

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2015

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 9.2 percent in October, mainly due to strong motor fuels taxes collections. Year-to-date growth stands at 8.0 percent.

Motor Fuels Tax

Motor fuels tax collections increased by 31.4 percent this month. Year-to-date collections are up 37.5 percent.

The monthly average price of U.S. regular retail gasoline was \$2.29/gallon (gal) in October, a decrease of 8 cents/gal from September and 88 cents/gal lower than in October 2014. Monthly gasoline prices are expected to decline to an average of \$2.06/gal in December 2015. U.S. regular gasoline retail prices are forecast to average \$2.33/gal in 2016.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.6 percent in October, and are up 7.6 percent for the year.

Vehicle sales soared to more than 18 million units in September, the best pace since 2005 when employee discounts boosted the total. While incentives have contributed to the strong pace in recent months as well, the fabulous pace of sales reflects a confluence of factors. The late Labor Day pushed many sales into September that normally would be in August.

Notably, low oil prices and the knowledge that the current period is not a fluke but will persist have spurred a bonanza of light truck purchases. Just about all of the strength of vehicle sales over the past year has been in the light truck segment while car sales have trended flat. The low gas prices have likely unleashed pent-up demand for larger vehicles. However, low gas prices are not the only factor driving light vehicle sales. Improving construction activity also correlated closely with light truck sales.

Consumer fundamentals are also spurring better vehicle buying. The labor market is steadily improving and credit availability is enabling consumers to buy or lease vehicles at low rates and with low down payments. Better wage growth also spurs sales. The only factor that is less favorable is the equities market; stock sales are often used for vehicle purchases. .

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 4.2 percent in October.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 1.0 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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
Motor Fuel Taxes	\$850,200	18.90	\$73,356	\$55,824	31.4	\$234,120	\$170,293	37.5	17.7
Priority Transportation Fund (PTF)	150,346	3.34	3,162	3,710	(14.8)	124,554	116,846	6.6	0.0
Motor Vehicle Sales and Use Tax	875,600	19.47	78,929	76,217	3.6	334,018	310,485	7.6	(1.7)
State Sales and Use Tax	1,007,300	22.39	83,678	80,337	4.2	283,039	299,839	(5.6)	1.3
Motor Vehicle License Fees	244,600	5.44	20,381	20,175	1.0	87,136	83,636	4.2	(0.2)
International Registration Plan	60,400	1.34	3,469	3,449	0.6	17,537	17,418	0.7	(8.5)
Recordation Tax	37,900	0.84	3,830	3,460	10.7	15,359	14,049	9.3	(9.8)
Interest Earnings	14,800	0.33	759	1,588	(52.2)	803	1,599	(49.8)	96.5
Misc. Taxes, Fees, and Revenues	15,700	0.35	1,423	1,503	(5.3)	5,730	6,052	(5.3)	(14.3)
Total State Taxes and Fees	\$3,256,846	72.40	\$268,987	\$246,263	9.2	\$1,102,296	\$1,020,217	8.0	3.8

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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2016	FY 2015	% Change	FY 2016	FY 2015	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$679,100	15.10	\$58,597	\$44,644	31.3	\$186,066	\$134,384	38.5	18.2
Motor Vehicle Sales and Use Tax	628,300	13.97	56,358	55,138	2.2	238,444	221,120	7.8	(1.6)
State Sales and Use Tax	281,700	6.26	23,163	22,250	4.1	78,723	85,728	(8.2)	1.4
Motor Vehicle License Fees	222,700	4.95	18,538	18,400	0.8	79,435	76,107	4.4	(0.3)
International Registration Plan	60,400	1.34	3,469	3,449	0.6	17,537	17,418	0.7	(8.5)
Recordation Tax (1 cent)	12,700	0.28	1,277	1,153	10.8	5,120	4,683	9.3	(9.3)
Misc. Taxes, Fees, and Revenues	15,700	0.35	1,423	1,503	(5.3)	5,730	6,052	(5.3)	(14.3)
Total State Taxes and Fees	\$1,900,600	42.25	\$162,825	\$146,537	11.1	\$611,055	\$545,492	12.0	4.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$771	\$2,009	(61.6)	\$10,236	\$9,546	7.2	(100.0)
Miscellaneous Revenues	14,595	0.32	1,479	1,973	(25.0)	7,990	6,800	17.5	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.72	0	0	-	0	0	-	(25.6)
Total Highway Maintenance and Operating Fund	\$2,037,684	45.29	\$165,075	\$150,519	9.7	\$629,281	\$561,838	12.0	0.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$171,100	3.80	\$14,759	\$11,180	32.0	\$48,054	\$35,909	33.8	15.6
PTF Insurance Premiums Tax	150,346	3.34	3,162	3,710	(14.8)	124,554	116,846	6.6	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	247,300	5.50	22,571	21,079	7.1	95,574	89,365	6.9	(1.8)
State Sales and Use Tax	725,600	16.13	60,515	58,087	4.2	204,316	214,111	(4.6)	1.2
Motor Vehicle License Fees	21,900	0.49	1,843	1,775	3.8	7,701	7,529	2.3	0.5
Recordation Tax (2 cents)	25,200	0.56	2,553	2,307	10.7	10,239	9,366	9.3	(10.0)
Interest Earnings	14,800	0.33	759	1,588	(52.2)	803	1,599	(49.8)	96.5
Total State Taxes and Fees	\$1,356,246	30.15	\$106,162	\$99,726	6.5	\$491,241	\$474,725	3.5	2.4
Other Revenues:									
Federal Grants and Contracts	\$968,328	21.52	\$47,086	\$79,463	(40.7)	\$661,763	\$691,906	(4.4)	(23.9)
Receipts from Cities/Counties	237,187	5.27	2,220	16,188	(86.3)	23,559	77,647	(69.7)	79.4
Toll Revenues (Includes Route 28)	16,045	0.36	1,679	1,772	(5.2)	4,438	4,459	(0.5)	(12.1)
Miscellaneous Revenues	5,832	0.13	821	878	(6.5)	7,237	6,043	19.8	(79.4)
Total Other Revenues	\$1,227,392	27.28	\$51,806	\$98,301	(47.3)	\$696,997	\$780,055	(10.6)	(15.4)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.72)	\$0	\$0	-	\$0	\$0	-	25.6
Total Transportation Trust Fund	\$2,461,149	54.71	\$157,968	\$198,027	(20.2)	\$1,188,238	\$1,254,780	(5.3)	(5.7)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,498,833	100.00	\$323,043	\$348,546	(7.3)	\$1,817,519	\$1,816,618	0.0	(3.2)

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