

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2005

Summary

Revenue collections were solid in February, increasing by 6.0 percent. February's growth was driven by retail sales tax collections and the motor fuels tax. On a year-to-date basis, growth is up 3.2 percent, slightly ahead of the forecast of 2.8 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 3.5 percent in February. Annual collections through the first eight months of fiscal year 2005 are up 1.8 percent, ahead of the 1.5 percent official forecast.

Petroleum markets have been supported by strong demand growth and given that there are few signs of slowing economic growth demand growth for crude oil will remain robust. Prices have also been supported by fears of supply disruptions as the Middle East, where most petroleum reserves are located, remains volatile.

Motor Vehicle Sales and Use Tax

Vehicle sales were flat in February mainly due to the comparison with a 21.4 percent growth rate posted last February. Collections in this source have increased by 0.8 percent for the year, slightly lagging the official estimate of 2.7 percent growth.

Vehicle sales are expected to fall to their lowest pace since 1999. This expectation is based on the impact of slowly rising interest rates, high gas prices (which affect disposable income), spent-up demand as sales have exceeded underlying trend for several years, and higher vehicle prices. These factors should slightly offset the boosts to demand from the strengthening labor market in terms of both job and income growth, the introduction of new vehicles and strong underlying demographics.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 12.0 percent in February. Collections in this source are up 7.8 percent in fiscal year 2005.

Motor Vehicle Licenses

Motor Vehicle Registrations fell by 2.4 percent in February. Collections of \$12.1 million were lower than the \$12.4 million collected last February. Motor vehicle license receipts are down 2.1 percent for the year.

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 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$858,900	27.96	\$72,686	\$70,257	3.5	\$508,828	\$499,663	1.8	1.5
Priority Transportation Fund	20,000	0.65	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax	620,300	20.19	43,398	43,574	(0.4)	396,790	393,690	0.8	2.7
State Sales and Use Tax	437,600	14.24	33,619	30,027	12.0	290,675	269,730	7.8	5.4
Motor Vehicle License Fees	165,700	5.40	12,092	12,391	(2.4)	101,426	103,566	(2.1)	1.8
International Registration Plan	57,400	1.87	6,093	3,622	68.2	28,349	24,598	15.2	5.6
Interest Earnings	15,300	0.50	1	0	-	7,754	7,232	7.2	43.4
Misc. Taxes, Fees, and Revenues	19,600	0.64	3,489	1,742	100.3	20,635	13,989	47.5	(8.3)
Total State Taxes and Fees	\$2,194,800	71.45	\$173,378	\$163,613	6.0	\$1,366,457	\$1,324,468	3.2	2.8

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 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$737,300	24.00	\$62,923	\$61,578	2.2	\$439,767	\$430,312	2.2	1.3
Motor Vehicle Sales and Use Tax	398,500	12.97	27,886	28,006	(0.4)	255,471	253,542	0.8	2.5
Motor Vehicle License Fees	144,800	4.72	10,556	10,781	(2.1)	88,785	90,588	(2.0)	1.8
International Registration Plan	57,400	1.87	6,093	3,622	68.2	28,349	24,598	15.2	5.6
Misc. Taxes, Fees, and Revenues	19,600	0.64	3,489	1,742	100.3	20,635	13,989	47.5	(8.3)
Total State Taxes and Fees	\$1,357,600	44.20	\$110,947	\$105,729	4.9	\$833,007	\$813,029	2.5	1.7
Other Revenues:									
Federal Grants and Contracts	0	0.00	1,695	1,279	32.5	13,010	8,825	47.4	(100.0)
Transfer (to) / from Transportation Trust Fund									
	244,600	7.96	0	0	0.0	194,977	56,902	242.7	329.9
Total Highway Maintenance and Operating Fund	\$1,602,200	52.16	\$112,642	\$107,008	5.3	\$1,040,994	\$878,756	18.5	14.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$121,600	3.96	\$9,763	\$8,679	12.5	\$69,061	\$69,351	(0.4)	2.9
Priority Transportation Fund	20,000	0.65	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	221,800	7.22	15,512	15,568	(0.4)	141,319	140,148	0.8	3.0
State Sales and Use Tax	437,600	14.24	33,619	30,027	12.0	290,675	269,730	7.8	5.4
Motor Vehicle License Fees	20,900	0.68	1,536	1,610	(4.6)	12,641	12,978	(2.6)	1.9
Interest Earnings	15,300	0.50	1	0	-	7,754	7,232	7.2	43.4
Total State Taxes and Fees	\$837,200	27.25	\$62,431	\$57,884	7.9	\$533,450	\$511,439	4.3	4.7
Other Revenues:									
Federal Grants and Contracts	\$764,800	24.90	\$20,961	\$33,309	(37.1)	\$284,170	\$472,135	(39.8)	19.7
Receipts from Cities/Counties	43,700	1.42	(2,787)	1,297	(314.9)	34,655	24,240	43.0	37.9
Toll Revenues (Includes Route 28)	63,000	2.05	10,053	3,826	162.8	62,541	41,202	51.8	(15.5)
Miscellaneous Revenues	5,500	0.18	3,329	2,635	26.3	23,051	12,035	91.5	(70.0)
Total Other Revenues	\$877,000	28.55	\$31,556	\$41,067	(23.2)	\$404,417	\$549,612	(26.4)	14.8
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$244,600)	(7.96)	\$0	\$0	0.0	(\$194,977)	(\$56,902)	(242.7)	(329.9)
Total Transportation Trust Fund	\$1,469,600	47.84	\$93,987	\$98,951	(5.0)	\$742,890	\$1,004,149	(26.0)	(2.5)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,071,800	100.00	\$206,629	\$205,959	0.3	\$1,783,884	\$1,882,905	(5.3)	5.5

Percentage is greater than 1,000%.