

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT December 2015

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 5.6 percent in December, mainly due to strong motor fuels tax and motor vehicle sales tax collections. Year-to-date growth stands at 9.5 percent.

### Motor Fuels Tax

Motor fuels tax collections increased by 23.9 percent this month. Year-to-date collections are up 37.3 percent.

The U.S. retail regular gasoline price is forecast to average \$1.98/gallon (gal) in 2016 and \$2.21/gal in 2017, compared with \$2.43/gal in 2015. In January, the average retail regular gasoline price was \$1.95/gal, a decrease of 9 cents/gal from December and the first time monthly gasoline prices averaged below \$2/gal since March 2009. The monthly average retail price of U.S. regular gasoline is expected to reach a seven-year low of \$1.82/gal in February 2016, before rising during the spring.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 16.1 percent in December, and are up 9.2 percent for the year.

Low gasoline prices boosted light trucks sales over cars in 2015, in contrast to the trends established in 2014. At that time, consumers were purchasing plenty of highly fuel-efficient vehicles, especially as skittish dealers worked to ensure continued sales with generous incentives. The lower gasoline prices served almost as a tax cut, providing households with more disposable income to spend on any type of vehicle. But in 2015 as gasoline prices hit substantial new lows, the move toward light trucks accelerated.

The current pace of sales cannot be sustained since it well exceeds the pace consistent with the expanding driving-age population, income growth, and household wealth. Yet there is sufficient pent-up demand to keep the party going for a little while longer. Pent-up demand—the result of the deep recession and slow recovery—is estimated at 2

million to 3 million. Purchasing a motor vehicle is still out of reach for many households, but improving household conditions are moving the mark closer.

This year will mark the peak of auto sales. Through 2018, sales will slowly ease off and reach 16.5 million units, the trend pace. Oil prices, which have been so important in driving sales of light trucks higher this year, will begin to climb next year, but the WTI price will remain well below the \$100 per barrel mark reached early in the decade. With prices not expected to exceed \$80 per barrel again this decade, consumers will continue to flock to light trucks.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.3 percent in December.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 12.2 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 2015 and 2016**  
**(Dollars in Thousands)**

Revenue	FY 2016 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
<b>Motor Fuel Taxes</b>	\$883,500	19.17	\$73,086	\$58,969	23.9	\$382,308	\$278,495	37.3	22.3
<b>Priority Transportation Fund (PTF)</b>	150,346	3.26	16,527	29,202	(43.4)	150,346	150,397	0.0	0.0
<b>Motor Vehicle Sales and Use Tax</b>	931,700	20.21	81,990	70,596	16.1	480,828	440,128	9.2	4.6
<b>State Sales and Use Tax</b>	1,015,200	22.03	78,510	78,253	0.3	449,343	458,556	(2.0)	2.0
<b>Motor Vehicle License Fees</b>	244,400	5.30	19,216	17,124	12.2	123,059	116,293	5.8	(0.3)
<b>International Registration Plan</b>	66,400	1.44	6,076	6,713	(9.5)	27,290	26,603	2.6	0.6
<b>Recordation Tax</b>	44,600	0.97	3,981	3,502	13.7	22,503	20,395	10.3	6.2
<b>Interest Earnings</b>	13,600	0.30	19	36	(47.2)	859	1,635	(47.5)	80.5
<b>Misc. Taxes, Fees, and Revenues</b>	17,000	0.37	1,369	1,457	(6.0)	7,526	8,928	(15.7)	(7.2)
<b>Total State Taxes and Fees</b>	<b>\$3,366,746</b>	<b>73.05</b>	<b>\$280,774</b>	<b>\$265,852</b>	<b>5.6</b>	<b>\$1,644,062</b>	<b>\$1,501,430</b>	<b>9.5</b>	<b>7.3</b>

