

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT December 2008

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 1.0 percent in December and are up 2.4 percent year-to-date. However, adjusting for the new revenue streams resulting from House Bill 3202 (2007), base CTF collections are down 10.7 percent through the first half of fiscal year 2009.

Motor Fuels Tax

Motor fuels tax collections declined by 1.1 percent in December and are down 4.2 percent on an annual basis.

The average U.S. prices for regular-grade gasoline and diesel fuel, at \$1.70 and \$2.52 per gallon respectively on December 8, were both more than \$2 per gallon below their highs in mid-July. With the assumption of a fragile economy throughout 2009, along with lower projected crude oil prices, annual average retail gasoline and diesel fuel prices in 2009 are projected to be \$2.03 and \$2.47 per gallon, respectively.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 25.3 percent in December, the eighth consecutive double-digit monthly decline. Over the past three months, motor vehicle sales tax collections are down by close to a third. Year-to-date, collections are down 22.9 percent. The year-to-date decline in motor vehicle sales tax is significantly worse than that seen during the fiscal year 1991 recession.

The very weak outlook for the nation's economy will likely mean that this year's sales pace will not be appreciably better. Credit is slowly unfreezing for consumers and dealers; GMAC has again begun to lend to dealers to finance their inventories. However, automakers will have a tough time bringing buyers into showrooms given poor household credit quality, the eroding employment situation, and record low consumer confidence. To make matters worse, demand for vehicles has been spent up, meaning that wooed by incentives in recent years, consumers bought vehicles ahead of replacement demand. Many now have relatively new, perfectly serviceable vehicles that they do not need to replace. Even consumers who own gas guzzlers can now maintain these vehicles given the plunging price of gas over the past six months.

State Retail Sales Tax

The transportation portion of the state retail sales tax fell by 17.3 percent in December, mainly due to calendar effects that will be partially offset by January collections.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 4.6 percent in December.

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	December			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	\$74,805	\$75,608	(1.1)	\$364,322	\$380,299	(4.2)	(2.4)
Priority Transportation Fund (PTF) (a)	152,300	4.31	20,041	0	-	140,286	8,000	#	-
Motor Vehicle Sales and Use Tax	460,300	13.03	30,048	40,243	(25.3)	229,348	297,457	(22.9)	(19.7)
State Sales and Use Tax	514,500	14.56	39,371	47,624	(17.3)	257,057	270,043	(4.8)	(2.0)
Motor Vehicle License Fees	239,200	6.78	15,069	15,792	(4.6)	114,213	118,745	(3.8)	(1.2)
International Registration Plan	51,400	1.46	5,995	6,016	(0.3)	20,746	34,634	(40.1)	(30.7)
Recordation Tax (b)	35,400	1.00	2,346	0	-	17,170	0	-	-
Interest Earnings	30,700	0.87	8	69	(88.4)	10,820	15,883	(31.9)	(50.6)
Misc. Taxes, Fees, and Revenues	13,200	0.37	944	1,367	(30.9)	6,494	7,750	(16.2)	(11.4)
Total State Taxes and Fees	\$2,339,300	66.22	\$188,627	\$186,719	1.0	\$1,160,456	\$1,132,811	2.4	(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	December			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	\$64,774	\$65,640	(1.3)	\$313,135	\$324,514	(3.5)	(2.1)
Motor Vehicle Sales and Use Tax	277,900	7.87	18,073	24,606	(26.6)	139,108	184,376	(24.6)	(21.7)
Motor Vehicle License Fees	218,500	6.19	13,683	14,375	(4.8)	103,933	108,524	(4.2)	(1.0)
International Registration Plan	51,400	1.46	5,995	6,016	(0.3)	20,746	34,634	(40.1)	(30.7)
Recordation Tax (1 cent) (a)	11,800	0.33	782	0	-	5,723	0	-	-
Misc. Taxes, Fees, and Revenues	13,200	0.37	944	1,367	(30.9)	6,494	7,750	(16.2)	(11.4)
Total State Taxes and Fees	\$1,298,100	36.75	\$104,251	\$112,004	(6.9)	\$589,139	\$659,798	(10.7)	(7.6)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,228	\$2,638	(15.5)	\$11,547	\$19,162	(39.7)	(100.0)
Miscellaneous Revenues	19,605	0.55	1,118	970	15.3	8,039	7,932	1.3	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.90	65,000	63,143	2.9	345,000	263,143	31.1	45.0
Total Highway Maintenance and Operating Fund	\$1,702,675	48.20	\$172,597	\$178,755	(3.4)	\$953,725	\$950,035	0.4	(0.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes)	\$117,000	3.31	\$10,031	\$9,968	0.6	\$51,187	\$55,785	(8.2)	(4.4)
PTF Motor Fuels	20,000	0.57	2,000	0	-	8,000	8,000	0.0	0.0
PTF Insurance Premiums Tax (a)	132,300	3.74	18,041	0	-	132,286	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	182,400	5.16	11,975	15,637	(23.4)	90,240	113,081	(20.2)	(16.3)
State Sales and Use Tax	514,500	14.56	39,371	47,624	(17.3)	257,057	270,043	(4.8)	(2.0)
Motor Vehicle License Fees	20,700	0.59	1,386	1,417	(2.2)	10,280	10,221	0.6	(3.0)
Recordation Tax (2 cents) (a)	23,600	0.67	1,564	0	-	11,447	0	-	-
Interest Earnings	30,700	0.87	8	69	(88.4)	10,820	15,883	(31.9)	(50.6)
Total State Taxes and Fees	\$1,041,200	29.47	\$84,376	\$74,715	12.9	\$571,317	\$473,013	20.8	7.5
Other Revenues:									
Federal Grants and Contracts	\$938,474	26.57	\$50,909	\$58,977	(13.7)	\$378,785	\$441,839	(14.3)	9.7
Receipts from Cities/Counties	97,299	2.76	(741)	(1,043)	29.0	20,309	27,769	(26.9)	114.4
Toll Revenues (Includes Route 28) (b)	106,041	3.00	17,139	12,675	35.2	46,146	59,375	(22.3)	(18.3)
Miscellaneous Revenues	31,806	0.90	3,715	657	465.4	9,331	7,259	28.5	115.1
Total Other Revenues	\$1,173,620	33.23	\$71,022	\$71,266	(0.3)	\$454,571	\$536,242	(15.2)	12.2
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$384,970)	(10.90)	(\$65,000)	(\$63,143)	(2.9)	(\$345,000)	(\$263,143)	(31.1)	(45.0)
Total Transportation Trust Fund	\$1,829,850	51.80	\$90,398	\$82,838	9.1	\$680,888	\$746,112	(8.7)	4.6
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,532,525	100.00	\$262,995	\$261,593	0.5	\$1,634,613	\$1,696,147	(3.6)	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.