

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2013

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 10.4 percent in November. On a year-to-date basis, collections are up 13.7 percent. Adjusting for the new revenue streams from HB2313 (2013) and the new taxing regime for motor fuels, total collections declined by 0.3 percent in November and are up 2.6 percent for the year.

### Motor Fuels Tax

Motor fuel taxes fell by 27.4 percent in November and are down 18.9 percent for the fiscal year.

After falling by more than 40 cents per gallon from the beginning of September through the middle of November, weekly U.S. average regular gasoline retail prices increased by 8 cents per gallon to reach \$3.27 per gallon on December 2, 2013, due in part to unplanned refinery maintenance and higher crude oil prices. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to average \$3.50 per gallon in 2013 and \$3.43 per gallon in 2014.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 29.6 percent in November and are up 31.7 percent for the year. Adjusting for the July 1 increase in the motor vehicle sales tax rate and excluding the rental taxes, motor vehicle sales tax collections fell by 3.3 percent this month and are up 3.0 percent annually.

The fundamentals for the auto industry are improving. Job growth has accelerated recently, access to credit for consumers with tarnished credit histories has broadened, some measures of consumer confidence have strengthened, and the wealth effect has kicked in to some extent thanks to rising equity prices and house prices. In addition, pent-up demand continues to power sales as consumers replace their decade-old vehicles.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 68.3 percent in November, due to the 0.3 percent increase in the state retail sales tax and the increased amount of general fund sales tax collections being deposited into the Highway

Maintenance Fund as stipulated by HB2313 (2013). Adjusting for HB2313, sales tax collections were up 5.9 percent for the month and 2.2 percent for the year.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 12.1 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 2013 and 2014**  
**(Dollars in Thousands)**

Revenue	FY 2014 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
Motor Fuel Taxes (b)	\$630,100	15.73	\$50,792	\$69,923	(27.4)	\$245,364	\$302,366	(18.9)	(25.1)
Priority Transportation Fund (PTF) (b)	131,000	3.27	3,174	2,219	43.0	117,581	112,622	4.4	0.7
Motor Vehicle Sales and Use Tax	833,700	20.82	58,777	45,350	29.6	339,928	258,160	31.7	33.9
State Sales and Use Tax (a)	866,900	21.66	72,195	42,890	68.3	318,379	204,696	55.5	66.3
Motor Vehicle License Fees	243,900	6.09	16,173	18,397	(12.1)	101,702	103,341	(1.6)	(0.7)
International Registration Plan	65,300	1.63	1,797	3,552	(49.4)	17,343	18,768	(7.6)	5.7
Recordation Tax	40,500	1.01	2,898	3,780	(23.3)	17,408	18,411	(5.4)	(12.6)
Interest Earnings	11,900	0.30	28	25	12.0	1,898	2,613	(27.4)	28.2
Misc. Taxes, Fees, and Revenues	17,400	0.43	928	1,126	(17.6)	6,964	5,394	29.1	17.4
<b>Total State Taxes and Fees</b>	<b>\$2,840,700</b>	<b>70.94</b>	<b>\$206,762</b>	<b>\$187,262</b>	<b>10.4</b>	<b>\$1,166,567</b>	<b>\$1,026,371</b>	<b>13.7</b>	<b>13.9</b>

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

(a) New revenue streams for State Sales and Use Tax are included in the Fiscal Year 2014 Highway Maintenance and Operating Fund Revenue Forecast. As there were no collections for state sales and use tax recorded in the Highway Maintenance and Operating Fund during Fiscal Year 2013, a comparison between Fiscal Years 2013 and 2014 may not be appropriate. Refer to the "State Sales and Use Tax" line item on page 5 for the detailed information pertaining to the "State Sales and Use Tax" line item.

