

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

September 2005

Summary

Revenue collections increased by 4.3 percent in September. Growth was solid in most of the revenue sources. On a year-to-date basis, growth is up 8.3 percent. The Governor's Advisory Board of Economists will meet in October as the first step in assessing the strength of the Virginia economy over the next biennium.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections increased by 2.0 percent in September. Annual collections through the first three months of fiscal year 2006 are up 7.4 percent. It is important to note that consumption data has a two-month lag, i.e., September revenue collections represent July motor fuel consumption. The higher fuel costs associated with the gulf state hurricanes has not as of yet impacted the motor fuels tax.

Hurricane recovery is underway but it will take many months for a complete recovery. As of October 11, three refineries are still shut down from Hurricane Katrina, and 4 from Hurricane Rita, amounting for a total of about 1.9 million barrels per day of refining capacity that is currently off-line (11 percent of the Nation's refinery capacity) due to hurricane-related outages.

Average retail regular gasoline prices increased after Hurricane Rita and are expected to average close to \$2.84 per gallon for October. The average pump price for the third quarter of 2005 is now expected to be about \$2.56 per gallon, up \$0.67 per gallon from the third quarter of last year. National average pump prices are expected to increase to \$2.68 per gallon for the fourth quarter due, in part, to the effect of the hurricanes on refinery capacity. However, hurricane recovery should result in price decreases by the first quarter of 2006. Gasoline prices are projected to average \$2.34 in 2005 and \$2.45 in 2006. Should colder weather prevail, retail gasoline prices are projected to be 10-14 cents per gallon higher, on average, during the winter months.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax receipts increased by 2.9 percent in September. Collections in this source are up 9.3 percent for the year. September receipts are attributable to August sales when employee discount pricing resulted in surging new vehicle sales. Next month's report will reflect the slump in September sales.

Given the end of employee incentives and the onerous impact of high gasoline prices, fourth quarter sales are expected to slip to 15.8 million units (SAAR). However, vehicle sales have exceeded expectations for several years. Now that the economy is on an upswing, and labor markets are improving while affordability remains high, sales may remain stronger than expected.

State Retail Sales Tax

The transportation portion of the State Retail Sales Tax increased by 3.0 percent in September. Collections in this source are up 8.8 percent in fiscal year 2006.

Motor Vehicle Licenses

Motor Vehicle Registration transactions increased in September. Collections of \$15.0 million were the \$14.0 million collected last September. Motor vehicle license receipts are up 8.6 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$878,900	25.30	\$73,083	\$71,655	2.0	\$160,981	\$149,846	7.4	3.5
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	2,000	2,000	0.0	0.0
Motor Vehicle Sales and Use Tax	655,700	18.88	55,275	53,712	2.9	177,354	162,297	9.3	6.6
State Sales and Use Tax	463,400	13.34	38,687	37,578	3.0	98,261	90,278	8.8	3.0
Motor Vehicle License Fees	166,500	4.79	15,025	14,007	7.3	45,338	41,751	8.6	1.2
International Registration Plan	59,600	1.71	2,905	1,819	59.7	7,592	8,312	(8.7)	(1.8)
Interest Earnings	11,200	0.32	3	(39)	107.7	18	(138)	113.0	(36.5)
Misc. Taxes, Fees, and Revenues	20,400	0.59	3,933	2,352	67.2	8,456	7,498	12.8	(22.9)
Total State Taxes and Fees	\$2,275,700	65.51	\$190,911	\$183,084	4.3	\$500,000	\$461,844	8.3	3.3

Percentage is greater than 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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$754,100	21.71	\$60,956	\$64,473	(5.5)	\$137,339	\$130,729	5.1	3.2
Motor Vehicle Sales and Use Tax	406,400	11.70	35,310	35,065	0.7	113,616	104,956	8.3	2.6
Motor Vehicle License Fees	145,500	4.19	13,177	12,385	6.4	39,664	36,705	8.1	1.1
International Registration Plan	59,600	1.71	2,905	1,819	59.7	7,592	8,312	(8.7)	(1.8)
Misc. Taxes, Fees, and Revenues	20,400	0.59	3,933	2,352	67.2	8,456	7,498	12.8	(22.9)
Total State Taxes and Fees	\$1,386,000	39.90	\$116,281	\$116,094	0.2	\$306,667	\$288,200	6.4	2.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,357	\$872	285.0	\$10,079	\$4,514	123.3	(100.0)
Transfer (to) / from Transportation Trust Fund	186,200	5.36	0	24,461	(100.0)	186,199	146,053	27.5	(4.5)
Total Highway Maintenance and Operating Fund	\$1,572,200	45.26	\$119,638	\$141,427	(15.4)	\$502,945	\$438,767	14.6	(0.6)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$124,800	3.59	\$12,127	\$7,182	68.9	\$23,642	\$19,117	23.7	4.8
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	2,000	2,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	249,300	7.18	19,965	18,647	7.1	63,738	57,341	11.2	13.7
State Sales and Use Tax	463,400	13.34	38,687	37,578	3.0	98,261	90,278	8.8	3.0
Motor Vehicle License Fees	21,000	0.60	1,848	1,622	13.9	5,674	5,046	12.4	2.0
Interest Earnings	11,200	0.32	3	(39)	107.7	18	(138)	113.0	(36.5)
Total State Taxes and Fees	\$889,700	25.61	\$74,630	\$66,990	11.4	\$193,333	\$173,644	11.3	5.1
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.12	\$94,589	\$95,380	(0.8)	\$152,503	\$164,364	(7.2)	121.8
Receipts from Cities/Counties	70,400	2.03	3,320	6,919	(52.0)	12,162	13,493	(9.9)	174.6
Toll Revenues (Includes Route 28)	88,700	2.55	8,377	13,113	(36.1)	21,363	26,331	(18.9)	(20.5)
Miscellaneous Revenues	27,500	0.79	(172)	2,903	(105.9)	4,565	14,787	(69.1)	1.1
Total Other Revenues	\$1,197,900	34.49	\$106,114	\$118,315	(10.3)	\$190,593	\$218,975	(13.0)	93.1
Transfer (to) / from Highway Maintenance and Operating Fund	(\$186,200)	(5.36)	\$0	(\$24,461)	100.0	(\$186,199)	(\$146,053)	(27.5)	4.5
Total Transportation Trust Fund	\$1,901,400	54.74	\$180,744	\$160,844	12.4	\$197,727	\$246,566	(19.8)	49.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,473,600	100.00	\$300,382	\$302,271	(0.6)	\$700,672	\$685,333	2.2	21.7

Percentage is greater than 1,000%.