

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2008

### Summary

Commonwealth Transportation Fund (CTF) revenues declined by 12.6 percent in November but are up 2.7 percent year-to-date. However, adjusting for the new revenue streams resulting from House Bill 3202 (2007), base CTF collections are down 10.9 percent through the first five months of fiscal year 2009.

### Motor Fuels Tax

Motor fuels tax collections declined by 9.7 percent in November and are down 5.0 percent on an annual basis.

As a result of world-wide economic stagnation, oil markets are expected to remain weak throughout the forecast. WTI prices are projected to average \$101 per barrel in 2008. Under the current economic assumptions and assuming no major crude oil supply disruptions, WTI prices are expected to average \$63.50 per barrel in 2009 (Crude Oil Prices). This is down from \$112 per barrel average projected for 2009 in last month's Outlook. Further deterioration in actual or expected global economic growth as a fallout of the current financial crisis may lead to even lower oil prices.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 35.4 percent in November, the seventh consecutive double-digit monthly decline. November's decline is the largest monthly decline in over twenty years. Year-to-date, collections are down 22.5 percent. The year-to-date decline in motor vehicle sales tax is significantly worse than that seen during the fiscal year 1991 recession.

Nationally, vehicle sales sank to a new low of 10.1 million units, at a seasonally adjusted annualized rate. This is the lowest pace of sales since the early 1980s. All the major automakers reported declines in sales exceeding 30% compared with a year ago. The credit crunch and weak employment situation are to blame. Vehicle production will be slashed as inventories build.

### State Retail Sales Tax

The transportation portion of the state retail sales tax fell by 4.3 percent in November.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 21.2 percent in November, mainly the result of two less business days this November compared to 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 2008 and 2009**  
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
Motor Fuel Taxes	\$817,900	22.83	\$62,953	\$69,740	(9.7)	\$289,516	\$304,692	(5.0)	(5.2)
Priority Transportation Fund (PTF) (a)	152,300	4.25	8,422	4,000	110.6	120,245	8,000	#	-
Motor Vehicle Sales and Use Tax	500,500	13.97	28,917	44,742	(35.4)	199,300	257,214	(22.5)	(12.7)
State Sales and Use Tax	524,800	14.65	42,135	44,018	(4.3)	217,686	222,418	(2.1)	0.0
Motor Vehicle License Fees	239,200	6.68	15,197	19,276	(21.2)	99,144	102,953	(3.7)	(1.2)
International Registration Plan	68,800	1.92	1,491	2,589	(42.4)	14,752	28,619	(48.5)	(7.2)
Recordation Tax (b)	41,400	1.16	2,316	0	-	14,824	0	-	-
Interest Earnings	30,700	0.86	4	69	(94.2)	10,812	15,814	(31.6)	(50.6)
Misc. Taxes, Fees, and Revenues	13,200	0.37	945	1,286	(26.5)	5,550	6,383	(13.1)	(11.4)
<b>Total State Taxes and Fees</b>	<b>\$2,388,800</b>	<b>66.69</b>	<b>\$162,380</b>	<b>\$185,720</b>	<b>(12.6)</b>	<b>\$971,829</b>	<b>\$946,093</b>	<b>2.7</b>	<b>0.6</b>

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

(a) A new revenue stream, Insurance Premiums Tax, is included in the Fiscal Year 2009 Transportation Trust Fund Revenue Forecast. As there were no collections for insurance premiums tax recorded in the Transportation Trust Fund during Fiscal Year 2008, a comparison of the total "Priority Transportation Fund (PTF)" between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "PTF Motor Fuels" and "PTF Insurance Premiums Tax" line items on page 5 for the detailed information pertaining to the "Priority Transportation Trust Fund (PTF)" line item.

(b) New revenue streams for Recordation Tax are included in the Fiscal Year 2009 Highway Maintenance and Operating Fund and the Transportation Trust Fund Revenue Estimates, respectively. As there were no collections for recordation taxes recorded in these funds during Fiscal Year 2008, a comparison between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "Recordation Tax (1 cent)" and "Recordation Tax (2 cents)" line items on page 5 for the detailed information pertaining to the "Recordation Tax" line item.

