

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

April 2017

Summary

Commonwealth Transportation Fund (CTF) revenues fell by 1.6 percent in April, driven by a slowdown in motor vehicle sales tax collections.

Motor Fuels Tax

Motor fuels tax collections increased by 2.4 percent this month and are up 2.9 percent for the year.

For the 2017 April-through-September summer driving season, U.S. regular gasoline retail prices are forecast to average \$2.46/gallon (gal), compared with \$2.23/gal last summer. The higher forecast gasoline price is primarily the result of higher forecast crude oil prices. For all of 2017, the forecast average price for regular gasoline is \$2.39/gal, which, if realized, would result in the average U.S. household spending about \$200 more on motor fuel in 2017 compared with 2016.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections declined by 6.9 percent in April and have increased by 4.5 percent year-to-date.

Strong consumer fundamentals, especially an acceleration in wage growth, point toward higher sales in coming months, and a pickup in residential construction will help to bolster light-truck sales.

As a result, national vehicle sales are expected to remain around or above 17 million units at a seasonally adjusted annualized rate for several more quarters before declining slowly through the end of the decade.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 0.2 percent in April.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 3.6 percent in April.

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	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change	
Motor Fuel Taxes	\$868,900	18.26	\$67,337	\$65,750	2.4	\$668,460	\$649,711	2.9	0.9
Priority Transportation Fund (PTF)	163,142	3.43	0	0	-	163,142	150,346	8.5	8.5
Motor Vehicle Sales and Use Tax	976,500	20.52	75,376	80,932	(6.9)	822,470	787,250	4.5	2.1
State Sales and Use Tax	1,023,100	21.50	86,248	86,049	0.2	786,921	773,489	1.7	2.3
Motor Vehicle License Fees	253,000	5.32	20,957	21,729	(3.6)	210,644	207,687	1.4	(0.2)
International Registration Plan	68,100	1.43	6,124	6,993	(12.4)	54,542	56,564	(3.6)	0.6
Recordation Tax	47,200	0.99	3,590	3,256	10.3	38,880	35,286	10.2	6.8
Interest Earnings	3,300	0.07	1,890	1,034	82.8	4,958	2,806	76.7	(10.8)
Misc. Taxes, Fees, and Revenues	17,300	0.36	1,776	1,864	(4.7)	15,091	15,013	0.5	(6.1)
Total State Taxes and Fees	<u>\$3,420,542</u>	<u>71.88</u>	<u>\$263,298</u>	<u>\$267,607</u>	<u>(1.6)</u>	<u>\$2,765,108</u>	<u>\$2,678,152</u>	<u>3.2</u>	<u>1.9</u>

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	April			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)	\$694,800	14.60	\$55,174	\$54,080	2.0	\$539,290	\$518,899	3.9	1.1
Motor Vehicle Sales and Use Tax	705,000	14.81	54,648	58,401	(6.4)	593,714	569,503	4.3	2.0
State Sales and Use Tax	286,800	6.03	23,895	23,899	0.0	214,608	213,812	0.4	3.6
Motor Vehicle License Fees	231,600	4.87	19,073	19,806	(3.7)	192,296	189,904	1.3	(0.1)
International Registration Plan	68,100	1.43	6,124	6,993	(12.4)	54,542	56,564	(3.6)	0.6
Recordation Tax (1 cent) (a)	0	0.00	0	1,085	-	0	11,762	-	-
Misc. Taxes, Fees, and Revenues	17,300	0.36	1,776	1,864	(4.7)	15,091	15,013	0.5	(6.1)
Total State Taxes and Fees	\$2,003,600	42.10	\$160,690	\$166,128	(3.3)	\$1,609,541	\$1,575,457	2.2	0.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$5,666	\$3,607	57.1	\$49,528	\$31,765	55.9	(100.0)
Miscellaneous Revenues	18,044	0.38	1,419	2,976	(52.3)	18,698	20,415	(8.4)	(32.9)
Transfer (to) / from Transportation Trust Fund	102,896	2.17	0	0	-	62,852	46,700	34.6	15.4
Total Highway Maintenance and Operating Fund	\$2,124,540	44.65	\$167,775	\$172,711	(2.9)	\$1,740,619	\$1,674,337	4.0	(0.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$174,100	3.66	\$12,163	\$11,670	4.2	\$129,170	\$130,812	(1.3)	0.5
PTF Insurance Premiums Tax	163,142	3.43	0	0	-	163,142	150,346	8.5	8.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	271,500	5.71	20,728	22,531	(8.0)	228,756	217,747	5.1	2.3
State Sales and Use Tax	736,300	15.47	62,353	62,150	0.3	572,313	559,677	2.3	1.7
Motor Vehicle License Fees	21,400	0.45	1,884	1,923	(2.0)	18,348	17,783	3.2	(0.7)
Recordation Tax (a)	47,200	0.99	3,590	2,171	-	38,880	23,524	-	-
Interest Earnings	3,300	0.07	1,890	1,034	82.8	4,958	2,806	76.7	(10.8)
Total State Taxes and Fees	\$1,416,942	29.78	\$102,608	\$101,479	1.1	\$1,155,567	\$1,102,695	4.8	3.6
Other Revenues:									
Federal Grants and Contracts	\$1,096,844	23.05	\$66,283	\$51,113	29.7	\$987,705	\$1,032,117	(4.3)	(2.4)
Receipts from Cities/Counties	200,869	4.22	15,109	5,083	197.2	169,013	71,457	136.5	59.4
Toll Revenues (Includes Route 28)	16,100	0.34	7,583	7,510	1.0	16,816	16,620	1.2	(14.1)
Miscellaneous Revenues	6,245	0.13	1,000	2,193	(54.4)	30,899	21,574	43.2	(83.6)
Total Other Revenues	\$1,320,058	27.74	\$89,975	\$65,899	36.5	\$1,204,433	\$1,141,768	5.5	1.0
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$102,896)	(2.17)	\$0	\$0	-	(\$62,852)	(\$46,700)	(34.6)	(15.4)
Total Transportation Trust Fund	\$2,634,104	55.35	\$192,583	\$167,378	15.1	\$2,297,148	\$2,197,763	4.5	1.9
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,758,644	100.00	\$360,358	\$340,089	6.0	\$4,037,767	\$3,872,100	4.3	0.6

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.