

# COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

## January 2005

### Summary

Revenue collections continued to increase at a moderate pace, growing by 3.2 percent in January. Most of the monthly increase was attributable to solid growth in retail sales tax collections. On a year-to-date basis, growth is up 2.8 percent, equaling the fiscal year 2005 forecast.

### Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 2.9 percent in January. Annual collections through the first seven months of fiscal year 2005 are up 1.6 percent, slightly ahead of the 1.5 percent official forecast.

The fuel outlook calls for further price moderation—gradual for the remainder of the winter and more pronounced starting in spring when additional supplies should come on line from non-OPEC sources adding to the downward pressure exerted by the anticipated drop in seasonal demand.

### Motor Vehicle Sales and Use Tax

Vehicle sales continued to slump, mainly due to comparisons with strong months in fiscal year 2004. Collections in this source fell by 4.1 percent in January and are up 0.9 percent for the year, below the official estimate of 2.7 percent growth.

In the coming year, interest rates on new vehicles will surely rise and it will thus become more costly for vehicle manufacturers to support sales with low interest rate financing incentives. In addition, forward buying ahead of the rise in interest rates and to take advantage of the ever more generous deals, and the lack of spent-up demand will constrain the pace of sales. A number of other factors, however, are more favorable for the vehicle market. The labor market will provide more support with slightly less than 200,000 jobs expected to be created monthly. In addition, wage growth is expected to accelerate somewhat.

### State Retail Sales Tax

The transportation portion of retail sales tax increased by 8.8 percent in January. Collections in this source are up 7.2 percent in fiscal year 2005.

### Motor Vehicle Licenses

Motor Vehicle Registrations fell by 6.8 percent in January. Collections of \$12.4 million were lower than the \$13.3 million collected last January. Motor vehicle license receipts are down 2.0 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 2004 and 2005**  
**(Dollars in Thousands)**

Revenue	FY 2005 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$858,900	27.96	\$70,918	\$68,915	2.9	\$436,142	\$429,406	1.6	1.5
Priority Transportation Fund	20,000	0.65	2,000	2,000	0.0	10,000	10,000	0.0	0.0
Motor Vehicle Sales and Use Tax	620,300	20.19	44,187	46,082	(4.1)	353,391	350,116	0.9	2.7
State Sales and Use Tax	437,600	14.24	50,309	46,228	8.8	257,056	239,703	7.2	5.4
Motor Vehicle License Fees	165,700	5.40	12,402	13,314	(6.8)	89,334	91,176	(2.0)	1.8
International Registration Plan	57,400	1.87	7,205	4,974	44.9	22,256	20,976	6.1	5.6
Interest Earnings	15,300	0.50	4,262	3,752	13.6	7,754	7,232	7.2	43.4
Misc. Taxes, Fees, and Revenues	19,600	0.64	2,636	2,595	1.6	17,146	12,246	40.0	(8.3)
<b>Total State Taxes and Fees</b>	<b>\$2,194,800</b>	<b>71.45</b>	<b>\$193,919</b>	<b>\$187,860</b>	<b>3.2</b>	<b>\$1,193,079</b>	<b>\$1,160,855</b>	<b>2.8</b>	<b>2.8</b>

# 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 2004 and 2005**  
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$737,300	24.00	\$61,403	\$58,563	4.8	\$376,844	\$368,734	2.2	1.3
Motor Vehicle Sales and Use Tax	398,500	12.97	28,353	29,569	(4.1)	227,585	225,536	0.9	2.5
Motor Vehicle License Fees	144,800	4.72	10,852	11,755	(7.7)	78,229	79,808	(2.0)	1.8
International Registration Plan	57,400	1.87	7,205	4,974	44.9	22,256	20,976	6.1	5.6
Misc. Taxes, Fees, and Revenues	19,600	0.64	2,636	2,595	1.6	17,146	12,246	40.0	(8.3)
<b>Total State Taxes and Fees</b>	<b>\$1,357,600</b>	<b>44.20</b>	<b>\$110,449</b>	<b>\$107,456</b>	<b>2.8</b>	<b>\$722,060</b>	<b>\$707,300</b>	<b>2.1</b>	<b>1.7</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,149	\$1,016	13.1	\$11,315	\$7,546	49.9	(100.0)
Transfer (to) / from Transportation Trust Fund	244,600	7.96	0	36,726	(100.0)	194,977	56,902	242.7	329.9
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,602,200</b>	<b>52.16</b>	<b>\$111,598</b>	<b>\$145,198</b>	<b>(23.1)</b>	<b>\$928,352</b>	<b>\$771,748</b>	<b>20.3</b>	<b>14.0</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$121,600	3.96	\$9,515	\$10,352	(8.1)	\$59,298	\$60,672	(2.3)	2.9
Priority Transportation Fund	20,000	0.65	2,000	2,000	0.0	10,000	10,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	221,800	7.22	15,834	16,513	(4.1)	125,806	124,580	1.0	3.0
State Sales and Use Tax	437,600	14.24	50,309	46,228	8.8	257,056	239,703	7.2	5.4
Motor Vehicle License Fees	20,900	0.68	1,550	1,559	(0.6)	11,105	11,368	(2.3)	1.9
Interest Earnings	15,300	0.50	4,262	3,752	13.6	7,754	7,232	7.2	43.4
<b>Total State Taxes and Fees</b>	<b>\$837,200</b>	<b>27.25</b>	<b>\$83,470</b>	<b>\$80,404</b>	<b>3.8</b>	<b>\$471,019</b>	<b>\$453,555</b>	<b>3.9</b>	<b>4.7</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$764,800	24.90	\$23,286	\$35,617	(34.6)	\$263,209	\$438,826	(40.0)	19.7
Receipts from Cities/Counties	43,700	1.42	22,377	3,298	578.5	37,442	22,943	63.2	37.9
Toll Revenues (Includes Route 28)	63,000	2.05	5,670	5,708	(0.7)	52,487	37,376	40.4	(15.5)
Miscellaneous Revenues	5,500	0.18	961	881	9.1	19,722	9,400	109.8	(70.0)
<b>Total Other Revenues</b>	<b>\$877,000</b>	<b>28.55</b>	<b>\$52,294</b>	<b>\$45,504</b>	<b>14.9</b>	<b>\$372,860</b>	<b>\$508,545</b>	<b>(26.7)</b>	<b>14.8</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(244,600)	(7.96)	0	(36,726)	100.0	(194,977)	(56,902)	(242.7)	(329.9)
<b>Total Transportation Trust Fund</b>	<b>\$1,469,600</b>	<b>47.84</b>	<b>\$135,764</b>	<b>\$89,182</b>	<b>52.2</b>	<b>\$648,902</b>	<b>\$905,198</b>	<b>(28.3)</b>	<b>(2.5)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,071,800</b>	<b>100.00</b>	<b>\$247,362</b>	<b>\$234,380</b>	<b>5.5</b>	<b>\$1,577,254</b>	<b>\$1,676,946</b>	<b>(5.9)</b>	<b>5.5</b>

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