

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2007

Summary

Revenue collections increased by 2.4 percent in October, and on a year-to-date basis, growth is up 5.7 percent. Most of the monthly increase was attributable to the increase in registration fees. Adjusting for the registration fee increase, monthly growth declined by 0.9 percent and annual growth is 2.2 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 (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections increased by 2.6 percent in November. Annual collections through the first five months of fiscal year 2008 are up 2.8 percent.

Gasoline prices, which hit a recent weekly peak of \$3.11 per gallon in mid-November, fell by about 10 cents per gallon over the last half of the month, corresponding to the drop in crude oil prices. Nevertheless, by the middle of next spring they are projected to rebound to over \$3.40 per gallon as the driving season begins.

Motor Vehicle Sales and Use Tax

Collections in this source declined by 8.1 percent in November and are down 3.8 percent for the year.

The automobile industry is under pressure from a number of channels. First, high energy prices are affecting sales of large SUVs and pickup trucks. Second, weakening housing construction activity is weighing on pickup truck sales. Third, weakening ability to extract home equity to pay for big ticket item due to house-price erosion is affecting consumer demand for vehicles. Fourth, weaker employment trends, especially for housing-related industries, is dampening demand for vehicles.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 4.3 percent in November. Collections in this source are up 3.4 percent in fiscal year 2008.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 54.2 percent in November. Collections of \$19.3 million include \$5.9 million attributable to the motor vehicle license fee increase. Adjusting for the registration fee increase, this month's collections were up 6.7 percent from last year.

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 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
Motor Fuel Taxes	\$897,500	23.64	\$69,740	\$69,848	(0.2)	\$304,692	\$298,234	2.2	4.4
Priority Transportation Fund	20,000	0.53	4,000	2,000	100.0	8,000	6,000	33.3	0.0
Motor Vehicle Sales and Use Tax	637,300	16.78	44,742	48,712	(8.1)	257,214	267,373	(3.8)	1.4
State Sales and Use Tax	536,000	14.12	44,018	42,218	4.3	222,418	215,090	3.4	3.6
Motor Vehicle License Fees	262,900	6.93	19,276	12,497	54.2	102,953	71,582	43.8	55.2
International Registration Plan	64,500	1.70	2,589	5,091	(49.1)	28,619	19,453	47.1	19.5
Interest Earnings	52,600	1.38	69	51	35.3	15,814	12,254	29.1	(2.5)
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,286	902	42.6	6,383	4,861	31.3	32.9
Total State Taxes and Fees (a)	\$2,487,200	65.51	\$185,720	\$181,319	2.4	\$946,093	\$894,847	5.7	7.4

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

(a) Certain Fiscal Year 2007 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

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 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$777,400	20.48	\$58,510	\$60,933	(4.0)	\$258,875	\$259,334	(0.2)	4.8
Motor Vehicle Sales and Use Tax	393,900	10.37	27,398	29,608	(7.5)	159,770	165,610	(3.5)	1.0
Motor Vehicle License Fees	241,300	6.36	17,544	10,876	61.3	94,149	62,453	50.8	62.8
International Registration Plan	64,500	1.70	2,589	5,091	(49.1)	28,619	19,453	47.1	19.5
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,286	902	42.6	6,383	4,861	31.3	32.9
Total State Taxes and Fees	\$1,493,500	39.34	\$107,327	\$107,410	(0.1)	\$547,796	\$511,711	7.1	11.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$10,576	\$2,053	415.1	\$16,524	\$10,595	56.0	(100.0)
Miscellaneous Revenues (a)	16,937	0.45	1,174	1,434	(18.1)	6,962	8,394	(17.1)	0.1
Transfer (to) / from Transportation Trust Fund	262,570	6.91	0	53,205	(100.0)	200,000	239,144	(16.4)	13.6
Total Highway Maintenance and Operating Fund	\$1,773,007	46.70	\$119,077	\$164,102	(27.4)	\$771,282	\$769,844	0.2	9.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,100	3.16	\$11,230	\$8,915	26.0	\$45,817	\$38,900	17.8	1.8
Priority Transportation Fund	20,000	0.53	4,000	2,000	100.0	8,000	6,000	33.3	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	243,400	6.41	17,344	19,104	(9.2)	97,444	101,763	(4.2)	2.0
State Sales and Use Tax	536,000	14.12	44,018	42,218	4.3	222,418	215,090	3.4	3.6
Motor Vehicle License Fees	21,600	0.57	1,732	1,621	6.8	8,804	9,129	(3.6)	1.7
Interest Earnings	52,600	1.38	69	51	35.3	15,814	12,254	29.1	(2.5)
Total State Taxes and Fees	\$993,700	26.17	\$78,393	\$73,909	6.1	\$398,297	\$383,136	4.0	2.5
Other Revenues:									
Federal Grants and Contracts	\$1,100,568	28.98	\$79,543	\$47,546	67.3	\$382,862	\$278,056	37.7	77.9
Receipts from Cities/Counties (a)	78,428	2.07	1,796	5,600	(67.9)	28,812	23,540	22.4	86.4
Toll Revenues (Includes Route 28)	100,598	2.65	6,607	7,890	(16.3)	46,700	40,774	14.5	(3.0)
Miscellaneous Revenues	12,854	0.34	2,243	568	294.9	6,602	3,793	74.1	(40.4)
Total Other Revenues	\$1,292,448	34.04	\$90,189	\$61,604	46.4	\$464,976	\$346,163	34.3	64.5
Transfer (to) / from Highway Maintenance and Operating Fund	(\$262,570)	(6.91)	\$0	(\$53,205)	100.0	(\$200,000)	(\$239,144)	16.4	(13.6)
Total Transportation Trust Fund	\$2,023,578	53.30	\$168,582	\$82,308	104.8	\$663,273	\$490,155	35.3	32.8
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,796,585	100.00	\$287,659	\$246,410	16.7	\$1,434,555	\$1,259,999	13.9	20.6

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

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast in FY 2007. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues". In order to provide comparable data, the Fiscal Year 2007 monthly and year-to-date amounts were likewise reclassified.