

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT January 2009

### Summary

Commonwealth Transportation Fund (CTF) revenues dropped by 11.9 percent in January and are up 0.1 percent year-to-date. However, adjusting for the new revenue streams resulting from House Bill 3202 (2007), base CTF collections are down 13.1 percent through January.

### Motor Fuels Tax

Motor fuels tax collections declined by 10.5 percent in January and are down 5.3 percent on an annual basis.

2008 motor gasoline consumption in the U.S. declined by 3.4 percent. Despite the cold weather that gripped much of the Lower-48 States in December, distillate fuel consumption in 2008 fell by 5.4 percent from the previous year as a result of precipitous declines in transportation consumption of diesel fuel.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 21.7 percent in January, the ninth consecutive double-digit monthly decline. Year-to-date, collections are down 22.7 percent. The year-to-date decline in motor vehicle sales tax is significantly worse than that seen during the fiscal year 1991 recession.

After enduring a terrible year in 2008, the vehicle industry is starting 2009 on an even worse note. National vehicle sales fell below 10 million units for the first time since 1982. The falloff in vehicle sales in January to a 27-year low not only reflects very weak consumer demand, but also weak demand and the effect of curtailed production on sales to businesses.

Consumer demand for vehicle sales is constrained by rapidly deteriorating employment conditions, very low consumer confidence, and restricted access to credit. The most recent survey of loan officers indicates that credit is not loosening and demand for loans is not improving. Sales remained dismal in January despite the increase in sales inducements, including 0% financing.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.8 percent in January. Year-to-date sales tax collections are down 3.9 percent.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 11.1 percent in January.

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 2008 and 2009  
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
Motor Fuel Taxes	\$842,300	23.84	\$69,297	\$77,452	(10.5)	\$433,618	\$457,753	(5.3)	(2.4)
Priority Transportation Fund (PTF) (a)	152,300	4.31	2,000	2,000	0.0	142,286	10,000	#	-
Motor Vehicle Sales and Use Tax	460,300	13.03	36,182	46,213	(21.7)	265,530	343,670	(22.7)	(19.7)
State Sales and Use Tax	514,500	14.56	51,475	51,043	0.8	308,532	321,085	(3.9)	(2.0)
Motor Vehicle License Fees	239,200	6.78	16,948	19,067	(11.1)	131,160	137,812	(4.8)	(1.2)
International Registration Plan	51,400	1.46	4,589	3,505	30.9	25,336	38,139	(33.6)	(30.7)
Recordation Tax (b)	35,400	1.00	2,576	0	-	19,746	0	-	-
Interest Earnings	30,700	0.87	8,088	17,929	(54.9)	18,909	33,811	(44.1)	(50.6)
Misc. Taxes, Fees, and Revenues	13,200	0.37	986	992	(0.6)	7,480	8,742	(14.4)	(11.4)
<b>Total State Taxes and Fees</b>	<b>\$2,339,300</b>	<b>66.22</b>	<b>\$192,141</b>	<b>\$218,201</b>	<b>(11.9)</b>	<b>\$1,352,597</b>	<b>\$1,351,012</b>	<b>0.1</b>	<b>(1.5)</b>

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

(a) A new revenue stream, Insurance Premiums Tax, is included in the Fiscal Year 2009 Transportation Trust Fund Revenue Forecast. As there were no collections for insurance premiums tax recorded in the Transportation Trust Fund during Fiscal Year 2008, a comparison of the total "Priority Transportation Fund (PTF)" between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "PTF Motor Fuels" and "PTF Insurance Premiums Tax" line items on page 5 for the detailed information pertaining to the "Priority Transportation Trust Fund (PTF)" line item.

(b) New revenue streams for Recordation Tax are included in the Fiscal Year 2009 Highway Maintenance and Operating Fund and the Transportation Trust Fund Revenue Estimates, respectively. As there were no collections for recordation taxes recorded in these funds during Fiscal Year 2008, a comparison between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "Recordation Tax (1 cent)" and "Recordation Tax (2 cents)" line items on page 5 for the detailed information pertaining to the "Recordation Tax" line item.

