

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

January 2006

Summary

Revenue collections increased by 3.2 percent in January. Most of the monthly increase was attributable to a solid bounce-back in motor vehicle sales tax collections. On a year-to-date basis, growth is up 4.7 percent, ahead of the forecast of 2.3 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections declined by 1.7 percent in January. Annual collections through the first seven months of fiscal year 2006 are up 2.8 percent, well ahead of the 0.4 percent decline projected in the official forecast.

On February 6, 2006, retail regular motor gasoline prices averaged \$2.34 per gallon. The retail regular motor gasoline price is projected to average \$2.45 per gallon in 2006, up 7.3 percent from the previous year, before declining slowly to \$2.34 per gallon in 2007. Retail diesel prices are expected to follow a similar pattern, averaging \$2.51 per gallon in 2006, up 4.1 percent from last year, before gradually retreating to \$2.42 per gallon in 2007.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 11.3 percent in January. Through the first seven months of the fiscal year, motor vehicle sales tax collections are up 4.6 percent, slightly ahead of the annual forecast of 3.5 percent growth.

January is usually a slow month for consumers. While consumer sales are expected to remain weaker this year, consumer spending on motor vehicles have surprised on the upside in recent year. Despite higher interest rates and rising debt burdens, consumers have continued to turn in their old vehicles in favor of newer models. The unusual January increase in fleet sales suggests that February sales will likely be lower. This year is expected to be the weakest year in terms of vehicle sales since 1998.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 4.2 percent in January. Collections in this source are up 6.2 percent in fiscal year 2006, slightly ahead of the 5.6 percent growth shown in the official forecast.

Motor Vehicle Licenses

Motor Vehicle Registrations increased by 9.2 percent in January. Collections of \$13.5 million were higher than the \$12.4 million collected last January. Motor vehicle license receipts are up 5.9 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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$69,734	\$70,918	(1.7)	\$448,445	\$436,142	2.8	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	10,000	10,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	49,188	44,187	11.3	369,473	353,391	4.6	3.5
State Sales and Use Tax	474,900	13.79	52,423	50,309	4.2	273,089	257,056	6.2	5.6
Motor Vehicle License Fees	169,200	4.91	13,542	12,402	9.2	94,643	89,334	5.9	2.9
International Registration Plan	58,600	1.70	4,162	7,205	(42.2)	19,286	22,256	(13.3)	(3.5)
Interest Earnings	25,700	0.75	6,994	4,262	64.1	14,219	7,754	83.4	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,171	2,636	(17.6)	19,410	17,146	13.2	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$200,214	\$193,919	3.2	\$1,248,565	\$1,193,079	4.7	2.3

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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$60,827	\$61,403	(0.9)	\$389,615	\$376,844	3.4	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	30,437	28,353	7.4	228,390	227,585	0.4	(0.2)
Motor Vehicle License Fees	147,900	4.29	11,881	10,852	9.5	82,937	78,229	6.0	2.8
International Registration Plan	58,600	1.70	4,162	7,205	(42.2)	19,286	22,256	(13.3)	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,171	2,636	(17.6)	19,410	17,146	13.2	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$109,478	\$110,449	(0.9)	\$739,638	\$722,060	2.4	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,371	\$1,149	106.4	\$20,729	\$11,315	83.2	(100.0)
Transfer (to) / from Transportation Trust Fund	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$111,849	\$111,598	0.2	\$946,566	\$928,352	2.0	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,300	3.49	\$8,907	\$9,515	(6.4)	\$58,830	\$59,298	(0.8)	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	10,000	10,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	241,400	7.01	18,751	15,834	18.4	141,083	125,806	12.1	10.1
State Sales and Use Tax	474,900	13.79	52,423	50,309	4.2	273,089	257,056	6.2	5.6
Motor Vehicle License Fees	21,300	0.62	1,661	1,550	7.2	11,706	11,105	5.4	3.5
Interest Earnings	25,700	0.75	6,994	4,262	64.1	14,219	7,754	83.4	45.7
Total State Taxes and Fees	\$903,600	26.24	\$90,736	\$83,470	8.7	\$508,927	\$471,019	8.0	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$28,331	\$23,286	21.7	\$285,623	\$263,209	8.5	121.8
Receipts from Cities/Counties	70,400	2.04	9,868	22,377	(55.9)	31,655	37,442	(15.5)	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	11,030	5,670	94.5	64,704	52,487	23.3	(20.5)
Miscellaneous Revenues	20,200	0.59	732	961	(23.8)	9,724	19,722	(50.7)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$49,961	\$52,294	(4.5)	\$391,706	\$372,860	5.1	91.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$140,697	\$135,764	3.6	\$714,434	\$648,902	10.1	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,444,100	100.00	\$252,546	\$247,362	2.1	\$1,661,000	\$1,577,254	5.3	20.7

Percentage is greater than 1,000%.