

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2009

Summary

Commonwealth Transportation Fund (CTF) revenues declined by 5.7 percent in October, mainly due to the lack of interest earnings this month as compared to the same period last year. Year-to-date collections are down 4.8 percent.

Motor Fuels Tax

Motor fuels tax collections increased by 3.4 this month and are down 3.1 percent on a year-to-date basis, well behind the required decline of 1.3 percent in the official forecast.

The monthly average regular-grade gasoline retail price is expected to rise from \$2.55 per gallon in October to \$2.70 per gallon in November. Generally higher crude oil prices through the forecast period contribute to an increase in the annual average gasoline retail price from \$2.36 per gallon in 2009 to \$2.81 in 2010, with prices near \$3.00 per gallon during next year's driving season. Projected annual average diesel fuel retail prices are \$2.48 and \$2.94 per gallon, respectively, in 2009 and 2010.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 0.5 percent in October. Annual growth is down 2.4 percent, well ahead of the 9.3 percent decline in the official forecast. It is likely that the federal government's Cash for Clunkers program pushed forward sales to the first quarter of fiscal year 2010 which would have taken place later this year or next year.

Labor market conditions remain bleak; although the pace of job cuts is abating, there is little new hiring that is taking place. Credit conditions remain tight as well. Consumer confidence remains depressed as well. As far as businesses, large businesses have not yet increased their purchases of vehicles, and rental companies are holding onto vehicles longer.

State Retail Sales Tax

The TTF portion of the state retail sales tax declined by 4.6 percent in October.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 5.4 percent in October.

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 2009 and 2010
(Dollars in Thousands)

| Revenue | FY 2010 Estimate | As a % of Total Fund | October | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|------------------------------------|---------------------|----------------------------|------------------|------------------|--------------|------------------|------------------|--------------|---|
| | | | FY 2010 | FY 2009 | % Change | FY 2010 | FY 2009 | % Change | |
| Motor Fuel Taxes | \$828,600 | 25.53 | \$73,127 | \$70,747 | 3.4 | \$219,486 | \$226,564 | (3.1) | (1.3) |
| Priority Transportation Fund (PTF) | 149,100 | 4.59 | 4,126 | 4,059 | 1.7 | 109,799 | 111,823 | (1.8) | (2.1) |
| Motor Vehicle Sales and Use Tax | 401,100 | 12.36 | 36,380 | 36,552 | (0.5) | 166,307 | 170,383 | (2.4) | (9.3) |
| State Sales and Use Tax | 478,400 | 14.74 | 41,180 | 43,148 | (4.6) | 165,261 | 175,551 | (5.9) | (4.2) |
| Motor Vehicle License Fees | 241,900 | 7.45 | 18,730 | 19,790 | (5.4) | 78,444 | 83,947 | (6.6) | 0.1 |
| International Registration Plan | 59,000 | 1.81 | 2,963 | 2,315 | 28.0 | 13,994 | 13,261 | 5.5 | 0.3 |
| Recordation Tax | 33,500 | 1.04 | 2,724 | 2,915 | (6.6) | 13,054 | 12,508 | 4.4 | (6.2) |
| Interest Earnings | 41,200 | 1.26 | 111 | 10,741 | (99.0) | 332 | 10,808 | (96.9) | 48.5 |
| Misc. Taxes, Fees, and Revenues | 13,200 | 0.40 | 1,237 | 1,183 | 4.6 | 4,115 | 4,605 | (10.6) | 2.1 |
| Total State Taxes and Fees | \$2,246,000 | 69.18 | \$180,578 | \$191,450 | (5.7) | \$770,792 | \$809,450 | (4.8) | (2.8) |

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 2009 and 2010
(Dollars in Thousands)

