

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT April 2009

Summary

Commonwealth Transportation Fund (CTF) revenues dropped by 10.6 percent in April and are down 2.1 percent year-to-date, slightly behind the annual forecast of a 1.5 percent decline. However, adjusting for the new revenue streams resulting from House Bill 3202 (2007), base CTF collections are down 10.5 percent through April.

Motor Fuels Tax

Motor fuels tax collections fell by 1.2 percent in April and are down 4.5 percent on an annual basis. Motor fuels tax collections are tracking towards the largest annual decline over the last twenty years, far surpassing the 1.3 percent declines in fiscal years 1991 and 2007.

Regular-grade motor gasoline retail prices, which averaged \$3.26 per gallon in 2008, are expected to average \$2.12 per gallon this year. Regular-grade gasoline retail prices are projected to rise to \$2.30 per gallon in 2010. These projections indicate that total gasoline margins, which had declined last year as a result of weakness in gasoline consumption and growth in ethanol supplies, are expected to stabilize, albeit at low levels, as consumption slowly recovers and increases in ethanol supplies moderate.

Diesel fuel retail prices, which averaged \$3.80 per gallon in 2008, are projected to average \$2.26 per gallon in 2009. Diesel fuel retail prices are projected to average \$2.48 per gallon in 2010.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 27.3 percent in April, the twelfth consecutive double-digit monthly decline. Year-to-date, collections are down 23.7 percent. The year-to-date decline in motor vehicle sales tax is significantly worse than that seen during the fiscal year 1991 recession.

Despite some recent positive signs from consumers, national vehicle sales weakened again in April, as a fragile job market, limited availability of credit, and low confidence are still keeping consumers away from showrooms. The annualized sales rate remains near its 1981 record low, as April's sales were 34% lower than their year-ago level.

Vehicle sales will recover slowly over the months ahead but are only expected to total 10.5 million units in 2009. However, risks are weighted toward the downside. Chrysler's recent bankruptcy filing could undermine confidence among potential car buyers, despite the government's guarantee of vehicle warranties. General Motors is also facing possible bankruptcy, which would have a much larger ripple effect through the auto industry.

State Retail Sales Tax

The transportation portion of the state retail sales tax fell by 9.4 percent in April. Year-to-date sales tax collections are down 4.2 percent.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 3.3 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 2008 and 2009
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
Motor Fuel Taxes	\$842,300	23.84	\$63,429	\$64,201	(1.2)	\$629,113	\$658,835	(4.5)	(2.4)
Priority Transportation Fund (PTF) (a)	152,300	4.31	2,000	2,000	0.0	148,286	16,000	826.8	-
Motor Vehicle Sales and Use Tax	460,300	13.03	35,416	48,730	(27.3)	364,675	477,984	(23.7)	(19.7)
State Sales and Use Tax	514,500	14.56	39,847	43,998	(9.4)	419,739	438,286	(4.2)	(2.0)
Motor Vehicle License Fees	239,200	6.78	22,371	21,657	3.3	197,462	200,137	(1.3)	(1.2)
International Registration Plan	51,400	1.46	2,696	1,544	74.6	44,735	56,648	(21.0)	(30.7)
Recordation Tax (b)	35,400	1.00	3,224	0	-	28,944	0	-	-
Interest Earnings	30,700	0.87	7,460	15,160	(50.8)	26,620	49,164	(45.9)	(50.6)
Misc. Taxes, Fees, and Revenues	13,200	0.37	1,004	1,159	(13.4)	10,739	12,592	(14.7)	(11.4)
Total State Taxes and Fees	\$2,339,300	66.22	\$177,447	\$198,449	(10.6)	\$1,870,313	\$1,909,646	(2.1)	(1.5)

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

(a) A new revenue stream, Insurance Premiums Tax, is included in the Fiscal Year 2009 Transportation Trust Fund Revenue Forecast. As there were no collections for insurance premiums tax recorded in the Transportation Trust Fund during Fiscal Year 2008, a comparison of the total "Priority Transportation Fund (PTF)" between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "PTF Motor Fuels" and "PTF Insurance Premiums Tax" line items on page 5 for the detailed information pertaining to the "Priority Transportation Trust Fund (PTF)" line item.

