

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2010

Summary

Commonwealth Transportation Fund (CTF) revenues improved by 11.1 percent in November. November's performance can be attributed to solid motor vehicle sales tax collections and motor fuel taxes. Year-to-date, collections are up 3.1 percent. Adjusted for the accelerated sales tax program (AST), year-to-date CTF revenues are up 6.1 percent.

Motor Fuels Tax

November collections grew by 9.1 percent. On a year-to-date basis, collections are up 5.3 percent.

Projected regular-grade gasoline retail prices rise from an average of \$2.35 per gallon in 2009 to an average of \$2.77 per gallon in 2010 and \$3.00 per gallon in 2011. On-highway diesel fuel retail prices, which averaged \$2.46 per gallon in 2009, average \$2.98 per gallon in 2010 and \$3.23 in 2011. Refining margins, which had been at their lowest levels since 2003, average about \$2 per barrel higher next year because of growing global product demand.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 34.9 percent in November. Annual collections in this source are up 12.0 percent. Notwithstanding the double-digit annual growth, fiscal year 2011 collections through November are 14.4 percent lower than the level through the first five months of fiscal year 2008.

Vehicle sales are improving very slowly; consumers are beginning to release their pent-up demand as the need to replace their aging units increases. The pace of vehicle sales remains far below what would be consistent with underlying population and income trends, about 15.5 million units. Sales are not expected to reach such a healthy pace until early 2013. A stronger labor market and easier access to credit will be needed before sales gain some momentum. The labor market, however, is not expected to create enough jobs to begin pulling the unemployment rate down until the end of next year.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 7.9 percent in November. Adjusted for the AST program, year-to-date sales tax collections have increased by 3.0 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 14.5 percent in November.

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	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$841,300	25.45	\$70,910	\$65,000	9.1	\$299,492	\$284,486	5.3	1.3
Priority Transportation Fund (PTF)	148,200	4.49	6,782	6,631	2.3	121,291	116,430	4.2	(0.6)
Motor Vehicle Sales and Use Tax	448,700	13.57	41,044	30,432	34.9	220,253	196,739	12.0	(5.3)
State Sales and Use Tax	488,600	14.78	42,133	39,044	7.9	182,814	204,305	(10.5)	(0.4)
Motor Vehicle License Fees	242,500	7.33	17,661	15,419	14.5	99,820	93,863	6.3	5.3
International Registration Plan	60,300	1.82	3,151	1,170	169.3	18,534	15,164	22.2	0.9
Recordation Tax	33,500	1.01	3,126	2,844	9.9	15,033	15,898	(5.4)	(4.8)
Interest Earnings	30,600	0.93	144	5,797	(97.5)	4,846	6,129	(20.9)	33.3
Misc. Taxes, Fees, and Revenues	12,700	0.38	999	973	2.7	5,430	5,087	6.7	(0.4)
Total State Taxes and Fees	\$2,306,400	69.76	\$185,950	\$167,310	11.1	\$967,513	\$938,101	3.1	0.1

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	November			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)	\$726,800	21.99	\$61,902	\$56,484	9.6	\$258,169	\$245,508	5.2	1.6
Motor Vehicle Sales and Use Tax	272,700	8.25	25,044	18,220	37.5	132,190	118,402	11.6	(5.8)
Motor Vehicle License Fees	221,300	6.69	16,087	14,059	14.4	90,982	85,354	6.6	5.7
International Registration Plan	60,300	1.82	3,151	1,170	169.3	18,534	15,164	22.2	0.9
Recordation Tax (1 cent)	11,200	0.34	1,042	948	9.9	5,011	5,299	(5.4)	(4.5)
Misc. Taxes, Fees, and Revenues	12,700	0.38	999	973	2.7	5,430	5,087	6.7	(0.4)
Total State Taxes and Fees	\$1,305,000	39.47	\$108,225	\$91,854	17.8	\$510,316	\$474,814	7.5	0.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,473	\$1,413	4.2	\$8,529	\$7,831	8.9	(100.0)
Miscellaneous Revenues	16,191	0.49	1,022	739	38.3	3,937	5,474	(28.1)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.46	0	0	-	66,940	150,000	(55.4)	0.7
Total Highway Maintenance and Operating Fund	\$1,832,189	55.42	\$110,720	\$94,006	17.8	\$589,722	\$638,119	(7.6)	(0.4)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,500	3.46	\$9,008	\$8,516	5.8	\$41,323	\$38,978	6.0	(0.5)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	6,000	6,000	0.0	0.0
PTF Insurance Premiums Tax	128,200	3.88	4,782	4,631	3.3	115,291	110,430	4.4	(0.7)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	176,000	5.32	16,000	12,212	31.0	88,063	78,337	12.4	(4.5)
State Sales and Use Tax	488,600	14.78	42,133	39,044	7.9	182,814	204,305	(10.5)	(0.4)
Motor Vehicle License Fees	21,200	0.64	1,574	1,360	15.7	8,838	8,509	3.9	2.2
Recordation Tax (2 cents)	22,300	0.67	2,084	1,896	9.9	10,022	10,599	(5.4)	(4.9)
Interest Earnings	30,600	0.93	144	5,797	(97.5)	4,846	6,129	(20.9)	33.3
Total State Taxes and Fees	\$1,001,400	30.29	\$77,725	\$75,456	3.0	\$457,197	\$463,287	(1.3)	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$881,334	26.66	\$71,437	\$37,995	88.0	\$434,240	\$388,107	11.9	6.9
Receipts from Cities/Counties	59,007	1.78	727	4,645	(84.3)	24,946	8,767	184.5	28.0
Toll Revenues (Includes Route 28)	30,035	0.91	882	4,546	(80.6)	6,815	20,406	(66.6)	(32.4)
Miscellaneous Revenues	13,089	0.40	2,026	4,005	(49.4)	29,057	12,626	130.1	(55.8)
Total Other Revenues	\$983,465	29.75	\$75,072	\$51,191	46.7	\$495,058	\$429,906	15.2	4.2
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.46)	\$0	\$0	-	(\$66,940)	(\$150,000)	55.4	(0.7)
Total Transportation Trust Fund	\$1,473,867	44.58	\$152,797	\$126,647	20.6	\$885,315	\$743,193	19.1	2.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,306,056	100.00	\$263,517	\$220,653	19.4	\$1,475,037	\$1,381,312	6.8	0.7

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