

TRANSPORTATION REVENUE TRACKING REPORT
DEPARTMENT OF MOTOR VEHICLES

HIGHWAY MAINTENANCE & OPERATING AND TRANSPORTATION TRUST FUNDS
STATE TAXES AND FEES
(\$ Thousands)

Revenue Sources	FY 02 _1/ Forecast	March-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	% Change Actual Forecast	
Motor Fuels Taxes _2/	\$783,293	\$61,464	0.7	\$534,004	535,251	(\$1,247)	(2.2)	(1.9)
Motor Vehicle Sales & Use Tax _3/	474,081	44,403	(0.7)	393,545	363,163	30,382	6.7	(1.5)
State Retail Sales Tax	407,100	28,272	(0.5)	291,343	303,731	(12,388)	(0.2)	4.1
Motor Vehicle Licenses	141,745	13,531	(6.6)	107,054	103,707	3,347	1.7	(1.5)
International Registration Plan	58,690	9,241	(14.3)	41,496	39,490	2,006	18.1	12.4
Priority Transportation Fund	27,500	2,000	20.0	14,000	19,625	(5,625)	N/A	N/A
Interest Earnings	3,452	1	204.8	8,457	2,301	6,156	41.8	(61.4)
Miscellaneous _4/	20,016	2,418	36.6	17,434	14,754	2,680	18.8	0.6
Total State Taxes and Fees	\$1,915,877	\$161,330	(0.9)	\$1,407,332	\$1,382,022	\$25,310	2.7	0.8

_1/ February 2002 Forecast.

_2/ Includes the road tax and applicable aviation taxes.

_3/ Includes applicable rental tax.

_4/ Miscellaneous fees in the Highway Maintenance and Operating Fund.

Note: Due to rounding columns may not add up exactly

Bottom Line

Slowing new and used vehicle sales and legislative changes impacted revenue growth this month, which fell by (0.9%). On a year-to-date basis, revenue collections are ahead of fiscal year 2001 by 2.7%. This is \$25.3 million, or 1.8% higher than expected by the February 2002 Commonwealth Transportation Fund Forecast.

Motor Fuels Tax (Including PTF Fuels Tax Revenue)

Following a very strong February, Motor Fuels Tax collections grew by 1.2% during the month of March. On a year-to-date basis, total fuels tax collections are nearly flat. This brings the revenue source slightly below forecast, by (-1.2) million, or (0.2%). Gasoline and diesel prices have been on the rise, but they are still lower than last year at this time. According to the Energy Information Administration, prices are expected to average about \$1.46 per gallon during the summer driving season. That is about 8 cents lower than last summer.

Motor Vehicle Sales and Use Tax

Once again, prices of new vehicles sold have retained steady growth, while prices of used vehicles are falling by 1.8%. However, the number of used vehicles sold

gained 1.6% in March, while the number of new vehicle sales were off by (3.0%). March 2002 is the first month since September 2001 that the state has seen a drop in revenue collections from Motor Vehicle Sales and Use Tax. This is the second month in a row where we have seen indications of a slow down in automobile purchases.

State Retail Sales Tax

State retail sales tax collections, which are dedicated for transportation purposes, fell by (0.5%) during the month of March. National retail sales, excluding automobiles, grew by 3.5% over March 2001. The largest national gains were seen in electronics and appliances, which grew 9.5% over last year.

Motor Vehicle Licenses

Motor vehicle registration renewals were down (10.3%) in March, while registration originals remained about even with last year. The drop in renewals is due to a delay in renewal notice mailing. The May renewal notices, which are typically mailed in March, were changed to incorporate legislative changes effecting the registration fee and discount program. It is expected that April's revenue collections will make up for the (6.6%) decline in March. Currently, this revenue source is running \$3.3 million, or 3.2% ahead of forecast expectations.

HIGHWAY MAINTENANCE AND OPERATING FUND (HMOF)
(\$ in Thousands)

Revenue Sources	FY 02 _1/ Forecast	March-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	Actual	% Change Forecast
Motor Fuels Taxes _2/	\$669,461	\$52,212	(2.0)	\$454,366	455,804	(\$1,438)	(2.9)	(2.6)
Motor Vehicle Sales and Use Tax	304,361	28,594	3.4	253,663	233,699	19,964	7.6	(0.9)
Motor Vehicle Licenses	123,456	11,774	(5.2)	93,180	90,424	2,756	1.9	(1.2)
International Registration Plan	58,690	9,241	(14.3)	41,496	39,490	2,006	18.1	12.4
Miscellaneous	20,016	2,418	36.6	17,434	14,754	2,680	18.8	0.6
Total State Taxes and Fees	\$1,175,984	\$104,239	(1.6)	\$860,138	\$834,170	\$25,968	1.8	(1.3)
Federal Grants and Contracts _3/	22,732	600	(52.0)	10,657	n/a	n/a	44.5	n/a
Transfer to TTF _4/	(28,711)	0	#N/A	0	n/a	n/a	10.0	n/a
Total HMOF	\$1,170,005	\$104,839	(2.1)	\$870,795	n/a	n/a	6.6	n/a

_1/ February 2002 Forecast.

_2/ Includes the road tax.

_3/ Revenues reflect prior period activity and are not a reliable measure of revenue or fiscal capacity of the State's program.

_4/ Current law provides for balances to be transferred to the Transportation Trust Fund (TTF).

Note: Due to rounding columns may not add up exactly.

