

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2016

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 22.4 percent in February, mainly due to strong motor fuels tax and motor vehicle sales tax collections. Year-to-date growth stands at 9.8 percent.

Motor Fuels Tax

Motor fuels tax collections increased by 47.4 percent this month. Year-to-date collections are up 36.9 percent.

Nationally, motor gasoline consumption increased by an estimated 240,000 b/d (2.7%) in 2015 to an average of 9.2 million b/d, the highest level since the record 9.3 million b/d in 2007. Although total nonfarm employment and total highway travel have increased by 2.9% and 3.7%, respectively, since 2007, improving vehicle fuel economy continues to hold gasoline consumption in check throughout the forecast period. Gasoline consumption is forecast to increase by 90,000 b/d (1.0%) in 2016, as a forecast 2.1% increase in highway travel because of employment growth and low retail prices is partially offset by continuing increases in vehicle fleet fuel economy. In 2017, gasoline consumption is forecast to fall by 10,000 b/d (0.2%).

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 23.8 percent in February, and are up 8.2 percent for the year.

U.S. vehicle sales maintained their strong pace in February but were down from the better than 18 million-unit SAAR pace achieved in the fall. Sales have remained above 16 million units since early 2014. The persistently high pace reflects a variety of factors including the steadily improving labor market, now accompanied by rising wages; the availability of attractive financing, including leases and long loan terms that improve vehicle affordability; declining gasoline prices, which are spurring more of a shift into light trucks; and the persistence of pent-up demand due to the deep downturn and long recovery of the U.S. economy. In addition, used-vehicle prices have remained high, supporting trade-in value and the willingness of dealers to offer attractive leases. On top of this, discounting has continued to spark sales.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.5 percent in February.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 31.7 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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
Motor Fuel Taxes	\$883,500	19.21	\$76,612	\$51,976	47.4	\$523,090	\$382,088	36.9	22.3
Priority Transportation Fund (PTF)	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax	931,700	20.26	77,050	62,262	23.8	621,866	574,758	8.2	4.6
State Sales and Use Tax	1,006,200	21.88	68,053	67,747	0.5	614,246	622,041	(1.3)	1.1
Motor Vehicle License Fees	244,400	5.31	22,381	16,996	31.7	160,117	148,792	7.6	(0.3)
International Registration Plan	66,400	1.44	8,351	7,134	17.1	38,617	37,806	2.1	0.6
Recordation Tax	44,600	0.96	3,118	2,580	20.9	28,278	25,837	9.4	6.2
Interest Earnings	13,600	0.30	33	35	(5.7)	1,750	3,799	(53.9)	80.5
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,624	1,401	15.9	11,470	11,849	(3.2)	(7.2)
Total State Taxes and Fees	<u>\$3,357,746</u>	<u>73.00</u>	<u>\$257,222</u>	<u>\$210,131</u>	<u>22.4</u>	<u>\$2,149,780</u>	<u>\$1,957,367</u>	<u>9.8</u>	<u>7.0</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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$705,900	15.35	\$63,063	\$41,665	51.4	\$419,571	\$302,845	38.5	22.9
Motor Vehicle Sales and Use Tax	669,000	14.55	55,863	45,174	23.7	449,194	412,229	9.0	4.8
State Sales and Use Tax	280,100	6.09	18,632	18,462	0.9	169,966	174,540	(2.6)	0.8
Motor Vehicle License Fees	222,700	4.84	20,402	15,545	31.2	146,550	135,484	8.2	(0.3)
International Registration Plan	66,400	1.44	8,351	7,134	17.1	38,617	37,806	2.1	0.6
Recordation Tax (1 cent)	14,900	0.32	1,039	860	20.8	9,426	8,612	9.5	6.4
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,624	1,401	15.9	11,470	11,849	(3.2)	(7.2)
Total State Taxes and Fees	\$1,976,000	42.96	\$168,974	\$130,241	29.7	\$1,244,794	\$1,083,365	14.9	9.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,522	\$2,296	9.8	\$23,688	\$19,413	22.0	(100.0)
Miscellaneous Revenues	14,595	0.32	2,178	10,015	(78.3)	15,632	21,002	(25.6)	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.66	0	0	-	(3,300)	30,000	(111.0)	(25.6)
Total Highway Maintenance and Operating Fund	\$2,113,084	45.94	\$173,674	\$142,552	21.8	\$1,280,814	\$1,153,780	11.0	3.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$177,600	3.86	\$13,549	\$10,311	31.4	\$103,519	\$79,243	30.6	20.0
PTF Insurance Premiums Tax	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	262,700	5.71	21,187	17,088	24.0	172,672	162,529	6.2	4.3
State Sales and Use Tax	726,100	15.79	49,421	49,285	0.3	444,280	447,501	(0.7)	1.3
Motor Vehicle License Fees	21,700	0.47	1,979	1,451	36.4	13,567	13,308	1.9	(0.4)
Recordation Tax (2 cents)	29,700	0.64	2,079	1,720	20.9	18,852	17,225	9.4	6.1
Interest Earnings	13,600	0.30	33	35	(5.7)	1,750	3,799	(53.9)	80.5
Total State Taxes and Fees	\$1,381,746	30.04	\$88,248	\$79,890	10.5	\$904,986	\$874,002	3.5	4.3
Other Revenues:									
Federal Grants and Contracts	\$968,328	21.05	\$47,589	\$75,851	(37.3)	\$878,865	\$951,778	(7.7)	(23.9)
Receipts from Cities/Counties	237,187	5.15	5,862	1,149	410.2	52,482	87,413	(40.0)	79.4
Toll Revenues (Includes Route 28)	16,045	0.35	904	874	3.4	8,094	7,908	2.4	(12.1)
Miscellaneous Revenues	5,832	0.13	1,649	1,182	39.5	16,046	15,455	3.8	(79.4)
Total Other Revenues	\$1,227,392	26.68	\$56,004	\$79,056	(29.2)	\$955,487	\$1,062,554	(10.1)	(15.4)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.66)	\$0	\$0	-	\$3,300	(\$30,000)	111.0	25.6
Total Transportation Trust Fund	\$2,486,649	54.06	\$144,252	\$158,946	(9.2)	\$1,863,773	\$1,906,556	(2.2)	(4.8)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,599,733	100.00	\$317,926	\$301,498	5.4	\$3,144,587	\$3,060,336	2.8	(1.0)

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