

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT August 2007

Summary

Collections in the Commonwealth Transportation Fund increased by 6.4 percent in August. Most of August's growth was due to the increase in motor vehicle registration fees along with strong growth in the volatile International Registration Plan fees. Adjusting for the \$10 increase in registration fees, monthly growth was 2.8 percent. Through the first two months of fiscal year 2008, collections are up 7.4 percent (3.1 percent when adjusted for the registration fee increase).

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections declined by 3.8 percent, mainly due to the timing of road tax receipts. Through August, annual collections of motor fuels taxes, exclusive of aviation and road tax collections, are up 1.4 percent. Average retail regular motor gasoline prices for the 2007 summer driving season (April through September) are projected to be \$2.93 per gallon, up 9 cents per gallon from last summer. Despite the continuing low gasoline inventories, gasoline prices are expected to continue to decline through the end of this year, with a projected average price of about \$2.63 per gallon in December 2007.

Motor Vehicle Sales and Use Tax

Collections in this source declined by 4.3 percent in August. Vehicle sales are being affected by the downturn in the housing market in a number of ways. First, employment and income trends, the most important drivers of vehicle sales, have weakened. Second, credit problems in the mortgage market are spilling over to other debt, such as auto loans. This is then affecting the ability to purchase new vehicles. Third, declining house prices are affecting the ability to purchase vehicles by reducing available home equity that would be used to finance other consumer purchases and by reducing the wealth effect, which had contributed to overall spending in recent years.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.6 percent in August.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 39.1 percent in August. Collections of \$23.4 million include \$7.3 million attributable to the motor vehicle license fee increase.

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 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	Change	
Motor Fuel Taxes	\$897,500	23.64	\$75,907	\$78,880	(3.8)	\$79,906	\$80,405	(0.6)	4.4
Priority Transportation Fund	20,000	0.53	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	637,300	16.78	56,761	59,304	(4.3)	107,851	111,120	(2.9)	1.4
State Sales and Use Tax	536,000	14.12	42,318	42,055	0.6	90,341	87,202	3.6	3.6
Motor Vehicle License Fees	262,900	6.93	23,420	16,834	39.1	43,640	31,158	40.1	55.2
International Registration Plan	64,500	1.70	17,243	5,798	197.4	20,992	9,465	121.8	19.5
Interest Earnings	52,600	1.38	32	0	-	53	45	17.8	(2.5)
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,248	1,010	23.6	2,241	1,937	15.7	32.9
Total State Taxes and Fees (a)	\$2,487,200	65.51	\$216,929	\$203,881	6.4	\$345,024	\$321,332	7.4	7.4

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

(a) Certain Fiscal Year 2007 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

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 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$777,400	20.48	\$66,575	\$69,240	(3.8)	\$69,745	\$68,469	1.9	4.8
Motor Vehicle Sales and Use Tax	393,900	10.37	34,866	36,644	(4.9)	66,106	68,453	(3.4)	1.0
Motor Vehicle License Fees	241,300	6.36	21,587	14,724	46.6	40,066	27,229	47.1	62.8
International Registration Plan	64,500	1.70	17,243	5,798	197.4	20,992	9,465	121.8	19.5
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,248	1,010	23.6	2,241	1,937	15.7	32.9
Total State Taxes and Fees	\$1,493,500	39.34	\$141,519	\$127,416	11.1	\$199,150	\$175,553	13.4	11.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,535	\$2,488	1.9	\$3,140	\$3,658	(14.2)	(100.0)
Miscellaneous Revenues (a)	16,937	0.45	1,294	831	55.7	2,809	2,957	(5.0)	0.1
Transfer (to) / from Transportation Trust Fund	262,570	6.91	0	0	-	100,000	100,000	0.0	13.6
Total Highway Maintenance and Operating Fund	\$1,773,007	46.70	\$145,348	\$130,735	11.2	\$305,099	\$282,168	8.1	9.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,100	3.16	\$9,332	\$9,640	(3.2)	\$10,161	\$11,936	(14.9)	1.8
Priority Transportation Fund	20,000	0.53	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	243,400	6.41	21,895	22,660	(3.4)	41,745	42,667	(2.2)	2.0
State Sales and Use Tax	536,000	14.12	42,318	42,055	0.6	90,341	87,202	3.6	3.6
Motor Vehicle License Fees	21,600	0.57	1,833	2,110	(13.1)	3,574	3,929	(9.0)	1.7
Interest Earnings	52,600	1.38	32	0	-	53	45	17.8	(2.5)
Total State Taxes and Fees	\$993,700	26.17	\$75,410	\$76,465	(1.4)	\$145,874	\$145,779	0.1	2.5
Other Revenues:									
Federal Grants and Contracts	\$1,100,568	28.98	\$82,828	\$60,601	36.7	\$169,109	\$117,687	43.7	77.9
Receipts from Cities/Counties (a)	78,428	2.07	8,736	3,642	139.9	16,034	5,241	205.9	86.4
Toll Revenues (Includes Route 28)	100,598	2.65	8,988	7,351	22.3	16,649	13,724	21.3	(3.0)
Miscellaneous Revenues	12,854	0.34	1,128	2,712	(58.4)	2,598	3,743	(30.6)	(40.4)
Total Other Revenues	\$1,292,448	34.04	\$101,680	\$74,306	36.8	\$204,390	\$140,395	45.6	64.5
Transfer (to) / from Highway Maintenance and Operating Fund	(\$262,570)	(6.91)	\$0	\$0	-	(\$100,000)	(\$100,000)	0.0	(13.6)
Total Transportation Trust Fund	\$2,023,578	53.30	\$177,090	\$150,771	17.5	\$250,264	\$186,174	34.4	32.8
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,796,585	100.00	\$322,438	\$281,506	14.5	\$555,363	\$468,342	18.6	20.6

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

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast in FY 2007. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues". In order to provide comparable data, the Fiscal Year 2007 monthly and year-to-date amounts were likewise reclassified.