

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT August 2009

Summary

Commonwealth Transportation Fund (CTF) revenues declined by 4.0 percent in August. Most of August's weakness was due to declines in motor vehicle sales tax collections and retail sales tax collections.

Motor Fuels Tax

Motor fuels tax collections declined by 1.4 percent in August and are down 11.7 percent on a year-to-date basis.

The monthly average U.S. regular-grade gasoline retail price is expected to fall from \$2.62 per gallon in August and September to an average of \$2.56 per gallon over the fourth quarter of 2009. Higher crude oil prices next year contribute to an increase in the annual average gasoline retail price from \$2.34 per gallon in 2009 to \$2.70 in 2010. Projected annual average diesel fuel retail prices are \$2.47 and \$2.88 per gallon in 2009 and 2010, respectively.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 5.9 percent in August, the first decline of less than ten percent in fifteen months. Annual growth is down 8.0 percent.

Nationally, the cash for clunkers program helped drive motor vehicle sales up to 14 million units (SAAR) in August, its highest pace in more than a year. Sales increased by 1% compared with August 2008. Unadjusted sales exceeded 1 million units for the first time since last August. About 700,000 consumers took advantage of the program of which about 60% would not have occurred without the program. Since the program was so successful, it expired far sooner than the November 1 deadline established when the program was extended from \$1 billion to \$3 billion by Congress.

Given that consumer finances and labor market conditions have not improved, the success and expiration of the program mean that sales, which would have taken place later this year or next year, were moved up and sales will fall off during coming quarters. Motor vehicle sales are expected to recede to a pace of 10.5 million units (SAAR) during the fourth quarter and will reach only 11.4 million units in 2010.

State Retail Sales Tax

The transportation portion of the state retail sales tax declined by 5.6 percent in August.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 2.7 percent in August.

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 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Motor Fuel Taxes	\$828,600	25.53	\$72,954	\$74,013	(1.4)	\$72,919	\$82,583	(11.7)	(1.3)
Priority Transportation Fund (PTF)	149,100	4.59	4,841	3,922	23.4	7,346	7,682	(4.4)	(2.1)
Motor Vehicle Sales and Use Tax	401,100	12.36	41,482	44,089	(5.9)	82,484	89,649	(8.0)	(9.3)
State Sales and Use Tax	478,400	14.74	41,041	43,498	(5.6)	84,287	89,811	(6.2)	(4.2)
Motor Vehicle License Fees	241,900	7.45	20,185	20,750	(2.7)	39,752	43,517	(8.7)	0.1
International Registration Plan	59,000	1.81	1,547	2,759	(43.9)	8,410	8,298	1.3	0.3
Recordation Tax	33,500	1.04	2,943	3,456	(14.8)	7,064	7,299	(3.2)	(6.2)
Interest Earnings	41,200	1.26	68	31	119.4	68	48	41.7	48.5
Misc. Taxes, Fees, and Revenues	13,200	0.40	950	1,183	(19.7)	1,924	2,244	(14.3)	2.1
Total State Taxes and Fees	\$2,246,000	69.18	\$186,011	\$193,701	(4.0)	\$304,254	\$331,131	(8.1)	(2.8)

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 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$714,800	22.02	\$63,532	\$62,888	1.0	\$63,328	\$70,513	(10.2)	(1.1)
Motor Vehicle Sales and Use Tax	241,100	7.43	25,143	26,715	(5.9)	50,152	54,562	(8.1)	(10.6)
Motor Vehicle License Fees	221,000	6.81	18,401	18,916	(2.7)	36,234	39,672	(8.7)	0.4
International Registration Plan	59,000	1.81	1,547	2,759	(43.9)	8,410	8,298	1.3	0.3
Recordation Tax (1 cent)	11,200	0.35	981	1,152	(14.8)	2,355	2,433	(3.2)	(5.9)
Misc. Taxes, Fees, and Revenues	13,200	0.40	950	1,183	(19.7)	1,924	2,244	(14.3)	2.1
Total State Taxes and Fees	\$1,260,300	38.82	\$110,554	\$113,613	(2.7)	\$162,403	\$177,722	(8.6)	(2.8)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$56	\$2,148	(97.4)	\$1,938	\$6,088	(68.2)	(100.0)
Miscellaneous Revenues	10,543	0.33	774	2,247	(65.6)	1,791	2,929	(38.9)	(23.8)
Transfer (to) / from Transportation Trust Fund	523,898	16.14	0	0	-	50,000	100,000	(50.0)	43.6
Total Highway Maintenance and Operating Fund	\$1,794,741	55.29	\$111,384	\$118,008	(5.6)	\$216,132	\$286,739	(24.6)	5.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,800	3.51	\$9,422	\$11,125	(15.3)	\$9,591	\$12,070	(20.5)	(2.6)
PTF Motor Fuels	20,000	0.62	0	0	-	0	2,000	(100.0)	0.0
PTF Insurance Premiums Tax	129,100	3.97	4,841	3,922	23.4	7,346	5,682	29.3	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	160,000	4.93	16,339	17,374	(6.0)	32,332	35,087	(7.9)	(7.3)
State Sales and Use Tax	478,400	14.74	41,041	43,498	(5.6)	84,287	89,811	(6.2)	(4.2)
Motor Vehicle License Fees	20,900	0.64	1,784	1,834	(2.7)	3,518	3,845	(8.5)	(3.2)
Recordation Tax (2 cents)	22,300	0.69	1,962	2,304	(14.8)	4,709	4,866	(3.2)	(6.3)
Interest Earnings	41,200	1.26	68	31	119.4	68	48	41.7	48.5
Total State Taxes and Fees	\$985,700	30.36	\$75,457	\$80,088	(5.8)	\$141,851	\$153,409	(7.5)	(2.8)
Other Revenues:									
Federal Grants and Contracts	\$812,448	25.03	\$55,773	\$84,592	(34.1)	\$127,218	\$146,647	(13.2)	3.0
Receipts from Cities/Counties	109,510	3.37	1,805	14,620	(87.7)	5,617	21,031	(73.3)	133.9
Toll Revenues (Includes Route 28) (a)	52,309	1.61	1,593	6,248	(74.5)	3,560	12,682	(71.9)	(32.9)
Miscellaneous Revenues	15,436	0.48	3,035	2,221	36.7	4,398	3,479	26.4	(15.8)
Total Other Revenues	\$989,703	30.49	\$62,206	\$107,681	(42.2)	\$140,793	\$183,839	(23.4)	6.2
Transfer (to) / from Highway Maintenance and Operating Fund	(\$523,898)	(16.14)	\$0	\$0	-	(\$50,000)	(\$100,000)	50.0	(43.6)
Total Transportation Trust Fund	\$1,451,505	44.71	\$137,663	\$187,769	(26.7)	\$232,644	\$237,248	(1.9)	(8.2)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,246,246	100.00	\$249,047	\$305,777	(18.6)	\$448,776	\$523,987	(14.4)	(0.9)

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

(a) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.