

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2004

Summary

Revenue collections increased by 10.2 percent in November. Most of the monthly increase was attributable to solid growth in the Commonwealth Transportation Fund's three major sources: motor fuels tax, motor vehicle sales tax, and retail sales tax collections. On a year-to-date basis, growth is up 3.7 percent. The updated forecast will be released on December 17 and the new estimates will be included in next month's revenue report.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 8.1 percent in November. Annual collections through the first five months of fiscal year 2005 are up 2.9 percent.

Markets are increasingly satisfied that supplies of both crude oil and refined products are adequate to match demand during the winter heating season. Crude oil prices have plummeted in recent weeks as markets have taken note of quickly rising crude inventories. The risk premium reflecting fears of supply disruptions has duly diminished as crude inventories have been replenished. The absence of any concrete and imminent threat to supplies has also worked to deflate the premium.

Motor Vehicle Sales and Use Tax

Despite the lackluster labor market recovery, fragile consumer confidence, high energy prices, which are affecting disposable income, high debt burdens, and spent-up demand, consumers continued to purchase vehicles at a solid pace. Collections in this source increased by 17.2 percent in November and are up 3.1 percent for the year.

Going forward, vehicle sales are expected to weaken, pushed down by rising interest rates, whose effect will be amplified by the forward buying of recent years. These factors will only be partially offset by the more buoyant labor market recovery, and weak price growth combined with stronger wage growth.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 8.4 percent in November. Collections in this source are up 8.1 percent in fiscal year 2005.

Motor Vehicle Licenses

Motor Vehicle Registrations were up 7.3 percent in November. Collections of \$11.0 million were slightly higher than the \$10.3 million collected last November. Motor vehicle license receipts are down 1.6 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$860,500	28.51	\$72,485	\$67,072	8.1	\$296,231	\$287,881	2.9	1.7
Priority Transportation Fund	20,000	0.66	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax	600,200	19.90	46,730	39,859	17.2	261,618	253,796	3.1	(0.6)
State Sales and Use Tax	417,500	13.84	38,296	35,326	8.4	168,128	155,563	8.1	0.6
Motor Vehicle License Fees	146,700	4.86	11,033	10,279	7.3	65,563	66,610	(1.6)	(9.9)
International Registration Plan	61,500	2.04	2,014	2,753	(26.8)	12,729	13,144	(3.2)	13.2
Interest Earnings	15,400	0.51	0	0	-	3,491	3,480	0.3	44.3
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,982	2,024	47.3	12,372	9,954	24.3	(13.0)
Total State Taxes and Fees	\$2,140,400	70.94	\$175,540	\$159,313	10.2	\$826,132	\$796,428	3.7	0.3

Percentage is greater than 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 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$733,700	24.31	\$62,927	\$57,448	9.5	\$257,676	\$248,317	3.8	0.8
Motor Vehicle Sales and Use Tax	385,800	12.79	29,956	25,440	17.8	168,683	163,597	3.1	(0.8)
Motor Vehicle License Fees	125,400	4.15	9,597	8,969	7.0	57,500	58,249	(1.3)	(11.8)
International Registration Plan	61,500	2.04	2,014	2,753	(26.8)	12,729	13,144	(3.2)	13.2
Misc. Taxes, Fees, and Revenues	18,600	0.62	2,982	2,024	47.3	12,372	9,954	24.3	(13.0)
Total State Taxes and Fees	\$1,325,000	43.91	\$107,476	\$96,634	11.2	\$508,960	\$493,261	3.2	(0.7)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,538	\$1,165	32.0	\$7,456	\$5,122	45.6	(100.0)
Transfer (to) / from Transportation Trust Fund									
	\$244,600	8.11	\$24,462	\$0	-	\$194,977	\$20,177	866.3	329.9
Total Highway Maintenance and Operating Fund	\$1,569,600	52.02	\$133,476	\$97,799	36.5	\$711,393	\$518,560	37.2	11.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$126,800	4.20	\$9,558	\$9,624	(0.7)	\$38,555	\$39,564	(2.6)	7.3
Priority Transportation Fund	20,000	0.66	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	214,400	7.11	16,774	14,419	16.3	92,935	90,199	3.0	(0.4)
State Sales and Use Tax	417,500	13.84	38,296	35,326	8.4	168,128	155,563	8.1	0.6
Motor Vehicle License Fees	21,300	0.71	1,436	1,310	9.6	8,063	8,361	(3.6)	3.8
Interest Earnings	15,400	0.51	0	0	-	3,491	3,480	0.3	44.3
Total State Taxes and Fees	\$815,400	27.03	\$68,064	\$62,679	8.6	\$317,172	\$303,167	4.6	2.0
Other Revenues:									
Federal Grants and Contracts	\$764,800	25.35	\$32,216	\$42,306	(23.9)	\$215,471	\$353,623	(39.1)	19.7
Receipts from Cities/Counties	43,700	1.45	863	1,569	(45.0)	14,265	18,428	(22.6)	37.9
Toll Revenues (Includes Route 28)	62,900	2.08	3,826	5,532	(30.8)	39,583	27,238	45.3	(15.6)
Miscellaneous Revenues	5,500	0.18	3,527	1,906	85.0	19,345	7,560	155.9	(70.0)
Total Other Revenues	\$876,900	29.06	\$40,432	\$51,313	(21.2)	\$288,664	\$406,849	(29.0)	14.8
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$244,600)	(8.11)	(\$24,462)	\$0	-	(\$194,977)	(\$20,177)	(866.3)	(329.9)
Total Transportation Trust Fund	\$1,447,700	47.98	\$84,034	\$113,992	(26.3)	\$410,859	\$689,839	(40.4)	(3.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,017,300	100.00	\$217,510	\$211,791	2.7	\$1,122,252	\$1,208,399	(7.1)	3.6

Percentage is greater than 1,000%.