

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT September 2010

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 2.5 percent in September. Year-to-date, collections are up 0.1 percent. The flat growth in annual receipts can be attributed to the retention of \$27.7 million of the transportation portion of the state sales and use tax in the general fund in June through the accelerated sales tax program (AST). These funds are designated to be returned to the Transportation Trust Fund. Adjusted for the AST program, year-to-date CTF revenues are up 4.8 percent.

### Motor Fuels Tax

September collections increased by 1.2 percent. On a year-to-date basis, collections are up 5.6 percent.

Projected total U.S. liquid fuels consumption grows by 1.1 percent in 2010, and by 0.6 percent in 2011, as all of the major petroleum products register consumption growth. This reverses the trend of falling consumption from 2006 through 2009. During 2010 as a whole, gasoline consumption is projected to increase by 0.2 percent and distillate consumption to increase by 2.7 percent. Projected gasoline consumption growth increases to 0.8 percent in 2011 while distillate fuel consumption growth moderates to 0.4 percent. Projected regular-grade gasoline retail prices rise from an average \$2.35 per gallon in 2009 to an average \$2.74 per gallon in 2010 and \$2.92 per gallon in 2011. On-highway diesel fuel retail prices, which averaged \$2.46 per gallon in 2009, average \$2.96 per gallon in 2010 and \$3.14 in 2011

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 3.1 percent in September. Annual collections in this source are up 7.0 percent.

Nationally, vehicle sales have been fairly flat in recent months. On a seasonally adjusted annualized basis, sales totaled 11.46 million units. There has been little improvement since the beginning of the year, reflecting unfavorable consumer conditions. A comparison to last August is meaningless because of the cash for clunkers program, which drove sales up a year ago.

Meanwhile, the recovery has been too weak to enable consumers to step back into the vehicle market. Employment growth is flagging, unemployment remains very high,

consumer confidence is weak, house prices continue to fall, and equity prices have fallen. These constraints to vehicle buying are being further compounded by curtailed access to vehicle loans for all but prime borrowers and by rising vehicle prices. Therefore, the factors that drive new retail vehicle sales are not favorable and are not expected to become favorable in coming months. Trade-in values are high, however, making new vehicles slightly more affordable.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.5 percent in September. Adjusted for the AST program, year-to-date sales tax collections have increased by 1.4 percent.

### Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 6.2 percent in September.

**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 2010 and 2011  
(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$841,300	25.45	\$74,341	\$73,439	1.2	\$154,537	\$146,359	5.6	1.3
Priority Transportation Fund (PTF)	148,200	4.49	100,846	98,327	2.6	110,838	105,674	4.9	(0.6)
Motor Vehicle Sales and Use Tax	448,700	13.57	48,901	47,443	3.1	139,055	129,927	7.0	(5.3)
State Sales and Use Tax	488,600	14.78	40,011	39,794	0.5	98,096	124,081	(20.9)	(0.4)
Motor Vehicle License Fees	242,500	7.33	21,201	19,963	6.2	63,741	59,713	6.7	5.3
International Registration Plan	60,300	1.82	3,557	2,621	35.7	12,154	11,031	10.2	0.9
Recordation Tax	33,500	1.01	3,510	3,265	7.5	9,009	10,329	(12.8)	(4.8)
Interest Earnings	30,600	0.93	5	153	(96.7)	90	220	(59.1)	33.3
Misc. Taxes, Fees, and Revenues	12,700	0.38	834	954	(12.6)	3,060	2,878	6.3	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$2,306,400</b>	<b>69.76</b>	<b>\$293,206</b>	<b>\$285,959</b>	<b>2.5</b>	<b>\$590,580</b>	<b>\$590,212</b>	<b>0.1</b>	<b>0.1</b>

