

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT January 2012

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 14.5 percent in January. January's growth is overstated due to a delay in depositing some collections that were attributable to December. The deposit delay will mainly affect December / January growth rates in the motor fuels tax, the motor vehicle sales tax, and motor vehicle license fees. Yearly growth rates will normalize in January.

Through the first seven months of fiscal year 2012, collections are up 3.0 percent, slightly ahead of the annual estimate of 2.2 percent growth.

Motor Fuels Tax

Motor fuel taxes increased by 20.4 percent in January. Year-to-date, collections have declined by 1.1 percent.

Regular-grade motor gasoline retail prices are expected to average \$3.55 per gallon in 2012, compared with \$3.53 cents per gallon last year, and then average \$3.59 per gallon in 2013. During the April through September peak driving season each year, prices are forecast to average about 7 cents per gallon higher than the annual average. Recent options and futures price data imply that the market believes that there is about a one-in-four chance that the U.S. average pump price of regular gasoline could exceed \$4 in June of this year.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 32.4 percent in January, bringing annual growth to 8.7 percent.

Nationally, vehicle sales ended the year at a pretty good pace of 13.5 million units, with sales making up for the swoon suffered in the spring and summer months following the Japanese earthquake and tsunami.

In 2012, the recovery is expected to continue despite only moderate improvement of the U.S. economy. A weak labor market and income growth as well as persistent housing market woes will constrain the pace of recovery. However, pent-up demand by both businesses and consumers will drive the recovery. Sales are expected to reach 14.2 million units. Expected acceleration of the U.S. economy will allow for accelerated sales in 2013, which will reach 16 million units, their pace prior to the recession.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 5.0 percent in January. Year-to-date growth is up 5.3 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 1.0 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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
Motor Fuel Taxes	\$832,900	23.23	\$79,610	\$66,144	20.4	\$430,049	\$434,761	(1.1)	(1.4)
Priority Transportation Fund (PTF)	157,300	4.39	2,000	2,000	0.0	147,297	140,327	5.0	4.6
Motor Vehicle Sales and Use Tax	554,600	15.47	58,819	44,442	32.4	328,401	302,231	8.7	4.2
State Sales and Use Tax	504,800	14.09	53,297	50,779	5.0	289,696	275,132	5.3	5.8
Motor Vehicle License Fees	239,200	6.67	17,341	17,162	1.0	130,071	132,729	(2.0)	0.6
International Registration Plan	62,000	1.72	3,806	5,398	(29.5)	27,946	27,535	1.5	1.6
Recordation Tax	38,400	1.07	2,814	2,664	5.6	22,082	20,926	5.5	9.8
Interest Earnings	19,400	0.54	3,236	4,363	(25.8)	8,074	9,234	(12.6)	6.2
Misc. Taxes, Fees, and Revenues	12,800	0.36	1,021	940	8.6	7,001	7,368	(5.0)	(0.7)
Total State Taxes and Fees	<u>\$2,421,400</u>	<u>67.54</u>	<u>\$221,944</u>	<u>\$193,892</u>	<u>14.5</u>	<u>\$1,390,617</u>	<u>\$1,350,243</u>	<u>3.0</u>	<u>2.2</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 2011 and 2012
(Dollars in Thousands)

Revenue	FY 2012 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$718,000	20.03	\$58,659	\$57,482	2.0	\$370,705	\$373,684	(0.8)	(1.2)
Motor Vehicle Sales and Use Tax	340,900	9.51	27,318	27,458	(0.5)	201,070	182,533	10.2	4.9
Motor Vehicle License Fees	217,900	6.08	14,685	15,617	(6.0)	118,373	120,926	(2.1)	0.6
International Registration Plan	62,000	1.72	3,806	5,398	(29.5)	27,946	27,535	1.5	1.6
Recordation Tax (1 cent)	12,800	0.36	938	888	5.6	7,361	6,975	5.5	9.8
Misc. Taxes, Fees, and Revenues	12,800	0.36	1,021	940	8.6	7,001	7,368	(5.0)	(0.7)
Total State Taxes and Fees	\$1,364,400	38.06	\$106,427	\$107,783	(1.3)	\$732,456	\$719,021	1.9	0.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,368	\$2,241	5.7	\$13,844	\$11,892	16.4	(100.0)
Miscellaneous Revenues	11,479	0.32	3,998	1,281	212.1	12,763	5,687	124.4	(24.2)
Transfer (to) / from Transportation Trust Fund	447,767	12.49	0	0	-	200,680	166,940	20.2	(3.3)
Total Highway Maintenance and Operating Fund	\$1,823,646	50.87	\$112,793	\$111,305	1.3	\$959,743	\$903,540	6.2	(1.6)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,900	3.20	\$20,951	\$8,662	141.9	\$59,344	\$61,077	(2.8)	(2.3)
PTF Motor Fuels	20,000	0.56	2,000	2,000	0.0	10,000	10,000	0.0	0.0
PTF Insurance Premiums Tax	137,300	3.83	0	0	-	137,297	130,327	5.3	5.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	213,700	5.96	31,501	16,984	85.5	127,331	119,698	6.4	3.1
State Sales and Use Tax	504,800	14.09	53,297	50,779	5.0	289,696	275,132	5.3	5.8
Motor Vehicle License Fees	21,300	0.59	2,656	1,545	71.9	11,698	11,803	(0.9)	0.4
Recordation Tax (2 cents)	25,600	0.71	1,876	1,776	5.6	14,721	13,951	5.5	9.8
Interest Earnings	19,400	0.54	3,236	4,363	(25.8)	8,074	9,234	(12.6)	6.2
Total State Taxes and Fees	\$1,057,000	29.48	\$115,517	\$86,109	34.2	\$658,161	\$631,222	4.3	4.1
Other Revenues:									
Federal Grants and Contracts	\$1,006,822	28.08	\$71,501	\$58,357	22.5	\$550,243	\$541,713	1.6	12.5
Receipts from Cities/Counties	102,383	2.85	65	3,367	(98.1)	11,167	31,077	(64.1)	135.2
Toll Revenues (Includes Route 28)	28,949	0.81	798	1,154	(30.8)	6,883	8,775	(21.6)	43.7
Miscellaneous Revenues	14,219	0.40	382	12,064	(96.8)	14,741	41,061	(64.1)	(74.0)
Total Other Revenues	\$1,152,373	32.14	\$72,746	\$74,942	(2.9)	\$583,034	\$622,626	(6.4)	13.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$447,767)	(12.49)	\$0	\$0	-	(\$200,680)	(\$166,940)	(20.2)	3.3
Total Transportation Trust Fund	\$1,761,606	49.13	\$188,263	\$161,051	16.9	\$1,040,515	\$1,086,908	(4.3)	12.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,585,252	100.00	\$301,056	\$272,356	10.5	\$2,000,258	\$1,990,448	0.5	4.9

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