(b) New revenue streams for Recordation Tax are included in the Fiscal Year 2009 Highway Maintenance and Operating Fund and the Transportation Trust Fund Revenue Estimates, respectively. As there were no collections for recordation taxes recorded in these funds during Fiscal Year 2008, a comparison between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "Recordation Tax (1 cent)" and "Recordation Tax (2 cents)" line items on page 5 for the detailed information pertaining to the "Recordation Tax" line item.

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 2008 and 2009
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,300	20.53	\$55,184	\$55,900	(1.3)	\$541,611	\$565,072	(4.2)	(2.1)
Motor Vehicle Sales and Use Tax	277,900	7.87	21,684	30,216	(28.2)	222,002	296,251	(25.1)	(21.7)
Motor Vehicle License Fees	218,500	6.19	20,390	19,684	3.6	179,762	182,557	(1.5)	(1.0)
International Registration Plan	51,400	1.46	2,696	1,544	74.6	44,735	56,648	(21.0)	(30.7)
Recordation Tax (1 cent) (a)	11,800	0.33	1,075	0	-	9,648	0	-	-
Misc. Taxes, Fees, and Revenues	13,200	0.37	1,004	1,159	(13.4)	10,739	12,592	(14.7)	(11.4)
Total State Taxes and Fees	\$1,298,100	36.75	\$102,033	\$108,503	(6.0)	\$1,008,497	\$1,113,120	(9.4)	(7.6)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,101	\$1,713	(35.7)	\$16,485	\$25,787	(36.1)	(100.0)
Miscellaneous Revenues	19,605	0.55	412	1,214	(66.1)	12,401	13,436	(7.7)	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.90	0	0	-	364,831	265,543	37.4	45.0
Total Highway Maintenance and Operating Fund	\$1,702,675	48.20	\$103,546	\$111,430	(7.1)	\$1,402,214	\$1,417,886	(1.1)	(0.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,000	3.31	\$8,245	\$8,301	(0.7)	\$87,502	\$93,763	(6.7)	(4.4)
PTF Motor Fuels	20,000	0.57	2,000	2,000	0.0	16,000	16,000	0.0	0.0
PTF Insurance Premiums Tax (a)	132,300	3.74	0	0	-	132,286	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	182,400	5.16	13,732	18,514	(25.8)	142,673	181,733	(21.5)	(16.3)
State Sales and Use Tax	514,500	14.56	39,847	43,998	(9.4)	419,739	438,286	(4.2)	(2.0)
Motor Vehicle License Fees	20,700	0.59	1,981	1,973	0.4	17,700	17,580	0.7	(3.0)
Recordation Tax (2 cents) (a)	23,600	0.67	2,149	0	-	19,296	0	-	-
Interest Earnings	30,700	0.87	7,460	15,160	(50.8)	26,620	49,164	(45.9)	(50.6)
Total State Taxes and Fees	\$1,041,200	29.47	\$75,414	\$89,946	(16.2)	\$861,816	\$796,526	8.2	7.5
Other Revenues:									
Federal Grants and Contracts	\$938,474	26.57	\$50,548	\$69,801	(27.6)	\$665,443	\$671,599	(0.9)	9.7
Receipts from Cities/Counties	97,299	2.76	2,403	4,680	(48.7)	41,673	38,174	9.2	114.4
Toll Revenues (Includes Route 28) (b)	106,041	3.00	10,858	12,945	(16.1)	66,831	102,291	(34.7)	(18.3)
Miscellaneous Revenues	31,806	0.90	2,449	639	283.3	14,456	12,095	19.5	115.1
Total Other Revenues	\$1,173,620	33.23	\$66,258	\$88,065	(24.8)	\$788,403	\$824,159	(4.3)	12.2
Transfer (to) / from Highway Maintenance and Operating Fund	(\$384,970)	(10.90)	\$0	\$0	-	(\$364,831)	(\$265,543)	(37.4)	(45.0)
Total Transportation Trust Fund	\$1,829,850	51.80	\$141,672	\$178,011	(20.4)	\$1,285,388	\$1,355,142	(5.1)	4.6
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,532,525	100.00	\$245,218	\$289,441	(15.3)	\$2,687,602	\$2,773,028	(3.1)	2.0

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

(a) These line items were added to the Fiscal Year 2009 Revenue Forecast. Since there were no collections for these line items during Fiscal Year 2008, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.