

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2010

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 5.8 percent in October. October's performance can be attributed to solid motor vehicle sales tax collections and the timing of interest earnings. Year-to-date, collections are up 1.4 percent. Adjusted for the retention of \$27.7 million of the transportation portion of the state sales and use tax in the general fund in June 2010 through the accelerated sales tax program (AST), year-to-date CTF revenues are up 5.0 percent.

### Motor Fuels Tax

October collections increased by 1.3 percent. On a year-to-date basis, collections are up 4.1 percent.

Projected regular-grade gasoline retail prices rise from an average \$2.35 per gallon in 2009 to an average \$2.77 per gallon in 2010 and \$2.97 per gallon in 2011. On-highway diesel fuel retail prices, which averaged \$2.46 per gallon in 2009, average \$2.97 per gallon in 2010 and \$3.19 in 2011 in the current forecast. Projected refining margins, which have been at their lowest levels since 2003, average about \$2 per barrel higher next year because of growing global product demand and shutdowns of excess global refining capacity.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 10.4 percent in October. Annual collections in this source are up 7.8 percent.

Nationally, vehicle sales have been fairly flat in recent months. On a seasonally adjusted annualized basis, sales totaled 11.46 million units. There has been little improvement since the beginning of the year, reflecting unfavorable consumer conditions.

Meanwhile, the recovery has been too weak to enable consumers to step back into the vehicle market. Employment growth is flagging, unemployment remains very high, consumer confidence is weak, house prices continue to fall, and equity prices have fallen. These constraints to vehicle buying are being further compounded by curtailed access to vehicle loans for all but prime borrowers and by rising vehicle prices. Therefore, the factors that drive new retail vehicle sales are not favorable and are not expected to

become favorable in coming months. Trade-in values are high, however, making new vehicles slightly more affordable.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 3.4 percent in October. Adjusted for the AST program, year-to-date sales tax collections have increased by 1.9 percent.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 1.7 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 2010 and 2011  
(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	October			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	\$74,046	\$73,127	1.3	\$228,582	\$219,486	4.1	1.3
Priority Transportation Fund (PTF)	148,200	4.49	3,670	4,126	(11.1)	114,509	109,799	4.3	(0.6)
Motor Vehicle Sales and Use Tax	448,700	13.57	40,153	36,380	10.4	179,209	166,307	7.8	(5.3)
State Sales and Use Tax	488,600	14.78	42,586	41,180	3.4	140,682	165,261	(14.9)	(0.4)
Motor Vehicle License Fees	242,500	7.33	18,418	18,730	(1.7)	82,159	78,444	4.7	5.3
International Registration Plan	60,300	1.82	3,229	2,963	9.0	15,383	13,994	9.9	0.9
Recordation Tax	33,500	1.01	2,898	2,724	6.4	11,907	13,054	(8.8)	(4.8)
Interest Earnings	30,600	0.93	4,612	111	#	4,702	332	#	33.3
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,371	1,237	10.8	4,431	4,115	7.7	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$2,306,400</b>	<b>69.76</b>	<b>\$190,983</b>	<b>\$180,578</b>	<b>5.8</b>	<b>\$781,564</b>	<b>\$770,792</b>	<b>1.4</b>	<b>0.1</b>

# 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	October			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$726,800	21.99	\$64,432	\$63,675	1.2	\$196,267	\$189,024	3.8	1.6
Motor Vehicle Sales and Use Tax	272,700	8.25	24,538	22,098	11.0	107,146	100,182	7.0	(5.8)
Motor Vehicle License Fees	221,300	6.69	16,782	17,099	(1.9)	74,895	71,295	5.0	5.7
International Registration Plan	60,300	1.82	3,229	2,963	9.0	15,383	13,994	9.9	0.9
Recordation Tax (1 cent)	11,200	0.34	966	908	6.4	3,969	4,351	(8.8)	(4.5)
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,371	1,237	10.8	4,431	4,115	7.7	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$1,305,000</b>	<b>39.47</b>	<b>\$111,318</b>	<b>\$107,980</b>	<b>3.1</b>	<b>\$402,091</b>	<b>\$382,961</b>	<b>5.0</b>	<b>0.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$2,108	\$901	134.0	\$7,056	\$6,418	9.9	(100.0)
Miscellaneous Revenues	16,191	0.49	704	2,081	(66.2)	2,914	4,733	(38.4)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.46	0	0	-	66,940	150,000	(55.4)	0.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,832,189</b>	<b>55.42</b>	<b>\$114,130</b>	<b>\$110,962</b>	<b>2.9</b>	<b>\$479,001</b>	<b>\$544,112</b>	<b>(12.0)</b>	<b>(0.4)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,500	3.46	\$9,614	\$9,452	1.7	\$32,315	\$30,462	6.1	(0.5)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	4,000	4,000	0.0	0.0
PTF Insurance Premiums Tax	128,200	3.88	1,670	2,126	(21.4)	110,509	105,799	4.5	(0.7)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	176,000	5.32	15,615	14,282	9.3	72,063	66,125	9.0	(4.5)
State Sales and Use Tax	488,600	14.78	42,586	41,180	3.4	140,682	165,261	(14.9)	(0.4)
Motor Vehicle License Fees	21,200	0.64	1,636	1,631	0.3	7,264	7,149	1.6	2.2
Recordation Tax (2 cents)	22,300	0.67	1,932	1,816	6.4	7,938	8,703	(8.8)	(4.9)
Interest Earnings	30,600	0.93	4,612	111	#	4,702	332	#	33.3
<b>Total State Taxes and Fees</b>	<b>\$1,001,400</b>	<b>30.29</b>	<b>\$79,665</b>	<b>\$72,598</b>	<b>9.7</b>	<b>\$379,473</b>	<b>\$387,831</b>	<b>(2.2)</b>	<b>(0.5)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$881,334	26.66	\$64,193	\$89,017	(27.9)	\$362,802	\$350,111	3.6	6.9
Receipts from Cities/Counties	59,007	1.78	12,771	1,181	981.4	24,218	4,121	487.7	28.0
Toll Revenues (Includes Route 28)	30,035	0.91	2,029	10,889	(81.4)	5,933	15,860	(62.6)	(32.4)
Miscellaneous Revenues	13,089	0.40	4,795	3,210	49.4	27,031	8,620	213.6	(55.8)
<b>Total Other Revenues</b>	<b>\$983,465</b>	<b>29.75</b>	<b>\$83,788</b>	<b>\$104,297</b>	<b>(19.7)</b>	<b>\$419,984</b>	<b>\$378,712</b>	<b>10.9</b>	<b>4.2</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.46)	\$0	\$0	-	(\$66,940)	(\$150,000)	55.4	(0.7)
<b>Total Transportation Trust Fund</b>	<b>\$1,473,867</b>	<b>44.58</b>	<b>\$163,453</b>	<b>\$176,895</b>	<b>(7.6)</b>	<b>\$732,517</b>	<b>\$616,543</b>	<b>18.8</b>	<b>2.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,306,056</b>	<b>100.00</b>	<b>\$277,583</b>	<b>\$287,857</b>	<b>(3.6)</b>	<b>\$1,211,518</b>	<b>\$1,160,655</b>	<b>4.4</b>	<b>0.7</b>

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