| Revenue | FY 2010 Estimate | As a % of Total Fund | October | | | Year-To-Date | | | % Annual Growth Required By Est |
|--|---------------------|----------------------------|------------------|------------------|---------------|--------------------|--------------------|---------------|--|
| | | | FY 2010 | FY 2009 | % Change | FY 2010 | FY 2009 | % Change | |
| HIGHWAY MAINTENANCE AND OPERATING FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Road Tax) | \$714,800 | 22.02 | \$63,675 | \$58,702 | 8.5 | \$189,024 | \$193,756 | (2.4) | (1.1) |
| Motor Vehicle Sales and Use Tax | 241,100 | 7.43 | 22,098 | 22,265 | (0.8) | 100,182 | 103,821 | (3.5) | (10.6) |
| Motor Vehicle License Fees | 221,000 | 6.81 | 17,099 | 18,017 | (5.1) | 71,295 | 76,396 | (6.7) | 0.4 |
| International Registration Plan | 59,000 | 1.81 | 2,963 | 2,315 | 28.0 | 13,994 | 13,261 | 5.5 | 0.3 |
| Recordation Tax (1 cent) | 11,200 | 0.35 | 908 | 972 | (6.6) | 4,351 | 4,169 | 4.4 | (5.9) |
| Misc. Taxes, Fees, and Revenues | 13,200 | 0.40 | 1,237 | 1,183 | 4.6 | 4,115 | 4,605 | (10.6) | 2.1 |
| Total State Taxes and Fees | \$1,260,300 | 38.82 | \$107,980 | \$103,454 | 4.4 | \$382,961 | \$396,008 | (3.3) | (2.8) |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$0 | 0.00 | \$901 | \$1,013 | (11.1) | \$6,418 | \$8,327 | (22.9) | (100.0) |
| Miscellaneous Revenues | 10,543 | 0.33 | 2,081 | 1,400 | 48.6 | 4,733 | 5,994 | (21.0) | (23.8) |
| Transfer (to) / from Transportation Trust Fund | 523,898 | 16.14 | 0 | 0 | - | 150,000 | 220,000 | (31.8) | 43.6 |
| Total Highway Maintenance and Operating Fund | \$1,794,741 | 55.29 | \$110,962 | \$105,867 | 4.8 | \$544,112 | \$630,329 | (13.7) | 5.9 |
| TRANSPORTATION TRUST FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Aviation & Road Taxes) | \$113,800 | 3.51 | \$9,452 | \$12,045 | (21.5) | \$30,462 | \$32,808 | (7.2) | (2.6) |
| PTF Motor Fuels | 20,000 | 0.62 | 2,000 | 2,000 | 0.0 | 4,000 | 4,000 | 0.0 | 0.0 |
| PTF Insurance Premiums Tax | 129,100 | 3.97 | 2,126 | 2,059 | 3.3 | 105,799 | 107,823 | (1.9) | (2.4) |
| Motor Vehicle Sales and Use Tax (Includes Rental Tax) | 160,000 | 4.93 | 14,282 | 14,287 | 0.0 | 66,125 | 66,562 | (0.7) | (7.3) |
| State Sales and Use Tax | 478,400 | 14.74 | 41,180 | 43,148 | (4.6) | 165,261 | 175,551 | (5.9) | (4.2) |
| Motor Vehicle License Fees | 20,900 | 0.64 | 1,631 | 1,773 | (8.0) | 7,149 | 7,551 | (5.3) | (3.2) |
| Recordation Tax (2 cents) | 22,300 | 0.69 | 1,816 | 1,943 | (6.5) | 8,703 | 8,339 | 4.4 | (6.3) |
| Interest Earnings | 41,200 | 1.26 | 111 | 10,741 | (99.0) | 332 | 10,808 | (96.9) | 48.5 |
| Total State Taxes and Fees | \$985,700 | 30.36 | \$72,598 | \$87,996 | (17.5) | \$387,831 | \$413,442 | (6.2) | (2.8) |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$812,448 | 25.03 | \$89,017 | \$61,430 | 44.9 | \$350,111 | \$271,911 | 28.8 | 3.0 |
| Receipts from Cities/Counties | 109,510 | 3.37 | 1,181 | 12,157 | (90.3) | 4,121 | 22,052 | (81.3) | 133.9 |
| Toll Revenues (Includes Route 28) (a) | 52,309 | 1.61 | 10,889 | 8,020 | 35.8 | 15,860 | 27,092 | (41.5) | (32.9) |
| Miscellaneous Revenues | 15,436 | 0.48 | 3,210 | 1,394 | 130.3 | 8,620 | 5,389 | 60.0 | (15.8) |
| Total Other Revenues | \$989,703 | 30.49 | \$104,297 | \$83,001 | 25.7 | \$378,712 | \$326,444 | 16.0 | 6.2 |
| Transfer (to) / from Highway Maintenance and Operating Fund | (\$523,898) | (16.14) | \$0 | \$0 | - | (\$150,000) | (\$220,000) | 31.8 | (43.6) |
| Total Transportation Trust Fund | \$1,451,505 | 44.71 | \$176,895 | \$170,997 | 3.4 | \$616,543 | \$519,886 | 18.6 | (8.2) |
| TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND | | | | | | | | | |
| | \$3,246,246 | 100.00 | \$287,857 | \$276,864 | 4.0 | \$1,160,655 | \$1,150,215 | 0.9 | (0.9) |

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

(a) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.