

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT March 2010

### Summary

Commonwealth Transportation Fund revenues fell by 0.3 percent in March due to weak retail sales tax collections. Year-to-date collections are down 2.1 percent, slightly ahead of the forecast of a 3.0 percent decline.

### Motor Fuels Tax

Motor fuels tax collections declined by 2.0 percent this month and are down 1.4 percent on a year-to-date basis, close to the 1.8 percent decline required in the official forecast.

Regular-grade gasoline retail prices, which averaged \$2.44 per gallon last summer, are projected to average \$2.92 per gallon during the current driving season. The monthly average gasoline price is expected to peak at about \$2.97 per gallon in early summer. Average U.S. pump prices likely will exceed \$3 per gallon at times during the forthcoming spring and summer driving season. Diesel fuel prices, which averaged \$2.46 per gallon last summer, are projected to average \$2.97 this summer. However, because short-term prices can be quite volatile, weekly prices will differ from the monthly average.

During this summer season, projected motor gasoline consumption increases by 0.5 percent over last summer, substantially lower than the 0.8 percent growth rate recorded last summer. Gasoline consumption last summer was stimulated by both the beginning of economic recovery and a \$1.37-per-gallon decline in gasoline prices from the previous year. In addition, there was a reversal in the trend of public transportation usage, which fell by 3.8 percent in 2009 after having risen by 4 percent in 2008. This summer, the stimulus to demand from the continuing modest economic recovery is constrained by the projected \$0.48-per-gallon average increase in gasoline prices over last summer.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 16.8 percent in March. Annual growth is up 3.3 percent, well ahead of the forecast of a 5.0 percent decline.

Even though large parts of the U.S. experienced record winter conditions, sales were only somewhat softer than in January on a seasonally adjusted annualized rate. This suggests that underlying demand for vehicles is slowly building and is expected to increase in coming months. Nonetheless, the recovery of sales for the industry will be

constrained by the poor labor market and the still-restricted access to credit. Although lenders have opened up the spigots slightly for borrowers with less than stellar credit quality, large required down payments still constitute a major hindrance to sales.

### State Retail Sales Tax

The TTF portion of the state retail sales tax fell by 5.8 percent in March. The decline of 4.0 percent in year-to-date collections is slightly ahead of the official forecast of a 4.2 percent decline.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 2.2 percent in March.

