

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2006

### Summary

Revenue collections increased by only 0.2 percent in November. Most of the monthly increase was attributable to the comparison with November 2005 when four months of Rental Tax collections (Rail Enhancement Fund) were included in the Commonwealth Transportation Fund. On a year-to-date basis, growth is up 3.5 percent. The updated forecast was released on December 15 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 fell by 0.3 percent in November. Annual collections through the first five months of fiscal year 2007 are down 3.7 percent.

Production cuts by the Organization of Petroleum Exporting Countries (OPEC) that began in November, combined with the recent erosion in surplus U.S. product inventories and the expected increase in petroleum demand during the winter heating season drove spot prices for West Texas Intermediate (WTI) crude oil spot prices above \$60 per barrel in the last week of November. OPEC oil production is expected to be reduced by about 0.8 million barrels per day (bbl/d) in November and December. WTI crude oil prices are projected to average about \$66 per barrel in 2006 and \$65 per barrel in 2007.

### Motor Vehicle Sales and Use Tax

Collections in this source declined by 6.7 percent in November and are down 3.7 percent for the year, mainly due to the aforementioned comparison with last November's collections when four months of rental tax collections (Rail Enhancement Fund) were added in November to this source.

The weaker sales figure for October reflects (November collections), to some extent, the easing U.S. economy. The economy is downshifting, income growth is expected to ease, consumers are benefiting less from rising house prices, which have allowed from home equity withdrawals and many households are facing rate resets on mortgages. Therefore, consumer fundamentals argue against any significant pickup in vehicle sales. The weakening pace of vehicle sales is inducing more production cuts by domestic manufacturing, cuts that will continue into 2007. Inventories of unsold vehicles are climbing and sales to consumers are much weaker than the top line sales numbers indicate, since fleet sales are dampening the weaker consumer demand.

### State Retail Sales Tax

The transportation portion of retail sales tax increased by 5.9 percent in November. Collections in this source are up 22.7 percent in fiscal year 2007, mainly due to the end of the Accelerated Sales Tax program.

### Motor Vehicle Licenses

Motor Vehicle Registrations were up 7.4 percent in November. Collections of \$12.5 million were slightly higher than the \$11.6 million collected last November. Motor vehicle license receipts are up 1.8 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 2006 and 2007**  
**(Dollars in Thousands)**

Revenue	FY 2007 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
Motor Fuel Taxes	\$869,900	22.09	\$69,848	\$70,026	(0.3)	\$298,234	\$309,761	(3.7)	(0.1)
Priority Transportation Fund	20,000	0.51	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax	652,600	16.57	48,712	52,202	(6.7)	267,373	277,535	(3.7)	3.8
State Sales and Use Tax	520,400	13.21	42,218	39,853	5.9	215,090	175,304	22.7	9.3
Motor Vehicle License Fees	170,700	4.33	12,497	11,640	7.4	71,582	70,309	1.8	0.8
International Registration Plan	60,800	1.55	5,091	1,925	164.5	19,453	11,370	71.1	0.4
Interest Earnings	25,300	0.64	51	68	(25.0)	12,254	7,221	69.7	(34.5)
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,239	4,612	(51.5)	12,588	14,903	(15.5)	(27.2)
<b>Total State Taxes and Fees</b>	<b>\$2,343,000</b>	<b>59.49</b>	<b>\$182,656</b>	<b>\$182,326</b>	<b>0.2</b>	<b>\$902,574</b>	<b>\$872,403</b>	<b>3.5</b>	<b>2.1</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 2006 and 2007  
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$746,400	18.95	\$60,933	\$61,054	(0.2)	\$259,334	\$271,123	(4.3)	(0.7)
Motor Vehicle Sales and Use Tax	404,100	10.26	29,608	26,505	11.7	165,610	171,728	(3.6)	3.6
Motor Vehicle License Fees	149,200	3.79	10,876	10,128	7.4	62,453	61,672	1.3	0.6
International Registration Plan	60,800	1.55	5,091	1,925	164.5	19,453	11,370	71.1	0.4
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,239	4,612	(51.5)	12,588	14,903	(15.5)	(27.2)
<b>Total State Taxes and Fees</b>	<b>\$1,383,800</b>	<b>35.14</b>	<b>\$108,747</b>	<b>\$104,224</b>	<b>4.3</b>	<b>\$519,438</b>	<b>\$530,796</b>	<b>(2.1)</b>	<b>0.1</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$2,053	(\$1,602)	228.2	\$10,595	\$13,198	(19.7)	(100.0)
Transfer (to) / from Transportation Trust Fund	286,303	7.27	53,205	0	-	239,144	186,199	28.4	53.8
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,670,103</b>	<b>42.41</b>	<b>\$164,005</b>	<b>\$102,622</b>	<b>59.8</b>	<b>\$769,177</b>	<b>\$730,193</b>	<b>5.3</b>	<b>4.0</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,500	3.14	\$8,915	\$8,972	(0.6)	\$38,900	\$38,638	0.7	4.3
Priority Transportation Fund	20,000	0.51	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,500	6.31	19,104	25,697	(25.7)	101,763	105,807	(3.8)	4.2
State Sales and Use Tax	520,400	13.21	42,218	39,853	5.9	215,090	175,304	22.7	9.3
Motor Vehicle License Fees	21,500	0.54	1,621	1,512	7.2	9,129	8,637	5.7	2.1
Interest Earnings	25,300	0.64	51	68	(25.0)	12,254	7,221	69.7	(34.5)
<b>Total State Taxes and Fees</b>	<b>\$959,200</b>	<b>24.35</b>	<b>\$73,909</b>	<b>\$78,102</b>	<b>(5.4)</b>	<b>\$383,136</b>	<b>\$341,607</b>	<b>12.2</b>	<b>5.1</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,354,852	34.40	\$47,546	\$44,013	8.0	\$278,056	\$232,516	19.6	181.8
Receipts from Cities/Counties	125,272	3.18	5,697	2,679	112.7	24,207	18,146	33.4	156.5
Toll Revenues (Includes Route 28)	96,447	2.45	7,890	6,041	30.6	40,774	42,866	(4.9)	(15.0)
Miscellaneous Revenues	18,717	0.48	568	2,096	(72.9)	3,793	7,719	(50.9)	(15.0)
<b>Total Other Revenues</b>	<b>\$1,595,288</b>	<b>40.51</b>	<b>\$61,701</b>	<b>\$54,829</b>	<b>12.5</b>	<b>\$346,830</b>	<b>\$301,247</b>	<b>15.1</b>	<b>139.9</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.27)	(\$53,205)	\$0	-	(\$239,144)	(\$186,199)	(28.4)	(53.8)
<b>Total Transportation Trust Fund</b>	<b>\$2,268,185</b>	<b>57.59</b>	<b>\$82,405</b>	<b>\$132,931</b>	<b>(38.0)</b>	<b>\$490,822</b>	<b>\$456,655</b>	<b>7.5</b>	<b>63.0</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,938,288</b>	<b>100.00</b>	<b>\$246,410</b>	<b>\$235,553</b>	<b>4.6</b>	<b>\$1,259,999</b>	<b>\$1,186,848</b>	<b>6.2</b>	<b>31.3</b>

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