# 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	December			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$705,900	15.32	\$58,178	\$45,285	28.5	\$306,052	\$218,937	39.8	22.9
Motor Vehicle Sales and Use Tax	669,000	14.51	64,723	52,575	23.1	348,538	315,311	10.5	4.8
State Sales and Use Tax	282,800	6.14	21,708	21,737	(0.1)	124,568	129,677	(3.9)	1.8
Motor Vehicle License Fees	222,700	4.83	18,099	15,558	16.3	112,781	105,822	6.6	(0.3)
International Registration Plan	66,400	1.44	6,076	6,713	(9.5)	27,290	26,603	2.6	0.6
Recordation Tax (1 cent)	14,900	0.32	1,327	1,167	13.7	7,501	6,798	10.3	6.4
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,369	1,457	(6.0)	7,526	8,928	(15.7)	(7.2)
<b>Total State Taxes and Fees</b>	<b>\$1,978,700</b>	<b>42.93</b>	<b>\$171,480</b>	<b>\$144,492</b>	<b>18.7</b>	<b>\$934,256</b>	<b>\$812,076</b>	<b>15.0</b>	<b>9.2</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$2,588	\$4,222	(38.7)	\$17,100	\$15,837	8.0	(100.0)
Miscellaneous Revenues	14,595	0.32	1,730	1,422	21.7	11,068	9,197	20.3	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.66	(3,300)	30,000	(111.0)	(3,300)	30,000	(111.0)	(25.6)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$2,115,784</b>	<b>45.91</b>	<b>\$172,498</b>	<b>\$180,136</b>	<b>(4.2)</b>	<b>\$959,124</b>	<b>\$867,110</b>	<b>10.6</b>	<b>3.8</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$177,600	3.85	\$14,908	\$13,684	8.9	\$76,256	\$59,558	28.0	20.0
PTF Insurance Premiums Tax	150,346	3.26	16,527	29,202	(43.4)	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	262,700	5.70	17,267	18,021	(4.2)	132,290	124,817	6.0	4.3
State Sales and Use Tax	732,400	15.89	56,802	56,516	0.5	324,775	328,879	(1.2)	2.2
Motor Vehicle License Fees	21,700	0.47	1,117	1,566	(28.7)	10,278	10,471	(1.8)	(0.4)
Recordation Tax (2 cents)	29,700	0.65	2,654	2,335	13.7	15,002	13,597	10.3	6.1
Interest Earnings	13,600	0.30	19	36	(47.2)	859	1,635	(47.5)	80.5
<b>Total State Taxes and Fees</b>	<b>\$1,388,046</b>	<b>30.12</b>	<b>\$109,294</b>	<b>\$121,360</b>	<b>(9.9)</b>	<b>\$709,806</b>	<b>\$689,354</b>	<b>3.0</b>	<b>4.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$968,328	21.01	\$54,595	\$64,759	(15.7)	\$791,356	\$812,676	(2.6)	(23.9)
Receipts from Cities/Counties	237,187	5.14	15,028	9,553	57.3	41,415	86,048	(51.9)	79.4
Toll Revenues (Includes Route 28)	16,045	0.35	969	826	17.3	6,337	6,163	2.8	(12.1)
Miscellaneous Revenues	5,832	0.13	1,419	3,132	(54.7)	12,889	10,333	24.7	(79.4)
<b>Total Other Revenues</b>	<b>\$1,227,392</b>	<b>26.63</b>	<b>\$72,011</b>	<b>\$78,270</b>	<b>(8.0)</b>	<b>\$851,997</b>	<b>\$915,220</b>	<b>(6.9)</b>	<b>(15.4)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.66)	\$3,300	(\$30,000)	111.0	\$3,300	(\$30,000)	111.0	25.6
<b>Total Transportation Trust Fund</b>	<b>\$2,492,949</b>	<b>54.09</b>	<b>\$184,605</b>	<b>\$169,630</b>	<b>8.8</b>	<b>\$1,565,103</b>	<b>\$1,574,574</b>	<b>(0.6)</b>	<b>(4.5)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$4,608,733</b>	<b>100.00</b>	<b>\$357,103</b>	<b>\$349,766</b>	<b>2.1</b>	<b>\$2,524,227</b>	<b>\$2,441,684</b>	<b>3.4</b>	<b>(0.8)</b>

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