

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT July 2025

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 2.3 percent (\$11.2 million) in July compared to the same month last year. This increase is primarily attributable to increased collections of motor fuels taxes.

Motor Fuels Tax

Motor fuels taxes collections increased 15.6 percent in July compared to the same month last year.

The West Texas Intermediate Spot Crude Oil Price average increased slightly to \$68.39 per barrel from \$68.17 in June. While trade tensions continue, the EIA estimates that OPEC+ countries, as well as the U.S., will increase the supply of crude oil throughout the remainder of 2025 and into the start of 2026, lowering fuel prices for consumers. This is expected to persist until prices moderate sufficiently for oil producers to want to reduce their supply in the first half of 2026. The EIA estimates that, on an annual basis, the U.S. will produce 13.4 million barrels per day of crude oil in 2025 which will decrease to 13.3 million barrels per day in 2026.

Real average price of a gallon of regular fuel decreased slightly to \$3.12 in July. The EIA estimates that the increased supply of crude oil will drive the average price of a gallon of gas lower than \$2.90 next year, about 6% lower than 2025.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 4.0 percent in July.

Total U.S. light vehicle sales increased to 16.4 million units in July 2025.

New light-vehicle sales increased 9.3 percent in July compared to June, which denotes a 6.6 percent year-over-year increase, while average prices fell 0.1 percent. Used car sales increased in July to 1.52 million units sold, an increase of 8.9 percent month over month, which also denotes a 7.0 percent growth compared to last July. According to the Manheim Used Vehicle Value Index prices retreated slightly in July, down 0.5 percent compared to June, which is still 2.9 percent higher than this month last year.

Approximately 130,000 new electric vehicles were sold during July, which denotes an increase of 26.4 percent over June, and a 19.7 percent year-over-year increase from this period last year. Used EV sales totaled almost 36,700 for the month, a 23.2 percent

increase over June, and a substantial year-over-year increase of 40.0 percent over July of last year. The average price of a new electric vehicle decreased 2.2 percent in July compared to June, which denotes a 4.2 percent decrease compared to July 2024. The average price of a used electric vehicle decreased 1.9 percent in July month-over-month but increased 1.6 percent year-over-year. The Inflation Reduction Act provisions related to electric vehicles are set to expire in September, implying that the market will remain strong at least through the end of the third quarter. The dynamics of the market following the expiration of those provisions will depend on the abilities of manufacturers to respond to real-time demand.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 2.7 percent in July.

Motor Vehicle Licenses

Motor vehicle registration fee collections decreased 15.7 percent in July.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)

Revenue	FY 2026 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2026	FY 2025	% Change	FY 2026	FY 2025	% Change	
Motor Fuel Taxes	\$1,640,200	19.67	\$166,341	\$143,916	15.6	\$166,341	\$143,916	15.6	4.1
Insurance Premiums Tax	256,704	3.08	14,420	26,296	(45.2)	14,420	26,296	(45.2)	12.3
Motor Vehicle Sales and Use Tax	1,298,200	15.56	135,840	130,583	4.0	135,840	130,583	4.0	(2.5)
State Sales and Use Tax	1,477,000	17.71	125,209	121,938	2.7	125,209	121,938	2.7	4.6
Motor Vehicle License Fees	222,400	2.67	23,790	28,206	(15.7)	23,790	28,206	(15.7)	(1.6)
Highway Use Fee	104,700	1.25	8,872	8,528	4.0	8,872	8,528	4.0	24.8
International Registration Plan	115,900	1.39	11,577	16,225	(28.6)	11,577	16,225	(28.6)	(0.6)
Recordation Tax	63,600	0.76	6,029	5,210	15.7	6,029	5,210	15.7	6.2
Interest Earnings	32,900	0.39	3	55	(94.5)	3	55	(94.5)	(39.8)
Misc. Taxes, Fees, and Revenues	18,900	0.23	1,966	1,884	4.4	1,966	1,884	4.4	(16.2)
Total State Taxes and Fees	<u>\$5,230,504</u>	<u>62.71</u>	<u>\$494,047</u>	<u>\$482,841</u>	<u>2.3</u>	<u>\$494,047</u>	<u>\$482,841</u>	<u>2.3</u>	<u>2.3</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 2025 and 2026
(Dollars in Thousands)**

Revenue	FY 2026 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2026	FY 2025	% Change	FY 2026	FY 2025	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,640,200	19.67	\$166,341	\$143,916	15.6	\$166,341	\$143,916	15.6	4.1
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,298,200	15.56	135,840	130,583	4.0	135,840	130,583	4.0	(2.5)
State Sales and Use Tax	1,477,000	17.71	125,209	121,938	2.7	125,209	121,938	2.7	4.6
Motor Vehicle License Fees	222,400	2.67	23,790	28,206	(15.7)	23,790	28,206	(15.7)	(1.6)
Highway Use Fee	104,700	1.25	8,872	8,528	4.0	8,872	8,528	4.0	24.8
International Registration Plan	115,900	1.39	11,577	16,225	(28.6)	11,577	16,225	(28.6)	(0.6)
Insurance Premiums Tax	256,704	3.08	14,420	26,296	(45.2)	14,420	26,296	(45.2)	12.3
Recordation Tax	63,600	0.76	6,029	5,210	15.7	6,029	5,210	15.7	6.2
Total Commonwealth Transportation Fund	\$5,178,704	62.09	\$492,078	\$480,902	2.3	\$492,078	\$480,902	2.3	2.9
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.23	\$1,966	\$1,884	4.4	\$1,966	\$1,884	4.4	(16.2)
Other Miscellaneous Revenues	302,212	3.62	14,126	2,291	516.6	14,126	2,291	516.6	(38.8)
Federal Grants and Contracts	0	0.00	3,527	4,344	(18.8)	3,527	4,344	(18.8)	(100.0)
Transfer (to) / from Transportation Trust Fund	532,639	6.39	0	0	-	0	0	-	1.1
Total Highway Maintenance and Operating Fund	\$853,751	10.24	\$19,619	\$8,519	130.3	\$19,619	\$8,519	130.3	(22.9)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$32,900	0.39	\$3	\$55	(94.5)	\$3	\$55	(94.5)	(39.8)
Federal Grants and Contracts	1,657,155	19.87	103,125	67,622	52.5	103,125	67,622	52.5	21.7
Receipts from Cities/Counties	1,044,700	12.53	87,956	32,239	172.8	87,956	32,239	172.8	77.6
Toll Revenues	92,526	1.11	3,906	4,270	(8.5)	3,906	4,270	(8.5)	42.2
Miscellaneous Revenues	13,467	0.16	34,855	8,625	304.1	34,855	8,625	304.1	(96.6)
Transfer (to) / from Highway Maintenance and Operating Fund	(532,639)	(6.39)	0	0	-	0	0	-	(1.1)
Total Transportation Trust Fund	\$2,308,109	27.67	\$229,845	\$112,811	103.7	\$229,845	\$112,811	103.7	19.1
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,340,564	100.00	\$741,542	\$602,232	23.1	\$741,542	\$602,232	23.1	3.2

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