

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT September 2007

### Summary

Collections in the Commonwealth Transportation Fund increased by 5.8 percent in September. Most of September's growth was due to the increase in motor vehicle registration fees along with strong growth in motor fuels tax collections. Adjusting for the \$10 increase in registration fees, monthly growth was 2.7 percent. Through the first quarter of fiscal year 2008, collections are up 6.8 percent (3.0 percent when adjusted for the registration fee increase).

### Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections increased by 9.9 percent this month, with some of the growth due to the timing of road tax receipts. Through September, annual collections of motor fuels taxes, exclusive of aviation and road tax collections, are up a solid 4.4 percent. Collections through the first quarter represent motor fuel consumption for the leading edge of the summer driving season. Reflecting movements in projected crude oil prices, regular grade gasoline prices are projected to average \$2.75 per gallon in 2007 and \$2.83 per gallon in 2008. While the difference between the price of gasoline and the cost of crude is expected to be lower next summer than this past summer, this spread is expected to remain relatively high on an historical basis, and, along with high crude prices, result in gasoline prices projected to again average more than \$3 per gallon by next May.

### Motor Vehicle Sales and Use Tax

Collections in this source declined by 5.7 percent in September. Year-to-date receipts are down 3.9 percent. U.S. vehicle sales are under stress due to weakening consumer wherewithal as house prices stagnate or decline diminishing available home equity that can be used to purchase new vehicles. In addition, eroding credit quality is affecting demand for vehicles. It should be pointed out also that U.S. vehicle manufacturers are resisting the temptation to boost sales through incentive spending. According to Edmunds.com, average incentives per vehicle were down 6% from August.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.6 percent in September. Through the first quarter of fiscal year 2008, retail sales tax receipts have increased by a sluggish 3.3 percent.

## Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 36.7 percent in September. Collections of \$19.0 million include \$5.8 million attributable to the motor vehicle license fee increase. Adjusting for the registration fee increase, this month's collections were down from last year mainly due to one less business day this September compared to last year.

**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 2007 and 2008**  
**(Dollars in Thousands)**

Revenue	FY 2008 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	Change	
Motor Fuel Taxes	\$897,500	23.64	\$78,336	\$71,249	9.9	\$158,243	\$151,654	4.3	4.4
Priority Transportation Fund	20,000	0.53	2,000	2,000	0.0	2,000	2,000	0.0	0.0
Motor Vehicle Sales and Use Tax	637,300	16.78	50,995	54,104	(5.7)	158,846	165,222	(3.9)	1.4
State Sales and Use Tax	536,000	14.12	43,493	42,373	2.6	133,835	129,575	3.3	3.6
Motor Vehicle License Fees	262,900	6.93	18,967	13,875	36.7	62,606	45,033	39.0	55.2
International Registration Plan	64,500	1.70	2,478	2,355	5.2	23,470	11,820	98.6	19.5
Interest Earnings	52,600	1.38	62	70	(11.4)	115	115	0.0	(2.5)
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,309	755	73.4	3,549	2,693	31.8	32.9
<b>Total State Taxes and Fees (a)</b>	<b>\$2,487,200</b>	<b>65.51</b>	<b>\$197,640</b>	<b>\$186,781</b>	<b>5.8</b>	<b>\$542,664</b>	<b>\$508,112</b>	<b>6.8</b>	<b>7.4</b>

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

(a) Certain Fiscal Year 2007 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

**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 2007 and 2008  
(Dollars in Thousands)**

Revenue	FY 2008 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$777,400	20.48	\$64,022	\$62,050	3.2	\$133,767	\$130,518	2.5	4.8
Motor Vehicle Sales and Use Tax	393,900	10.37	32,949	34,794	(5.3)	99,055	103,246	(4.1)	1.0
Motor Vehicle License Fees	241,300	6.36	17,364	12,170	42.7	57,429	39,399	45.8	62.8
International Registration Plan	64,500	1.70	2,478	2,355	5.2	23,470	11,820	98.6	19.5
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,309	755	73.4	3,549	2,693	31.8	32.9
<b>Total State Taxes and Fees</b>	<b>\$1,493,500</b>	<b>39.34</b>	<b>\$118,122</b>	<b>\$112,124</b>	<b>5.3</b>	<b>\$317,270</b>	<b>\$287,676</b>	<b>10.3</b>	<b>11.0</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$758	\$2,309	(67.2)	\$3,899	\$5,967	(34.7)	(100.0)
Miscellaneous Revenues (a)	16,937	0.45	937	1,721	(45.6)	3,747	4,678	(19.9)	0.1
Transfer (to) / from Transportation Trust Fund	262,570	6.91	100,000	100,000	0.0	200,000	200,000	0.0	13.6
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,773,007</b>	<b>46.70</b>	<b>\$219,817</b>	<b>\$216,154</b>	<b>1.7</b>	<b>\$524,916</b>	<b>\$498,321</b>	<b>5.3</b>	<b>9.1</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,100	3.16	\$14,314	\$9,199	55.6	\$24,476	\$21,136	15.8	1.8
Priority Transportation Fund	20,000	0.53	2,000	2,000	0.0	2,000	2,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	243,400	6.41	18,046	19,310	(6.5)	59,791	61,976	(3.5)	2.0
State Sales and Use Tax	536,000	14.12	43,493	42,373	2.6	133,835	129,575	3.3	3.6
Motor Vehicle License Fees	21,600	0.57	1,603	1,705	(6.0)	5,177	5,634	(8.1)	1.7
Interest Earnings	52,600	1.38	62	70	(11.4)	115	115	0.0	(2.5)
<b>Total State Taxes and Fees</b>	<b>\$993,700</b>	<b>26.17</b>	<b>\$79,518</b>	<b>\$74,657</b>	<b>6.5</b>	<b>\$225,394</b>	<b>\$220,436</b>	<b>2.2</b>	<b>2.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,100,568	28.98	\$62,337	\$57,792	7.9	\$231,446	\$175,479	31.9	77.9
Receipts from Cities/Counties (a)	78,428	2.07	6,712	3,921	71.2	22,746	9,161	148.3	86.4
Toll Revenues (Includes Route 28)	100,598	2.65	11,127	9,606	15.8	27,776	23,331	19.1	(3.0)
Miscellaneous Revenues	12,854	0.34	667	(1,676)	139.8	3,265	2,068	57.9	(40.4)
<b>Total Other Revenues</b>	<b>\$1,292,448</b>	<b>34.04</b>	<b>\$80,843</b>	<b>\$69,643</b>	<b>16.1</b>	<b>\$285,233</b>	<b>\$210,039</b>	<b>35.8</b>	<b>64.5</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$262,570)	(6.91)	(\$100,000)	(\$100,000)	0.0	(\$200,000)	(\$200,000)	0.0	(13.6)
<b>Total Transportation Trust Fund</b>	<b>\$2,023,578</b>	<b>53.30</b>	<b>\$60,361</b>	<b>\$44,300</b>	<b>36.3</b>	<b>\$310,627</b>	<b>\$230,475</b>	<b>34.8</b>	<b>32.8</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,796,585</b>	<b>100.00</b>	<b>\$280,178</b>	<b>\$260,454</b>	<b>7.6</b>	<b>\$835,543</b>	<b>\$728,796</b>	<b>14.6</b>	<b>20.6</b>

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

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast in FY 2007. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues". In order to provide comparable data, the Fiscal Year 2007 monthly and year-to-date amounts were likewise reclassified.