

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

August 2011

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 9.6 percent in August. This month's solid performance can be attributed to strong growth in motor fuel taxes and motor vehicle sales tax collections.

Motor Fuels Tax

Motor fuel taxes increased by 15.9 percent; however, last August a substantial portion of the month's receipts were collected in July. Year-to-date, collections have declined by 2.3 percent.

Regular-grade gasoline retail prices fell by 40 cents per gallon from their peak this year of \$3.97 per gallon on May 9 to \$3.57 per gallon on June 27 following a decline in crude oil prices. Gasoline retail prices stabilized in July and August with weekly retail prices averaging between \$3.58 per gallon and \$3.71 per gallon, but are projected to fall to an average \$3.47 per gallon in the fourth quarter 2011 after refiners switch production from summer-grade gasoline to lower-cost winter-grade gasoline.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 15.4 percent in August, bringing annual growth to 10.8 percent.

Vehicle sales rebounded in July as the constraints on vehicle production of supply chain disruptions following the Japanese tsunami and nuclear disasters faded. However, the seasonally adjusted annualized pace of 12.2 million units is still below the 13 million unit average during the first four months of the year, reflecting the weak pace of recovery in the U.S. economy.

The continued recovery of vehicle sales will depend on whether the labor market and income growth strengthen during the second half of the year. Several forward indicators such as durable goods orders and the purchasing managers' index put into question the near-term strength of the U.S. economy. Consumer confidence is also very low, though plans for new-vehicle purchases as reported by the Conference Board have edged higher in recent months.

State Retail Sales Tax

The transportation portion of the state retail sales tax declined by 1.1 percent in August. Year-to-date growth is up 8.5 percent mainly due to cash flow changes resulting from a modification to the AST program.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 2.0 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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
Motor Fuel Taxes	\$866,800	24.11	\$74,974	\$64,674	15.9	\$78,356	\$80,197	(2.3)	2.7
Priority Transportation Fund (PTF)	156,000	4.34	4,942	6,568	(24.8)	7,024	9,992	(29.7)	3.8
Motor Vehicle Sales and Use Tax	531,100	14.77	51,823	44,924	15.4	99,914	90,154	10.8	(0.2)
State Sales and Use Tax	501,600	13.96	40,836	41,307	(1.1)	63,019	58,085	8.5	5.1
Motor Vehicle License Fees	237,400	6.60	21,908	21,476	2.0	42,931	42,542	0.9	(0.2)
International Registration Plan	63,200	1.76	6,072	4,002	51.7	8,754	8,597	1.8	3.5
Recordation Tax	34,600	0.96	3,352	3,032	10.6	6,271	5,499	14.0	(1.1)
Interest Earnings	27,800	0.77	0	80	(100.0)	10	85	(88.2)	52.2
Misc. Taxes, Fees, and Revenues	12,900	0.36	1,219	1,034	17.9	2,194	2,226	(1.4)	0.1
Total State Taxes and Fees	\$2,431,400	67.63	\$205,126	\$187,097	9.6	\$308,473	\$297,377	3.7	2.6

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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$749,900	20.86	\$65,082	\$53,069	22.6	\$68,554	\$67,256	1.9	3.2
Motor Vehicle Sales and Use Tax	325,400	9.05	31,735	27,517	15.3	61,053	55,400	10.2	0.2
Motor Vehicle License Fees	216,100	6.01	19,957	19,586	1.9	39,111	38,886	0.6	(0.3)
International Registration Plan	63,200	1.76	6,072	4,002	51.7	8,754	8,597	1.8	3.5
Recordation Tax (1 cent)	11,500	0.32	1,117	1,011	10.5	2,090	1,833	14.0	(1.4)
Misc. Taxes, Fees, and Revenues	12,900	0.36	1,219	1,034	17.9	2,194	2,226	(1.4)	0.1
Total State Taxes and Fees	\$1,379,000	38.36	\$125,182	\$106,219	17.9	\$181,756	\$174,198	4.3	1.9
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,928	\$2,182	80.0	\$5,056	\$3,801	33.0	(100.0)
Miscellaneous Revenues	11,479	0.32	1,497	691	116.6	3,109	1,171	165.5	(24.2)
Transfer (to) / from Transportation Trust Fund	447,767	12.45	0	0	-	0	0	-	(3.3)
Total Highway Maintenance and Operating Fund	\$1,838,246	51.13	\$130,607	\$109,092	19.7	\$189,921	\$179,170	6.0	(0.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$116,900	3.25	\$9,892	\$11,605	(14.8)	\$9,802	\$12,941	(24.3)	(0.6)
PTF Motor Fuels	20,000	0.56	0	0	-	0	0	-	0.0
PTF Insurance Premiums Tax	136,000	3.78	4,942	6,568	(24.8)	7,024	9,992	(29.7)	4.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	205,700	5.72	20,088	17,407	15.4	38,861	34,754	11.8	(0.8)
State Sales and Use Tax	501,600	13.96	40,836	41,307	(1.1)	63,019	58,085	8.5	5.1
Motor Vehicle License Fees	21,300	0.59	1,951	1,890	3.2	3,820	3,656	4.5	0.4
Recordation Tax (2 cents)	23,100	0.64	2,235	2,021	10.6	4,181	3,666	14.0	(1.0)
Interest Earnings	27,800	0.77	0	80	(100.0)	10	85	(88.2)	52.2
Total State Taxes and Fees	\$1,052,400	29.27	\$79,944	\$80,878	(1.2)	\$126,717	\$123,179	2.9	3.6
Other Revenues:									
Federal Grants and Contracts	\$1,006,822	28.00	\$111,326	\$77,300	44.0	\$182,075	\$168,907	7.8	12.5
Receipts from Cities/Counties	102,383	2.85	3,357	5,283	(36.5)	8,119	8,070	0.6	135.2
Toll Revenues (Includes Route 28)	28,949	0.80	1,580	879	79.7	1,580	3,068	(48.5)	43.7
Miscellaneous Revenues	14,219	0.40	3,515	6,873	(48.9)	7,971	8,807	(9.5)	(74.0)
Total Other Revenues	\$1,152,373	32.05	\$119,778	\$90,335	32.6	\$199,745	\$188,852	5.8	13.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$447,767)	(12.45)	\$0	\$0	-	\$0	\$0	-	3.3
Total Transportation Trust Fund	\$1,757,006	48.87	\$199,722	\$171,213	16.7	\$326,462	\$312,031	4.6	12.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,595,252	100.00	\$330,329	\$280,305	17.8	\$516,383	\$491,201	5.1	5.2

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