

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2012

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 3.2 percent in October, due to strong motor vehicle sales tax collections. Annual growth stands at 6.3 percent.

Motor Fuels Tax

Motor fuel taxes fell by 2.3 percent in October and year-to-date growth is at 2.0 percent.

U.S. regular gasoline retail prices began October 2012 at \$3.80 per gallon and fell to \$3.49 per gallon on November 5, 2012. Projected U.S. regular gasoline retail prices average \$3.56 per gallon during the fourth quarter of 2012. Hurricane Sandy, however, has contributed to higher wholesale gasoline prices on the East Coast, and the recovery schedule for affected refineries, pipelines, and distribution terminals contributes to uncertainty over the near-term price outlook. Regular gasoline retail prices, which averaged \$3.53 per gallon in 2011, are expected to average \$3.64 per gallon in 2012 and \$3.44 per gallon in 2013.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 19.8 percent in October and have increased by 11.1 percent in fiscal year 2013.

For consumers, vehicles sales are being supported by a number of factors including better access to credit for borrowers with less than stellar credit histories, the launch of new models, modest improvement in the labor market, and the need to replace aging vehicles. The average age of vehicles in operation is now almost 11 years. Also helping to support sales are somewhat higher purchase incentives. Businesses are also buying more vehicles.

The risks to vehicle sales are stacked to the downside, particularly if the labor market—the most important determinant of sales—softens any further. Additionally, the uncertainty surrounding the global economy is taking away many potential buyers' appetite for purchases of big-ticket items.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 1.9 percent in October and is up 8.1 percent in fiscal year 2013.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 3.2 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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
Motor Fuel Taxes	\$851,700	22.73	\$72,644	\$74,332	(2.3)	\$228,443	\$223,973	2.0	2.2
Priority Transportation Fund (PTF)	161,800	4.31	5,564	6,232	(10.7)	114,403	105,851	8.1	2.9
Motor Vehicle Sales and Use Tax	576,200	15.38	53,120	44,337	19.8	212,810	191,614	11.1	(0.7)
State Sales and Use Tax	526,300	14.05	44,932	44,092	1.9	161,806	149,664	8.1	4.6
Motor Vehicle License Fees	241,800	6.45	19,791	19,176	3.2	84,944	81,847	3.8	2.6
International Registration Plan	62,600	1.67	3,536	2,944	20.1	15,216	15,123	0.6	0.1
Recordation Tax	38,400	1.02	3,577	3,429	4.3	14,630	12,692	15.3	(1.9)
Interest Earnings	17,600	0.47	2,494	4,698	(46.9)	2,588	4,779	(45.8)	25.9
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,055	981	7.5	4,268	4,114	3.7	19.8
Total State Taxes and Fees	\$2,491,200	66.47	\$206,713	\$200,221	3.2	\$839,108	\$789,657	6.3	2.2

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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$734,100	19.59	\$62,608	\$64,517	(3.0)	\$196,548	\$193,117	1.8	2.3
Motor Vehicle Sales and Use Tax	354,100	9.45	34,462	27,039	27.5	132,338	116,978	13.1	(0.9)
Motor Vehicle License Fees	220,400	5.88	18,111	17,469	3.7	77,532	74,489	4.1	2.8
International Registration Plan	62,600	1.67	3,536	2,944	20.1	15,216	15,123	0.6	0.1
Recordation Tax (1 cent)	12,800	0.34	1,192	1,143	4.3	4,877	4,231	15.3	(1.9)
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,055	981	7.5	4,268	4,114	3.7	19.8
Total State Taxes and Fees	\$1,398,800	37.32	\$120,964	\$114,093	6.0	\$430,779	\$408,052	5.6	1.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,898	\$2,291	26.5	\$10,061	\$8,405	19.7	(100.0)
Miscellaneous Revenues	10,604	0.29	1,359	1,827	(25.6)	5,697	6,148	(7.3)	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.70	0	0	-	70,000	100,340	(30.2)	(17.7)
Total Highway Maintenance and Operating Fund	\$1,772,955	47.31	\$125,221	\$118,211	5.9	\$516,537	\$522,945	(1.2)	(4.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,600	3.14	\$10,036	\$9,815	2.3	\$31,895	\$30,856	3.4	1.8
PTF Motor Fuels	20,000	0.53	2,000	2,000	0.0	4,000	4,000	0.0	0.0
PTF Insurance Premiums Tax	141,800	3.78	3,564	4,232	(15.8)	110,403	101,851	8.4	3.3
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	222,100	5.93	18,658	17,298	7.9	80,472	74,636	7.8	(0.4)
State Sales and Use Tax	526,300	14.05	44,932	44,092	1.9	161,806	149,664	8.1	4.6
Motor Vehicle License Fees	21,400	0.57	1,680	1,707	(1.6)	7,412	7,358	0.7	1.3
Recordation Tax (2 cents)	25,600	0.68	2,385	2,286	4.3	9,753	8,461	15.3	(1.9)
Interest Earnings	17,600	0.47	2,494	4,698	(46.9)	2,588	4,779	(45.8)	25.9
Total State Taxes and Fees	\$1,092,400	29.15	\$85,749	\$86,128	(0.4)	\$408,329	\$381,605	7.0	3.0
Other Revenues:									
Federal Grants and Contracts	\$996,925	26.60	\$109,867	\$72,519	51.5	\$638,653	\$350,720	82.1	3.6
Receipts from Cities/Counties	210,651	5.62	20,058	93	#	28,998	11,165	159.7	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	1,569	1,917	(18.2)	4,180	4,398	(5.0)	68.2
Miscellaneous Revenues	7,953	0.21	2,094	2,107	(0.6)	28,061	11,718	139.5	(78.5)
Total Other Revenues	\$1,245,841	33.24	\$133,588	\$76,636	74.3	\$699,892	\$378,001	85.2	20.0
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$363,551)	(9.70)	\$0	\$0	-	(\$70,000)	(\$100,340)	30.2	17.7
Total Transportation Trust Fund	\$1,974,690	52.69	\$219,337	\$162,764	34.8	\$1,038,221	\$659,266	57.5	19.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,747,645	100.00	\$344,558	\$280,975	22.6	\$1,554,758	\$1,182,211	31.5	6.5

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