

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT September 2013

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 12.3 percent in September. On a year-to-date basis, collections are up 14.8 percent. Adjusting for the new revenue streams from HB2313 (2013), total collections declined by 2.2 percent in September and are down 1.2 percent for the year.

Motor Fuels Tax

Motor fuel taxes fell by 26.6 percent in September.

The weekly U.S. average regular gasoline retail price fell by 18 cents per gallon during September, ending the month at \$3.43 per gallon. The forecast for the regular gasoline retail price averages \$3.34 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to be \$3.52 per gallon in 2013 and \$3.40 per gallon in 2014.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 39.0 percent in September and are up 31.2 percent for the year. Adjusting for the July 1 increase in the motor vehicle sales tax rate and excluding the rental taxes, motor vehicle sales tax collections increased by 5.0 percent this month and are up 3.9 percent annually.

Nationally, Sales to consumer and building contractors drove the unexpected improvement in August vehicle sales. Sales increased to 16.1 million units SAAR. Sales started the year off at a rate of around 15.2 million units, but started to accelerate in late spring. Year-to-date sales are averaging 1 million units higher SAAR than the average for 2012. The improvement reflects the comeback of the housing market as well as a steady-enough economy and sufficient access to credit to allow for more households to replace their aging vehicles. The average age of vehicles reached a record high in 2012. A steadily improving labor market despite the implementations of federal budget cuts and higher payroll taxes; small declines in gasoline prices; a flurry of new models, especially more fuel-efficient models; and rising confidence are all contributing to stronger sales.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 57.8 percent in September, due to the 0.3 percent increase in the state retail sales tax and the increased amount of general fund sales tax collections being deposited into the Highway Maintenance Fund as stipulated by HB2313 (2013). Adjusting for HB2313, sales tax collections were up only 0.6 percent for the month and 0.3 percent for the year.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 0.9 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 2013 and 2014
(Dollars in Thousands)

Revenue	FY 2014 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
Motor Fuel Taxes (b)	\$630,100	15.73	\$56,250	\$76,645	(26.6)	\$140,592	\$157,799	(10.9)	(25.1)
Priority Transportation Fund (PTF) (b)	131,000	3.27	104,708	94,240	11.1	110,674	106,838	3.6	0.7
Motor Vehicle Sales and Use Tax	833,700	20.82	70,462	50,680	39.0	209,524	159,690	31.2	33.9
State Sales and Use Tax (a)	866,900	21.66	71,312	45,201	57.8	172,721	116,873	47.8	66.3
Motor Vehicle License Fees	243,900	6.09	19,831	20,015	(0.9)	64,603	65,152	(0.8)	(0.7)
International Registration Plan	65,300	1.63	3,575	3,117	14.7	11,889	11,681	1.8	5.7
Recordation Tax	40,500	1.01	3,143	3,306	(4.9)	11,319	11,053	2.4	(12.6)
Interest Earnings	11,900	0.30	0	75	(100.0)	0	94	(100.0)	28.2
Misc. Taxes, Fees, and Revenues	17,400	0.43	1,301	967	34.5	4,486	3,213	39.6	17.4
Total State Taxes and Fees	\$2,840,700	70.94	\$330,582	\$294,246	12.3	\$725,808	\$632,393	14.8	13.9

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

(a) New revenue streams for State Sales and Use Tax are included in the Fiscal Year 2014 Highway Maintenance and Operating Fund Revenue Forecast. As there were no collections for state sales and use tax recorded in the Highway Maintenance and Operating Fund during Fiscal Year 2013, a comparison between Fiscal Years 2013 and 2014 may not be appropriate. Refer to the "State Sales and Use Tax" line item on page 5 for the detailed information pertaining to the "State Sales and Use Tax" line item.

(b) Certain Fiscal Year 2013 monthly and year-to-date amounts have been reclassified. Refer to (b) 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 2013 and 2014
(Dollars in Thousands)

Revenue	FY 2014 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2014	FY 2013	% Change	FY 2014	FY 2013	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$500,700	12.50	\$44,438	\$63,156	(29.6)	\$114,048	\$133,940	(14.9)	(29.1)
Motor Vehicle Sales and Use Tax	585,000	14.61	48,658	30,104	61.6	148,087	97,876	51.3	51.0
State Sales and Use Tax (a)	204,000	5.10	16,714	0	-	36,639	0	-	-
Motor Vehicle License Fees	222,400	5.55	18,116	18,192	(0.4)	59,100	59,421	(0.5)	(0.7)
International Registration Plan	65,300	1.63	3,575	3,117	14.7	11,889	11,681	1.8	5.7
Recordation Tax (1 cent)	13,500	0.34	1,048	1,102	(4.9)	3,773	3,684	2.4	(12.6)
Misc. Taxes, Fees, and Revenues	17,400	0.43	1,301	967	34.5	4,486	3,213	39.6	17.4
Total State Taxes and Fees	\$1,608,300	40.16	\$133,850	\$116,638	14.8	\$378,022	\$309,815	22.0	14.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,728	\$1,421	21.6	\$4,723	\$7,163	(34.1)	(100.0)
Miscellaneous Revenues	18,658	0.47	1,197	800	49.6	3,746	4,338	(13.6)	11.5
Transfer (to) / from Transportation Trust Fund	313,942	7.84	50,000	50,000	0.0	50,000	70,000	(28.6)	(10.4)
Total Highway Maintenance and Operating Fund	\$1,940,900	48.47	\$186,775	\$168,859	10.6	\$436,491	\$391,316	11.5	7.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes) (b)	\$129,400	3.23	\$11,812	\$13,489	(12.4)	\$26,544	\$23,859	11.3	(4.3)
PTF Insurance Premiums Tax	131,000	3.27	104,708	94,240	11.1	110,674	106,838	3.6	0.7
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,700	6.21	21,804	20,576	6.0	61,437	61,814	(0.6)	5.7
State Sales and Use Tax	662,900	16.56	54,598	45,201	20.8	136,082	116,873	16.4	27.2
Motor Vehicle License Fees	21,500	0.54	1,715	1,823	(5.9)	5,503	5,731	(4.0)	(0.8)
Recordation Tax (2 cents)	27,000	0.67	2,095	2,204	(4.9)	7,546	7,369	2.4	(12.6)
Interest Earnings	11,900	0.30	0	75	(100.0)	0	94	(100.0)	28.2
Total State Taxes and Fees	\$1,232,400	30.78	\$196,732	\$177,608	10.8	\$347,786	\$322,578	7.8	13.7
Other Revenues:									
Federal Grants and Contracts	\$929,928	23.22	\$146,264	\$148,694	(1.6)	\$603,577	\$528,787	14.1	(28.8)
Receipts from Cities/Counties	178,614	4.46	8,823	7,973	10.7	33,080	8,940	270.0	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	795	865	(8.1)	2,487	2,611	(4.7)	(5.0)
Miscellaneous Revenues	19,854	0.49	1,149	1,285	(10.6)	6,109	25,968	(76.5)	(57.6)
Total Other Revenues	\$1,145,164	28.59	\$157,031	\$158,817	(1.1)	\$645,253	\$566,306	13.9	(19.9)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$313,942)	(7.84)	(\$50,000)	(\$50,000)	0.0	(\$50,000)	(\$70,000)	28.6	10.4
Total Transportation Trust Fund	\$2,063,622	51.53	\$303,763	\$286,425	6.1	\$943,039	\$818,884	15.2	(4.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,004,522	100.00	\$490,538	\$455,284	7.7	\$1,379,530	\$1,210,200	14.0	1.0

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

(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)." In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.