

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT November 2021

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 16.3 percent in November. Much of this growth can be attributed to comparisons with last year's economic shutdown due to the pandemic.

### Motor Fuels Tax

Motor fuels taxes grew by 23.4 percent in November.

Brent crude oil spot prices averaged \$81 per barrel (b) in November, a \$3/b decrease from October 2021 but a \$38/b increase from November 2020. Crude oil prices have risen over the past year as result of steady draws on global oil inventories, which averaged 1.4 million barrels per day (b/d) during the first three quarters of 2021. Crude oil prices fell significantly on November 26, and the Brent spot price began December below \$70/b. The drop in prices followed the identification of the new COVID-19 Omicron variant, which raised the possibility that petroleum demand could decline in the near term.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 12.1 percent.

New-vehicle sales started moving in the right direction, but there is a long way to go. A shortage of new vehicles, caused primarily by the inability to source electronic semiconductor chips, continues to limit the ability of dealerships to sufficiently meet demand. The lack of available new vehicles has had a number of consequences beyond limiting the number of monthly unit sales. For instance, the shortage can also be blamed on raising used-vehicle prices, lowering available inventories, decreasing auto production, decreasing new-vehicle incentives, raising new-vehicle transaction prices, pushing more people into trucks/SUVs, increasing work at U.S. auto repair shops, and increasing the age of the average vehicle.

The average age of a vehicle in the U.S. has increased to more than 12 years old for the first time. The trend of an increasing age of the vehicle has been happening for many years as vehicle quality has consistently increased over time, increasing the vehicle's lifespan. However, the trend kicked into overdrive as the pandemic sent prices for new and used vehicles skyward.

The extreme rise in prices drove people to repair shops to maintain the value in their vehicles. The amount spent in 2020 on automotive repairs more than doubled from 2019 to 2020. Moreover, the amount spent on repairs per mile traveled was 2.5 times larger. This trend is expected to continue this year as vehicle prices continue to rise. If your vehicle is worth more or if you have to pay more for a replacement, the market incentives push people toward repair rather than purchasing a newer car.

Used-vehicle prices are on the move higher again in recent months. After a brief slowdown in June and July, prices have increased another 10% since the previous market high in April. The most recent increase puts used-vehicle prices 45 percent higher than in October 2020 and 66 percent higher than at the start of 2020. The dramatic rise in prices means that used-vehicle prices have risen more during the past 20 months than in more than 20 years' worth of data preceding.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 17.5 percent in November.

### Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 47.2 percent in November.

**Commonwealth of Virginia/Department of Accounts**  
**Commonwealth Transportation Fund**  
**Summary Statement of Selected Revenue Estimates & Collections**  
**For the Fiscal Years 2021 and 2022**  
(Dollars in Thousands)

Revenue	FY 2022 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	
<b>Motor Fuel Taxes</b>	\$1,287,700	18.69	\$110,552	\$89,579	23.4	\$503,943	\$381,158	32.2	25.3
<b>Insurance Premiums Tax</b>	180,657	2.62	7,084	4,003	77.0	167,601	154,064	8.8	(0.4)
<b>Motor Vehicle Sales and Use Tax</b>	939,200	13.63	96,434	86,008	12.1	537,114	453,848	18.3	(18.0)
<b>State Sales and Use Tax</b>	1,214,700	17.63	115,916	98,635	17.5	526,098	464,016	13.4	(3.9)
<b>Motor Vehicle License Fees</b>	202,900	2.95	9,933	18,806	(47.2)	89,568	98,029	(8.6)	(16.1)
<b>Highway Use Fee</b>	46,600	0.68	4,269	2,922	46.1	22,648	17,520	29.3	9.2
<b>International Registration Plan</b>	73,900	1.07	14,650	7,861	86.4	42,533	33,436	27.2	(39.1)
<b>Recordation Tax</b>	57,000	0.83	6,316	6,472	(2.4)	35,652	34,309	3.9	(31.9)
<b>Interest Earnings</b>	12,531	0.18	18	28	(35.7)	753	1,628	(53.7)	111.0
<b>Misc. Taxes, Fees, and Revenues</b>	17,300	0.25	2,064	1,530	34.9	9,163	7,777	17.8	(12.6)
<b>Total State Taxes and Fees</b>	<u>\$4,032,488</u>	<u>58.53</u>	<u>\$367,236</u>	<u>\$315,844</u>	<u>16.3</u>	<u>\$1,935,073</u>	<u>\$1,645,785</u>	<u>17.6</u>	<u>(2.4)</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 2021 and 2022  
(Dollars in Thousands)**

