

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2006

Summary

Revenue collections slowed in February, increasing by 1.2 percent. February's growth was driven by retail sales tax collections. On a year-to-date basis, growth is up 4.2 percent, ahead of the forecast of 2.3 percent growth.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 1.1 percent in February. Annual collections through the first eight months of fiscal year 2006 are up 2.6 percent, ahead of the 0.4 percent decline expected in the official forecast.

Oil markets generally have two dominant seasons: the heating season during the fall and winter months, and the driving season during the spring and summer months. It is expected that the national average retail price of regular gasoline will rise above \$2.50 per gallon this driving season, about 30 cents a gallon higher than last year's driving season. As people begin to take their vacations and weekend trips during the spring and summer, gasoline demand inevitably increases. And, as demand rises, prices usually follow as well which should constrain consumption.

Motor Vehicle Sales and Use Tax (including Rental Tax)

Vehicle sales slowed in February, increasing by 1.2 percent. Collections in this source have increased by 4.2 percent for the year, slightly ahead of the official estimate of 3.5 percent growth.

The February pace of national vehicle sales was slightly below the pace for all of calendar year 2005, of 16.9 million units. However, weaker sales are expected for this year due to rising interest rates. Interest rates on auto loans have been climbing since early 2004 when they bottomed out at about 5% for a 48-month loan; they are currently running at about 6.3%.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 13.6 percent in February. Collections in this source are up 7.1 percent in fiscal year 2006.

Motor Vehicle Licenses

Motor Vehicle Registrations increased by 3.3 percent in February. Collections of \$12.5 million were slightly higher than the \$12.1 million collected last February. Motor vehicle license receipts are up 5.6 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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$73,478	\$72,686	1.1	\$521,923	\$508,828	2.6	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	43,902	43,398	1.2	413,375	396,790	4.2	3.5
State Sales and Use Tax	474,900	13.79	38,200	33,619	13.6	311,289	290,675	7.1	5.6
Motor Vehicle License Fees	169,200	4.91	12,496	12,092	3.3	107,139	101,426	5.6	2.9
International Registration Plan	58,600	1.70	2,440	6,093	(60.0)	21,726	28,349	(23.4)	(3.5)
Interest Earnings	25,700	0.75	12	1	#	14,231	7,754	83.5	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,954	3,489	(15.3)	22,364	20,635	8.4	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$175,482	\$173,378	1.2	\$1,424,047	\$1,366,457	4.2	2.3

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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$64,109	\$62,923	1.9	\$453,724	\$439,767	3.2	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	27,222	27,886	(2.4)	255,612	255,471	0.1	(0.2)
Motor Vehicle License Fees	147,900	4.29	10,894	10,556	3.2	93,830	88,785	5.7	2.8
International Registration Plan	58,600	1.70	2,440	6,093	(60.0)	21,726	28,349	(23.4)	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,954	3,489	(15.3)	22,364	20,635	8.4	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$107,619	\$110,947	(3.0)	\$847,256	\$833,007	1.7	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,057	\$1,695	(37.6)	\$21,786	\$13,010	67.5	(100.0)
Transfer (to) / from Transportation Trust Fund	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$108,676	\$112,642	(3.5)	\$1,055,241	\$1,040,994	1.4	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,300	3.49	\$9,369	\$9,763	(4.0)	\$68,199	\$69,061	(1.2)	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	12,000	12,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	241,400	7.01	16,680	15,512	7.5	157,763	141,319	11.6	10.1
State Sales and Use Tax	474,900	13.79	38,200	33,619	13.6	311,289	290,675	7.1	5.6
Motor Vehicle License Fees	21,300	0.62	1,602	1,536	4.3	13,309	12,641	5.3	3.5
Interest Earnings	25,700	0.75	12	1	#	14,231	7,754	83.5	45.7
Total State Taxes and Fees	\$903,600	26.24	\$67,863	\$62,431	8.7	\$576,791	\$533,450	8.1	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$29,926	\$20,961	42.8	\$315,550	\$284,170	11.0	121.8
Receipts from Cities/Counties	70,400	2.04	1,511	(2,787)	154.2	33,166	34,655	(4.3)	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	8,915	10,053	(11.3)	73,619	62,541	17.7	(20.5)
Miscellaneous Revenues	20,200	0.59	1,317	3,329	(60.4)	11,041	23,051	(52.1)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$41,669	\$31,556	32.0	\$433,376	\$404,417	7.2	91.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$109,532	\$93,987	16.5	\$823,968	\$742,890	10.9	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,444,100	100.00	\$218,208	\$206,629	5.6	\$1,879,209	\$1,783,884	5.3	20.7

Percentage is greater than 1,000%.