

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT August 2015

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 10.4 percent in August, mainly due to strong motor fuels taxes and motor vehicle sales tax collections.

Motor Fuels Tax

Motor fuels tax collections increased by 24.2 percent this month. Year-to-date collections are up 39.3 percent.

U.S. regular gasoline monthly retail prices averaged \$2.64/gallon (gal) in August, a decrease of 16 cents/gal from August and 85 cents/gal lower than in August 2014. Monthly gasoline prices are expected to decline from the August level to an average of \$2.11/gal during the fourth quarter of 2015. U.S. regular gasoline retail prices are estimated to average \$2.38/gal in 2016.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 8.1 percent in August, and are up 8.6 percent for the year.

Rising employment and wages for households in the income bracket needed to purchase vehicles provided the backbone for the strong sales report. In addition, summer deals did perform their purpose. Such enticements as low interest rate financing and long loan terms, and favorable lease deals benefited sales. Notably, leases are expiring on many of the vehicles leased earlier in the recovery. Consumers are now turning these vehicles in for new ones

One factor that has underpinned the strong increase in light trucks has been the low price of gasoline; prices have been falling during the past two months after firming some earlier in the year. This has definitely spurred higher sales of light trucks, which reached their highest pace since the early 2000s in August.

Vehicle sales are expected to average about 17 million units this year. Sales will recede next year as pent-up demand is satisfied. The pace of sales exceeds somewhat that

which would be consistent with underlying consumer fundamentals: 16 million to 16.5 million units..

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.1 percent in August.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 7.0 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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
Motor Fuel Taxes	\$850,200	18.90	\$73,611	\$59,246	24.2	\$84,497	\$60,644	39.3	17.7
Priority Transportation Fund (PTF)	150,346	3.34	3,922	3,394	15.6	7,370	6,600	11.7	0.0
Motor Vehicle Sales and Use Tax	875,600	19.47	81,633	75,503	8.1	168,198	154,914	8.6	(1.7)
State Sales and Use Tax	1,007,300	22.39	78,883	77,227	2.1	117,485	140,120	(16.2)	1.3
Motor Vehicle License Fees	244,600	5.44	21,700	20,276	7.0	44,854	42,252	6.2	(0.2)
International Registration Plan	60,400	1.34	4,376	3,734	17.2	9,864	9,039	9.1	(8.5)
Recordation Tax	37,900	0.84	3,681	3,541	4.0	7,995	7,296	9.6	(9.8)
Interest Earnings	14,800	0.33	20	7	185.7	20	7	185.7	96.5
Misc. Taxes, Fees, and Revenues	15,700	0.35	1,684	1,218	38.3	3,041	3,042	0.0	(14.3)
Total State Taxes and Fees	\$3,256,846	72.40	\$269,510	\$244,146	10.4	\$443,324	\$423,914	4.6	3.8

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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$679,100	15.10	\$60,276	\$49,190	22.5	\$68,872	\$48,501	42.0	18.2
Motor Vehicle Sales and Use Tax	628,300	13.97	57,696	53,166	8.5	120,476	110,821	8.7	(1.6)
State Sales and Use Tax	281,700	6.26	21,871	21,305	2.7	33,091	41,594	(20.4)	1.4
Motor Vehicle License Fees	222,700	4.95	19,792	18,483	7.1	40,960	38,433	6.6	(0.3)
International Registration Plan	60,400	1.34	4,376	3,734	17.2	9,864	9,039	9.1	(8.5)
Recordation Tax (1 cent)	12,700	0.28	1,227	1,180	4.0	2,665	2,432	9.6	(9.3)
Misc. Taxes, Fees, and Revenues	15,700	0.35	1,684	1,218	38.3	3,041	3,042	0.0	(14.3)
Total State Taxes and Fees	\$1,900,600	42.25	\$166,922	\$148,276	12.6	\$278,969	\$253,862	9.9	4.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,259	\$2,078	105.0	\$6,759	\$4,539	48.9	(100.0)
Miscellaneous Revenues	14,595	0.32	4,375	2,590	68.9	5,363	3,534	51.8	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.72	0	0	-	0	0	-	(25.6)
Total Highway Maintenance and Operating Fund	\$2,037,684	45.29	\$175,556	\$152,944	14.8	\$291,091	\$261,935	11.1	0.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$171,100	3.80	\$13,335	\$10,056	32.6	\$15,625	\$12,143	28.7	15.6
PTF Insurance Premiums Tax	150,346	3.34	3,922	3,394	15.6	7,370	6,600	11.7	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	247,300	5.50	23,937	22,337	7.2	47,722	44,093	8.2	(1.8)
State Sales and Use Tax	725,600	16.13	57,012	55,922	1.9	84,394	98,526	(14.3)	1.2
Motor Vehicle License Fees	21,900	0.49	1,908	1,793	6.4	3,894	3,819	2.0	0.5
Recordation Tax (2 cents)	25,200	0.56	2,454	2,361	3.9	5,330	4,864	9.6	(10.0)
Interest Earnings	14,800	0.33	20	7	185.7	20	7	185.7	96.5
Total State Taxes and Fees	\$1,356,246	30.15	\$102,588	\$95,870	7.0	\$164,355	\$170,052	(3.4)	2.4
Other Revenues:									
Federal Grants and Contracts	\$968,328	21.52	\$80,898	\$98,067	(17.5)	\$461,281	\$435,199	6.0	(23.9)
Receipts from Cities/Counties	237,187	5.27	5,964	13,497	(55.8)	8,665	16,395	(47.1)	79.4
Toll Revenues (Includes Route 28)	16,045	0.36	956	910	5.1	1,836	1,793	2.4	(12.1)
Miscellaneous Revenues	5,832	0.13	2,438	2,457	(0.8)	3,207	3,655	(12.3)	(79.4)
Total Other Revenues	\$1,227,392	27.28	\$90,256	\$114,931	(21.5)	\$474,989	\$457,042	3.9	(15.4)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.72)	\$0	\$0	-	\$0	\$0	-	25.6
Total Transportation Trust Fund	\$2,461,149	54.71	\$192,844	\$210,801	(8.5)	\$639,344	\$627,094	2.0	(5.7)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,498,833	100.00	\$368,400	\$363,745	1.3	\$930,435	\$889,029	4.7	(3.2)

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