

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT March 2021

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 15.8 percent in March mainly due to solid growth in retail and motor vehicle sales tax, and motor fuels tax collections.

Motor Fuels Tax

Motor fuels taxes grew by 9.8 percent in March due to the July 1 increase in the motor fuels tax.

EIA expects U.S. gasoline consumption to rise in response to growing levels of GDP and employment. In addition, as COVID-19 vaccines are more widely distributed, we expect that driving will increase, causing gasoline consumption to rise. We forecast that U.S. gasoline consumption in 2021 will average 8.6 million barrels per day (b/d), which is up from consumption in 2020 of 8.0 million b/d but down from consumption in 2019 of 9.3 million b/d.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 16.7 percent in March.

The outlook for new-vehicle sales in 2021 has not dampened. In fact, our annual forecast for new-vehicle sales going into March has been strengthened by the assumption of increased fiscal stimulus. Our March forecast assumes two rounds of deficit-financed fiscal stimulus at dollar amounts almost double of those assumed in February. The increased fiscal stimulus, along with tremendous amounts of savings, puts U.S. consumers in the proverbial driver's seat going into the second half of the year. New-vehicle sales will benefit as consumers buy private transportation and embark on domestic travel once herd immunity has been reached in the U.S. over the summer.

One speed bump for new-vehicle sales is a lack of supply because of a shortage of available semiconductor chips for manufacturers. The semiconductor chip shortage reared its head toward the end of 2020 as new-vehicle sales rebounded worldwide. The faster than expected jump in auto sales caught semiconductor suppliers off guard and unable to supply the chips needed to produce today's modern automobiles at the rates being demanded. The chip shortage has adversely impacted most major automakers

across the world outside of Toyota, with many cutting shifts or temporarily shuttering plants until the necessary parts could be obtained.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 6.8 percent in March.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 19.5 percent in March.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2020 and 2021
(Dollars in Thousands)

Revenue	FY 2021 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Estimate
			FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change	
Motor Fuel Taxes	\$1,020,400	14.67	\$82,600	\$75,232	9.8	\$723,629	\$673,747	7.4	17.8
Insurance Premiums Tax (a)	181,382	2.61	0	0	-	181,382	183,558	(1.2)	(1.2)
Motor Vehicle Sales and Use Tax	967,100	13.90	99,360	85,174	16.7	813,394	796,585	2.1	(2.6)
State Sales and Use Tax	1,180,000	16.97	86,188	80,725	6.8	865,554	808,716	7.0	5.0
Motor Vehicle License Fees	209,700	3.02	27,376	22,912	19.5	176,085	201,875	(12.8)	(22.9)
Highway Use Fee (b)	38,000	0.55	4,151	0	-	31,077	0	-	-
International Registration Plan	71,000	1.02	13,312	12,748	4.4	74,679	59,383	25.8	0.8
Recordation Tax	67,100	0.97	7,832	4,960	57.9	61,447	43,444	41.4	12.5
Interest Earnings	10,100	0.14	15	56	(73.2)	4,177	10,426	(59.9)	(47.6)
Misc. Taxes, Fees, and Revenues	17,300	0.25	7,174	1,459	391.7	19,289	12,900	49.5	(4.5)
Total State Taxes and Fees	\$3,762,082	54.10	\$328,008	\$283,266	15.8	\$2,950,713	\$2,790,634	5.7	4.3

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

(a) This line has been renamed from "Priority Transportation Fund (PTF)" to "Insurance Premiums Tax."

(b) This line item was effective July 1, 2020. Since there were no collections for this line item during Fiscal Year 2020, the Monthly and Year-To-Date % Change columns do not provide comparable data.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2020 and 2021
(Dollars in Thousands)

Revenue	FY 2021 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Est
			FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change	
COMMONWEALTH TRANSPORTATION FUND (a)									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,020,400	14.67	\$82,600	\$75,232	9.8	\$723,629	\$673,747	7.4	17.8
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	967,100	13.90	99,360	85,174	16.7	813,394	796,585	2.1	(2.6)
State Sales and Use Tax	1,180,000	16.97	86,188	80,725	6.8	865,554	808,716	7.0	5.0
Motor Vehicle License Fees	209,700	3.02	27,376	22,912	19.5	176,085	201,875	(12.8)	(22.9)
Highway Use Fee (b)	38,000	0.55	4,151	0	-	31,077	0	-	-
International Registration Plan	71,000	1.02	13,312	12,748	4.4	74,679	59,383	25.8	0.8
Insurance Premiums Tax (c)	181,382	2.61	0	0	-	181,382	183,558	(1.2)	(1.2)
Recordation Tax	67,100	0.97	7,832	4,960	57.9	61,447	43,444	41.4	12.5
Total Commonwealth Transportation Fund	\$3,734,682	53.71	\$320,819	\$281,751	13.9	\$2,927,247	\$2,767,308	5.8	4.6
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,300	0.25	\$7,174	\$1,459	391.7	\$19,289	\$12,900	49.5	(4.5)
Other Miscellaneous Revenues (c)	319,665	4.60	7,183	4,649	54.5	319,805	380,932	(16.0)	(20.0)
Federal Grants and Contracts	0	0.00	86	3,165	(97.3)	14,331	22,187	(35.4)	(100.0)
Transfer (to) / from Transportation Trust Fund	157,134	2.26	0	0	-	50,000	110,864	(54.9)	41.7
Total Highway Maintenance and Operating Fund	\$494,099	7.11	\$14,443	\$9,273	55.8	\$403,425	\$526,883	(23.4)	(11.3)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$10,100	0.14	\$15	\$56	(73.2)	\$4,177	\$10,426	(59.9)	(47.6)
Federal Grants and Contracts	1,153,281	16.59	110,174	94,916	16.1	875,662	989,064	(11.5)	2.1
Receipts from Cities/Counties	1,473,970	21.20	41,828	39,490	5.9	716,454	299,927	138.9	303.5
Toll Revenues	68,633	0.99	1,639	2,415	(32.1)	12,296	26,282	(53.2)	82.5
Miscellaneous Revenues	175,000	2.52	4,698	9,447	(50.3)	177,706	236,502	(24.9)	(47.8)
Transfer (to) / from Highway Maintenance and Operating Fund	(157,134)	(2.26)	0	0	-	(50,000)	(110,864)	54.9	(41.7)
Total Transportation Trust Fund	\$2,723,850	39.18	\$158,354	\$146,324	8.2	\$1,736,295	\$1,451,337	19.6	53.4
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$6,952,631	100.00	\$493,616	\$437,348	12.9	\$5,066,967	\$4,745,528	6.8	17.8

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

- (a) Significant structural changes in the treatment of major revenue sources were made in Chapters 1230 and 1275, 2020 Virginia Acts of Assembly. Effective July 1, 2020, these revenues are deposited to the Commonwealth Transportation Fund. In order to provide comparable data, the amounts previously reported in the Highway Maintenance and Operating Fund and the Transportation Trust Fund have been reclassified to the Commonwealth Transportation Fund in the FY 2020 monthly and year-to-date amounts.
- (b) This line item was effective July 1, 2020. Since there were no collections for this line item during Fiscal Year 2020, the Monthly and Year-To-Date % Change columns do not provide comparable data.
- (c) These lines have been renamed from "Priority Transportation Fund (PTF)" and "Miscellaneous Revenues" to "Insurance Premiums Tax" and "Other Miscellaneous Revenues," respectively.