**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 2009 and 2010**  
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
<b>Motor Fuel Taxes</b>	\$824,000	25.21	\$63,074	\$64,358	(2.0)	\$557,660	\$565,684	(1.4)	(1.8)
<b>Priority Transportation Fund (PTF)</b>	149,100	4.56	2,000	2,000	0.0	143,102	146,286	(2.2)	(2.1)
<b>Motor Vehicle Sales and Use Tax</b>	420,100	12.86	42,634	36,488	16.8	340,096	329,260	3.3	(5.0)
<b>State Sales and Use Tax</b>	478,300	14.64	33,391	35,456	(5.8)	364,615	379,891	(4.0)	(4.2)
<b>Motor Vehicle License Fees</b>	239,900	7.34	24,001	23,475	2.2	166,646	175,091	(4.8)	(0.7)
<b>International Registration Plan</b>	58,600	1.79	11,565	14,922	(22.5)	44,013	42,039	4.7	(0.4)
<b>Recordation Tax</b>	33,500	1.02	2,612	3,121	(16.3)	25,923	25,720	0.8	(6.2)
<b>Interest Earnings</b>	23,900	0.73	107	48	122.9	6,402	19,160	(66.6)	(13.9)
<b>Misc. Taxes, Fees, and Revenues</b>	12,700	0.39	1,264	1,254	0.8	9,258	9,735	(4.9)	(1.8)
<b>Total State Taxes and Fees</b>	<u>\$2,240,100</u>	<u>68.54</u>	<u>\$180,648</u>	<u>\$181,122</u>	<u>(0.3)</u>	<u>\$1,657,715</u>	<u>\$1,692,866</u>	<u>(2.1)</u>	<u>(3.0)</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 2009 and 2010  
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Est
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$710,800	21.75	\$54,686	\$55,923	(2.2)	\$479,662	\$486,428	(1.4)	(1.6)
Motor Vehicle Sales and Use Tax	253,200	7.75	26,559	22,070	20.3	206,465	200,318	3.1	(6.1)
Motor Vehicle License Fees	218,700	6.69	21,848	21,381	2.2	151,600	159,372	(4.9)	(0.6)
International Registration Plan	58,600	1.79	11,565	14,922	(22.5)	44,013	42,039	4.7	(0.4)
Recordation Tax (1 cent)	11,200	0.34	871	1,040	(16.3)	8,641	8,573	0.8	(5.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	1,264	1,254	0.8	9,258	9,735	(4.9)	(1.8)
<b>Total State Taxes and Fees</b>	<b>\$1,265,200</b>	<b>38.71</b>	<b>\$116,793</b>	<b>\$116,590</b>	<b>0.2</b>	<b>\$899,639</b>	<b>\$906,465</b>	<b>(0.8)</b>	<b>(2.4)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,358	\$1,614	(15.9)	\$15,229	\$15,385	(1.0)	(100.0)
Miscellaneous Revenues	15,698	0.48	(180)	819	(122.0)	11,833	11,989	(1.3)	13.4
Transfer (to) / from Transportation Trust Fund	500,188	15.31	100,000	19,831	404.3	300,000	364,831	(17.8)	37.1
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,781,086</b>	<b>54.50</b>	<b>\$217,971</b>	<b>\$138,854</b>	<b>57.0</b>	<b>\$1,226,701</b>	<b>\$1,298,670</b>	<b>(5.5)</b>	<b>5.1</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,200	3.46	\$8,388	\$8,435	(0.6)	\$77,998	\$79,256	(1.6)	(3.1)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	14,000	14,000	0.0	0.0
PTF Insurance Premiums Tax	129,100	3.95	0	0	-	129,102	132,286	(2.4)	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	166,900	5.11	16,075	14,418	11.5	133,631	128,942	3.6	(3.3)
State Sales and Use Tax	478,300	14.64	33,391	35,456	(5.8)	364,615	379,891	(4.0)	(4.2)
Motor Vehicle License Fees	21,200	0.65	2,153	2,094	2.8	15,046	15,719	(4.3)	(1.9)
Recordation Tax (2 cents)	22,300	0.68	1,741	2,081	(16.3)	17,282	17,147	0.8	(6.3)
Interest Earnings	23,900	0.73	107	48	122.9	6,402	19,160	(66.6)	(13.9)
<b>Total State Taxes and Fees</b>	<b>\$974,900</b>	<b>29.83</b>	<b>\$63,855</b>	<b>\$64,532</b>	<b>(1.0)</b>	<b>\$758,076</b>	<b>\$786,401</b>	<b>(3.6)</b>	<b>(3.9)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$844,434	25.84	\$67,422	\$35,052	92.3	\$630,593	\$614,894	2.6	7.0
Receipts from Cities/Counties	96,900	2.97	3,427	8,565	(60.0)	38,757	39,270	(1.3)	107.0
Toll Revenues (Includes Route 28)	52,309	1.60	1,799	1,687	6.6	26,139	55,974	(53.3)	(32.9)
Miscellaneous Revenues	18,542	0.57	1,163	2,435	(52.2)	22,226	12,007	85.1	1.2
<b>Total Other Revenues</b>	<b>\$1,012,185</b>	<b>30.98</b>	<b>\$73,811</b>	<b>\$47,739</b>	<b>54.6</b>	<b>\$717,715</b>	<b>\$722,145</b>	<b>(0.6)</b>	<b>8.6</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$500,188)	(15.31)	(\$100,000)	(\$19,831)	(404.3)	(\$300,000)	(\$364,831)	17.8	(37.1)
<b>Total Transportation Trust Fund</b>	<b>\$1,486,897</b>	<b>45.50</b>	<b>\$37,666</b>	<b>\$92,440</b>	<b>(59.3)</b>	<b>\$1,175,791</b>	<b>\$1,143,715</b>	<b>2.8</b>	<b>(6.0)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,267,983</b>	<b>100.00</b>	<b>\$255,637</b>	<b>\$231,294</b>	<b>10.5</b>	<b>\$2,402,492</b>	<b>\$2,442,385</b>	<b>(1.6)</b>	<b>(0.3)</b>

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