

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT July 2004

Summary

Collections in the Commonwealth Transportation Fund fell by 1.4 percent in July. Most of the decline was due to lower collections of motor vehicle license fees.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections were \$1.6 million this July compared to \$1.9 million last year. Despite higher crude prices, gasoline prices at the pump are set to ease. There have been significant net additions to gasoline stocks suggesting that refineries have adapted to new stringent regulations and that reliability issues have not come to the fore. With gasoline stocks near the upper end of the average range for this time of the year, there is little support for higher gasoline prices other than rising crude prices.

Motor Vehicle Sales and Use Tax

Collections in this source fell by 2.8 percent in July. Panicked by the sharp drop in sales in June, automakers cranked out new incentives for July. While incentives contribute to economic fundamentals by increasing vehicle affordability, the month to month fluctuations seem to track more intensive or less intensive incentive spending patterns. Incentive offerings have more to do with the short-term path of vehicle sales than do economic fundamentals such as job or income growth. The outlook will be determined by several factors: the strength of income and job growth, affordability (the interaction between prices, financing costs and income) and by the extent of spent-up demand. If consumers have been buying vehicles at an accelerated pace in anticipation of higher interest rates, rising rates can have a larger depressing effect on sales than if such forward buying did not take place.

State Retail Sales Tax

The transportation portion (post June-AST collections) of the state retail sales tax increased by 7.2 percent in July.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 16.3 percent in July.

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	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$860,500	28.51	\$1,558	\$1,928	(19.2)	\$1,558	\$1,928	(19.2)	1.7
Priority Transportation Fund	20,000	0.66	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	600,200	19.90	50,478	51,906	(2.8)	50,478	51,906	(2.8)	(0.6)
State Sales and Use Tax	417,500	13.84	15,607	14,562	7.2	15,607	14,562	7.2	0.6
Motor Vehicle License Fees	146,700	4.86	12,875	15,379	(16.3)	12,875	15,379	(16.3)	(9.9)
International Registration Plan	61,500	2.04	4,019	2,102	91.2	4,019	2,102	91.2	13.2
Interest Earnings	15,400	0.51	(153)	5	#	(153)	5	#	44.3
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,150	1,838	17.0	2,150	1,838	17.0	(13.0)
Total State Taxes and Fees	\$2,140,400	70.94	\$86,534	\$87,720	(1.4)	\$86,534	\$87,720	(1.4)	0.3

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 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$733,700	24.31	(\$66)	\$94	(170.2)	(\$66)	\$94	(170.2)	0.8
Motor Vehicle Sales and Use Tax	385,800	12.79	32,522	33,258	(2.2)	32,522	33,258	(2.2)	(0.8)
Motor Vehicle License Fees	125,400	4.15	11,297	13,514	(16.4)	11,297	13,514	(16.4)	(11.8)
International Registration Plan	61,500	2.04	4,019	2,102	91.2	4,019	2,102	91.2	13.2
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,150	1,838	17.0	2,150	1,838	17.0	(13.0)
Total State Taxes and Fees	\$1,325,000	43.91	\$49,922	\$50,806	(1.7)	\$49,922	\$50,806	(1.7)	(0.7)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$795	\$560	42.0	\$795	\$560	42.0	(100.0)
Transfer (to) / from Transportation Trust Fund	\$244,600	8.11	\$146,771	\$20,177	627.4	\$146,771	\$20,177	627.4	329.9
Total Highway Maintenance and Operating Fund	\$1,569,600	52.02	\$197,488	\$71,543	176.0	\$197,488	\$71,543	176.0	11.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$126,800	4.20	\$1,624	\$1,834	(11.5)	\$1,624	\$1,834	(11.5)	7.3
Priority Transportation Fund	20,000	0.66	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	214,400	7.11	17,956	18,648	(3.7)	17,956	18,648	(3.7)	(0.4)
State Sales and Use Tax	417,500	13.84	15,607	14,562	7.2	15,607	14,562	7.2	0.6
Motor Vehicle License Fees	21,300	0.71	1,578	1,865	(15.4)	1,578	1,865	(15.4)	3.8
Interest Earnings	15,400	0.51	(153)	5	#	(153)	5	#	44.3
Total State Taxes and Fees	\$815,400	27.03	\$36,612	\$36,914	(0.8)	\$36,612	\$36,914	(0.8)	2.0
Other Revenues:									
Federal Grants and Contracts	\$764,800	25.35	\$37,763	\$54,951	(31.3)	\$37,763	\$54,951	(31.3)	19.7
Receipts from Cities/Counties	43,700	1.45	3,253	6,692	(51.4)	3,253	6,692	(51.4)	37.9
Toll Revenues (Includes Route 28)	62,900	2.08	5,103	4,246	20.2	5,103	4,246	20.2	(15.6)
Miscellaneous Revenues	5,500	0.18	11,281	1,164	869.2	11,281	1,164	869.2	(70.0)
Total Other Revenues	\$876,900	29.06	\$57,400	\$67,053	(14.4)	\$57,400	\$67,053	(14.4)	14.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$244,600)	(8.11)	(\$146,771)	(\$20,177)	(627.4)	(\$146,771)	(\$20,177)	(627.4)	(329.9)
Total Transportation Trust Fund	\$1,447,700	47.98	(\$52,759)	\$83,790	(163.0)	(\$52,759)	\$83,790	(163.0)	(3.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,017,300	100.00	\$144,729	\$155,333	(6.8)	\$144,729	\$155,333	(6.8)	3.6

Percentage is greater than 1,000%.