# 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 2010 and 2011  
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$726,800	21.99	\$64,580	\$62,020	4.1	\$131,835	\$125,349	5.2	1.6
Motor Vehicle Sales and Use Tax	272,700	8.25	27,207	27,932	(2.6)	82,607	78,084	5.8	(5.8)
Motor Vehicle License Fees	221,300	6.69	19,228	17,963	7.0	58,113	54,196	7.2	5.7
International Registration Plan	60,300	1.82	3,557	2,621	35.7	12,154	11,031	10.2	0.9
Recordation Tax (1 cent)	11,200	0.34	1,170	1,088	7.5	3,003	3,443	(12.8)	(4.5)
Misc. Taxes, Fees, and Revenues	12,700	0.38	834	954	(12.6)	3,060	2,878	6.3	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$1,305,000</b>	<b>39.47</b>	<b>\$116,576</b>	<b>\$112,578</b>	<b>3.6</b>	<b>\$290,772</b>	<b>\$274,981</b>	<b>5.7</b>	<b>0.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,147	\$3,579	(68.0)	\$4,948	\$5,517	(10.3)	(100.0)
Miscellaneous Revenues	16,191	0.49	1,039	862	20.5	2,211	2,654	(16.7)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.46	66,940	100,000	(33.1)	66,940	150,000	(55.4)	0.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,832,189</b>	<b>55.42</b>	<b>\$185,702</b>	<b>\$217,019</b>	<b>(14.4)</b>	<b>\$364,871</b>	<b>\$433,152</b>	<b>(15.8)</b>	<b>(0.4)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,500	3.46	\$9,761	\$11,419	(14.5)	\$22,702	\$21,010	8.1	(0.5)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	2,000	2,000	0.0	0.0
PTF Insurance Premiums Tax	128,200	3.88	98,846	96,327	2.6	108,838	103,674	5.0	(0.7)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	176,000	5.32	21,694	19,511	11.2	56,448	51,843	8.9	(4.5)
State Sales and Use Tax	488,600	14.78	40,011	39,794	0.5	98,096	124,081	(20.9)	(0.4)
Motor Vehicle License Fees	21,200	0.64	1,973	2,000	(1.4)	5,628	5,517	2.0	2.2
Recordation Tax (2 cents)	22,300	0.67	2,340	2,177	7.5	6,006	6,886	(12.8)	(4.9)
Interest Earnings	30,600	0.93	5	153	(96.7)	90	220	(59.1)	33.3
<b>Total State Taxes and Fees</b>	<b>\$1,001,400</b>	<b>30.29</b>	<b>\$176,630</b>	<b>\$173,381</b>	<b>1.9</b>	<b>\$299,808</b>	<b>\$315,231</b>	<b>(4.9)</b>	<b>(0.5)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$881,334	26.66	\$129,702	\$133,876	(3.1)	\$298,609	\$261,094	14.4	6.9
Receipts from Cities/Counties	59,007	1.78	3,378	(2,677)	226.2	11,448	2,941	289.3	28.0
Toll Revenues (Includes Route 28)	30,035	0.91	836	1,411	(40.8)	3,904	4,971	(21.5)	(32.4)
Miscellaneous Revenues	13,089	0.40	13,428	1,012	#	22,235	5,411	310.9	(55.8)
<b>Total Other Revenues</b>	<b>\$983,465</b>	<b>29.75</b>	<b>\$147,344</b>	<b>\$133,622</b>	<b>10.3</b>	<b>\$336,196</b>	<b>\$274,417</b>	<b>22.5</b>	<b>4.2</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.46)	(\$66,940)	(\$100,000)	33.1	(\$66,940)	(\$150,000)	55.4	(0.7)
<b>Total Transportation Trust Fund</b>	<b>\$1,473,867</b>	<b>44.58</b>	<b>\$257,034</b>	<b>\$207,003</b>	<b>24.2</b>	<b>\$569,064</b>	<b>\$439,648</b>	<b>29.4</b>	<b>2.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,306,056</b>	<b>100.00</b>	<b>\$442,736</b>	<b>\$424,022</b>	<b>4.4</b>	<b>\$933,935</b>	<b>\$872,800</b>	<b>7.0</b>	<b>0.7</b>

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