

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2012

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 2.3 percent in February. February's collections were driven by solid growth in motor vehicle sales tax collections. On a year-to-date basis, collections are up 2.9 percent, slightly ahead of the annual estimate of 2.2 percent growth.

Motor Fuels Tax

Motor fuel taxes declined by 3.8 percent in February. Year-to-date, collections have declined by 1.5 percent.

Regular-grade motor gasoline retail prices are expected to average \$3.79 per gallon in 2012 and \$3.72 per gallon in 2013, compared with \$3.53 per gallon in 2011. During the April through September summer driving season this year, prices are forecast to average about \$3.92 per gallon with a peak monthly average price of \$3.96 per gallon in May.

The June 2012 New York Harbor Reformulated Blendstock for Oxygenate Blending (RBOB) futures contract averaged \$3.26 for the five trading days ending March 1. Based on the market value of futures and options contracts, there is a 39 percent probability that its price at expiration will exceed \$3.35 per gallon, consistent with a monthly average regular-grade gasoline retail price of roughly \$4.00 per gallon in June. The value of futures and options contracts imply a 2 percent probability that its price at expiration will exceed \$4.35 per gallon, consistent with a monthly average regular-grade gasoline retail price of approximately \$5.00 per gallon.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 12.9 percent in February, bringing annual growth to 9.1 percent.

Strong growth in U.S. vehicle sales reflects the release of pent-up demand, a slowly improving economy, some improvement in the access to credit, available inventory, the introduction of new models, and rising incentive spending.

Despite the still-weak labor market, with the average age of a vehicle now up to 11 years, consumers are increasingly in need of replacement vehicles. It has been trending higher for years. Many consumers have had the wherewithal to purchase new vehicles but were hesitant because of uncertainty about the economy. This hesitation seems to be abating.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 5.5 percent in February. Year-to-date growth is up 5.3 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 10.1 percent in February.

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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
Motor Fuel Taxes	\$832,900	23.23	\$71,318	\$74,136	(3.8)	\$501,368	\$508,897	(1.5)	(1.4)
Priority Transportation Fund (PTF)	157,300	4.39	2,000	2,000	0.0	149,297	142,327	4.9	4.6
Motor Vehicle Sales and Use Tax	554,600	15.47	44,401	39,338	12.9	372,802	341,569	9.1	4.2
State Sales and Use Tax	504,800	14.09	37,740	35,778	5.5	327,436	310,910	5.3	5.8
Motor Vehicle License Fees	239,200	6.67	20,637	18,737	10.1	150,708	151,466	(0.5)	0.6
International Registration Plan	62,000	1.72	4,829	7,576	(36.3)	32,775	35,110	(6.7)	1.6
Recordation Tax	38,400	1.07	2,728	2,139	27.5	24,810	23,065	7.6	9.8
Interest Earnings	19,400	0.54	66	0	-	8,140	9,234	(11.8)	6.2
Misc. Taxes, Fees, and Revenues	12,800	0.36	1,164	1,020	14.1	8,165	8,388	(2.7)	(0.7)
Total State Taxes and Fees	\$2,421,400	67.54	\$184,883	\$180,724	2.3	\$1,575,501	\$1,530,966	2.9	2.2

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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$718,000	20.03	\$62,523	\$64,677	(3.3)	\$433,228	\$438,361	(1.2)	(1.2)
Motor Vehicle Sales and Use Tax	340,900	9.51	29,933	24,324	23.1	231,003	206,857	11.7	4.9
Motor Vehicle License Fees	217,900	6.08	19,193	17,059	12.5	137,566	137,985	(0.3)	0.6
International Registration Plan	62,000	1.72	4,829	7,576	(36.3)	32,775	35,110	(6.7)	1.6
Recordation Tax (1 cent)	12,800	0.36	909	713	27.5	8,270	7,688	7.6	9.8
Misc. Taxes, Fees, and Revenues	12,800	0.36	1,164	1,020	14.1	8,165	8,388	(2.7)	(0.7)
Total State Taxes and Fees	\$1,364,400	38.06	\$118,551	\$115,369	2.8	\$851,007	\$834,389	2.0	0.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,180	\$1,529	108.0	\$17,024	\$13,421	26.8	(100.0)
Miscellaneous Revenues	11,479	0.32	966	952	1.5	13,729	6,639	106.8	(24.2)
Transfer (to) / from Transportation Trust Fund	447,767	12.49	0	0	-	200,680	166,940	20.2	(3.3)
Total Highway Maintenance and Operating Fund	\$1,823,646	50.87	\$122,697	\$117,850	4.1	\$1,082,440	\$1,021,389	6.0	(1.6)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,900	3.20	\$8,795	\$9,459	(7.0)	\$68,140	\$70,536	(3.4)	(2.3)
PTF Motor Fuels	20,000	0.56	2,000	2,000	0.0	12,000	12,000	0.0	0.0
PTF Insurance Premiums Tax	137,300	3.83	0	0	-	137,297	130,327	5.3	5.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	213,700	5.96	14,468	15,014	(3.6)	141,799	134,712	5.3	3.1
State Sales and Use Tax	504,800	14.09	37,740	35,778	5.5	327,436	310,910	5.3	5.8
Motor Vehicle License Fees	21,300	0.59	1,444	1,678	(13.9)	13,142	13,481	(2.5)	0.4
Recordation Tax (2 cents)	25,600	0.71	1,819	1,426	27.6	16,540	15,377	7.6	9.8
Interest Earnings	19,400	0.54	66	0	-	8,140	9,234	(11.8)	6.2
Total State Taxes and Fees	\$1,057,000	29.48	\$66,332	\$65,355	1.5	\$724,494	\$696,577	4.0	4.1
Other Revenues:									
Federal Grants and Contracts	\$1,006,822	28.08	\$77,714	\$50,594	53.6	\$627,956	\$592,307	6.0	12.5
Receipts from Cities/Counties	102,383	2.85	5,879	2,965	98.3	17,046	34,042	(49.9)	135.2
Toll Revenues (Includes Route 28)	28,949	0.81	888	1,350	(34.2)	7,772	10,126	(23.2)	43.7
Miscellaneous Revenues	14,219	0.40	2,629	7,922	(66.8)	17,370	48,983	(64.5)	(74.0)
Total Other Revenues	\$1,152,373	32.14	\$87,110	\$62,831	38.6	\$670,144	\$685,458	(2.2)	13.8
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$447,767)	(12.49)	\$0	\$0	-	(\$200,680)	(\$166,940)	(20.2)	3.3
Total Transportation Trust Fund	\$1,761,606	49.13	\$153,442	\$128,186	19.7	\$1,193,958	\$1,215,095	(1.7)	12.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,585,252	100.00	\$276,139	\$246,036	12.2	\$2,276,398	\$2,236,484	1.8	4.9

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