

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT April 2016

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 1.9 percent in April, mainly due to strong motor fuels tax collections. Year-to-date growth stands at 8.4 percent.

Motor Fuels Tax

Motor fuels tax collections increased by 11.4 percent this month. Year-to-date collections are up 27.2 percent.

During the April-through-September summer driving season of 2016, U.S. regular gasoline retail prices are forecast to average \$2.21/gallon (gal), 42 cents/gal lower than last summer. U.S. regular gasoline retail prices are forecast to average \$2.08/gal in 2016 and \$2.24/gal in 2017.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections were flat in April, and are up 7.9 percent for the year.

U.S. consumer spending is off to a decent but unspectacular start this quarter. Vehicle sales rose from 16.6 million annualized units in March to 17.4 million in April. This reverses most of the decline in March, when sales were hurt by an early Easter. Sales are running slightly ahead of their first quarter average of 17.3 million annualized units.

Though the increase in sales was generally in line with our expectations, the mix differed. Light-truck sales exceeded 10 million annualized units for the third time in the past four months, and there is no evidence that rising gasoline prices have hurt yet. The improving housing market is likely providing an offset. Auto sales edged higher in April. Even with the rebound in vehicle sales, risks to our forecast for real spending to rise 3.3% at an annual rate remain weighted to the downside, as there could be some lingering effects from the turmoil in financial markets earlier this year.

Consumer fundamentals continue to improve, which will support sales, but the current sales pace is likely not sustainable. We expect vehicle sales to ease once pent-up demand is satisfied, because a pace above 17 million units exceeds the approximately

16.5 million units consistent with underlying fundamentals, which include the size of the driving population, income and wealth.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 3.4 percent in April.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 11.3 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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
Motor Fuel Taxes	\$883,500	19.21	\$65,750	\$59,024	11.4	\$649,711	\$510,879	27.2	22.3
Priority Transportation Fund (PTF)	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax	931,700	20.26	80,932	80,914	0.0	787,250	729,905	7.9	4.6
State Sales and Use Tax	1,006,200	21.88	86,049	83,196	3.4	773,489	772,080	0.2	1.1
Motor Vehicle License Fees	244,400	5.31	21,729	24,497	(11.3)	207,687	198,048	4.9	(0.3)
International Registration Plan	66,400	1.44	6,993	7,212	(3.0)	56,564	55,012	2.8	0.6
Recordation Tax	44,600	0.96	3,256	3,753	(13.2)	35,286	33,404	5.6	6.2
Interest Earnings	13,600	0.30	1,034	2,022	(48.9)	2,806	5,959	(52.9)	80.5
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,864	1,944	(4.1)	15,013	15,385	(2.4)	(7.2)
Total State Taxes and Fees	<u>\$3,357,746</u>	<u>73.00</u>	<u>\$267,607</u>	<u>\$262,562</u>	<u>1.9</u>	<u>\$2,678,152</u>	<u>\$2,471,069</u>	<u>8.4</u>	<u>7.0</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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$705,900	15.35	\$54,080	\$48,534	11.4	\$518,899	\$404,131	28.4	22.9
Motor Vehicle Sales and Use Tax	669,000	14.55	58,401	58,784	(0.7)	569,503	522,953	8.9	4.8
State Sales and Use Tax	280,100	6.09	23,899	23,014	3.8	213,812	215,831	(0.9)	0.8
Motor Vehicle License Fees	222,700	4.84	19,806	22,358	(11.4)	189,904	180,300	5.3	(0.3)
International Registration Plan	66,400	1.44	6,993	7,212	(3.0)	56,564	55,012	2.8	0.6
Recordation Tax (1 cent)	14,900	0.32	1,085	1,251	(13.3)	11,762	11,135	5.6	6.4
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,864	1,944	(4.1)	15,013	15,385	(2.4)	(7.2)
Total State Taxes and Fees	\$1,976,000	42.96	\$166,128	\$163,097	1.9	\$1,575,457	\$1,404,747	12.2	9.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,607	\$2,738	31.7	\$31,765	\$24,984	27.1	(100.0)
Miscellaneous Revenues	14,595	0.32	2,976	2,650	12.3	20,415	25,187	(18.9)	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.66	0	0	-	46,700	80,000	(41.6)	(25.6)
Total Highway Maintenance and Operating Fund	\$2,113,084	45.94	\$172,711	\$168,485	2.5	\$1,674,337	\$1,534,918	9.1	3.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$177,600	3.86	\$11,670	\$10,490	11.2	\$130,812	\$106,748	22.5	20.0
PTF Insurance Premiums Tax	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	262,700	5.71	22,531	22,130	1.8	217,747	206,952	5.2	4.3
State Sales and Use Tax	726,100	15.79	62,150	60,182	3.3	559,677	556,249	0.6	1.3
Motor Vehicle License Fees	21,700	0.47	1,923	2,139	(10.1)	17,783	17,748	0.2	(0.4)
Recordation Tax (2 cents)	29,700	0.64	2,171	2,502	(13.2)	23,524	22,269	5.6	6.1
Interest Earnings	13,600	0.30	1,034	2,022	(48.9)	2,806	5,959	(52.9)	80.5
Total State Taxes and Fees	\$1,381,746	30.04	\$101,479	\$99,465	2.0	\$1,102,695	\$1,066,322	3.4	4.3
Other Revenues:									
Federal Grants and Contracts	\$968,328	21.05	\$51,113	\$105,890	(51.7)	\$1,032,117	\$1,149,411	(10.2)	(23.9)
Receipts from Cities/Counties	237,187	5.15	5,083	14,024	(63.8)	71,457	113,150	(36.8)	79.4
Toll Revenues (Includes Route 28)	16,045	0.35	7,510	7,364	2.0	16,620	16,215	2.5	(12.1)
Miscellaneous Revenues	5,832	0.13	2,193	2,562	(14.4)	21,574	22,255	(3.1)	(79.4)
Total Other Revenues	\$1,227,392	26.68	\$65,899	\$129,840	(49.2)	\$1,141,768	\$1,301,031	(12.2)	(15.4)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.66)	\$0	\$0	-	(\$46,700)	(\$80,000)	41.6	25.6
Total Transportation Trust Fund	\$2,486,649	54.06	\$167,378	\$229,305	(27.0)	\$2,197,763	\$2,287,353	(3.9)	(4.8)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,599,733	100.00	\$340,089	\$397,790	(14.5)	\$3,872,100	\$3,822,271	1.3	(1.0)

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