

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT October 2023

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 2.2 percent in October.

Motor Fuels Tax

Motor fuels taxes grew by 2.0 percent in October.

U.S. gasoline consumption forecast was revised downward because the U.S. Census Bureau revised its population estimates for the United States to include fewer people of working age and more people of retirement age, who tend to drive less. The revised population estimates have also resulted in a downward revision of our vehicle miles traveled (VMT) forecast, which directly affects motor gasoline consumption. U.S. gasoline consumption is anticipated to average 8.9 million b/d in 2023 and 8.7 million b/d in 2024. The 2024 forecast is down by 0.2 million b/d from the August forecast.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 5.0 percent.

U.S. new light-vehicle sales are holding up well this year. Year to date through September, new light-vehicle sales have averaged 15.5 million SAAR, an increase of 12.3 percent from the prior year. Third-quarter results were equally impressive, with vehicle sales growing by 15.3 percent from the same time last year.

Although progress is being made this year compared with 2022, new-vehicle sales are still well below the pre-pandemic level considered to be the market equilibrium. This is not surprising. Despite an increase in inventories, not seasonally adjusted average transaction prices remain elevated and have declined by only 3 percent from their peak in December. This suggests that higher vehicle prices are playing a key role in pushing some prospective customers to postpone purchasing a new vehicle, especially since sales seem to have plateaued this year. However, pent-up demand for new vehicles is such that new-vehicle sales are unlikely to measurably decline from their current levels in the near term.

State Retail Sales Tax

The transportation portion of the state retail sales tax fell by 7.7 percent in October.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 9.9 percent in October.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)

Revenue	FY 2024 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
Motor Fuel Taxes	\$1,572,700	20.12	\$121,399	\$118,961	2.0	\$492,969	\$478,415	3.0	6.8
Insurance Premiums Tax	217,791	2.79	8,911	6,782	31.4	178,557	173,934	2.7	7.6
Motor Vehicle Sales and Use Tax	1,130,100	14.46	108,921	103,707	5.0	448,416	433,591	3.4	(10.5)
State Sales and Use Tax	1,388,200	17.76	117,223	127,011	(7.7)	464,352	482,212	(3.7)	(2.0)
Motor Vehicle License Fees	218,400	2.79	19,125	21,215	(9.9)	76,537	71,074	7.7	11.1
Highway Use Fee	64,400	0.82	6,157	4,309	42.9	23,330	21,066	10.7	10.2
International Registration Plan	118,200	1.51	6,923	7,412	(6.6)	34,380	28,069	22.5	2.7
Recordation Tax	52,400	0.67	3,823	4,296	(11.0)	16,762	21,071	(20.4)	(0.5)
Interest Earnings	3,200	0.04	11,796	1,792	558.3	11,906	1,806	559.2	(84.9)
Misc. Taxes, Fees, and Revenues	17,600	0.23	1,520	1,438	5.7	6,528	6,475	0.8	(11.1)
Total State Taxes and Fees	<u>\$4,782,991</u>	<u>61.19</u>	<u>\$405,798</u>	<u>\$396,923</u>	<u>2.2</u>	<u>\$1,753,737</u>	<u>\$1,717,713</u>	<u>2.1</u>	<u>(0.7)</u>

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

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)**

Revenue	FY 2024 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,572,700	20.12	\$121,399	\$118,961	2.0	\$492,969	\$478,415	3.0	6.8
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,130,100	14.46	108,921	103,707	5.0	448,416	433,591	3.4	(10.5)
State Sales and Use Tax	1,388,200	17.76	117,223	127,011	(7.7)	464,352	482,212	(3.7)	(2.0)
Motor Vehicle License Fees	218,400	2.79	19,125	21,215	(9.9)	76,537	71,074	7.7	11.1
Highway Use Fee	64,400	0.82	6,157	4,309	42.9	23,330	21,066	10.7	10.2
International Registration Plan	118,200	1.51	6,923	7,412	(6.6)	34,380	28,069	22.5	2.7
Insurance Premiums Tax	217,791	2.79	8,911	6,782	31.4	178,557	173,934	2.7	7.6
Recordation Tax	52,400	0.67	3,823	4,296	(11.0)	16,762	21,071	(20.4)	(0.5)
Total Commonwealth Transportation Fund	\$4,762,191	60.92	\$392,482	\$393,693	(0.3)	\$1,735,303	\$1,709,432	1.5	(0.3)
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,600	0.23	\$1,520	\$1,438	5.7	\$6,528	\$6,475	0.8	(11.1)
Other Miscellaneous Revenues	271,103	3.47	65,841	29,115	126.1	328,309	498,953	(34.2)	(53.2)
Federal Grants and Contracts	0	0.00	3,888	2,322	67.4	12,066	7,446	62.0	(100.0)
Transfer (to) / from Transportation Trust Fund	363,025	4.64	0	0	-	91,000	0	-	419.0
Total Highway Maintenance and Operating Fund	\$651,728	8.34	\$71,249	\$32,875	116.7	\$437,903	\$512,874	(14.6)	(6.1)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$3,200	0.04	\$11,796	\$1,792	558.3	\$11,906	\$1,806	559.2	(84.9)
Federal Grants and Contracts	1,577,002	20.17	126,037	148,906	(15.4)	725,544	959,948	(24.4)	6.0
Receipts from Cities/Counties	784,754	10.04	45,781	7,563	505.3	196,726	133,134	47.8	69.0
Toll Revenues	82,294	1.05	11,385	3,540	221.6	22,486	11,415	97.0	40.4
Miscellaneous Revenues	319,225	4.08	14,036	51,975	(73.0)	167,605	161,595	3.7	19.0
Transfer (to) / from Highway Maintenance and Operating Fund	(363,025)	(4.64)	0	0	-	(91,000)	0	-	(419.0)
Total Transportation Trust Fund	\$2,403,450	30.74	\$209,035	\$213,776	(2.2)	\$1,033,267	\$1,267,898	(18.5)	7.7
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$7,817,369	100.00	\$672,766	\$640,344	5.1	\$3,206,473	\$3,490,204	(8.1)	1.5

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