

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2010

### Summary

Commonwealth Transportation Fund revenues increased by 1.4 percent in February. Year-to-date collections are down 2.3 percent, slightly ahead of the forecast of a 3.0 percent decline.

### Motor Fuels Tax

Motor fuels tax collections increased by 1.7 percent this month and are down 1.3 percent on a year-to-date basis, close to the 1.8 percent decline required in the official forecast.

Monthly average regular-grade gasoline prices averaged \$2.35 per gallon in 2009, increasing from \$1.79 per gallon in February 2009 to \$2.61 per gallon in December. Gasoline prices are expected to average \$2.84 per gallon in 2010 and \$2.97 per gallon in 2011. Average regular-grade pump prices may top \$3 per gallon at times during the upcoming spring. On-highway diesel fuel retail prices, which averaged \$2.46 per gallon in 2009, average \$2.95 per gallon in 2010 and \$3.16 in 2011 in this forecast. As with motor gasoline, the expected recovery in the consumption of diesel fuel in the United States, as well as growth in distillate fuel usage outside the United States, strengthens refining margins for distillate throughout the forecast period.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 9.2 percent in February. Annual growth is up 1.6 percent, well ahead of the forecast of a 5.0 percent decline.

National vehicle sales at the start of 2010 remained about the same as those at the end of 2009, reflecting the strains on consumer and business spending. Although sales have increased from the depths to which they sunk a year ago, the economy has not improved enough to loosen consumers' purse strings, and credit availability is still tight.

Sales were slightly off from where they were at the end of 2009 in part due to the conclusion of year-end sales incentives, but also due to the shock to the vehicle market of the suspension of sales of popular Toyota models. The sales suspension occurred at the end of the month, and it is likely that consumers who would have considered buying a Toyota would not have been able to find other brand vehicles despite General Motors' wooing of Toyota owners with a \$1,000 incentive. The impact of quality concerns about Toyota vehicles will likely result in more of a shift to different brands in February. Toyota will work mightily to try to repair its reputation, but it has its work cut out for it.

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### State Retail Sales Tax

The TTF portion of the state retail sales tax fell by 4.1 percent in February. The decline of 3.8 percent in year-to-date collections is slightly ahead of the official forecast of a 4.2 percent decline.

### Motor Vehicle Licenses

Motor vehicle registration fee collections fell by 15.7 percent in February as winter storms disrupted foot traffic at DMV locations.

