

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2002

Summary

October's revenue collections were up by 4.3 percent. Most sources experienced solid growth. On a year-to-date basis, growth is up 2.5 percent, mainly as a result of robust growth in the Motor Vehicle Sales and Use Tax. However, motor vehicle sales tax collections had its lowest monthly increase in a year.

On October 30, 2002 the Governor's Advisory Board of Economists' Transportation Advisory Committee met to discuss the outlook for the Commonwealth Transportation Fund.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections were practically flat in October, increasing by 0.3 percent. Annual collections through the first four months of fiscal year 2003 are up 3.7 percent.

Motor Vehicle Sales and Use Tax

National vehicle sales slumped precipitously in October. Is the party over? Consumers have been showered and wooed with 0% financing, sweet lease deals, and rebates. Low interest rate financing contributed to the burst in vehicle spending during the summer months. While these deals are still available, they are no longer working their magic. Consumers are enticed by such deals when they believe that they are responding to a once in a lifetime opportunity. When that is no longer the case, as 0% financing persists, they are more likely to delay purchasing a vehicle. The weak economic environment, including the moribund labor market and deteriorating credit conditions, combined with weaker expectations for the economy are also beginning to trump the benefits of higher vehicle affordability.

In Virginia, collections in this source increased by only 0.5 percent in October and are up 8.1 percent for the year.

State Retail Sales Tax

The transportation portion of the State Retail Sales Tax increased by 8.4 percent in October. Collections in this source are down 11.0 percent in fiscal year 2003 as the July TTF retail sales tax were retained in the general fund in June.

Motor Vehicle Licenses

Motor Vehicle Registration transactions remained strong in October. Motor vehicle license receipts increased by 6.6 percent in October and are up 14.0 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 2002 and 2003
(Dollars in Thousands)

Revenue	FY 2003 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
Motor Fuel Taxes	\$809,700	29.03	\$69,998	\$71,802	(2.5)	\$217,121	\$209,233	3.8	1.9
Priority Transportation Fund	124,700	4.47	4,000	2,000	100.0	4,000	4,000	0.0	523.5
Motor Vehicle Sales and Use Tax	438,600	15.73	47,415	47,184	0.5	194,684	180,173	8.1	(17.6)
State Sales and Use Tax	403,800	14.48	34,467	31,805	8.4	115,986	130,276	(11.0)	4.0
Motor Vehicle License Fees	141,000	5.05	13,238	12,417	6.6	56,883	49,900	14.0	(2.8)
International Registration Plan	57,400	2.06	2,853	3,749	(23.9)	14,458	18,519	(21.9)	(3.1)
Interest Earnings	12,400	0.45	4,677	1,967	137.8	4,688	1,977	137.1	(11.6)
Misc. Taxes, Fees, and Revenues	22,000	0.79	3,600	1,946	85.0	9,039	7,853	15.1	(3.5)
Total State Taxes and Fees	<u>\$2,009,600</u>	<u>72.06</u>	<u>\$180,248</u>	<u>\$172,870</u>	<u>4.3</u>	<u>\$616,859</u>	<u>\$601,931</u>	<u>2.5</u>	<u>1.7</u>

Percentage is greater than 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 2002 and 2003
(Dollars in Thousands)

Revenue	FY 2003 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$692,200	24.82	\$58,764	\$60,755	(3.3)	\$182,533	\$177,929	2.6	2.3
Motor Vehicle Sales and Use Tax	279,700	10.03	30,198	30,198	0.0	124,174	117,162	6.0	(18.2)
Motor Vehicle License Fees	122,500	4.39	11,525	10,770	7.0	49,623	43,660	13.7	(2.6)
International Registration Plan	57,400	2.06	2,853	3,749	(23.9)	14,458	18,519	(21.9)	(3.1)
Misc. Taxes, Fees, and Revenues	22,000	0.79	3,600	1,946	85.0	9,039	7,853	15.1	(3.5)
Total State Taxes and Fees	\$1,173,800	42.09	\$106,940	\$107,418	(0.4)	\$379,827	\$365,123	4.0	(4.3)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,225	\$2,678	(54.3)	\$6,034	\$4,509	33.8	(100.0)
Transfer (to) / from Transportation Trust Fund	147,200	5.28	0	0	-	72,271	0	-	#
Total Highway Maintenance and Operating Fund	\$1,321,000	47.37	\$108,165	\$110,096	(1.8)	\$458,132	\$369,632	23.9	7.6
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,500	4.21	\$11,234	\$11,047	1.7	\$34,588	\$31,304	10.5	(0.3)
Priority Transportation Fund	124,700	4.47	4,000	2,000	100.0	4,000	4,000	0.0	523.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	158,900	5.70	17,217	16,986	1.4	70,510	63,011	11.9	(16.4)
State Sales and Use Tax	403,800	14.48	34,467	31,805	8.4	115,986	130,276	(11.0)	4.0
Motor Vehicle License Fees	18,500	0.66	1,713	1,647	4.0	7,260	6,240	16.3	(4.0)
Interest Earnings	12,400	0.45	4,677	1,967	137.8	4,688	1,977	137.1	(11.6)
Total State Taxes and Fees	\$835,800	29.97	\$73,308	\$65,452	12.0	\$237,032	\$236,808	0.1	11.5
Other Revenues:									
Federal Grants and Contracts	\$669,400	24.00	\$44,592	\$61,235	(27.2)	\$245,153	\$347,911	(29.5)	(29.4)
Receipts from Cities/Counties	37,500	1.35	3,886	697	457.5	15,349	12,784	20.1	10.4
Toll Revenues (Includes Route 28)	72,200	2.59	4,006	4,613	(13.2)	20,660	20,252	2.0	14.5
Miscellaneous Revenues	0	0.00	(310)	2,312	(113.4)	5,816	6,057	(4.0)	(100.0)
Total Other Revenues	\$779,100	27.94	\$52,174	\$68,857	(24.2)	\$286,978	\$387,004	(25.8)	(26.7)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$147,200)	(5.28)	\$0	\$0	-	(\$72,271)	\$0	-	#
Total Transportation Trust Fund	\$1,467,700	52.63	\$125,482	\$134,309	(6.6)	\$451,739	\$623,812	(27.6)	(19.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,788,700	100.00	\$233,647	\$244,405	(4.4)	\$909,871	\$993,444	(8.4)	(8.7)

Percentage is greater than 1,000%.