

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2013

Summary

Commonwealth Transportation Fund (CTF) revenues decreased by 1.2 percent in February. The only bright spots in the February report were solid growth in motor vehicle and retail sales tax collections.

Year-to-date collections are up 2.7 percent, slightly lagging the forecasted growth rate of 2.8 percent.

Motor Fuels Tax

Motor fuel taxes fell by 8.2 percent in February. Year-to-date, collections are down 0.7 percent.

The weekly U.S. average regular gasoline retail price fell in early March for the first time since mid-December. The March 11 average was \$3.71 per gallon, down \$0.07 per gallon from February 25. It is expected that lower crude oil prices will result in monthly average regular gasoline prices staying near the February average of \$3.67 per gallon over the next few months, with the annual average regular gasoline retail price declining from \$3.63 per gallon in 2012 to \$3.55 per gallon in 2013 and \$3.38 per gallon in 2014. Energy price forecasts are highly uncertain and the current values of futures and options contracts suggest that prices could differ significantly from this forecast.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.0 percent in February. Year-to-date, collections are up by 7.9 percent.

Vehicle sales proved resilient in February despite higher gasoline prices, concerns about the impact of government spending cuts, a still-sluggish job market and weak wage growth, and higher payroll taxes. Not only are consumers in dire need of replacement vehicles, but the resurgent housing market is also fueling demand for vehicles from construction contractors. This rising demand is evident in the double-digit year-over-year growth in light truck sales. Automakers are responding by increasing production. Although the sales pace is now running at roughly its long-term average, there is sufficient pent-up demand to push light vehicle sales up to about 17 million units on an annualized basis by the end of 2014.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 9.9 percent in February. Year-to-date growth is up 5.2 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections fell by 9.7 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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
Motor Fuel Taxes	\$838,100	22.27	\$65,465	\$71,318	(8.2)	\$497,865	\$501,368	(0.7)	0.6
Priority Transportation Fund (PTF)	150,100	3.99	0	2,000	(100.0)	140,064	149,297	(6.2)	(4.6)
Motor Vehicle Sales and Use Tax	619,200	16.45	45,721	44,401	3.0	402,145	372,802	7.9	6.7
State Sales and Use Tax	533,000	14.17	41,460	37,740	9.9	344,476	327,436	5.2	5.9
Motor Vehicle License Fees	237,300	6.31	18,645	20,637	(9.7)	156,023	150,708	3.5	0.7
International Registration Plan	63,800	1.70	6,752	4,829	39.8	34,497	32,775	5.3	2.0
Recordation Tax	40,500	1.08	3,261	2,728	19.5	29,472	24,810	18.8	3.5
Interest Earnings	9,900	0.26	0	66	(100.0)	4,733	8,140	(41.9)	(29.2)
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,338	1,164	14.9	9,077	8,165	11.2	19.8
Total State Taxes and Fees	<u>\$2,506,700</u>	<u>66.62</u>	<u>\$182,642</u>	<u>\$184,883</u>	<u>(1.2)</u>	<u>\$1,618,352</u>	<u>\$1,575,501</u>	<u>2.7</u>	<u>2.8</u>

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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$721,900	19.18	\$56,807	\$62,523	(9.1)	\$428,704	\$433,228	(1.0)	0.6
Motor Vehicle Sales and Use Tax	382,000	10.15	28,241	29,933	(5.7)	248,572	231,003	7.6	6.9
Motor Vehicle License Fees	215,800	5.74	17,006	19,193	(11.4)	142,227	137,566	3.4	0.6
International Registration Plan	63,800	1.70	6,752	4,829	39.8	34,497	32,775	5.3	2.0
Recordation Tax (1 cent)	13,500	0.36	1,087	909	19.6	9,824	8,270	18.8	3.5
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,338	1,164	14.9	9,077	8,165	11.2	19.8
Total State Taxes and Fees	\$1,411,800	37.52	\$111,231	\$118,551	(6.2)	\$872,901	\$851,007	2.6	2.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,000	\$3,180	(68.6)	\$16,186	\$17,024	(4.9)	(100.0)
Miscellaneous Revenues	10,604	0.28	1,884	966	95.0	10,858	13,729	(20.9)	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.66	0	0	-	170,000	200,680	(15.3)	(17.7)
Total Highway Maintenance and Operating Fund	\$1,785,955	47.46	\$114,115	\$122,697	(7.0)	\$1,069,945	\$1,082,440	(1.2)	(4.1)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$116,200	3.09	\$8,658	\$8,795	(1.6)	\$69,161	\$68,140	1.5	0.6
PTF Motor Fuels	20,000	0.53	0	2,000	(100.0)	10,000	12,000	(16.7)	0.0
PTF Insurance Premiums Tax	130,100	3.46	0	0	-	130,064	137,297	(5.3)	(5.2)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	237,200	6.30	17,480	14,468	20.8	153,573	141,799	8.3	6.3
State Sales and Use Tax	533,000	14.17	41,460	37,740	9.9	344,476	327,436	5.2	5.9
Motor Vehicle License Fees	21,500	0.57	1,639	1,444	13.5	13,796	13,142	5.0	1.7
Recordation Tax (2 cents)	27,000	0.72	2,174	1,819	19.5	19,648	16,540	18.8	3.5
Interest Earnings	9,900	0.26	0	66	(100.0)	4,733	8,140	(41.9)	(29.2)
Total State Taxes and Fees	\$1,094,900	29.10	\$71,411	\$66,332	7.7	\$745,451	\$724,494	2.9	3.3
Other Revenues:									
Federal Grants and Contracts	\$996,925	26.49	\$65,608	\$77,714	(15.6)	\$980,917	\$627,956	56.2	3.6
Receipts from Cities/Counties	210,651	5.60	3,574	5,879	(39.2)	46,949	17,046	175.4	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	801	888	(9.8)	7,488	7,772	(3.7)	68.2
Miscellaneous Revenues	7,953	0.20	3,290	2,629	25.1	38,276	17,370	120.4	(78.5)
Total Other Revenues	\$1,245,841	33.10	\$73,273	\$87,110	(15.9)	\$1,073,630	\$670,144	60.2	20.0
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$363,551)	(9.66)	\$0	\$0	-	(\$170,000)	(\$200,680)	15.3	17.7
Total Transportation Trust Fund	\$1,977,190	52.54	\$144,684	\$153,442	(5.7)	\$1,649,081	\$1,193,958	38.1	19.4
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,763,145	100.00	\$258,799	\$276,139	(6.3)	\$2,719,026	\$2,276,398	19.4	6.9

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