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 2008 and 2009  
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$703,300	19.63	\$54,606	\$58,510	(6.7)	\$248,361	\$258,875	(4.1)	(5.0)
Motor Vehicle Sales and Use Tax	304,700	8.50	17,214	27,398	(37.2)	121,035	159,770	(24.2)	(14.2)
Motor Vehicle License Fees	218,500	6.10	13,854	17,544	(21.0)	90,250	94,149	(4.1)	(1.0)
International Registration Plan	68,800	1.92	1,491	2,589	(42.4)	14,752	28,619	(48.5)	(7.2)
Recordation Tax (1 cent) (a)	13,800	0.39	772	0	-	4,941	0	-	-
Misc. Taxes, Fees, and Revenues	13,200	0.37	945	1,286	(26.5)	5,550	6,383	(13.1)	(11.4)
<b>Total State Taxes and Fees</b>	<b>\$1,322,300</b>	<b>36.91</b>	<b>\$88,882</b>	<b>\$107,327</b>	<b>(17.2)</b>	<b>\$484,889</b>	<b>\$547,796</b>	<b>(11.5)</b>	<b>(5.9)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$991	\$10,576	(90.6)	\$9,318	\$16,524	(43.6)	(100.0)
Miscellaneous Revenues	19,605	0.55	927	1,174	(21.0)	6,922	6,962	(0.6)	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.75	60,000	0	-	280,000	200,000	40.0	45.0
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,726,875</b>	<b>48.21</b>	<b>\$150,800</b>	<b>\$119,077</b>	<b>26.6</b>	<b>\$781,129</b>	<b>\$771,282</b>	<b>1.3</b>	<b>0.6</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,600	3.20	\$8,347	\$11,230	(25.7)	\$41,155	\$45,817	(10.2)	(6.3)
PTF Motor Fuels	20,000	0.56	2,000	4,000	(50.0)	6,000	8,000	(25.0)	0.0
PTF Insurance Premiums Tax (a)	132,300	3.69	6,422	0	-	114,245	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	195,800	5.47	11,703	17,344	(32.5)	78,265	97,444	(19.7)	(10.2)
State Sales and Use Tax	524,800	14.65	42,135	44,018	(4.3)	217,686	222,418	(2.1)	0.0
Motor Vehicle License Fees	20,700	0.58	1,343	1,732	(22.5)	8,894	8,804	1.0	(3.0)
Recordation Tax (2 cents) (a)	27,600	0.77	1,544	0	-	9,883	0	-	-
Interest Earnings	30,700	0.86	4	69	(94.2)	10,812	15,814	(31.6)	(50.6)
<b>Total State Taxes and Fees</b>	<b>\$1,066,500</b>	<b>29.78</b>	<b>\$73,498</b>	<b>\$78,393</b>	<b>(6.2)</b>	<b>\$486,940</b>	<b>\$398,297</b>	<b>22.3</b>	<b>10.1</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$938,474	26.20	\$55,965	\$79,543	(29.6)	\$327,876	\$382,862	(14.4)	9.7
Receipts from Cities/Counties	97,299	2.71	(1,002)	1,796	(155.8)	21,050	28,812	(26.9)	114.4
Toll Revenues (Includes Route 28) (b)	106,041	2.96	1,915	6,607	(71.0)	29,007	46,700	(37.9)	(18.3)
Miscellaneous Revenues	31,806	0.89	227	2,243	(89.9)	5,617	6,602	(14.9)	115.1
<b>Total Other Revenues</b>	<b>\$1,173,620</b>	<b>32.76</b>	<b>\$57,105</b>	<b>\$90,189</b>	<b>(36.7)</b>	<b>\$383,550</b>	<b>\$464,976</b>	<b>(17.5)</b>	<b>12.2</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$384,970)	(10.75)	(\$60,000)	\$0	-	(\$280,000)	(\$200,000)	(40.0)	(45.0)
<b>Total Transportation Trust Fund</b>	<b>\$1,855,150</b>	<b>51.79</b>	<b>\$70,603</b>	<b>\$168,582</b>	<b>(58.1)</b>	<b>\$590,490</b>	<b>\$663,273</b>	<b>(11.0)</b>	<b>6.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,582,025</b>	<b>100.00</b>	<b>\$221,403</b>	<b>\$287,659</b>	<b>(23.0)</b>	<b>\$1,371,619</b>	<b>\$1,434,555</b>	<b>(4.4)</b>	<b>3.4</b>

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

(a) These line items were added to the Fiscal Year 2009 Revenue Forecast. Since there were no collections for these line items during Fiscal Year 2008, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No additional revenue will be recorded for the Dulles Toll Road after October 31, 2008.