

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT August 2019

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 5.5 percent in August due to solid retail and motor vehicle sales tax collections.

Motor Fuels Tax

Motor fuels taxes increased by 6.3 percent in August

Brent crude oil spot prices averaged \$64 per barrel (b) in July, almost unchanged from the average in June 2019 but \$10/b lower than the price in July of last year. EIA forecasts Brent spot prices will average \$64/b in the second half of 2019 and \$65/b in 2020. The forecast of stable crude oil prices is the result of EIA's expectations of a relatively balanced global oil market. EIA forecasts global oil inventories will increase by 0.1 million barrels per day (b/d) in 2019 and 0.3 million b/d in 2020.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 4.0 percent in August.

Steady new-vehicle sales numbers have been the status quo this summer. June, July and August sales rates have been reminiscent of the consistent numbers posted in 2017 and 2018 rather than the peaks and valleys experienced in the beginning of 2019. Above-average consumer sentiment, lower interest rates, and a strong labor market have kept U.S. demand for vehicles slightly above expectations over the past quarter. Still, wealth effect impacts from a volatile stock market and slowing growth in home valuations have made it difficult to reach the levels achieved in previous years. Additionally, new-car prices continue to rise at a pace faster than inflation, putting the cost of many vehicles outside consumers' price points.

A decrease in sales from their current levels can be expected as the fall and winter months approach. The U.S. economy is not immune to the slowdown taking place in large economies across the world, including Europe, Mexico, China and Australia. As these economies slow, this will further hurt an already-limping export industry. Furthermore, the U.S. consumer, who has kept economic growth in the U.S. the envy of the world over the past year, will begin losing steam as fiscal stimulus from the previous tax cut gives way to less impactful monetary stimulus from rate cuts.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 8.0 percent in August.

Motor Vehicle Licenses

Motor vehicle registration fee collections fell by 1.5 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 2019 and 2020
(Dollars in Thousands)

Revenue	FY 2020 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Estimate
			FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	
Motor Fuel Taxes	\$934,100	17.29	\$78,752	\$74,078	6.3	\$144,767	\$115,980	24.8	9.0
Priority Transportation Fund (PTF)	183,558	3.40	10,268	11,067	(7.2)	16,538	16,160	2.3	8.8
Motor Vehicle Sales and Use Tax	964,800	17.86	96,565	92,831	4.0	194,989	183,559	6.2	(5.5)
State Sales and Use Tax	1,115,500	20.65	96,027	88,878	8.0	139,776	134,694	3.8	2.5
Motor Vehicle License Fees	297,900	5.51	23,131	23,494	(1.5)	49,722	47,399	4.9	12.0
International Registration Plan	65,000	1.20	4,635	2,737	69.3	12,100	9,418	28.5	(10.5)
Recordation Tax	43,500	0.81	5,062	4,311	17.4	10,381	8,832	17.5	(7.7)
Interest Earnings	4,000	0.07	82	104	(21.2)	82	104	(21.2)	(75.6)
Misc. Taxes, Fees, and Revenues	17,900	0.33	1,165	1,633	(28.7)	2,363	3,365	(29.8)	(5.7)
Total State Taxes and Fees	\$3,626,258	67.12	\$315,687	\$299,133	5.5	\$570,718	\$519,511	9.9	2.0

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 2019 and 2020
(Dollars in Thousands)

Revenue	FY 2020 Estimate	As a % of Total Fund	August			Year-To-Date			% Annual Growth Required By Est
			FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$732,900	13.57	\$70,157	\$59,668	17.6	\$125,908	\$97,536	29.1	6.7
Motor Vehicle Sales and Use Tax	692,200	12.81	67,926	68,039	(0.2)	141,438	134,473	5.2	(5.8)
State Sales and Use Tax	312,700	5.79	26,805	24,758	8.3	39,411	37,951	3.8	3.7
Motor Vehicle License Fees	239,000	4.42	21,020	20,812	1.0	44,542	42,716	4.3	(1.9)
International Registration Plan	65,000	1.20	4,635	2,737	69.3	12,100	9,418	28.5	(10.5)
Misc. Taxes, Fees, and Revenues	17,900	0.33	1,165	1,633	(28.7)	2,363	3,365	(29.8)	(5.7)
Total State Taxes and Fees	\$2,059,700	38.12	\$191,708	\$177,647	7.9	\$365,762	\$325,459	12.4	0.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,287	\$2,920	(21.7)	\$3,526	\$4,681	(24.7)	(100.0)
Miscellaneous Revenues	366,960	6.79	100,459	146,508	(31.4)	349,626	238,024	46.9	18.1
Transfer (to) / from Transportation Trust Fund	178,826	3.32	0	0	-	0	0	-	(1.4)
Total Highway Maintenance and Operating Fund	\$2,605,486	48.23	\$294,454	\$327,075	(10.0)	\$718,914	\$568,164	26.5	0.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$201,200	3.72	\$8,595	\$14,410	(40.4)	\$18,859	\$18,444	2.3	18.3
PTF Insurance Premiums Tax	183,558	3.40	10,268	11,067	(7.2)	16,538	16,160	2.3	8.8
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	272,600	5.05	28,639	24,792	15.5	53,551	49,086	9.1	(4.7)
State Sales and Use Tax	802,800	14.86	69,222	64,120	8.0	100,365	96,743	3.7	2.1
Motor Vehicle License Fees	58,900	1.09	2,111	2,682	(21.3)	5,180	4,683	10.6	161.7
Recordation Tax	43,500	0.81	5,062	4,311	17.4	10,381	8,832	17.5	(7.7)
Interest Earnings	4,000	0.07	82	104	(21.2)	82	104	(21.2)	(75.6)
Total State Taxes and Fees	\$1,566,558	29.00	\$123,979	\$121,486	2.1	\$204,956	\$194,052	5.6	4.6
Other Revenues:									
Federal Grants and Contracts	\$1,175,378	21.76	\$108,087	\$270,627	(60.1)	\$518,913	\$396,856	30.8	3.6
Receipts from Cities/Counties	170,551	3.16	32,338	24,640	31.2	55,424	22,133	150.4	(43.4)
Toll Revenues (Includes Route 28)	57,645	1.06	3,071	3,218	(4.6)	6,103	6,062	0.7	24.0
Miscellaneous Revenues	5,910	0.11	47,880	114,425	(58.2)	68,027	115,403	(41.1)	(98.7)
Total Other Revenues	\$1,409,484	26.09	\$191,376	\$412,910	(53.7)	\$648,467	\$540,454	20.0	(27.2)
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$178,826)	(3.32)	\$0	\$0	-	\$0	\$0	-	1.4
Total Transportation Trust Fund	\$2,797,216	51.77	\$315,355	\$534,396	(41.0)	\$853,423	\$734,506	16.2	(13.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$5,402,702	100.00	\$609,809	\$861,471	(29.2)	\$1,572,337	\$1,302,670	20.7	(7.4)

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