<b>Recordation Tax</b>	38,400	1.07	3,317	2,871	15.5	31,533	28,656	10.0	9.8
<b>Interest Earnings</b>	19,400	0.54	3,260	3,995	(18.4)	11,466	13,250	(13.5)	6.2
<b>Misc. Taxes, Fees, and Revenues</b>	12,800	0.36	1,173	1,139	3.0	10,283	10,857	(5.3)	(0.7)
<b>Total State Taxes and Fees</b>	<u>\$2,421,400</u>	<u>67.54</u>	<u>\$199,613</u>	<u>\$190,513</u>	<u>4.8</u>	<u>\$1,971,004</u>	<u>\$1,912,825</u>	<u>3.0</u>	<u>2.2</u>

# 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 2011 and 2012  
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$718,000	20.03	\$52,763	\$54,813	(3.7)	\$539,583	\$545,166	(1.0)	(1.2)
Motor Vehicle Sales and Use Tax	340,900	9.51	30,912	28,933	6.8	292,581	267,313	9.5	4.9
Motor Vehicle License Fees	217,900	6.08	19,929	19,453	2.4	178,454	179,408	(0.5)	0.6
International Registration Plan	62,000	1.72	7,141	5,879	21.5	52,889	51,781	2.1	1.6
Recordation Tax (1 cent)	12,800	0.36	1,106	957	15.6	10,511	9,552	10.0	9.8
Misc. Taxes, Fees, and Revenues	12,800	0.36	1,173	1,139	3.0	10,283	10,857	(5.3)	(0.7)
<b>Total State Taxes and Fees</b>	<b>\$1,364,400</b>	<b>38.06</b>	<b>\$113,024</b>	<b>\$111,174</b>	<b>1.7</b>	<b>\$1,084,301</b>	<b>\$1,064,077</b>	<b>1.9</b>	<b>0.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,419	\$1,809	(21.6)	\$19,849	\$17,133	15.9	(100.0)
Miscellaneous Revenues	11,479	0.32	2,717	3,412	(20.4)	17,073	11,492	48.6	(24.2)
Transfer (to) / from Transportation Trust Fund	447,767	12.49	0	0	-	301,020	266,940	12.8	(3.3)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,823,646</b>	<b>50.87</b>	<b>\$117,160</b>	<b>\$116,395</b>	<b>0.7</b>	<b>\$1,422,243</b>	<b>\$1,359,642</b>	<b>4.6</b>	<b>(1.6)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,900	3.20	\$12,054	\$7,991	50.8	\$88,677	\$89,379	(0.8)	(2.3)
PTF Motor Fuels	20,000	0.56	2,000	2,000	0.0	16,000	16,000	0.0	0.0
PTF Insurance Premiums Tax	137,300	3.83	0	0	-	137,297	130,327	5.3	5.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	213,700	5.96	19,152	17,938	6.8	181,908	171,520	6.1	3.1
State Sales and Use Tax	504,800	14.09	45,964	43,592	5.4	412,825	391,615	5.4	5.8
Motor Vehicle License Fees	21,300	0.59	1,948	1,909	2.0	17,508	17,553	(0.3)	0.4
Recordation Tax (2 cents)	25,600	0.71	2,211	1,914	15.5	21,022	19,104	10.0	9.8
Interest Earnings	19,400	0.54	3,260	3,995	(18.4)	11,466	13,250	(13.5)	6.2
<b>Total State Taxes and Fees</b>	<b>\$1,057,000</b>	<b>29.48</b>	<b>\$86,589</b>	<b>\$79,339</b>	<b>9.1</b>	<b>\$886,703</b>	<b>\$848,748</b>	<b>4.5</b>	<b>4.1</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,006,822	28.08	\$76,660	\$53,321	43.8	\$801,097	\$709,002	13.0	12.5
Receipts from Cities/Counties	102,383	2.85	2,249	1,298	73.3	12,058	35,796	(66.3)	135.2
Toll Revenues (Includes Route 28)	28,949	0.81	7,371	7,274	1.3	16,206	18,208	(11.0)	43.7
Miscellaneous Revenues	14,219	0.40	5,110	(4,265)	219.8	27,077	48,230	(43.9)	(74.0)
<b>Total Other Revenues</b>	<b>\$1,152,373</b>	<b>32.14</b>	<b>\$91,390</b>	<b>\$57,628</b>	<b>58.6</b>	<b>\$856,438</b>	<b>\$811,236</b>	<b>5.6</b>	<b>13.8</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$447,767)	(12.49)	\$0	\$0	-	(\$301,020)	(\$266,940)	(12.8)	3.3
<b>Total Transportation Trust Fund</b>	<b>\$1,761,606</b>	<b>49.13</b>	<b>\$177,979</b>	<b>\$136,967</b>	<b>29.9</b>	<b>\$1,442,121</b>	<b>\$1,393,044</b>	<b>3.5</b>	<b>12.5</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,585,252</b>	<b>100.00</b>	<b>\$295,139</b>	<b>\$253,362</b>	<b>16.5</b>	<b>\$2,864,364</b>	<b>\$2,752,686</b>	<b>4.1</b>	<b>4.9</b>

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