

## COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT January 2025

### Summary

Commonwealth Transportation Fund (CTF) revenues grew by 4.2 percent in January, driven by strong growth in motor fuels tax, motor vehicle sales tax collections, and state retail sales and use tax.

### Motor Fuels Tax

Motor fuels taxes increased by 3.3 percent in January. The real average cost per gallon of regular gasoline increased by \$0.06 in January compared to December.

The Brent Crude Oil Index measure continued to grow to start the year, reaching its peak for the month of January at \$82 per barrel on the 15<sup>th</sup> before falling back to \$76 to end the month showing some volatility in the face of proposed trade actions.

### Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 4.2 percent in January.

As is common in the new year, consumers slow down; U.S. new-vehicle sales in January were down by 25 percent month-over-month, while retail used-vehicle sales increased month-over-month compared to December and are up 8 percent compared to last January. The average monthly seasonally adjusted annual rate (SAAR) for total vehicle sales in 2024 was 16.29 million, a growth of 1.6 percent over the 2023 average of 16.03 million. In January, the SAAR for vehicle sales was 15.99 million, which represents a 7.7 percent decline from December, but a 2.9 percent growth from January 2024. Weather disruptions and the general desire to focus on the year ahead leave more buyers on the sidelines, but sales are expected to pick up as tax refund season begins.

January is typically a low-volume sales month, and there were no shortages of sales challenges last month — from extreme cold over much of the market to major fire disruptions in Southern California. Consumer confidence also declined more than expected in January and was lower than in January 2024, the first yearly decline since September. All factors considered, the positive sales performance in January was a good sign for the market.

Electric vehicles sales had a strong performance in January, growing 30 percent over last January despite the usual decline in sales following December, 23 percent in this case.

Electric vehicles accounted for over 9 percent of all U.S. new vehicles sales in January. Used electric vehicle sales constitute a small portion of the total used vehicle market, but grew 31 percent year-over-year in January, and grew 3.5 percent compared to December.

With uncertainty surrounding the plans by the new administration to implement tariffs on U.S. trading partners for many goods that we import, including automobiles and steel, there are concerns that it will raise prices on both new and used vehicles going forward in 2025.

### State Retail Sales Tax

The transportation portion of the state retail sales tax grew by 7.2 percent in January.

### Motor Vehicle Licenses

Motor vehicle registration fee collections were down 14.8 percent in January.

**Commonwealth of Virginia/Department of Accounts**  
**Commonwealth Transportation Fund**  
**Summary Statement of Selected Revenue Estimates & Collections**  
**For the Fiscal Years 2024 and 2025**  
(Dollars in Thousands)

Revenue	FY 2025 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
<b>Motor Fuel Taxes</b>	\$1,594,600	18.96	\$132,590	\$128,410	3.3	\$948,629	\$885,607	7.1	6.5
<b>Insurance Premiums Tax</b>	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
<b>Motor Vehicle Sales and Use Tax</b>	1,277,600	15.19	113,947	109,350	4.2	784,813	747,051	5.1	1.8
<b>State Sales and Use Tax</b>	1,418,600	16.87	137,714	128,465	7.2	843,361	822,717	2.5	3.0
<b>Motor Vehicle License Fees</b>	218,900	2.60	16,185	18,993	(14.8)	131,075	126,650	3.5	2.9
<b>Highway Use Fee</b>	90,900	1.08	6,431	5,972	7.7	47,973	39,334	22.0	28.0
<b>International Registration Plan</b>	114,400	1.36	7,658	9,164	(16.4)	61,951	61,309	1.0	0.5
<b>Recordation Tax</b>	52,500	0.63	4,374	3,433	27.4	33,986	27,858	22.0	3.2
<b>Interest Earnings</b>	33,400	0.40	14,272	12,044	18.5	28,485	24,073	18.3	(38.4)
<b>Misc. Taxes, Fees, and Revenues</b>	18,900	0.22	1,665	1,483	12.3	13,155	10,985	19.8	(12.4)
<b>Total State Taxes and Fees</b>	<u>\$5,048,500</u>	<u>60.04</u>	<u>\$434,836</u>	<u>\$417,314</u>	<u>4.2</u>	<u>\$3,122,089</u>	<u>\$2,963,375</u>	<u>5.4</u>	<u>3.6</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 2024 and 2025  
(Dollars in Thousands)**