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 2008 and 2009  
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$725,300	20.53	\$58,783	\$67,817	(13.3)	\$371,917	\$392,332	(5.2)	(2.1)
Motor Vehicle Sales and Use Tax	277,900	7.87	22,147	28,611	(22.6)	161,255	212,987	(24.3)	(21.7)
Motor Vehicle License Fees	218,500	6.19	15,419	17,327	(11.0)	119,352	125,851	(5.2)	(1.0)
International Registration Plan	51,400	1.46	4,589	3,505	30.9	25,336	38,139	(33.6)	(30.7)
Recordation Tax (1 cent) (a)	11,800	0.33	859	0	-	6,582	0	-	-
Misc. Taxes, Fees, and Revenues	13,200	0.37	986	992	(0.6)	7,480	8,742	(14.4)	(11.4)
<b>Total State Taxes and Fees</b>	<b>\$1,298,100</b>	<b>36.75</b>	<b>\$102,783</b>	<b>\$118,252</b>	<b>(13.1)</b>	<b>\$691,922</b>	<b>\$778,051</b>	<b>(11.1)</b>	<b>(7.6)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,319	\$685	92.6	\$12,866	\$19,847	(35.2)	(100.0)
Miscellaneous Revenues	19,605	0.55	1,092	2,044	(46.6)	9,132	9,976	(8.5)	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.90	0	0	-	345,000	263,143	31.1	45.0
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,702,675</b>	<b>48.20</b>	<b>\$105,194</b>	<b>\$120,981</b>	<b>(13.0)</b>	<b>\$1,058,920</b>	<b>\$1,071,017</b>	<b>(1.1)</b>	<b>(0.8)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,000	3.31	\$10,514	\$9,635	9.1	\$61,701	\$65,421	(5.7)	(4.4)
PTF Motor Fuels	20,000	0.57	2,000	2,000	0.0	10,000	10,000	0.0	0.0
PTF Insurance Premiums Tax (a)	132,300	3.74	0	0	-	132,286	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	182,400	5.16	14,035	17,602	(20.3)	104,275	130,683	(20.2)	(16.3)
State Sales and Use Tax	514,500	14.56	51,475	51,043	0.8	308,532	321,085	(3.9)	(2.0)
Motor Vehicle License Fees	20,700	0.59	1,529	1,740	(12.1)	11,808	11,961	(1.3)	(3.0)
Recordation Tax (2 cents) (a)	23,600	0.67	1,717	0	-	13,164	0	-	-
Interest Earnings	30,700	0.87	8,088	17,929	(54.9)	18,909	33,811	(44.1)	(50.6)
<b>Total State Taxes and Fees</b>	<b>\$1,041,200</b>	<b>29.47</b>	<b>\$89,358</b>	<b>\$99,949</b>	<b>(10.6)</b>	<b>\$660,675</b>	<b>\$572,961</b>	<b>15.3</b>	<b>7.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$938,474	26.57	\$51,501	\$41,806	23.2	\$430,286	\$483,645	(11.0)	9.7
Receipts from Cities/Counties	97,299	2.76	8,986	3,466	159.3	29,296	31,235	(6.2)	114.4
Toll Revenues (Includes Route 28) (b)	106,041	3.00	1,985	6,624	(70.0)	48,131	65,999	(27.1)	(18.3)
Miscellaneous Revenues	31,806	0.90	(338)	985	(134.3)	8,993	8,244	9.1	115.1
<b>Total Other Revenues</b>	<b>\$1,173,620</b>	<b>33.23</b>	<b>\$62,134</b>	<b>\$52,881</b>	<b>17.5</b>	<b>\$516,706</b>	<b>\$589,123</b>	<b>(12.3)</b>	<b>12.2</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$384,970)	(10.90)	\$0	\$0	-	(\$345,000)	(\$263,143)	(31.1)	(45.0)
<b>Total Transportation Trust Fund</b>	<b>\$1,829,850</b>	<b>51.80</b>	<b>\$151,492</b>	<b>\$152,830</b>	<b>(0.9)</b>	<b>\$832,381</b>	<b>\$898,941</b>	<b>(7.4)</b>	<b>4.6</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,532,525</b>	<b>100.00</b>	<b>\$256,686</b>	<b>\$273,811</b>	<b>(6.3)</b>	<b>\$1,891,301</b>	<b>\$1,969,958</b>	<b>(4.0)</b>	<b>2.0</b>

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

(a) These line items were added to the Fiscal Year 2009 Revenue Forecast. Since there were no collections for these line items during Fiscal Year 2008, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.