

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

October 2018

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 6.7 percent in October due to the timing of receipts in motor fuels tax collections which will be offset in November.

Motor Fuels Tax

Motor fuels taxes increased by 21.8 percent in October due to the timing of receipts which will be offset in November.

U.S. regular gasoline retail prices averaged \$2.86 per gallon (gal) in October, an increase of 2 cents/gal from the average in September, marking the sixth consecutive month that U.S. prices averaged between \$2.85/gal and \$2.90/gal. The average U.S. regular gasoline retail price is expected to fall to \$2.57/gal in December 2018. Regular gasoline retail prices are estimated to average \$2.75/gal in 2018 and in 2019.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.8 percent in October. Year-to-date collections are up 3.2 percent.

U.S. vehicle sales exceeded expectations in September, but it doesn't alter our belief that sales have peaked this cycle. We look for vehicle sales to remain around 17 million annualized units through the remainder of this year and into 2019, supported by a tight labor market, an increase in residential investment, stronger wage growth, and solid consumer confidence. There are some headwinds for vehicle sales, including rising interest rates, increases in new-vehicle prices, and tighter lending standards, particularly for subprime auto loans.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.3 percent in October. Year-to-date collections are up 7.5 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 2.8 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 2018 and 2019
(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2019	FY 2018	% Change	FY 2019	FY 2018	% Change	
Motor Fuel Taxes	\$908,700	17.93	\$93,914	\$77,100	21.8	\$286,808	\$252,160	13.7	6.0
Priority Transportation Fund (PTF)	168,655	3.33	4,712	3,876	21.6	136,256	134,943	1.0	0.4
Motor Vehicle Sales and Use Tax	995,000	19.63	87,467	84,245	3.8	353,475	342,398	3.2	1.1
State Sales and Use Tax	1,067,800	21.08	88,391	88,120	0.3	313,160	291,354	7.5	2.3
Motor Vehicle License Fees	259,200	5.12	22,516	21,898	2.8	92,550	87,846	5.4	0.1
International Registration Plan	64,200	1.26	1,595	4,723	(66.2)	16,090	16,944	(5.0)	(7.2)
Recordation Tax	48,300	0.95	4,003	4,179	(4.2)	16,097	17,107	(5.9)	1.1
Interest Earnings	4,200	0.08	2,707	1,823	48.5	2,927	1,901	54.0	(52.7)
Misc. Taxes, Fees, and Revenues	17,200	0.34	1,528	1,553	(1.6)	6,635	5,795	14.5	(12.3)
Total State Taxes and Fees	<u>\$3,533,255</u>	<u>69.72</u>	<u>\$306,833</u>	<u>\$287,517</u>	<u>6.7</u>	<u>\$1,223,998</u>	<u>\$1,150,448</u>	<u>6.4</u>	<u>2.2</u>

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 2018 and 2019
(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2019	FY 2018	% Change	FY 2019	FY 2018	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$726,100	14.33	\$85,508	\$62,636	36.5	\$242,413	\$205,865	17.8	5.7
Motor Vehicle Sales and Use Tax	715,700	14.12	62,993	61,086	3.1	256,042	246,781	3.8	0.7
State Sales and Use Tax	292,700	5.78	24,426	24,353	0.3	87,419	83,387	4.8	0.1
Motor Vehicle License Fees	236,700	4.67	20,554	20,023	2.7	83,068	80,269	3.5	(0.2)
International Registration Plan	64,200	1.26	1,595	4,723	(66.2)	16,090	16,944	(5.0)	(7.2)
Misc. Taxes, Fees, and Revenues	17,200	0.34	1,528	1,553	(1.6)	6,635	5,795	14.5	(12.3)
Total State Taxes and Fees	\$2,052,600	40.50	\$196,604	\$174,374	12.7	\$691,667	\$639,041	8.2	1.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,633	\$5,704	(18.8)	\$12,321	\$16,611	(25.8)	(100.0)
Miscellaneous Revenues	275,947	5.44	1,478	1,550	(4.6)	269,099	8,965	#	(7.6)
Transfer (to) / from Transportation Trust Fund	181,785	3.59	0	19,832	(100.0)	0	19,832	(100.0)	28.1
Total Highway Maintenance and Operating Fund	\$2,510,332	49.53	\$202,715	\$201,460	0.6	\$973,087	\$684,449	42.2	0.5
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$182,600	3.60	\$8,406	\$14,464	(41.9)	\$44,395	\$46,295	(4.1)	7.3
PTF Insurance Premiums Tax	168,655	3.33	4,712	3,876	21.6	136,256	134,943	1.0	0.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	279,300	5.51	24,474	23,159	5.7	97,433	95,617	1.9	2.4
State Sales and Use Tax	775,100	15.30	63,965	63,767	0.3	225,741	207,967	8.5	3.2
Motor Vehicle License Fees	22,500	0.45	1,962	1,875	4.6	9,482	7,577	25.1	4.1
Recordation Tax	48,300	0.95	4,003	4,179	(4.2)	16,097	17,107	(5.9)	1.1
Interest Earnings	4,200	0.08	2,707	1,823	48.5	2,927	1,901	54.0	(52.7)
Total State Taxes and Fees	\$1,480,655	29.22	\$110,229	\$113,143	(2.6)	\$532,331	\$511,407	4.1	2.8
Other Revenues:									
Federal Grants and Contracts	\$1,044,332	20.61	\$53,981	\$45,201	19.4	\$696,842	\$643,574	8.3	4.2
Receipts from Cities/Counties	150,600	2.97	13,366	17,008	(21.4)	53,951	86,020	(37.3)	(38.8)
Toll Revenues (Includes Route 28)	44,727	0.88	4,035	1,478	173.0	12,948	4,350	197.7	36.2
Miscellaneous Revenues	19,229	0.38	17,113	2,300	644.0	255,254	10,063	#	(94.6)
Total Other Revenues	\$1,258,888	24.84	\$88,495	\$65,987	34.1	\$1,018,995	\$744,007	37.0	(23.1)
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$181,785)	(3.59)	\$0	(\$19,832)	100.0	\$0	(\$19,832)	100.0	(28.1)
Total Transportation Trust Fund	\$2,557,758	50.47	\$198,724	\$159,298	24.7	\$1,551,326	\$1,235,582	25.6	(12.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$5,068,090	100.00	\$401,439	\$360,758	11.3	\$2,524,413	\$1,920,031	31.5	(6.7)

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