

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT January 2015

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 6.9 percent in January, led by strong gains in retail sales tax collections. Year-to-date collections are up 7.3 percent.

Motor Fuels Tax

Motor fuel taxes increased by 6.7 percent in January, and are down 5.9 percent for the year.

Driven largely by falling crude oil prices, U.S. weekly regular gasoline retail prices averaged \$2.04/gallon (gal) on January 26, the lowest since April 6, 2009, before increasing to \$2.19/gal on February 9. The U.S. regular gasoline retail prices, which averaged \$3.36/gal in 2014, are expected to average \$2.33/gal in 2015. The average household is now expected to spend about \$750 less for gasoline in 2015 compared with last year because of lower prices. The projected regular gasoline retail price increases to an average of \$2.73/gal in 2016.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.6 percent in January. Annual growth is up 8.7 percent.

Vehicle sales ended the year on a strong note though sales did not exceed the November pace. The combination of a strengthening labor market, improving credit quality and access to credit bolstered by low interest rates, ample discounting, the launch of new models, and plummeting gasoline prices contributed to the strong performance at year end and for the year. Sales were 9 percent higher in December than a year earlier and were at their strongest since 2006 for the year.

The low gasoline prices have not resulted in as big of a shift in light truck sales as may have occurred. Consumers have been purchasing plenty of high-fuel-efficiency vehicles, especially as skittish dealers worked to ensure continued sales with generous incentives. The lower gasoline prices have served almost as a tax cut, providing households with more disposable income to spend on any type of vehicle.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 14.6 percent in January, due to the increased amount of general fund sales tax collections being deposited into the Highway Maintenance Fund as stipulated by HB2313 (2013).

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 14.6 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 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2015	FY 2014	% Change	FY 2015	FY 2014	% Change	
Motor Fuel Taxes	\$722,600	17.13	\$51,616	\$48,373	6.7	\$330,110	\$350,878	(5.9)	9.4
Priority Transportation Fund (PTF)	150,397	3.57	0	0	-	150,397	130,769	15.0	15.0
Motor Vehicle Sales and Use Tax	849,300	20.14	72,369	69,863	3.6	512,497	471,532	8.7	3.3
State Sales and Use Tax	985,300	23.36	95,740	83,544	14.6	554,294	473,501	17.1	19.8
Motor Vehicle License Fees	245,600	5.82	15,502	18,157	(14.6)	131,796	137,294	(4.0)	(1.5)
International Registration Plan	60,200	1.43	4,069	4,556	(10.7)	30,671	28,927	6.0	0.9
Recordation Tax	37,900	0.90	2,862	2,511	14.0	23,257	22,968	1.3	1.5
Interest Earnings	14,300	0.34	2,128	1,615	31.8	3,764	3,578	5.2	99.7
Misc. Taxes, Fees, and Revenues	15,700	0.37	1,520	1,288	18.0	10,448	9,558	9.3	(9.4)
Total State Taxes and Fees	<u>\$3,081,297</u>	<u>73.06</u>	<u>\$245,806</u>	<u>\$229,907</u>	<u>6.9</u>	<u>\$1,747,234</u>	<u>\$1,629,005</u>	<u>7.3</u>	<u>9.8</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 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2015	FY 2014	% Change	FY 2015	FY 2014	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$576,200	13.66	\$42,243	\$36,587	15.5	\$261,179	\$279,635	(6.6)	9.2
Motor Vehicle Sales and Use Tax	606,400	14.38	51,745	49,071	5.4	367,056	333,446	10.1	4.3
State Sales and Use Tax	282,900	6.71	26,402	20,416	29.3	156,078	108,569	43.8	47.9
Motor Vehicle License Fees	223,600	5.30	14,116	16,508	(14.5)	119,939	125,365	(4.3)	(1.8)
International Registration Plan	60,200	1.43	4,069	4,556	(10.7)	30,671	28,927	6.0	0.9
Recordation Tax (1 cent)	12,700	0.30	954	837	14.0	7,752	7,665	1.1	2.0
Misc. Taxes, Fees, and Revenues	15,700	0.37	1,520	1,288	18.0	10,448	9,558	9.3	(9.4)
Total State Taxes and Fees	\$1,777,700	42.15	\$141,049	\$129,263	9.1	\$953,123	\$893,165	6.7	9.9
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,279	\$2,146	(40.4)	\$17,117	\$17,082	0.2	(100.0)
Miscellaneous Revenues	10,424	0.25	1,791	1,663	7.7	10,987	10,386	5.8	(49.2)
Transfer (to) / from Transportation Trust Fund	164,579	3.90	0	0	-	30,000	190,000	(84.2)	(48.2)
Total Highway Maintenance and Operating Fund	\$1,952,703	46.30	\$144,119	\$133,072	8.3	\$1,011,227	\$1,110,633	(9.0)	(1.4)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$146,400	3.47	\$9,373	\$11,786	(20.5)	\$68,931	\$71,243	(3.2)	10.5
PTF Insurance Premiums Tax	150,397	3.57	0	0	-	150,397	130,769	15.0	15.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	242,900	5.76	20,624	20,792	(0.8)	145,441	138,086	5.3	0.9
State Sales and Use Tax	702,400	16.65	69,338	63,128	9.8	398,216	364,932	9.1	11.3
Motor Vehicle License Fees	22,000	0.52	1,386	1,649	(15.9)	11,857	11,929	(0.6)	1.4
Recordation Tax (2 cents)	25,200	0.60	1,908	1,674	14.0	15,505	15,303	1.3	1.3
Interest Earnings	14,300	0.34	2,128	1,615	31.8	3,764	3,578	5.2	99.7
Total State Taxes and Fees	\$1,303,597	30.91	\$104,757	\$100,644	4.1	\$794,111	\$735,840	7.9	9.6
Other Revenues:									
Federal Grants and Contracts	\$902,510	21.40	\$63,252	\$54,354	16.4	\$875,928	\$863,510	1.4	(27.5)
Receipts from Cities/Counties	203,616	4.82	215	5,870	(96.3)	86,264	51,640	67.0	149.9
Toll Revenues (Includes Route 28)	16,000	0.38	871	835	4.3	7,034	6,964	1.0	(9.8)
Miscellaneous Revenues	3,669	0.09	3,939	882	346.6	14,273	13,101	8.9	(87.8)
Total Other Revenues	\$1,125,795	26.69	\$68,277	\$61,941	10.2	\$983,499	\$935,215	5.2	(18.1)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$164,579)	(3.90)	\$0	\$0	-	(\$30,000)	(\$190,000)	84.2	48.2
Total Transportation Trust Fund	\$2,264,813	53.70	\$173,034	\$162,585	6.4	\$1,747,610	\$1,481,055	18.0	0.9
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,217,516	100.00	\$317,153	\$295,657	7.3	\$2,758,837	\$2,591,688	6.4	(0.2)

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