

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT February 2020

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 18.9 percent in February due to the timing of receipts in motor fuels sales tax collections.

Motor Fuels Tax

Motor fuels taxes increased by 52.4 percent in February due to the timing of receipts last February. Last February's collections declined by 23.7 percent.

Based on the lower crude oil price forecast, EIA expects U.S. retail prices for regular grade gasoline to average \$2.14 per gallon (gal) in 2020, down from \$2.60/gal in 2019. EIA expects retail gasoline prices to fall to a monthly average of \$1.97/gal in April before rising to an average of \$2.13/gal from June through August.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 4.4 percent in February.

New-vehicle sales increased slightly to 17.1 million seasonally adjusted annualized units in February, a second consecutive month of gains. Car and light truck sales have been trending down since peaking in mid-2015. However, healthy economic performance has lifted vehicle sales in 2020.

The labor market underpins demand for consumer goods, and cars and trucks are no different. Here, the auto market received help in 2020. Net hiring has picked up to start 2020 after what appeared to be a moderation in employment gains in the second half of 2019. There appears to be some renewed optimism among businesses, as the Moody's Analytics Survey of Business Confidence has rebounded a bit in recent months, likely thanks in part to reduced trade tensions. Healthy job creation expanded households' budgets for a vehicle, bolstering demand for new vehicles.

Consumer confidence is also supporting new-vehicle sales. Consumers seem largely unaffected by political uncertainty and the spread of COVID-19, as consumer confidence remains strong and survey respondents continue to believe that job opportunities are plentiful. Despite some volatility around the holidays, unemployment insurance claims continue to signal that the labor market is healthy with minimal layoffs. Increasing wages should help boost confidence and draw more workers to the labor force.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 9.8 percent in February.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 19.8 percent in February.

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 2019 and 2020
(Dollars in Thousands)

Revenue	FY 2020 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	
Motor Fuel Taxes	\$911,700	16.16	\$75,942	\$49,822	52.4	\$598,515	\$555,266	7.8	6.4
Priority Transportation Fund (PTF)	183,558	3.25	0	0	-	183,558	168,655	8.8	8.8
Motor Vehicle Sales and Use Tax	1,032,400	18.31	77,611	74,336	4.4	711,413	672,657	5.8	1.1
State Sales and Use Tax	1,153,100	20.43	84,908	77,333	9.8	727,990	675,485	7.8	6.0
Motor Vehicle License Fees	299,200	5.30	21,400	17,856	19.8	178,963	170,127	5.2	12.5
International Registration Plan	70,800	1.26	10,114	7,889	28.2	46,635	40,953	13.9	(2.5)
Recordation Tax	48,800	0.87	3,753	2,865	31.0	38,484	29,542	30.3	3.5
Interest Earnings	9,800	0.17	57	52	9.6	10,370	6,719	54.3	(40.1)
Misc. Taxes, Fees, and Revenues	17,900	0.32	1,658	1,490	11.3	11,441	12,851	(11.0)	(5.7)
Total State Taxes and Fees	<u>\$3,727,258</u>	<u>66.07</u>	<u>\$275,443</u>	<u>\$231,643</u>	<u>18.9</u>	<u>\$2,507,369</u>	<u>\$2,332,255</u>	<u>7.5</u>	<u>4.8</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 2019 and 2020
(Dollars in Thousands)

Revenue	FY 2020 Estimate	As a % of Total Fund	February			Year-To-Date			% Annual Growth Required By Est
			FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$718,300	12.73	\$62,815	\$34,982	79.6	\$481,774	\$446,508	7.9	4.6
Motor Vehicle Sales and Use Tax	743,500	13.18	55,979	52,817	6.0	514,094	485,179	6.0	1.2
State Sales and Use Tax	319,600	5.66	23,404	21,253	10.1	202,637	187,329	8.2	6.0
Motor Vehicle License Fees	246,200	4.36	18,344	18,515	(0.9)	156,333	155,346	0.6	1.1
International Registration Plan	70,800	1.26	10,114	7,889	28.2	46,635	40,953	13.9	(2.5)
Misc. Taxes, Fees, and Revenues	17,900	0.32	1,658	1,490	11.3	11,441	12,851	(11.0)	(5.7)
Total State Taxes and Fees	\$2,116,300	37.51	\$172,314	\$136,946	25.8	\$1,412,914	\$1,328,166	6.4	2.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,622	\$2,335	(30.5)	\$19,022	\$20,345	(6.5)	(100.0)
Miscellaneous Revenues	366,960	6.50	6,963	2,199	216.6	376,283	280,761	34.0	18.1
Transfer (to) / from Transportation Trust Fund	178,826	3.17	0	0	-	110,864	113,616	(2.4)	(1.4)
Total Highway Maintenance and Operating Fund	\$2,662,086	47.18	\$180,899	\$141,480	27.9	\$1,919,083	\$1,742,888	10.1	3.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$193,400	3.43	\$13,127	\$14,840	(11.5)	\$116,741	\$108,758	7.3	13.7
PTF Insurance Premiums Tax	183,558	3.25	0	0	-	183,558	168,655	8.8	8.8
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	288,900	5.13	21,632	21,519	0.5	197,319	187,478	5.2	1.0
State Sales and Use Tax	833,500	14.77	61,504	56,080	9.7	525,353	488,156	7.6	6.0
Motor Vehicle License Fees	53,000	0.94	3,056	(659)	563.7	22,630	14,781	53.1	135.5
Recordation Tax	48,800	0.87	3,753	2,865	31.0	38,484	29,542	30.3	3.5
Interest Earnings	9,800	0.17	57	52	9.6	10,370	6,719	54.3	(40.1)
Total State Taxes and Fees	\$1,610,958	28.56	\$103,129	\$94,697	8.9	\$1,094,455	\$1,004,089	9.0	7.6
Other Revenues:									
Federal Grants and Contracts	\$1,175,378	20.83	\$36,491	\$33,459	9.1	\$894,148	\$883,748	1.2	3.6
Receipts from Cities/Counties	170,551	3.02	30,460	12,133	151.1	260,437	149,693	74.0	(43.4)
Toll Revenues (Includes Route 28)	57,645	1.02	2,691	2,652	1.5	23,867	24,254	(1.6)	24.0
Miscellaneous Revenues	144,211	2.56	9,511	11,202	(15.1)	227,053	307,068	(26.1)	(68.1)
Total Other Revenues	\$1,547,785	27.43	\$79,153	\$59,446	33.2	\$1,405,505	\$1,364,763	3.0	(20.0)
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$178,826)	(3.17)	\$0	\$0	-	(\$110,864)	(\$113,616)	2.4	1.4
Total Transportation Trust Fund	\$2,979,917	52.82	\$182,282	\$154,143	18.3	\$2,389,096	\$2,255,236	5.9	(8.3)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$5,642,003	100.00	\$363,181	\$295,623	22.9	\$4,308,179	\$3,998,124	7.8	(3.3)

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