

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT December 2013

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 18.3 percent in December. On a year-to-date basis, collections are up 14.4 percent. Adjusting for the new revenue streams from HB2313 (2013) and the new taxing regime for motor fuels, total collections increased by 7.3 percent in December and are up 3.4 percent for the year.

### Motor Fuels Tax

Motor fuel taxes fell by 16.4 percent in December and are down 18.4 percent for the fiscal year.

After falling to the lowest monthly average of 2013 in November, U.S. regular gasoline retail prices increased slightly to reach an average of \$3.28 per gallon (gal) during December. The annual average regular gasoline retail price, which was \$3.51/gal in 2013, is expected to fall to \$3.46/gal in 2014 and \$3.39/gal in 2015.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 40.0 percent in December and are up 32.9 percent for the year. Adjusting for the July 1 increase in the motor vehicle sales tax rate and excluding the rental taxes, motor vehicle sales tax collections increased by 5.2 percent this month and are up 3.7 percent annually.

The fundamentals indicate the auto industry will continue to improve, as job growth is accelerating, access to credit for less than prime consumers has broadened, consumer confidence is generally rising, and the wealth effect has kicked in thanks to rising equity and house prices. In addition, pent-up demand continues to power sales as consumers replace their decade-old vehicles. Sales are expected to strengthen further as the economy gains momentum in 2014 and 2015. Sales will reach 16.7 million units in 2014 and 16.6 million in 2015.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 59.5 percent in December, due to the 0.3 percent increase in the state retail sales tax and the increased amount of general fund sales tax collections being deposited into the Highway Maintenance Fund as stipulated by HB2313 (2013). Adjusting for HB2313, sales tax collections were up 0.4 percent for the month and 1.9 percent for the year.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 20.0 percent in December.

**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 2013 and 2014**  
**(Dollars in Thousands)**

Revenue	FY 2014 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
Motor Fuel Taxes (b)	\$607,500	15.24	\$57,141	\$68,332	(16.4)	\$302,505	\$370,698	(18.4)	(27.8)
Priority Transportation Fund (PTF) (b)	130,800	3.28	13,188	17,442	(24.4)	130,769	130,064	0.5	0.6
Motor Vehicle Sales and Use Tax	859,200	21.55	61,741	44,089	40.0	401,670	302,250	32.9	38.0
State Sales and Use Tax (a)	837,800	21.01	71,578	44,878	59.5	389,957	249,574	56.2	60.8
Motor Vehicle License Fees	250,700	6.29	17,435	14,524	20.0	119,137	117,866	1.1	2.1
International Registration Plan	62,300	1.56	7,028	2,455	186.3	24,371	21,223	14.8	0.9
Recordation Tax	45,500	1.15	3,049	3,923	(22.3)	20,457	22,333	(8.4)	(1.8)
Interest Earnings	13,100	0.33	64	25	156.0	1,963	2,637	(25.6)	41.1
Misc. Taxes, Fees, and Revenues	16,100	0.40	1,307	936	39.6	8,271	6,330	30.7	8.7
<b>Total State Taxes and Fees</b>	<b>\$2,823,000</b>	<b>70.81</b>	<b>\$232,531</b>	<b>\$196,604</b>	<b>18.3</b>	<b>\$1,399,100</b>	<b>\$1,222,975</b>	<b>14.4</b>	<b>13.2</b>

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

(a) New revenue streams for State Sales and Use Tax are included in the Fiscal Year 2014 Highway Maintenance and Operating Fund Revenue Forecast. As there were no collections for state sales and use tax recorded in the Highway Maintenance and Operating Fund during Fiscal Year 2013, a comparison between Fiscal Years 2013 and 2014 may not be appropriate. Refer to the "State Sales and Use Tax" line item on page 5 for the detailed information pertaining to the "State Sales and Use Tax" line item.

(b) Certain Fiscal Year 2013 monthly and year-to-date amounts have been reclassified. Refer to (b) on page 5 for additional information.

