

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT May 2011

Summary

Commonwealth Transportation Fund (CTF) revenues declined by 3.4 percent in May due to the timing of interest receipts. Year-to-date, transportation fund revenues are up 3.5 percent, slightly ahead of the official growth rate of 3.0 percent. Adjusted for the accelerated sales tax program (AST), year-to-date CTF revenues are up 4.8 percent.

Motor Fuels Tax

May collections fell by 1.8 percent. On a year-to-date basis, collections are up 2.5 percent.

Nationally, regular-grade retail gasoline price averaged about \$3.96 per gallon during the first half of May as unexpected refinery outages and disruptions in distribution caused by the flooding of the Mississippi River and its tributaries temporarily counterbalanced the impact of lower crude oil prices. In recent weeks, gasoline prices have been falling, however, as the refinery situation has begun to recover. The May average price of \$3.91 per gallon is expected to be the peak monthly average price this driving season. The regular-grade motor gasoline retail price will average \$3.75 per gallon during this summer's driving season (from April 1 through September 30), up from \$2.76 per gallon last summer.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 13.4 percent in May, the nineteenth consecutive month of growth in this source. Annual collections in this source are up 13.8 percent. Notwithstanding the double-digit annual growth, fiscal year 2011 collections through May are still below fiscal year 2002 levels at a comparative point in the fiscal year.

Higher fuel prices could be weighing on consumer wherewithal altogether. Although prices at the pump are beginning to come down, consumers may be wary. Further, continued weakness in the housing market and the large inventory of foreclosed properties are weighing on households' balance sheets and their ability to spend. A stronger, broader economy and receding gasoline prices will sales as fuel costs decline and supply disruptions dissipate. Sales are expected to climb above 15 million units during 2012 and 16 million units during 2013.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.5 percent in May. Adjusted for the AST program, year-to-date sales tax collections have increased by 2.8 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 10.6 percent in May.

**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 2010 and 2011
(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$855,500	25.33	\$70,901	\$72,192	(1.8)	\$705,446	\$688,402	2.5	3.1
Priority Transportation Fund (PTF)	150,300	4.45	2,000	2,000	0.0	148,327	147,102	0.8	0.8
Motor Vehicle Sales and Use Tax	506,500	15.00	45,472	40,113	13.4	484,305	425,580	13.8	6.9
State Sales and Use Tax	480,800	14.24	42,861	41,812	2.5	434,477	449,467	(3.3)	(2.0)
Motor Vehicle License Fees	234,800	6.95	19,708	17,820	10.6	216,669	206,717	4.8	2.0
International Registration Plan	61,300	1.82	4,061	5,815	(30.2)	55,842	52,919	5.5	2.6
Recordation Tax	32,200	0.95	2,748	2,853	(3.7)	31,404	31,413	0.0	(8.5)
Interest Earnings	38,600	1.14	6	11,743	(99.9)	13,256	18,172	(27.1)	68.1
Misc. Taxes, Fees, and Revenues	12,700	0.38	958	1,062	(9.8)	11,815	11,566	2.2	(0.4)
Total State Taxes and Fees	\$2,372,700	70.26	\$188,715	\$195,410	(3.4)	\$2,101,541	\$2,031,338	3.5	3.0

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 2010 and 2011
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$739,800	21.90	\$61,647	\$63,306	(2.6)	\$606,813	\$592,157	2.5	3.5
Motor Vehicle Sales and Use Tax	309,800	9.17	28,058	24,934	12.5	295,371	259,859	13.7	7.0
Motor Vehicle License Fees	213,700	6.33	17,931	16,171	10.9	197,339	188,051	4.9	2.0
International Registration Plan	61,300	1.82	4,061	5,815	(30.2)	55,842	52,919	5.5	2.6
Recordation Tax (1 cent)	10,700	0.32	916	951	(3.7)	10,468	10,471	0.0	(8.8)
Misc. Taxes, Fees, and Revenues	12,700	0.38	958	1,062	(9.8)	11,815	11,566	2.2	(0.4)
Total State Taxes and Fees	\$1,348,000	39.92	\$113,571	\$112,239	1.2	\$1,177,648	\$1,115,023	5.6	3.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,089	\$1,587	(31.4)	\$18,222	\$17,261	5.6	(100.0)
Miscellaneous Revenues	16,191	0.48	2,573	381	575.3	14,065	13,738	2.4	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.13	95,998	50,000	92.0	362,938	350,000	3.7	0.7
Total Highway Maintenance and Operating Fund	\$1,875,189	55.53	\$213,231	\$164,207	29.9	\$1,572,873	\$1,496,022	5.1	1.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$115,700	3.43	\$9,254	\$8,886	4.1	\$98,633	\$96,245	2.5	0.6
PTF Motor Fuels	20,000	0.59	2,000	2,000	0.0	18,000	18,000	0.0	0.0
PTF Insurance Premiums Tax	130,300	3.86	0	0	-	130,327	129,102	0.9	0.9
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	196,700	5.83	17,414	15,179	14.7	188,934	165,721	14.0	6.8
State Sales and Use Tax	480,800	14.24	42,861	41,812	2.5	434,477	449,467	(3.3)	(2.0)
Motor Vehicle License Fees	21,100	0.62	1,777	1,649	7.8	19,330	18,666	3.6	1.8
Recordation Tax (2 cents)	21,500	0.63	1,832	1,902	(3.7)	20,936	20,942	0.0	(8.3)
Interest Earnings	38,600	1.14	6	11,743	(99.9)	13,256	18,172	(27.1)	68.1
Total State Taxes and Fees	\$1,024,700	30.34	\$75,144	\$83,171	(9.7)	\$923,893	\$916,315	0.8	1.8
Other Revenues:									
Federal Grants and Contracts	\$881,334	26.09	\$71,058	\$42,563	66.9	\$780,059	\$737,611	5.8	6.9
Receipts from Cities/Counties	59,007	1.75	3,253	303	973.6	39,049	43,813	(10.9)	28.0
Toll Revenues (Includes Route 28)	30,035	0.89	931	10,120	(90.8)	19,139	43,413	(55.9)	(32.4)
Miscellaneous Revenues	17,862	0.53	2,297	1,792	28.2	50,528	25,607	97.3	(39.7)
Total Other Revenues	\$988,238	29.26	\$77,539	\$54,778	41.6	\$888,775	\$850,444	4.5	4.7
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.13)	(\$95,998)	(\$50,000)	(92.0)	(\$362,938)	(\$350,000)	(3.7)	(0.7)
Total Transportation Trust Fund	\$1,501,940	44.47	\$56,685	\$87,949	(35.5)	\$1,449,730	\$1,416,759	2.3	4.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,377,129	100.00	\$269,916	\$252,156	7.0	\$3,022,603	\$2,912,781	3.8	2.9

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