

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT June 2014

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 11.5 percent in June. On a year-to-date basis, collections are up 12.5 percent. Adjusting for the impacts of HB2313 (2013), annual collections are up 1.4 percent.

### Motor Fuels Tax

Motor fuel taxes fell by 18.0 percent in June and are down 21.6 percent for the fiscal year.

During the April-through-September summer driving season this year, regular gasoline retail prices are forecast to average \$3.62/gallon (gal), 4 cents higher than last year. The projected monthly national average regular gasoline retail price falls from the high this year of \$3.67/gal in May to \$3.54/gal in September. Regular gasoline retail prices are expected to average \$3.50/gal in 2014 and \$3.38/gal in 2015, compared with \$3.51/gal in 2013.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 41.5 percent in June and are up 32.0 percent for the year. Adjusting for the July 1 increase in the motor vehicle sales tax rate and excluding the rental taxes, motor vehicle sales tax collections increased by 5.5 percent this month and are down 3.5 percent annually.

The expectation for accelerating growth despite the fairly flat performance over the past year is predicated upon a steadily improving job market with a shift toward better-paying jobs, accommodative credit availability, steady improvement in the housing market, and businesses' willingness to renew fleets. The improving job and wage growth will enable households to release pent-up demand as aging vehicles are replaced. Further, price growth is expected to remain modest as vehicle manufacturers will readily spur sales with discounts. In April the value of incentives exceeded the year-ago level by 9%.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 67.6 percent in June, due to the 0.3 percent increase in the state retail sales tax and the increased amount of

general fund sales tax collections being deposited into the Highway Maintenance Fund as stipulated by HB2313 (2013). Adjusting for HB2313, sales tax collections were up 5.5 percent for the month and are up 0.9 percent for the year.

#### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 5.1 percent in June.

**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 2013 and 2014**  
**(Dollars in Thousands)**

Revenue	FY 2014 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
<b>Motor Fuel Taxes (b)</b>	\$607,500	15.24	\$108,376	\$132,235	(18.0)	\$660,256	\$841,789	(21.6)	(27.8)
<b>Priority Transportation Fund (PTF) (b)</b>	130,800	3.28	0	0	-	130,769	130,064	0.5	0.6
<b>Motor Vehicle Sales and Use Tax</b>	859,200	21.55	77,901	55,058	41.5	821,937	622,749	32.0	38.0
<b>State Sales and Use Tax (a)</b>	837,800	21.01	77,729	46,373	67.6	822,560	521,180	57.8	60.8
<b>Motor Vehicle License Fees</b>	250,700	6.29	22,220	21,143	5.1	249,333	245,611	1.5	2.1
<b>International Registration Plan</b>	62,300	1.56	5,656	5,655	0.0	59,647	61,774	(3.4)	0.9
<b>Recordation Tax</b>	45,500	1.15	3,615	4,558	(20.7)	37,340	46,336	(19.4)	(1.8)
<b>Interest Earnings</b>	13,100	0.33	1,576	1,807	(12.8)	7,159	9,284	(22.9)	41.1
<b>Misc. Taxes, Fees, and Revenues</b>	16,100	0.40	1,415	976	45.0	17,320	14,815	16.9	8.7
<b>Total State Taxes and Fees</b>	<b>\$2,823,000</b>	<b>70.81</b>	<b>\$298,488</b>	<b>\$267,805</b>	<b>11.5</b>	<b>\$2,806,321</b>	<b>\$2,493,602</b>	<b>12.5</b>	<b>13.2</b>

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

(a) New revenue streams for State Sales and Use Tax are included in the Fiscal Year 2014 Highway Maintenance and Operating Fund Revenue Forecast. As there were no collections for state sales and use tax recorded in the Highway Maintenance and Operating Fund during Fiscal Year 2013, a comparison between Fiscal Years 2013 and 2014 may not be appropriate. Refer to the "State Sales and Use Tax" line item on page 5 for the detailed information pertaining to the "State Sales and Use Tax" line item.

(b) Certain Fiscal Year 2013 monthly and year-to-date amounts have been reclassified. Refer to (b) on page 5 for additional information.

