

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

August 2005

Summary

Revenue collections surged in August, increasing by 13.0 percent. Growth was strong in all the major sources with collections of the motor vehicle sales and use tax increasing to its highest level in history. On a year-to-date basis, growth is up 10.9 percent.

September marks the beginning of the fall forecasting process. The Governor's Advisory Board of Economists will meet in October as the first step in assessing the strength of the Virginia economy over the next biennium.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 4.2 percent in August. Annual collections through the first two months of fiscal year 2006 are up 12.4 percent. After increasing by 45 cents per gallon between August 29 and September 5 following the devastation caused by Hurricane Katrina, the average U.S. retail gasoline price fell by more than 11 cents between September 5 and 12. However, the U.S. gasoline supply situation remains far from normal, and prices generally remain above pre-Hurricane Katrina levels. With as much as 5 percent of refinery capacity expected to remain shut down for months, it will take time for the gasoline supply system to return to normal, implying that prices could remain elevated.

Motor Vehicle Sales and Use Tax

Collections in this source surged by 19.7 percent in August and are up 12.4 percent for the year. This month's collections reflect the highest one-month total in history. Employee discounts brought throngs of shoppers to showrooms over the past month, which pushed seasonally adjusted annualized sales number up to 20.8 million units. The last time the U.S. market experienced such a surge was following 9/11 when GM first introduced 0% financing.

State Retail Sales Tax

The transportation portion of the State Retail Sales Tax increased 16.9 percent in August. Collections in this source are up 13.0 percent in fiscal year 2006.

Motor Vehicle Licenses

Motor Vehicle Registration transactions grew by 24.0 in August. Motor vehicle license receipts are up 9.3 percent for the year.

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	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$878,900	25.30	\$79,852	\$76,635	4.2	\$87,898	\$78,191	12.4	3.5
Priority Transportation Fund	20,000	0.58	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	655,700	18.88	69,582	58,107	19.7	122,079	108,585	12.4	6.6
State Sales and Use Tax	463,400	13.34	43,377	37,093	16.9	59,574	52,700	13.0	3.0
Motor Vehicle License Fees	166,500	4.79	18,429	14,868	24.0	30,313	27,744	9.3	1.2
International Registration Plan	59,600	1.71	3,430	2,474	38.6	4,687	6,493	(27.8)	(1.8)
Interest Earnings	11,200	0.32	11	54	(79.6)	15	(99)	115.2	(36.5)
Misc. Taxes, Fees, and Revenues	20,400	0.59	2,564	2,996	(14.4)	4,523	5,145	(12.1)	(22.9)
Total State Taxes and Fees	\$2,275,700	65.51	\$217,245	\$192,227	13.0	\$309,089	\$278,759	10.9	3.3

Percentage is greater than 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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	August			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)	\$754,100	21.71	\$69,586	\$66,323	4.9	\$76,383	\$66,256	15.3	3.2
Motor Vehicle Sales and Use Tax	406,400	11.70	44,710	37,369	19.6	78,306	69,891	12.0	2.6
Motor Vehicle License Fees	145,500	4.19	16,164	13,023	24.1	26,487	24,320	8.9	1.1
International Registration Plan	59,600	1.71	3,430	2,474	38.6	4,687	6,493	(27.8)	(1.8)
Misc. Taxes, Fees, and Revenues	20,400	0.59	2,564	2,996	(14.4)	4,523	5,145	(12.1)	(22.9)
Total State Taxes and Fees	\$1,386,000	39.90	\$136,454	\$122,185	11.7	\$190,386	\$172,105	10.6	2.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,701	\$2,846	65.2	\$6,722	\$3,641	84.6	(100.0)
Transfer (to) / from Transportation Trust Fund									
	186,200	5.36	0	(25,179)	100.0	186,199	121,592	53.1	(4.5)
Total Highway Maintenance and Operating Fund	\$1,572,200	45.26	\$141,155	\$99,852	41.4	\$383,307	\$297,338	28.9	(0.6)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$124,800	3.59	\$10,266	\$10,312	(0.4)	\$11,515	\$11,935	(3.5)	4.8
Priority Transportation Fund	20,000	0.58	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	249,300	7.18	24,872	20,738	19.9	43,773	38,694	13.1	13.7
State Sales and Use Tax	463,400	13.34	43,377	37,093	16.9	59,574	52,700	13.0	3.0
Motor Vehicle License Fees	21,000	0.60	2,265	1,845	22.8	3,826	3,424	11.7	2.0
Interest Earnings	11,200	0.32	11	54	(79.6)	15	(99)	115.2	(36.5)
Total State Taxes and Fees	\$889,700	25.61	\$80,791	\$70,042	15.3	\$118,703	\$106,654	11.3	5.1
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.12	\$23,902	\$31,221	(23.4)	\$57,914	\$68,984	(16.0)	121.8
Receipts from Cities/Counties	70,400	2.03	4,995	3,321	50.4	8,843	6,573	34.5	174.6
Toll Revenues (Includes Route 28)	88,700	2.55	7,209	8,115	(11.2)	12,986	13,218	(1.8)	(20.5)
Miscellaneous Revenues	27,500	0.79	3,692	604	511.3	4,737	11,885	(60.1)	1.1
Total Other Revenues	\$1,197,900	34.49	\$39,798	\$43,261	(8.0)	\$84,480	\$100,660	(16.1)	93.1
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$186,200)	(5.36)	\$0	\$25,179	(100.0)	(\$186,199)	(\$121,592)	(53.1)	4.5
Total Transportation Trust Fund	\$1,901,400	54.74	\$120,589	\$138,482	(12.9)	\$16,984	\$85,722	(80.2)	49.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,473,600	100.00	\$261,744	\$238,334	9.8	\$400,291	\$383,060	4.5	21.7

Percentage is greater than 1,000%.