

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2003

### Summary

For the fourth consecutive month, Commonwealth Transportation Fund collections declined. February receipts fell 2.1 percent. Most of the decline was due to the continuing slump in auto sales and an unexpected decline in vehicle registrations. Through two-thirds of the fiscal year, growth is down 0.3 percent, considerably behind the official forecast of 3.7 percent growth.

### Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections were again practically flat in February, increasing by 0.7 percent. Annual collections are up 1.8 percent, lagging the official forecast by 1.3 percentage points. The continuing uncertainty over Iraq resulted in a surge in fuel prices thereby shrinking demand. Average gasoline prices are up close to 47 percent over last year's levels. In February, the price for a gallon of self-serve regular is approaching the all-time highest price in Virginia of 1.61 per gallon reached in May 2001.

### Motor Vehicle Sales and Use Tax

Collections in this source fell 7.5 percent in February. Year-to-date collections are down 0.5 percent, well behind the 4.5 percent growth expected in the official forecast. Sales of new vehicles have dropped 2.7 percent while sales of used vehicles have fallen 4.5 percent. Since September, sales of new and used vehicles have fallen 11.4 percent and 9.0 percent, respectively. A variety of factors constrain sales including the weak labor market, declining consumer confidence, a flat economy, weakening consumer credit, and spent-up demand for vehicles. These constraints are exacerbated by the current uncertainty regarding the probable confrontation with Iraq, which has also figured in sharply rising gasoline prices.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.7 percent in February. Collections in this source are down 5.1 percent in fiscal year 2003 as the July TTF retail sales tax were retained in the general fund in June.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined for the second consecutive month in February. Motor vehicle license receipts decreased by 11.1 percent in February and are up 6.6 percent for the year. Over the past four months, total registrations have declined by 4.8 percent. This period coincides with the slump in car sales and the implementation of reduced hours at the Department of Motor Vehicles.

**Commonwealth of Virginia/Department of Accounts**  
**Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues**  
**Summary Statement of Revenue Estimates & Collections**  
**For the Fiscal Years 2002 and 2003**  
**(Dollars in Thousands)**

Revenue	FY 2003 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
Motor Fuel Taxes	\$819,100	28.96	\$65,520	\$65,080	0.7	\$480,972	\$472,539	1.8	3.1
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax	556,300	19.67	35,897	38,812	(7.5)	347,278	349,142	(0.5)	4.5
State Sales and Use Tax	381,100	13.47	27,681	26,949	2.7	249,611	263,071	(5.1)	(1.8)
Motor Vehicle License Fees	175,300	6.19	10,692	12,027	(11.1)	99,690	93,523	6.6	20.8
International Registration Plan	61,300	2.17	4,083	3,870	5.5	25,847	32,254	(19.9)	3.5
Interest Earnings	12,400	0.44	0	0	-	10,527	8,456	24.5	(11.6)
Misc. Taxes, Fees, and Revenues	23,600	0.84	1,227	1,500	(18.2)	15,719	15,016	4.7	3.5
<b>Total State Taxes and Fees</b>	<b>\$2,049,100</b>	<b>72.45</b>	<b>\$147,100</b>	<b>\$150,238</b>	<b>(2.1)</b>	<b>\$1,241,644</b>	<b>\$1,246,001</b>	<b>(0.3)</b>	<b>3.7</b>

# Percentage is greater than 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 2002 and 2003  
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Revenue	FY 2003 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$699,200	24.72	\$55,721	\$55,505	0.4	\$409,920	\$402,153	1.9	3.4
Motor Vehicle Sales and Use Tax	357,600	12.64	22,859	24,854	(8.0)	222,913	225,069	(1.0)	4.6
Motor Vehicle License Fees	151,100	5.34	9,281	10,431	(11.0)	87,588	81,406	7.6	20.1
International Registration Plan	61,300	2.17	4,083	3,870	5.5	25,847	32,254	(19.9)	3.5
Misc. Taxes, Fees, and Revenues	23,600	0.84	1,227	1,500	(18.2)	15,719	15,016	4.7	3.5
<b>Total State Taxes and Fees</b>	<b>\$1,292,800</b>	<b>45.71</b>	<b>\$93,171</b>	<b>\$96,160</b>	<b>(3.1)</b>	<b>\$761,987</b>	<b>\$755,898</b>	<b>0.8</b>	<b>5.4</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$971	\$2,654	(63.4)	\$9,703	\$10,058	(3.5)	(100.0)
Transfer (to) / from Transportation Trust Fund	147,200	5.21	0	0	-	102,271	0	-	#
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,440,000</b>	<b>50.92</b>	<b>\$94,142</b>	<b>\$98,814</b>	<b>(4.7)</b>	<b>\$873,961</b>	<b>\$765,956</b>	<b>14.1</b>	<b>17.3</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$119,900	4.24	\$9,799	\$9,575	2.3	\$71,052	\$70,386	0.9	1.8
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	198,700	7.03	13,038	13,958	(6.6)	124,365	124,073	0.2	4.5
State Sales and Use Tax	381,100	13.47	27,681	26,949	2.7	249,611	263,071	(5.1)	(1.8)
Motor Vehicle License Fees	24,200	0.85	1,411	1,596	(11.6)	12,102	12,117	(0.1)	25.6
Interest Earnings	12,400	0.44	0	0	-	10,527	8,456	24.5	(11.6)
<b>Total State Taxes and Fees</b>	<b>\$756,300</b>	<b>26.74</b>	<b>\$53,929</b>	<b>\$54,078</b>	<b>(0.3)</b>	<b>\$479,657</b>	<b>\$490,103</b>	<b>(2.1)</b>	<b>0.9</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$669,400	23.67	\$41,633	\$62,481	(33.4)	\$444,424	\$673,652	(34.0)	(29.4)
Receipts from Cities/Counties	37,500	1.33	2,971	1,241	139.4	21,679	25,367	(14.5)	10.4
Toll Revenues (Includes Route 28)	72,200	2.55	3,207	4,620	(30.6)	38,187	44,923	(15.0)	14.5
Miscellaneous Revenues	0	0.00	2,222	510	335.7	11,825	9,349	26.5	(100.0)
<b>Total Other Revenues</b>	<b>\$779,100</b>	<b>27.55</b>	<b>\$50,033</b>	<b>\$68,852</b>	<b>(27.3)</b>	<b>\$516,115</b>	<b>\$753,291</b>	<b>(31.5)</b>	<b>(26.7)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$147,200)	(5.21)	\$0	\$0	-	(\$102,271)	\$0	-	#
<b>Total Transportation Trust Fund</b>	<b>\$1,388,200</b>	<b>49.08</b>	<b>\$103,962</b>	<b>\$122,930</b>	<b>(15.4)</b>	<b>\$893,501</b>	<b>\$1,243,394</b>	<b>(28.1)</b>	<b>(24.0)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$2,828,200</b>	<b>100.00</b>	<b>\$198,104</b>	<b>\$221,744</b>	<b>(10.7)</b>	<b>\$1,767,462</b>	<b>\$2,009,350</b>	<b>(12.0)</b>	<b>(7.4)</b>

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