

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT August 2010

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 0.6 percent in August. Year-to-date, collections are down 2.3 percent. The decline in annual receipts can be attributed to the retention of \$27.7 million of the transportation portion of the state sales and use tax in the general fund in June through the accelerated sales tax program (AST). These funds are designated to be returned to the Transportation Trust Fund. Adjusted for the AST program, year-to-date CTF revenues are up 6.8 percent.

Motor Fuels Tax

Due to the early remittance of some motor fuels tax receipts in July, August collections fell by 11.3 percent. However, on a year-to-date basis, collections are up 10.0 percent.

Projected regular-grade gasoline retail prices rise from an average \$2.35 per gallon in 2009 to an average \$2.72 per gallon in 2010 and \$2.90 per gallon in 2011. Forecast regular-grade pump prices average \$2.76 per gallon this summer, an increase of 33 cents from last summer. On-highway diesel fuel retail prices, which averaged \$2.46 per gallon in 2009, average \$2.93 per gallon in 2010 and \$3.10 in 2011 in this forecast. Refining margins, which have been at their lowest levels since 2003, are projected to average about \$2 per barrel higher next year because of growing global product demand and shutdowns of excess global refining capacity..

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 8.3 percent in August.

Vehicle sales have been holding fairly steady in recent months. Fleet sales have been the main driving force of sales this year as large rental companies have been replacing their aging fleets, taking advantage of high used-car prices.

Meanwhile, the recovery has been too weak to enable consumers to step back into the vehicle market. Employment growth is flagging, unemployment remains very high, consumer confidence is weak, house prices continue to fall, and equity prices have fallen. These constraints to vehicle buying are being further compounded by curtailed access to vehicle loans for all but prime borrowers and by rising vehicle prices. Therefore, the factors that drive new retail vehicle sales are not favorable and are not expected to

become favorable in coming months. Trade-in values are high, however, making new vehicles slightly more affordable.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.6 percent in August. The \$27.7 million of TTF sales tax revenues deposited in the general fund have been designated for return to the TTF. Adjusted for the AST program, year-to-date sales tax collections have increased by 1.8 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 6.4 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 2010 and 2011
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$841,300	25.45	\$64,674	\$72,954	(11.3)	\$80,197	\$72,919	10.0	1.3
Priority Transportation Fund (PTF)	148,200	4.49	6,568	4,841	35.7	9,992	7,346	36.0	(0.6)
Motor Vehicle Sales and Use Tax	448,700	13.57	44,924	41,482	8.3	90,154	82,484	9.3	(5.3)
State Sales and Use Tax	488,600	14.78	41,307	41,041	0.6	58,085	84,287	(31.1)	(0.4)
Motor Vehicle License Fees	242,500	7.33	21,476	20,185	6.4	42,542	39,752	7.0	5.3
International Registration Plan	60,300	1.82	4,002	1,547	158.7	8,597	8,410	2.2	0.9
Recordation Tax	33,500	1.01	3,032	2,943	3.0	5,499	7,064	(22.2)	(4.8)
Interest Earnings	30,600	0.93	80	68	17.6	85	68	25.0	33.3
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,034	950	8.8	2,226	1,924	15.7	(0.4)
Total State Taxes and Fees	\$2,306,400	69.76	\$187,097	\$186,011	0.6	\$297,377	\$304,254	(2.3)	0.1

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 2010 and 2011
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$726,800	21.99	\$53,069	\$63,532	(16.5)	\$67,256	\$63,328	6.2	1.6
Motor Vehicle Sales and Use Tax	272,700	8.25	27,517	25,143	9.4	55,400	50,152	10.5	(5.8)
Motor Vehicle License Fees	221,300	6.69	19,586	18,401	6.4	38,886	36,234	7.3	5.7
International Registration Plan	60,300	1.82	4,002	1,547	158.7	8,597	8,410	2.2	0.9
Recordation Tax (1 cent)	11,200	0.34	1,011	981	3.1	1,833	2,355	(22.2)	(4.5)
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,034	950	8.8	2,226	1,924	15.7	(0.4)
Total State Taxes and Fees	\$1,305,000	39.47	\$106,219	\$110,554	(3.9)	\$174,198	\$162,403	7.3	0.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,182	\$56	#	\$3,801	\$1,938	96.1	(100.0)
Miscellaneous Revenues	16,191	0.49	691	774	(10.7)	1,171	1,791	(34.6)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.46	0	0	-	0	50,000	(100.0)	0.7
Total Highway Maintenance and Operating Fund	\$1,832,189	55.42	\$109,092	\$111,384	(2.1)	\$179,170	\$216,132	(17.1)	(0.4)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,500	3.46	\$11,605	\$9,422	23.2	\$12,941	\$9,591	34.9	(0.5)
PTF Motor Fuels	20,000	0.61	0	0	-	0	0	-	0.0
PTF Insurance Premiums Tax	128,200	3.88	6,568	4,841	35.7	9,992	7,346	36.0	(0.7)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	176,000	5.32	17,407	16,339	6.5	34,754	32,332	7.5	(4.5)
State Sales and Use Tax	488,600	14.78	41,307	41,041	0.6	58,085	84,287	(31.1)	(0.4)
Motor Vehicle License Fees	21,200	0.64	1,890	1,784	5.9	3,656	3,518	3.9	2.2
Recordation Tax (2 cents)	22,300	0.67	2,021	1,962	3.0	3,666	4,709	(22.1)	(4.9)
Interest Earnings	30,600	0.93	80	68	17.6	85	68	25.0	33.3
Total State Taxes and Fees	\$1,001,400	30.29	\$80,878	\$75,457	7.2	\$123,179	\$141,851	(13.2)	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$881,334	26.66	\$77,300	\$55,773	38.6	\$168,907	\$127,218	32.8	6.9
Receipts from Cities/Counties	59,007	1.78	5,283	1,805	192.7	8,070	5,617	43.7	28.0
Toll Revenues (Includes Route 28)	30,035	0.91	879	1,593	(44.8)	3,068	3,560	(13.8)	(32.4)
Miscellaneous Revenues	13,089	0.40	6,873	3,035	126.5	8,807	4,398	100.3	(55.8)
Total Other Revenues	\$983,465	29.75	\$90,335	\$62,206	45.2	\$188,852	\$140,793	34.1	4.2
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.46)	\$0	\$0	-	\$0	(\$50,000)	100.0	(0.7)
Total Transportation Trust Fund	\$1,473,867	44.58	\$171,213	\$137,663	24.4	\$312,031	\$232,644	34.1	2.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,306,056	100.00	\$280,305	\$249,047	12.6	\$491,201	\$448,776	9.5	0.7

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