(b) Certain Fiscal Year 2013 monthly and year-to-date amounts have been reclassified. Refer to (b) 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 2013 and 2014**  
**(Dollars in Thousands)**

Revenue	FY 2014 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$500,700	12.50	\$40,818	\$59,921	(31.9)	\$197,102	\$256,469	(23.1)	(29.1)
Motor Vehicle Sales and Use Tax	585,000	14.61	41,828	26,560	57.5	240,510	158,898	51.4	51.0
State Sales and Use Tax (a)	204,000	5.10	17,106	0	-	71,159	0	-	-
Motor Vehicle License Fees	222,400	5.55	14,698	16,671	(11.8)	92,883	94,204	(1.4)	(0.7)
International Registration Plan	65,300	1.63	1,797	3,552	(49.4)	17,343	18,768	(7.6)	5.7
Recordation Tax (1 cent)	13,500	0.34	975	1,260	(22.6)	5,812	6,137	(5.3)	(12.6)
Misc. Taxes, Fees, and Revenues	17,400	0.43	928	1,126	(17.6)	6,964	5,394	29.1	17.4
<b>Total State Taxes and Fees</b>	<b>\$1,608,300</b>	<b>40.16</b>	<b>\$118,150</b>	<b>\$109,090</b>	<b>8.3</b>	<b>\$631,773</b>	<b>\$539,870</b>	<b>17.0</b>	<b>14.1</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$4,387	\$1,754	150.1	\$12,325	\$11,816	4.3	(100.0)
Miscellaneous Revenues	18,658	0.47	1,121	1,083	3.5	7,103	6,780	4.8	11.5
Transfer (to) / from Transportation Trust Fund	313,942	7.84	50,000	20,000	150.0	100,000	90,000	11.1	(10.4)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,940,900</b>	<b>48.47</b>	<b>\$173,658</b>	<b>\$131,927</b>	<b>31.6</b>	<b>\$751,201</b>	<b>\$648,466</b>	<b>15.8</b>	<b>7.7</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes) (b)	\$129,400	3.23	\$9,974	\$10,002	(0.3)	\$48,262	\$45,897	5.2	(4.3)
PTF Insurance Premiums Tax	131,000	3.27	3,174	2,219	43.0	117,581	112,622	4.4	0.7
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,700	6.21	16,949	18,790	(9.8)	99,418	99,262	0.2	5.7
State Sales and Use Tax	662,900	16.56	55,089	42,890	28.4	247,220	204,696	20.8	27.2
Motor Vehicle License Fees	21,500	0.54	1,475	1,726	(14.5)	8,819	9,137	(3.5)	(0.8)
Recordation Tax (2 cents)	27,000	0.67	1,923	2,520	(23.7)	11,596	12,274	(5.5)	(12.6)
Interest Earnings	11,900	0.30	28	25	12.0	1,898	2,613	(27.4)	28.2
<b>Total State Taxes and Fees</b>	<b>\$1,232,400</b>	<b>30.78</b>	<b>\$88,612</b>	<b>\$78,172</b>	<b>13.4</b>	<b>\$534,794</b>	<b>\$486,501</b>	<b>9.9</b>	<b>13.7</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$929,928	23.22	\$67,373	\$92,403	(27.1)	\$748,419	\$731,057	2.4	(28.8)
Receipts from Cities/Counties	178,614	4.46	4,840	5,894	(17.9)	42,380	34,892	21.5	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	910	847	7.4	5,266	5,028	4.7	(5.0)
Miscellaneous Revenues	19,854	0.49	2,850	2,617	8.9	10,920	30,678	(64.4)	(57.6)
<b>Total Other Revenues</b>	<b>\$1,145,164</b>	<b>28.59</b>	<b>\$75,973</b>	<b>\$101,761</b>	<b>(25.3)</b>	<b>\$806,985</b>	<b>\$801,655</b>	<b>0.7</b>	<b>(19.9)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$313,942)	(7.84)	(\$50,000)	(\$20,000)	(150.0)	(\$100,000)	(\$90,000)	(11.1)	10.4
<b>Total Transportation Trust Fund</b>	<b>\$2,063,622</b>	<b>51.53</b>	<b>\$114,585</b>	<b>\$159,933</b>	<b>(28.4)</b>	<b>\$1,241,779</b>	<b>\$1,198,156</b>	<b>3.6</b>	<b>(4.6)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$4,004,522</b>	<b>100.00</b>	<b>\$288,243</b>	<b>\$291,860</b>	<b>(1.2)</b>	<b>\$1,992,980</b>	<b>\$1,846,622</b>	<b>7.9</b>	<b>1.0</b>

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

(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)." In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.