

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT June 2016

### Summary

Commonwealth Transportation Fund (CTF) revenues declined by 1.1 percent in June, mainly due to weak motor fuels tax collections. Annual growth was 7.0 percent, equaling the official forecast.

### Motor Fuels Tax

Motor fuels tax collections declined by 6.2 percent this month. Year-to-date collections are up 19.1 percent.

U.S. regular gasoline retail prices this summer are forecast to average \$2.25/gallon (gal), 39 cents/gal lower than last summer, measured as April through September. U.S. regular gasoline retail prices are forecast to average \$2.12/gal in 2016 and \$2.28/gal in 2017.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 1.7 in June, and are up 7.4 percent for the year.

Vehicle sales continued at a strong pace in May. Rising oil and gas prices seem to have had little effect on the mix of cars and light trucks sold. Despite the average price of gasoline rising more than 30% from February lows, light truck sales have held up remarkably well. Light trucks currently comprise 60% of the new vehicle market, up from 54% in 2015 and 52% in 2014.

The labor market's strength and favorable financing have been a boon to auto sales. As employment and incomes rise, auto sales will remain strong even as the pent-up demand that built during and after the recession is absorbed. The incentives offered by auto dealers have also helped to maintain strong auto sales. Strong income gains will help consumers leave behind the financial volatility of the first quarter, and keep auto sales strong through the end of the year.

Vehicle sales are likely to fluctuate around current levels through the end of this year and begin to slow gradually next year. This slowing will move auto sales to levels more consistent with fundamental demand of around 16.5 million units.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.3 percent in June.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 2.1 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 2015 and 2016**  
**(Dollars in Thousands)**

Revenue	FY 2016 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
Motor Fuel Taxes	\$883,500	19.21	\$135,277	\$144,173	(6.2)	\$860,798	\$722,534	19.1	22.3
Priority Transportation Fund (PTF)	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax	931,700	20.26	88,457	86,979	1.7	956,480	890,442	7.4	4.6
State Sales and Use Tax	1,006,200	21.88	145,606	142,365	2.3	1,000,563	994,855	0.6	1.1
Motor Vehicle License Fees	244,400	5.31	24,835	24,336	2.1	253,399	245,122	3.4	(0.3)
International Registration Plan	66,400	1.44	5,961	6,026	(1.1)	67,716	66,036	2.5	0.6
Recordation Tax	44,600	0.96	4,362	4,663	(6.5)	44,199	42,001	5.2	6.2
Interest Earnings	13,600	0.30	857	1,563	(45.2)	3,699	7,533	(50.9)	80.5
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,811	1,572	15.2	18,431	18,320	0.6	(7.2)
<b>Total State Taxes and Fees</b>	<b>\$3,357,746</b>	<b>73.00</b>	<b>\$407,166</b>	<b>\$411,677</b>	<b>(1.1)</b>	<b>\$3,355,631</b>	<b>\$3,137,240</b>	<b>7.0</b>	<b>7.0</b>

# 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 2015 and 2016**  
**(Dollars in Thousands)**

Revenue	FY 2016 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$705,900	15.35	\$105,848	\$116,965	(9.5)	\$687,559	\$574,545	19.7	22.9
Motor Vehicle Sales and Use Tax	669,000	14.55	63,887	63,164	1.1	691,022	638,577	8.2	4.8
State Sales and Use Tax	280,100	6.09	40,407	39,728	1.7	276,849	277,880	(0.4)	0.8
Motor Vehicle License Fees	222,700	4.84	22,905	22,174	3.3	231,838	223,334	3.8	(0.3)
International Registration Plan	66,400	1.44	5,961	6,026	(1.1)	67,716	66,036	2.5	0.6
Recordation Tax (1 cent)	14,900	0.32	1,454	1,554	(6.4)	14,733	14,000	5.2	6.4
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,811	1,572	15.2	18,431	18,320	0.6	(7.2)
<b>Total State Taxes and Fees</b>	<b>\$1,976,000</b>	<b>42.96</b>	<b>\$242,273</b>	<b>\$251,183</b>	<b>(3.5)</b>	<b>\$1,988,148</b>	<b>\$1,812,692</b>	<b>9.7</b>	<b>9.0</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$4,021	\$4,088	(1.6)	\$39,635	\$31,021	27.8	(100.0)
Miscellaneous Revenues	14,595	0.32	4,156	2,464	68.7	26,903	29,203	(7.9)	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.66	42,489	84,579	(49.8)	89,189	164,579	(45.8)	(25.6)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$2,113,084</b>	<b>45.94</b>	<b>\$292,939</b>	<b>\$342,314</b>	<b>(14.4)</b>	<b>\$2,143,875</b>	<b>\$2,037,495</b>	<b>5.2</b>	<b>3.7</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$177,600	3.86	\$29,429	\$27,208	8.2	\$173,239	\$147,989	17.1	20.0
PTF Insurance Premiums Tax	150,346	3.27	0	0	-	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	262,700	5.71	24,570	23,815	3.2	265,458	251,865	5.4	4.3
State Sales and Use Tax	726,100	15.79	105,199	102,637	2.5	723,714	716,975	0.9	1.3
Motor Vehicle License Fees	21,700	0.47	1,930	2,162	(10.7)	21,561	21,788	(1.0)	(0.4)
Recordation Tax (2 cents)	29,700	0.64	2,908	3,109	(6.5)	29,466	28,001	5.2	6.1
Interest Earnings	13,600	0.30	857	1,563	(45.2)	3,699	7,533	(50.9)	80.5
<b>Total State Taxes and Fees</b>	<b>\$1,381,746</b>	<b>30.04</b>	<b>\$164,893</b>	<b>\$160,494</b>	<b>2.7</b>	<b>\$1,367,483</b>	<b>\$1,324,548</b>	<b>3.2</b>	<b>4.3</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$968,328	21.05	\$41,404	\$68,067	(39.2)	\$1,123,780	\$1,271,926	(11.6)	(23.9)
Receipts from Cities/Counties	237,187	5.15	30,106	16,054	87.5	125,983	132,187	(4.7)	79.4
Toll Revenues (Includes Route 28)	16,045	0.35	1,119	1,164	(3.9)	18,733	18,254	2.6	(12.1)
Miscellaneous Revenues	5,832	0.13	13,001	4,114	216.0	38,009	28,335	34.1	(79.4)
<b>Total Other Revenues</b>	<b>\$1,227,392</b>	<b>26.68</b>	<b>\$85,630</b>	<b>\$89,399</b>	<b>(4.2)</b>	<b>\$1,306,505</b>	<b>\$1,450,702</b>	<b>(9.9)</b>	<b>(15.4)</b>
<b>Transfer (to) / from Highway Maintenance and Operating Fund</b>									
Maintenance and Operating Fund	(\$122,489)	(2.66)	(\$42,489)	(\$84,579)	49.8	(\$89,189)	(\$164,579)	45.8	25.6
<b>Total Transportation Trust Fund</b>	<b>\$2,486,649</b>	<b>54.06</b>	<b>\$208,034</b>	<b>\$165,314</b>	<b>25.8</b>	<b>\$2,584,799</b>	<b>\$2,610,671</b>	<b>(1.0)</b>	<b>(4.8)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$4,599,733</b>	<b>100.00</b>	<b>\$500,973</b>	<b>\$507,628</b>	<b>(1.3)</b>	<b>\$4,728,674</b>	<b>\$4,648,166</b>	<b>1.7</b>	<b>(1.0)</b>

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