

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

January 2021

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 0.6 percent in January mainly due to the increase in motor fuels tax collections.

Motor Fuels Tax

Motor fuels taxes grew by 18.2 percent in January due to the July 1 increase in the motor fuels tax.

Reduced economic activity related to the COVID-19 pandemic has caused changes in energy demand and supply patterns in 2020 and will continue to affect these patterns in the future. U.S. gross domestic product (GDP) declined by 4.4% in the first half of 2020 from the same period a year ago.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 5.7 percent in January.

U.S. unit new-vehicle sales closed the year strongly in the face of stagnation in the larger economy. Despite the late-inning \$900 billion COVID-19 relief bill passed by Congress, January was a difficult month for many areas of the U.S. as increased virus transmission caused many people to pause. This pause was brushed aside by the auto market as Americans went out and put some oversize ribbons on their new cars.

The relatively strong January unit sales helped the industry reach 14.5 million total light vehicles sold for 2020. This is well below the 17 million reached in each of the past five years, but much better than the pace being set in the spring. Going into 2020, sales below 15 million for the year would have been a catastrophe. However, perspective changes quickly considering that new autos were not even being made during the whole year.

Auto manufacturing came back after almost eight weeks of frozen assembly lines on an almost-global scale. A worldwide shutdown of this magnitude had never been experienced in such a complex and globally interconnected market. The ability to restart supply chains was questioned as plants began to reopen, but the hiccups have been few and far between. It is a testament to the hard work of everyone in the industry, including

both management and labor, that production has been able to pick back up and meet consumer demand.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 4.9 percent in January.

Motor Vehicle Licenses

Motor vehicle registration fee collections declined by 55.5 percent in January.

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	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change	
Motor Fuel Taxes	\$1,043,800	15.14	\$85,578	\$72,404	18.2	\$559,009	\$522,574	7.0	20.5
Insurance Premiums Tax (a)	181,382	2.63	0	0	-	181,382	183,558	(1.2)	(1.2)
Motor Vehicle Sales and Use Tax	967,100	14.02	88,583	93,965	(5.7)	631,642	633,802	(0.3)	(2.6)
State Sales and Use Tax	1,096,900	15.91	120,556	114,939	4.9	687,584	643,083	6.9	(2.4)
Motor Vehicle License Fees	209,700	3.04	9,779	21,957	(55.5)	129,642	157,562	(17.7)	(22.9)
Highway Use Fee (b)	38,000	0.55	3,273	0	-	24,048	0	-	-
International Registration Plan	71,000	1.03	3,023	2,822	7.1	51,697	36,522	41.6	0.8
Recordation Tax	67,100	0.97	5,833	4,566	27.7	48,014	34,731	38.2	12.5
Interest Earnings	12,425	0.18	1,091	5,167	(78.9)	2,750	10,313	(73.3)	(35.6)
Misc. Taxes, Fees, and Revenues	17,900	0.26	1,365	1,414	(3.5)	10,658	9,783	8.9	(1.2)
Total State Taxes and Fees	\$3,705,307	53.73	\$319,081	\$317,234	0.6	\$2,326,426	\$2,231,928	4.2	2.7

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	January			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)	\$1,043,800	15.14	\$85,578	\$72,404	18.2	\$559,009	\$522,574	7.0	20.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	967,100	14.02	88,583	93,965	(5.7)	631,642	633,802	(0.3)	(2.6)
State Sales and Use Tax	1,096,900	15.91	120,556	114,939	4.9	687,584	643,083	6.9	(2.4)
Motor Vehicle License Fees	209,700	3.04	9,779	21,957	(55.5)	129,642	157,562	(17.7)	(22.9)
Highway Use Fee (b)	38,000	0.55	3,273	0	-	24,048	0	-	-
International Registration Plan	71,000	1.03	3,023	2,822	7.1	51,697	36,522	41.6	0.8
Insurance Premiums Tax (c)	181,382	2.63	0	0	-	181,382	183,558	(1.2)	(1.2)
Recordation Tax	67,100	0.97	5,833	4,566	27.7	48,014	34,731	38.2	12.5
Total Commonwealth Transportation Fund	\$3,674,982	53.29	\$316,625	\$310,653	1.9	\$2,313,018	\$2,211,832	4.6	3.0
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,900	0.26	\$1,365	\$1,414	(3.5)	\$10,658	\$9,783	8.9	(1.2)
Other Miscellaneous Revenues (c)	319,665	4.64	2,485	9,770	(74.6)	307,879	369,320	(16.6)	(20.0)
Federal Grants and Contracts	0	0.00	2,224	2,531	(12.1)	13,007	17,400	(25.2)	(100.0)
Transfer (to) / from Transportation Trust Fund	157,134	2.28	0	0	-	50,000	110,864	(54.9)	41.7
Total Highway Maintenance and Operating Fund	\$494,699	7.18	\$6,074	\$13,715	(55.7)	\$381,544	\$507,367	(24.8)	(11.2)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$12,425	0.18	\$1,091	\$5,167	(78.9)	\$2,750	\$10,313	(73.3)	(35.6)
Federal Grants and Contracts	1,153,281	16.72	38,270	34,072	12.3	727,688	857,657	(15.2)	2.1
Receipts from Cities/Counties	1,473,970	21.37	43,430	66,813	(35.0)	591,069	229,977	157.0	303.5
Toll Revenues	68,633	1.00	1,122	2,962	(62.1)	9,545	21,176	(54.9)	82.5
Miscellaneous Revenues	175,000	2.54	5,344	65,534	(91.8)	170,061	217,543	(21.8)	(47.8)
Transfer (to) / from Highway Maintenance and Operating Fund	(157,134)	(2.28)	0	0	-	(50,000)	(110,864)	54.9	(41.7)
Total Transportation Trust Fund	\$2,726,175	39.53	\$89,257	\$174,548	(48.9)	\$1,451,113	\$1,225,802	18.4	53.5
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$6,895,856	100.00	\$411,956	\$498,916	(17.4)	\$4,145,675	\$3,945,001	5.1	16.8

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.