TRANSPORTATION TRUST FUND
(\$ in Thousands)

Revenue Sources	FY 02 _1/ Forecast	March-02		Fiscal Year-To-Date				
		Revenue Collected	% Change Year Ago	Revenue Collected	Revenue Forecast	\$ Variance	Actual	% Change Forecast
Motor Fuels Taxes _2/	\$113,832	\$9,252	19.0	\$79,638	\$79,448	\$190	2.0	1.8
Motor Vehicle Sales and Use Tax _3/	169,720	15,809	(7.3)	\$139,882	129,464	10,418	5.3	(2.6)
Priority Transportation Fund	27,500	2,000	20.0	\$14,000	19,625	(5,625)	N/A	N/A
State Retail Sales Tax	407,100	28,272	(0.5)	\$291,343	303,731	(12,388)	(0.2)	4.1
Motor Vehicle Licenses	18,289	1,757	(14.8)	\$13,874	13,283	591	0.4	(3.8)
Interest Earnings	\$3,452	0.73	204.8	\$8,457	2,301	6,156	41.8	(61.4)
Total State Taxes and Fees	\$739,893	\$57,091	0.2	\$547,194	\$547,852	(\$658)	4.1	4.2
Federal Grants and Contracts _4/	952,355	86,441	172.9	760,094	n/a	n/a	88.1	n/a
Local Contributions _5/	36,102	1,868	130.0	27,235	n/a	n/a	68.2	n/a
Toll and Other Revenues _6/	64,621	6,530	-19.4	60,801	n/a	n/a	(3.1)	n/a
Transfers from HMOF	28,711	0	#N/A	0	n/a	n/a	(14.6)	n/a
Total TTF	\$1,821,682	\$151,930	55.7	\$1,395,324	n/a	n/a	33.6	n/a

TOTAL TRANSPORTATION FUNDS

Total HMOF & TTF Revenues	\$2,991,687	\$256,769	25.4	\$2,266,119	n/a	n/a	21.8	n/a
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_1/ February 2002 Forecast.

_2/ Includes road and aviation fuel taxes.

_3/ Includes applicable rental tax.

_4/ Revenues reflect prior period activity and are not a reliable measure of revenue or the fiscal capacity of the State's program.

_5/ Local government contributions are received on a cost-share basis as provided by law.

**Key Revenue Indicator Tracking Report
March-02**

Key Indicator	FY 2001 Total	FY 2002 Forecast*	Month			Year-to-Date		% Annual Growth	
			FY 2002	FY 2001	% Change	FY 2002	FY 2001	% Change	Required By Forecast
<u>Net Taxable Gallons (000's)</u>	4,746,431	4,868,280							2.6
Jan-02			385,096	463,171	(16.9)	2,804,306	2,801,194	0.1	
<u>Total Taxable Vehicle Sales (000's)</u>	16,052,879	\$15,135,743	\$1,403,296	\$1,409,086	(0.4)	\$12,554,670	\$11,857,426	5.9	(5.7)
New Taxable Vehicle Sales (000's)	8,984,267	8,251,488	759,457	763,781	(0.6)	7,046,386	6,662,508	5.8	(8.2)
Used Taxable Vehicle Sales (000's)	7,068,613	6,884,255	643,839	645,305	(0.2)	5,508,284	5,194,918	6.0	(2.6)
<u>Total Taxable Titles</u>	1,584,701	1,477,360	144,297	143,539	0.5	1,194,696	1,146,855	4.2	(5.6)
New Taxable Titles	397,904	360,060	33,070	34,108	(3.0)	306,380	292,261	4.8	(9.5)
Used Taxable Titles	1,186,797	1,117,300	111,227	109,431	1.6	888,316	854,594	3.9	(4.2)
<u>Average Price All Motor Vehicles</u>	\$10,253	\$10,365	\$9,725	\$9,817	(0.9)	\$10,658	\$10,330	3.2	1.1
Average Price New Vehicles	22,579	22,917	22,965	22,393	2.6	22,999	22,796	0.9	1.5
Average Price Used Vehicles	6,058	6,162	5,789	5,897	(1.8)	6,201	6,079	2.0	1.7
<u>Total Vehicle Registrations</u>	5,877,617	5,736,720	514,221	556,135	(7.5)	4,221,479	4,219,284	0.1	(2.4)
One-Year Registrations	5,016,212	4,912,840	436,248	471,957	(7.6)	3,574,895	3,607,733	(0.9)	(2.1)
Two-Year Registrations	861,405	823,880	77,973	84,178	(7.4)	646,594	611,551	5.7	(4.4)

**Twelve Month Rolling Average¹
March-02**

Revenue Source ²	From 4-01 to 3-02	From 4-00 to 3-01	Percent Difference
	(\$Thousands)		
<u>Motor Fuels Tax</u>	\$67,532	\$65,762	2.69%
Motor Fuels Tax ³	\$66,441	\$64,666	2.75%
Aviation	\$165	\$130	26.74%
Road Tax	\$926	\$966	-4.12%
<u>Vehicle Sales Tax</u>	\$43,940	\$41,959	4.72%
Vehicle Sales Tax	\$43,432	\$41,394	4.92%
Rental Tax	\$508	\$565	-10.05%
Retail Sales Tax	\$32,271	\$32,325	-0.17%
Motor Vehicle License	\$12,406	\$12,180	1.85%
IRP	\$4,787	\$4,442	7.76%

*February 2002 Forecast

¹ Of Selected Revenue Sources

² Includes HMOF and TTF

³ Includes Clean Special Fuels Tax Revenues and Priority Transportation Fund Revenues