**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 2013 and 2014**  
**(Dollars in Thousands)**

Revenue	FY 2014 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Est
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$485,100	12.17	\$45,946	\$55,448	(17.1)	\$243,048	\$311,917	(22.1)	(31.3)
Motor Vehicle Sales and Use Tax	611,700	15.34	43,865	28,268	55.2	284,376	187,166	51.9	57.9
State Sales and Use Tax (a)	199,500	5.00	16,993	0	-	88,153	0	-	-
Motor Vehicle License Fees	228,800	5.74	15,974	13,335	19.8	108,857	107,539	1.2	2.2
International Registration Plan	62,300	1.56	7,028	2,455	186.3	24,371	21,223	14.8	0.9
Recordation Tax (1 cent)	15,000	0.39	1,016	1,308	(22.3)	6,828	7,444	(8.3)	(2.9)
Misc. Taxes, Fees, and Revenues	16,100	0.40	1,307	936	39.6	8,271	6,330	30.7	8.7
<b>Total State Taxes and Fees</b>	<b>\$1,618,500</b>	<b>40.60</b>	<b>\$132,129</b>	<b>\$101,750</b>	<b>29.9</b>	<b>\$763,904</b>	<b>\$641,619</b>	<b>19.1</b>	<b>14.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$2,611	\$1,033	152.8	\$14,935	\$12,849	16.2	(100.0)
Miscellaneous Revenues	18,658	0.47	1,620	952	70.2	8,722	7,732	12.8	11.5
Transfer (to) / from Transportation Trust Fund	313,942	7.87	90,000	80,000	12.5	190,000	170,000	11.8	(10.4)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,951,100</b>	<b>48.94</b>	<b>\$226,360</b>	<b>\$183,735</b>	<b>23.2</b>	<b>\$977,561</b>	<b>\$832,200</b>	<b>17.5</b>	<b>8.3</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes) (b)	\$122,400	3.07	\$11,195	\$12,884	(13.1)	\$59,457	\$58,781	1.2	(9.5)
PTF Insurance Premiums Tax	130,800	3.28	13,188	17,442	(24.4)	130,769	130,064	0.5	0.6
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	247,500	6.21	17,876	15,821	13.0	117,294	115,084	1.9	5.2
State Sales and Use Tax	638,300	16.01	54,585	44,878	21.6	301,804	249,574	20.9	22.5
Motor Vehicle License Fees	21,900	0.55	1,461	1,189	22.9	10,280	10,327	(0.5)	1.1
Recordation Tax (2 cents)	30,500	0.76	2,033	2,615	(22.3)	13,629	14,889	(8.5)	(1.3)
Interest Earnings	13,100	0.33	64	25	156.0	1,963	2,637	(25.6)	41.1
<b>Total State Taxes and Fees</b>	<b>\$1,204,500</b>	<b>30.21</b>	<b>\$100,402</b>	<b>\$94,854</b>	<b>5.8</b>	<b>\$635,196</b>	<b>\$581,356</b>	<b>9.3</b>	<b>11.2</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$929,928	23.33	\$60,737	\$93,378	(35.0)	\$809,156	\$824,434	(1.9)	(28.8)
Receipts from Cities/Counties	178,614	4.48	3,390	5,247	(35.4)	45,770	40,139	14.0	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	864	762	13.4	6,129	5,790	5.9	(5.0)
Miscellaneous Revenues	19,854	0.49	1,299	4,020	(67.7)	12,219	34,697	(64.8)	(57.6)
<b>Total Other Revenues</b>	<b>\$1,145,164</b>	<b>28.72</b>	<b>\$66,290</b>	<b>\$103,407</b>	<b>(35.9)</b>	<b>\$873,274</b>	<b>\$905,060</b>	<b>(3.5)</b>	<b>(19.9)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$313,942)	(7.87)	(\$90,000)	(\$80,000)	(12.5)	(\$190,000)	(\$170,000)	(11.8)	10.4
<b>Total Transportation Trust Fund</b>	<b>\$2,035,722</b>	<b>51.06</b>	<b>\$76,692</b>	<b>\$118,261</b>	<b>(35.2)</b>	<b>\$1,318,470</b>	<b>\$1,316,416</b>	<b>0.2</b>	<b>(5.8)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,986,822</b>	<b>100.00</b>	<b>\$303,052</b>	<b>\$301,996</b>	<b>0.3</b>	<b>\$2,296,031</b>	<b>\$2,148,616</b>	<b>6.9</b>	<b>0.6</b>

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

(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)." In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.