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 2013 and 2014  
(Dollars in Thousands)

Revenue	FY 2014 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Est
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$485,100	12.17	\$87,004	\$111,079	(21.7)	\$527,826	\$706,506	(25.3)	(31.3)
Motor Vehicle Sales and Use Tax	611,700	15.34	52,500	35,980	45.9	581,187	387,503	50.0	57.9
State Sales and Use Tax (a)	199,500	5.00	18,548	0	-	191,217	0	-	-
Motor Vehicle License Fees	228,800	5.74	20,226	19,396	4.3	227,629	223,946	1.6	2.2
International Registration Plan	62,300	1.56	5,656	5,655	0.0	59,647	61,774	(3.4)	0.9
Recordation Tax (1 cent)	15,000	0.39	1,205	1,519	(20.7)	12,456	15,445	(19.4)	(2.9)
Misc. Taxes, Fees, and Revenues	16,100	0.40	1,415	976	45.0	17,320	14,815	16.9	8.7
<b>Total State Taxes and Fees</b>	<b>\$1,618,500</b>	<b>40.60</b>	<b>\$186,554</b>	<b>\$174,605</b>	<b>6.8</b>	<b>\$1,617,282</b>	<b>\$1,409,989</b>	<b>14.7</b>	<b>14.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,268	\$2,399	(47.1)	\$26,038	\$24,535	6.1	(100.0)
Miscellaneous Revenues	18,658	0.47	3,045	854	256.6	20,511	16,731	22.6	11.5
Transfer (to) / from Transportation Trust Fund	313,942	7.87	3,578	88,551	(96.0)	317,520	350,456	(9.4)	(10.4)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,951,100</b>	<b>48.94</b>	<b>\$194,445</b>	<b>\$266,409</b>	<b>(27.0)</b>	<b>\$1,981,351</b>	<b>\$1,801,711</b>	<b>10.0</b>	<b>8.3</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes) (b)	\$122,400	3.07	\$21,372	\$21,156	1.0	\$132,430	\$135,283	(2.1)	(9.5)
PTF Insurance Premiums Tax	130,800	3.28	0	0	-	130,769	130,064	0.5	0.6
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	247,500	6.21	25,401	19,078	33.1	240,750	235,246	2.3	5.2
State Sales and Use Tax	638,300	16.01	59,181	46,373	27.6	631,343	521,180	21.1	22.5
Motor Vehicle License Fees	21,900	0.55	1,994	1,747	14.1	21,704	21,665	0.2	1.1
Recordation Tax (2 cents)	30,500	0.76	2,410	3,039	(20.7)	24,884	30,891	(19.4)	(1.3)
Interest Earnings	13,100	0.33	1,576	1,807	(12.8)	7,159	9,284	(22.9)	41.1
<b>Total State Taxes and Fees</b>	<b>\$1,204,500</b>	<b>30.21</b>	<b>\$111,934</b>	<b>\$93,200</b>	<b>20.1</b>	<b>\$1,189,039</b>	<b>\$1,083,613</b>	<b>9.7</b>	<b>11.2</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$929,928	23.33	\$73,967	\$63,870	15.8	\$1,244,619	\$1,306,526	(4.7)	(28.8)
Receipts from Cities/Counties	178,614	4.48	14,330	7,870	82.1	81,476	57,904	40.7	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	920	919	0.1	17,730	17,649	0.5	(5.0)
Miscellaneous Revenues	19,854	0.49	7,231	3,023	139.2	30,027	46,827	(35.9)	(57.6)
<b>Total Other Revenues</b>	<b>\$1,145,164</b>	<b>28.72</b>	<b>\$96,448</b>	<b>\$75,682</b>	<b>27.4</b>	<b>\$1,373,852</b>	<b>\$1,428,906</b>	<b>(3.9)</b>	<b>(19.9)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$313,942)	(7.87)	(\$3,578)	(\$88,551)	96.0	(\$317,520)	(\$350,456)	9.4	10.4
<b>Total Transportation Trust Fund</b>	<b>\$2,035,722</b>	<b>51.06</b>	<b>\$204,804</b>	<b>\$80,331</b>	<b>155.0</b>	<b>\$2,245,371</b>	<b>\$2,162,063</b>	<b>3.9</b>	<b>(5.8)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,986,822</b>	<b>100.00</b>	<b>\$399,249</b>	<b>\$346,740</b>	<b>15.1</b>	<b>\$4,226,722</b>	<b>\$3,963,774</b>	<b>6.6</b>	<b>0.6</b>

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

(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)." In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.