

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT March 2022

### Summary

Commonwealth Transportation Fund (CTF) revenues increased by 21.6 percent in March, driven by strong growth in motor fuels and motor vehicle sales tax collections

### Motor Fuels Tax

Motor fuels taxes grew by 37.3 percent in March.

The Brent crude oil spot price averaged \$117 per barrel (b) in March, a \$20/b increase from February. Crude oil prices increased following the further invasion of Ukraine by Russia. Sanctions on Russia and other actions contributed to falling oil production in Russia and created significant market uncertainties about the potential for further oil supply disruptions. These events occurred against a backdrop of low oil inventories and persistent upward oil price pressures. Global oil inventory draws averaged 1.7 million barrels per day (b/d) from the third quarter of 2020 (3Q20) through the end of 2021. We estimate that commercial oil inventories in the OECD ended 1Q22 at 2.61 billion barrels, up slightly from February, which was the lowest level since April 2014.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 30.1 percent.

Vehicle supply does not look to be turning the corner any time soon. U.S. production in February remained constrained. Auto production was 15.8% below already-constrained levels from a year earlier. A more useful comparison is the month prior to the start of the pandemic. In February 2020, U.S. auto production was 54.2% higher. Production is not as bad as the depths reached during the Delta wave of COVID-19 in September. However, the subsequent rebound experienced in the fourth quarter has not been sustained. Less cars were produced in January and February than in any month in the fourth quarter of 2021.

Less production has meant less inventory. Seasonally adjusted inventories are 83.7% lower than they were last year and 87.2% below pre-pandemic levels. A lack of new cars on the lot has led to a new way of purchasing vehicles. Many people are now going to dealerships to custom order vehicles for a delivery that usually takes a few months. This may be less convenient, but there are positives. Dealerships are seeing record profits per

transaction, and car buyers are able to personalize their vehicle prior to it being produced.

Another silver lining in the current auto market is production and inventories have remained relatively steady over the past five months. Dealerships and consumers know when and how many vehicles they will be able to buy and sell. However, this stability may prove to be fleeting, as risks from the Russian invasion of Ukraine have begun to metastasize.

### State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 19.6 percent in March.

### Motor Vehicle Licenses

Motor vehicle registration fee collections fell by 5.6 percent in March.

**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	March			Year-To-Date			% Annual Growth Required By Estimate
			FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	
<b>Motor Fuel Taxes</b>	\$1,352,600	17.76	\$113,387	\$82,600	37.3	\$961,003	\$723,629	32.8	31.6
<b>Insurance Premiums Tax</b>	180,657	2.37	0	0	-	180,657	181,382	(0.4)	(0.4)
<b>Motor Vehicle Sales and Use Tax</b>	1,214,700	15.95	129,232	99,360	30.1	932,708	813,394	14.7	6.1
<b>State Sales and Use Tax</b>	1,411,500	18.53	103,067	86,188	19.6	975,909	865,554	12.7	11.7
<b>Motor Vehicle License Fees</b>	234,800	3.08	25,856	27,376	(5.6)	167,409	176,085	(4.9)	(2.9)
<b>Highway Use Fee</b>	52,400	0.69	5,271	4,151	27.0	40,236	31,077	29.5	22.8
<b>International Registration Plan</b>	124,300	1.63	13,574	13,312	2.0	81,149	74,679	8.7	2.4
<b>Recordation Tax</b>	88,800	1.17	6,323	7,832	(19.3)	60,567	61,447	(1.4)	6.0
<b>Interest Earnings</b>	12,531	0.16	5	15	(66.7)	1,431	4,177	(65.7)	111.0
<b>Misc. Taxes, Fees, and Revenues</b>	17,200	0.23	2,112	7,174	(70.6)	15,616	19,289	(19.0)	(13.1)
<b>Total State Taxes and Fees</b>	<u>\$4,689,488</u>	<u>61.57</u>	<u>\$398,827</u>	<u>\$328,008</u>	<u>21.6</u>	<u>\$3,416,685</u>	<u>\$2,950,713</u>	<u>15.8</u>	<u>13.4</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	March			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)	\$1,352,600	17.76	\$113,387	\$82,600	37.3	\$961,003	\$723,629	32.8	31.6
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,214,700	15.95	129,232	99,360	30.1	932,708	813,394	14.7	6.1
State Sales and Use Tax	1,411,500	18.53	103,067	86,188	19.6	975,909	865,554	12.7	11.7
Motor Vehicle License Fees	234,800	3.08	25,856	27,376	(5.6)	167,409	176,085	(4.9)	(2.9)
Highway Use Fee	52,400	0.69	5,271	4,151	27.0	40,236	31,077	29.5	22.8
International Registration Plan	124,300	1.63	13,574	13,312	2.0	81,149	74,679	8.7	2.4
Insurance Premiums Tax	180,657	2.37	0	0	-	180,657	181,382	(0.4)	(0.4)
Recordation Tax	88,800	1.17	6,323	7,832	(19.3)	60,567	61,447	(1.4)	6.0
<b>Total Commonwealth Transportation Fund</b>	<b>\$4,659,757</b>	<b>61.18</b>	<b>\$396,710</b>	<b>\$320,819</b>	<b>23.7</b>	<b>\$3,399,638</b>	<b>\$2,927,247</b>	<b>16.1</b>	<b>13.4</b>
<b>HIGHWAY MAINTENANCE AND OPERATING FUND</b>									
Misc. Taxes, Fees, and Revenues	\$17,200	0.23	\$2,112	\$7,174	(70.6)	\$15,616	\$19,289	(19.0)	(13.1)
Other Miscellaneous Revenues	405,487	5.32	5,222	7,183	(27.3)	417,301	319,805	30.5	23.7
Federal Grants and Contracts	0	0.00	971	86	#	6,287	14,331	(56.1)	(100.0)
Transfer (to) / from Transportation Trust Fund	(57,514)	(0.76)	0	0	-	(201,969)	50,000	(503.9)	(136.6)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$365,173</b>	<b>4.79</b>	<b>\$8,305</b>	<b>\$14,443</b>	<b>(42.5)</b>	<b>\$237,235</b>	<b>\$403,425</b>	<b>(41.2)</b>	<b>(29.9)</b>
<b>TRANSPORTATION TRUST FUND</b>									
Interest Earnings	\$12,531	0.16	\$5	\$15	(66.7)	\$1,431	\$4,177	(65.7)	111.0
Federal Grants and Contracts	1,279,944	16.80	125,847	110,174	14.2	1,150,621	875,662	31.4	29.5
Receipts from Cities/Counties	833,369	10.95	33,253	41,828	(20.5)	516,288	716,454	(27.9)	(11.4)
Toll Revenues	70,354	0.92	2,587	1,639	57.8	18,963	12,296	54.2	171.3
Miscellaneous Revenues	338,119	4.44	8,743	4,698	86.1	364,401	177,706	105.1	24.4
Transfer (to) / from Highway Maintenance and Operating Fund	57,514	0.76	0	0	-	201,969	(50,000)	503.9	136.6
<b>Total Transportation Trust Fund</b>	<b>\$2,591,831</b>	<b>34.03</b>	<b>\$170,435</b>	<b>\$158,354</b>	<b>7.6</b>	<b>\$2,253,673</b>	<b>\$1,736,295</b>	<b>29.8</b>	<b>24.9</b>
<b>TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND</b>									
	<b>\$7,616,761</b>	<b>100.00</b>	<b>\$575,450</b>	<b>\$493,616</b>	<b>16.6</b>	<b>\$5,890,546</b>	<b>\$5,066,967</b>	<b>16.3</b>	<b>13.6</b>

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