Revenue	FY 2025 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
<b>COMMONWEALTH TRANSPORTATION FUND</b>									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,594,600	18.96	\$132,590	\$128,410	3.3	\$948,629	\$885,607	7.1	6.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,277,600	15.19	113,947	109,350	4.2	784,813	747,051	5.1	1.8
State Sales and Use Tax	1,418,600	16.87	137,714	128,465	7.2	843,361	822,717	2.5	3.0
Motor Vehicle License Fees	218,900	2.60	16,185	18,993	(14.8)	131,075	126,650	3.5	2.9
Highway Use Fee	90,900	1.08	6,431	5,972	7.7	47,973	39,334	22.0	28.0
International Registration Plan	114,400	1.36	7,658	9,164	(16.4)	61,951	61,309	1.0	0.5
Insurance Premiums Tax	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
Recordation Tax	52,500	0.63	4,374	3,433	27.4	33,986	27,858	22.0	3.2
<b>Total Commonwealth Transportation Fund</b>	<b>\$4,996,200</b>	<b>59.42</b>	<b>\$418,899</b>	<b>\$403,787</b>	<b>3.7</b>	<b>\$3,080,449</b>	<b>\$2,928,317</b>	<b>5.2</b>	<b>4.2</b>
<b>HIGHWAY MAINTENANCE AND OPERATING FUND</b>									
Misc. Taxes, Fees, and Revenues	\$18,900	0.22	\$1,665	\$1,483	12.3	\$13,155	\$10,985	19.8	(12.4)
Other Miscellaneous Revenues	30,132	0.36	7,965	4,971	60.2	373,578	341,013	9.5	(92.0)
Federal Grants and Contracts	0	0.00	9,323	5,319	75.3	34,544	20,918	65.1	(100.0)
Transfer (to) / from Transportation Trust Fund	509,882	6.06	0	0	-	254,000	182,000	39.6	49.8
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$558,914</b>	<b>6.64</b>	<b>\$18,953</b>	<b>\$11,773</b>	<b>61.0</b>	<b>\$675,277</b>	<b>\$554,916</b>	<b>21.7</b>	<b>(28.2)</b>
<b>TRANSPORTATION TRUST FUND</b>									
Interest Earnings	\$33,400	0.40	\$14,272	\$12,044	18.5	\$28,485	\$24,073	18.3	(38.4)
Federal Grants and Contracts	1,743,227	20.73	42,185	77,894	(45.8)	938,108	884,478	6.1	38.9
Receipts from Cities/Counties	1,466,358	17.44	61,095	9,500	543.1	328,292	317,469	3.4	126.7
Toll Revenues	116,696	1.38	3,146	2,954	6.5	31,586	33,311	(5.2)	73.3
Miscellaneous Revenues	4,058	0.05	753	8,286	(90.9)	225,443	182,030	23.8	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(509,882)	(6.06)	0	0	-	(254,000)	(182,000)	(39.6)	(49.8)
<b>Total Transportation Trust Fund</b>	<b>\$2,853,857</b>	<b>33.94</b>	<b>\$121,451</b>	<b>\$110,678</b>	<b>9.7</b>	<b>\$1,297,914</b>	<b>\$1,259,361</b>	<b>3.1</b>	<b>45.5</b>
<b>TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND</b>									
	<b>\$8,408,971</b>	<b>100.00</b>	<b>\$559,303</b>	<b>\$526,238</b>	<b>6.3</b>	<b>\$5,053,640</b>	<b>\$4,742,594</b>	<b>6.6</b>	<b>11.6</b>

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