**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 2009 and 2010**  
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Motor Fuel Taxes	\$824,000	25.21	\$68,846	\$67,709	1.7	\$494,586	\$501,326	(1.3)	(1.8)
Priority Transportation Fund (PTF)	149,100	4.56	2,000	2,000	0.0	141,102	144,286	(2.2)	(2.1)
Motor Vehicle Sales and Use Tax	420,100	12.86	29,738	27,242	9.2	297,462	292,772	1.6	(5.0)
State Sales and Use Tax	478,300	14.64	34,422	35,903	(4.1)	331,223	344,435	(3.8)	(4.2)
Motor Vehicle License Fees	239,900	7.34	17,240	20,455	(15.7)	142,645	151,616	(5.9)	(0.7)
International Registration Plan	58,600	1.79	6,410	1,781	259.9	32,448	27,117	19.7	(0.4)
Recordation Tax	33,500	1.02	1,877	2,853	(34.2)	23,311	22,599	3.2	(6.2)
Interest Earnings	23,900	0.73	0	203	(100.0)	6,294	19,112	(67.1)	(13.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	917	1,001	(8.4)	7,994	8,482	(5.8)	(1.8)
<b>Total State Taxes and Fees</b>	<b>\$2,240,100</b>	<b>68.54</b>	<b>\$161,450</b>	<b>\$159,147</b>	<b>1.4</b>	<b>\$1,477,065</b>	<b>\$1,511,745</b>	<b>(2.3)</b>	<b>(3.0)</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 2009 and 2010**  
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$710,800	21.75	\$59,919	\$58,588	2.3	\$424,976	\$430,504	(1.3)	(1.6)
Motor Vehicle Sales and Use Tax	253,200	7.75	18,096	16,993	6.5	179,906	178,248	0.9	(6.1)
Motor Vehicle License Fees	218,700	6.69	15,697	18,639	(15.8)	129,752	137,992	(6.0)	(0.6)
International Registration Plan	58,600	1.79	6,410	1,781	259.9	32,448	27,117	19.7	(0.4)
Recordation Tax (1 cent)	11,200	0.34	626	951	(34.2)	7,770	7,533	3.1	(5.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	917	1,001	(8.4)	7,994	8,482	(5.8)	(1.8)
<b>Total State Taxes and Fees</b>	<b>\$1,265,200</b>	<b>38.71</b>	<b>\$101,665</b>	<b>\$97,953</b>	<b>3.8</b>	<b>\$782,846</b>	<b>\$789,876</b>	<b>(0.9)</b>	<b>(2.4)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$2,271	\$905	150.9	\$13,871	\$13,771	0.7	(100.0)
Miscellaneous Revenues	15,698	0.48	2,345	2,038	15.1	12,013	11,170	7.5	13.4
Transfer (to) / from Transportation Trust Fund	500,188	15.31	0	0	-	200,000	345,000	(42.0)	37.1
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,781,086</b>	<b>54.50</b>	<b>\$106,281</b>	<b>\$100,896</b>	<b>5.3</b>	<b>\$1,008,730</b>	<b>\$1,159,817</b>	<b>(13.0)</b>	<b>5.1</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,200	3.46	\$8,927	\$9,121	(2.1)	\$69,610	\$70,822	(1.7)	(3.1)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	12,000	12,000	0.0	0.0
PTF Insurance Premiums Tax	129,100	3.95	0	0	-	129,102	132,286	(2.4)	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	166,900	5.11	11,642	10,249	13.6	117,556	114,524	2.6	(3.3)
State Sales and Use Tax	478,300	14.64	34,422	35,903	(4.1)	331,223	344,435	(3.8)	(4.2)
Motor Vehicle License Fees	21,200	0.65	1,543	1,816	(15.0)	12,893	13,624	(5.4)	(1.9)
Recordation Tax (2 cents)	22,300	0.68	1,251	1,902	(34.2)	15,541	15,066	3.2	(6.3)
Interest Earnings	23,900	0.73	0	203	(100.0)	6,294	19,112	(67.1)	(13.9)
<b>Total State Taxes and Fees</b>	<b>\$974,900</b>	<b>29.83</b>	<b>\$59,785</b>	<b>\$61,194</b>	<b>(2.3)</b>	<b>\$694,219</b>	<b>\$721,869</b>	<b>(3.8)</b>	<b>(3.9)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$844,434	25.84	\$84,560	\$149,557	(43.5)	\$563,171	\$579,843	(2.9)	7.0
Receipts from Cities/Counties	96,900	2.97	2,805	1,409	99.1	35,331	30,704	15.1	107.0
Toll Revenues (Includes Route 28)	52,309	1.60	2,332	6,156	(62.1)	24,340	54,287	(55.2)	(32.9)
Miscellaneous Revenues	18,542	0.57	5,025	578	769.4	21,064	9,572	120.1	1.2
<b>Total Other Revenues</b>	<b>\$1,012,185</b>	<b>30.98</b>	<b>\$94,722</b>	<b>\$157,700</b>	<b>(39.9)</b>	<b>\$643,906</b>	<b>\$674,406</b>	<b>(4.5)</b>	<b>8.6</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$500,188)	(15.31)	\$0	\$0	-	(\$200,000)	(\$345,000)	42.0	(37.1)
<b>Total Transportation Trust Fund</b>	<b>\$1,486,897</b>	<b>45.50</b>	<b>\$154,507</b>	<b>\$218,894</b>	<b>(29.4)</b>	<b>\$1,138,125</b>	<b>\$1,051,275</b>	<b>8.3</b>	<b>(6.0)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,267,983</b>	<b>100.00</b>	<b>\$260,788</b>	<b>\$319,790</b>	<b>(18.5)</b>	<b>\$2,146,855</b>	<b>\$2,211,092</b>	<b>(2.9)</b>	<b>(0.3)</b>

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