

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT September 2016

Summary

Commonwealth Transportation Fund (CTF) revenues declined by 0.9 percent in September, due to weak growth in motor fuels and retail sales tax collections.

Motor Fuels Tax

Motor fuels tax collections declined by 3.3 percent this month and is up 2.1 percent for the year.

Isolated refinery outages and a disruption to the Colonial pipeline system contributed to U.S. average retail regular gasoline prices in September increasing by 4 cents/gallon (gal) from August to an average of \$2.22/gal. With a return to normal refinery and pipeline operations, the switch to less-expensive winter gasoline blends, and the typical seasonal decline in gasoline consumption, gasoline prices are expected to fall to an average of \$1.97/gal in January. Retail gasoline prices are forecast to average \$2.12/gal in 2016 and \$2.26/gal in 2017.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 2.4 percent in September and have increased by 3.6 percent year-to-date.

Vehicles sales are starting to come down to a more sustainable pace, but various factors including a strengthening labor market, low interest rates, still-low gasoline prices, and rising incentive spending still support the relatively strong pace of auto sales. Increased incentives by domestic automakers in July likely shifted some of August's demand for trucks forward. This shift has skewed the numbers for July up and the numbers for August down.

State Retail Sales Tax

The transportation portion of the state retail sales tax declined by 4.7 percent in September.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 3.9 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 2016 and 2017
(Dollars in Thousands)

Revenue	FY 2017 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change	
Motor Fuel Taxes	\$896,800	18.82	\$73,723	\$76,266	(3.3)	\$164,146	\$160,763	2.1	4.2
Priority Transportation Fund (PTF)	163,142	3.42	114,700	114,022	0.6	127,437	121,392	5.0	8.5
Motor Vehicle Sales and Use Tax	966,800	20.29	88,952	86,890	2.4	264,364	255,089	3.6	1.1
State Sales and Use Tax	1,017,700	21.36	78,063	81,875	(4.7)	201,444	199,362	1.0	1.7
Motor Vehicle License Fees	246,800	5.18	21,050	21,902	(3.9)	67,287	66,755	0.8	(2.6)
International Registration Plan	61,700	1.29	4,628	4,204	10.1	13,297	14,069	(5.5)	(8.9)
Recordation Tax	45,400	0.95	4,346	3,534	23.0	13,731	11,529	19.1	2.7
Interest Earnings	12,100	0.25	89	24	270.8	97	44	120.5	227.1
Misc. Taxes, Fees, and Revenues	17,000	0.36	1,079	1,265	(14.7)	4,049	4,306	(6.0)	(7.8)
Total State Taxes and Fees	\$3,427,442	71.92	\$386,630	\$389,982	(0.9)	\$855,852	\$833,309	2.7	2.1

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 2016 and 2017
(Dollars in Thousands)

Revenue	FY 2017 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$716,600	15.04	\$57,430	\$58,596	(2.0)	\$133,789	\$127,468	5.0	4.2
Motor Vehicle Sales and Use Tax	696,900	14.62	63,125	61,610	2.5	189,800	182,086	4.2	0.9
State Sales and Use Tax	286,000	6.00	17,026	22,469	(24.2)	51,375	55,561	(7.5)	3.3
Motor Vehicle License Fees	224,800	4.72	19,201	19,938	(3.7)	61,498	60,897	1.0	(3.0)
International Registration Plan	61,700	1.29	4,628	4,204	10.1	13,297	14,069	(5.5)	(8.9)
Recordation Tax (1 cent) (a)	0	0.00	0	1,178	-	0	3,843	-	-
Misc. Taxes, Fees, and Revenues	17,000	0.36	1,079	1,265	(14.7)	4,049	4,306	(6.0)	(7.8)
Total State Taxes and Fees	\$2,003,000	42.03	\$162,489	\$169,260	(4.0)	\$453,808	\$448,230	1.2	0.7
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,070	\$2,706	50.4	\$15,225	\$9,465	60.9	(100.0)
Miscellaneous Revenues	18,044	0.38	3,131	1,148	172.7	5,587	6,511	(14.2)	(32.9)
Transfer (to) / from Transportation Trust Fund	102,896	2.16	25,000	0	-	25,000	0	-	15.4
Total Highway Maintenance and Operating Fund	\$2,123,940	44.57	\$194,690	\$173,114	12.5	\$499,620	\$464,206	7.6	(0.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$180,200	3.78	\$16,293	\$17,670	(7.8)	\$30,357	\$33,295	(8.8)	4.0
PTF Insurance Premiums Tax	163,142	3.42	114,700	114,022	0.6	127,437	121,392	5.0	8.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	269,900	5.67	25,827	25,280	2.2	74,564	73,003	2.1	1.7
State Sales and Use Tax	731,700	15.36	61,037	59,406	2.7	150,069	143,801	4.4	1.1
Motor Vehicle License Fees	22,000	0.46	1,849	1,964	(5.9)	5,789	5,858	(1.2)	2.0
Recordation Tax (a)	45,400	0.95	4,346	2,356	-	13,731	7,686	-	-
Interest Earnings	12,100	0.25	89	24	270.8	97	44	120.5	227.1
Total State Taxes and Fees	\$1,424,442	29.89	\$224,141	\$220,722	1.5	\$402,044	\$385,079	4.4	4.2
Other Revenues:									
Federal Grants and Contracts	\$1,096,844	23.02	\$125,039	\$153,396	(18.5)	\$543,458	\$614,677	(11.6)	(2.4)
Receipts from Cities/Counties	200,869	4.21	13,115	12,674	3.5	43,717	21,339	104.9	59.4
Toll Revenues (Includes Route 28)	16,100	0.34	1,073	923	16.3	2,840	2,759	2.9	(14.1)
Miscellaneous Revenues	6,245	0.13	1,163	3,209	(63.8)	6,787	6,416	5.8	(83.6)
Total Other Revenues	\$1,320,058	27.70	\$140,390	\$170,202	(17.5)	\$596,802	\$645,191	(7.5)	1.0
Transfer (to) / from Highway Maintenance and Operating Fund	(\$102,896)	(2.16)	(\$25,000)	\$0	-	(\$25,000)	\$0	-	(15.4)
Total Transportation Trust Fund	\$2,641,604	55.43	\$339,531	\$390,924	(13.1)	\$973,846	\$1,030,270	(5.5)	2.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,765,544	100.00	\$534,221	\$564,038	(5.3)	\$1,473,466	\$1,494,476	(1.4)	0.8

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

(a) Pursuant to Code of Virginia, §58.1-815.4, \$0.03 of specific recordation taxes are deposited to components of the Transportation Trust Fund effective July 1, 2016. Accordingly, the "Recordation Tax (1 cent)" line item was removed from the Highway Maintenance and Operating Fund FY 2017 Revenue Forecast. All FY 2017 Recordation Taxes are included in the Transportation Trust Fund Revenue Forecast in the "Recordation Tax" line item. Since there will be no collections for the "Recordation Tax (1 cent)" line item for the Highway Maintenance and Operating Fund during FY 2017, the Monthly and Year-To-Date % Change and % Annual Growth Required by Est. columns for the Recordation Tax lines are not provided.