

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT July 2006

Summary

Collections in the Commonwealth Transportation Fund increased by 29.2 percent in July. Most of the increase was due to the termination of the Accelerated Sales Tax program (AST) in which some TTF sales tax revenue collected in June was retained in the General Fund and later transferred back to the TTF. Adjusting for AST, July's collections declined by 1.4 percent.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections were \$1.5 million this July compared to \$8.0 million last year, mainly due to flow effects. Retail regular gasoline prices are projected to average \$2.72 per gallon in 2006, and \$2.67 in 2007. Significant relief from the high crude oil and gasoline prices is not likely to occur soon as the current tight market must also cope with strong gasoline demand, which typically reaches its seasonal peak in August, and the traditionally more active months of the hurricane season.

Motor Vehicle Sales and Use Tax

Collections in this source declined by 1.3 percent in July. Nationally, vehicle sales fell by 10.5% in June as less incentive spending compared to a year ago, higher interest rates and persistently elevated gas prices have crimped spending on new vehicles.

U.S. vehicle sales are expected to be weaker than in 2005. A pace of about 16.7 million units is considered a trend pace, consistent with underlying demographics. However, sales are expected to fall below trend through the remainder of the year and into next year and weakening affordability, high energy prices, rising debt service burden and a weaker pace of economic growth constrain demand. In addition, due to the copious incentive spending of recent years, there has been a bit of pull ahead buying. Now that conditions are less auspicious for consumers, automakers are seeing a payback.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 178.7 percent in July due to the termination of the Accelerated Sales Tax program.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 20.5 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 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
Motor Fuel Taxes	\$869,900	22.09	\$1,524	\$8,046	(81.1)	\$1,524	\$8,046	(81.1)	(0.1)
Priority Transportation Fund	20,000	0.51	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	652,600	16.57	51,816	52,497	(1.3)	51,816	52,497	(1.3)	3.8
State Sales and Use Tax	520,400	13.21	45,147	16,197	178.7	45,147	16,197	178.7	9.3
Motor Vehicle License Fees	170,700	4.33	14,324	11,885	20.5	14,324	11,885	20.5	0.8
International Registration Plan	60,800	1.55	3,667	1,257	191.7	3,667	1,257	191.7	0.4
Interest Earnings	25,300	0.64	44	4	#	44	4	#	(34.5)
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,156	1,959	10.1	2,156	1,959	10.1	(27.2)
Total State Taxes and Fees	\$2,343,000	59.49	\$118,678	\$91,845	29.2	\$118,678	\$91,845	29.2	2.1

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 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$746,400	18.95	(\$772)	\$6,797	(111.4)	(\$772)	\$6,797	(111.4)	(0.7)
Motor Vehicle Sales and Use Tax	404,100	10.26	31,809	33,596	(5.3)	31,809	33,596	(5.3)	3.6
Motor Vehicle License Fees	149,200	3.79	12,505	10,324	21.1	12,505	10,324	21.1	0.6
International Registration Plan	60,800	1.55	3,667	1,257	191.7	3,667	1,257	191.7	0.4
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,156	1,959	10.1	2,156	1,959	10.1	(27.2)
Total State Taxes and Fees	\$1,383,800	35.14	\$49,365	\$53,933	(8.5)	\$49,365	\$53,933	(8.5)	0.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,170	\$2,021	(42.1)	\$1,170	\$2,021	(42.1)	(100.0)
Transfer (to) / from Transportation Trust Fund	286,303	7.27	100,000	186,199	(46.3)	100,000	186,199	(46.3)	53.8
Total Highway Maintenance and Operating Fund	\$1,670,103	42.41	\$150,535	\$242,153	(37.8)	\$150,535	\$242,153	(37.8)	4.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,500	3.14	\$2,296	\$1,249	83.8	\$2,296	\$1,249	83.8	4.3
Priority Transportation Fund	20,000	0.51	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,500	6.31	20,007	18,901	5.9	20,007	18,901	5.9	4.2
State Sales and Use Tax	520,400	13.21	45,147	16,197	178.7	45,147	16,197	178.7	9.3
Motor Vehicle License Fees	21,500	0.54	1,819	1,561	16.5	1,819	1,561	16.5	2.1
Interest Earnings	25,300	0.64	44	4	#	44	4	#	(34.5)
Total State Taxes and Fees	\$959,200	24.35	\$69,313	\$37,912	82.8	\$69,313	\$37,912	82.8	5.1
Other Revenues:									
Federal Grants and Contracts	\$1,354,852	34.40	\$57,086	\$34,011	67.8	\$57,086	\$34,011	67.8	181.8
Receipts from Cities/Counties	125,272	3.18	2,496	3,848	(35.1)	2,496	3,848	(35.1)	156.5
Toll Revenues (Includes Route 28)	96,447	2.45	6,374	5,777	10.3	6,374	5,777	10.3	(15.0)
Miscellaneous Revenues	18,717	0.48	1,032	1,046	(1.3)	1,032	1,046	(1.3)	(15.0)
Total Other Revenues	\$1,595,288	40.51	\$66,988	\$44,682	49.9	\$66,988	\$44,682	49.9	139.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.27)	(\$100,000)	(\$186,199)	46.3	(\$100,000)	(\$186,199)	46.3	(53.8)
Total Transportation Trust Fund	\$2,268,185	57.59	\$36,301	(\$103,605)	135.0	\$36,301	(\$103,605)	135.0	63.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,938,288	100.00	\$186,836	\$138,548	34.9	\$186,836	\$138,548	34.9	31.3

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