Revenue	FY 2022 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	
<b>COMMONWEALTH TRANSPORTATION FUND</b>									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,287,700	18.69	\$110,552	\$89,579	23.4	\$503,943	\$381,158	32.2	25.3
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	939,200	13.63	96,434	86,008	12.1	537,114	453,848	18.3	(18.0)
State Sales and Use Tax	1,214,700	17.63	115,916	98,635	17.5	526,098	464,016	13.4	(3.9)
Motor Vehicle License Fees	202,900	2.95	9,933	18,806	(47.2)	89,568	98,029	(8.6)	(16.1)
Highway Use Fee	46,600	0.68	4,269	2,922	46.1	22,648	17,520	29.3	9.2
International Registration Plan	73,900	1.07	14,650	7,861	86.4	42,533	33,436	27.2	(39.1)
Insurance Premiums Tax	180,657	2.62	7,084	4,003	77.0	167,601	154,064	8.8	(0.4)
Recordation Tax	57,000	0.83	6,316	6,472	(2.4)	35,652	34,309	3.9	(31.9)
<b>Total Commonwealth Transportation Fund</b>	<b>\$4,002,657</b>	<b>58.10</b>	<b>\$365,154</b>	<b>\$314,286</b>	<b>16.2</b>	<b>\$1,925,157</b>	<b>\$1,636,380</b>	<b>17.6</b>	<b>(2.6)</b>
<b>HIGHWAY MAINTENANCE AND OPERATING FUND</b>									
Misc. Taxes, Fees, and Revenues	\$17,300	0.25	\$2,064	\$1,530	34.9	\$9,163	\$7,777	17.8	(12.6)
Other Miscellaneous Revenues	388,187	5.63	40,069	10,836	269.8	297,480	303,546	(2.0)	18.4
Federal Grants and Contracts	0	0.00	548	1,495	(63.3)	3,124	9,976	(68.7)	(100.0)
Transfer (to) / from Transportation Trust Fund	108,704	1.58	(201,969)	0	-	(151,969)	0	-	(30.8)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$514,191</b>	<b>7.46</b>	<b>(\$159,288)</b>	<b>\$13,861</b>	<b>#</b>	<b>\$157,798</b>	<b>\$321,299</b>	<b>(50.9)</b>	<b>(1.2)</b>
<b>TRANSPORTATION TRUST FUND</b>									
Interest Earnings	\$12,531	0.18	\$18	\$28	(35.7)	\$753	\$1,628	(53.7)	111.0
Federal Grants and Contracts	1,279,944	18.58	88,468	47,545	86.1	807,330	640,135	26.1	29.5
Receipts from Cities/Counties	833,369	12.10	69,989	158,707	(55.9)	297,028	474,778	(37.4)	(11.4)
Toll Revenues	70,354	1.02	2,344	1,345	74.3	10,642	7,103	49.8	171.3
Miscellaneous Revenues	285,256	4.14	9,223	11,890	(22.4)	281,172	151,434	85.7	4.9
Transfer (to) / from Highway Maintenance and Operating Fund	(108,704)	(1.58)	201,969	0	-	151,969	0	-	30.8
<b>Total Transportation Trust Fund</b>	<b>\$2,372,750</b>	<b>34.44</b>	<b>\$372,011</b>	<b>\$219,515</b>	<b>69.5</b>	<b>\$1,548,894</b>	<b>\$1,275,078</b>	<b>21.5</b>	<b>14.3</b>
<b>TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND</b>									
	<b>\$6,889,598</b>	<b>100.00</b>	<b>\$577,877</b>	<b>\$547,662</b>	<b>5.5</b>	<b>\$3,631,849</b>	<b>\$3,232,757</b>	<b>12.3</b>	<b>2.8</b>

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