

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

February 2025

Summary

Commonwealth Transportation Fund (CTF) revenues declined by 17.3 percent in February, which was primarily caused by the timing of a transfer which resulted in the last week of February motor fuels tax collections being short by over \$66 million. These funds will be remitted in March, which will lead to higher collections for next month.

Motor Fuels Tax

Motor fuels taxes decreased by 52.9 percent in February due to the circumstances discussed above.

Sales volumes of motor fuels were in line with expectations for the month. Average real gasoline price per gallon increased from January to \$3.12 in February (+\$0.04), staying below the 2025 forecasted average for the second month. The Brent Crude Oil Index ended February at \$72, down from \$76 at the end of January.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by a modest 0.1 percent in February.

New cars sales grew 5.9 percent compared to last year and are up 13.6 percent from January. Used car sales similarly grew, up 6 percent from last February and 16 percent from January. It is typical for growth to increase between in February due to tax filers beginning to receive refunds, but the large increase this year is atypically large. This could be due in-part to consumers attempting to “get ahead” of tariffs by buying earlier than they may have otherwise.

The average listing price for a new vehicle at the end of February was \$48,316, down 0.6 percent from January but higher by 2.6 percent compared to last year. The average transaction price (ATP) of a new vehicle in the U.S. in February was \$48,039, a slight decline from January but an increase of 1.0 percent from year-ago levels.

Available unsold inventory of vehicles with an average listing price at or below \$20,000 declined 17 percent month-over-month, while vehicles with an average listing price at or above \$80,000 increased by 9 percent month-over-month. The industry continues to rely on higher-income households to drive the new vehicle market, and the focus on high-end

vehicles is clear. In February, 41 percent of inventory in the highest price category (over \$80,000) were priced at \$100,000 and above.

February was a strong month for electric vehicle sales. Despite a month-over-month decline in both new and used electric vehicles, this month was the strongest February for electric vehicle sales on record. New electric vehicle sales declined 5.9 percent compared to January but grew 10.5 percent compared to last February. Used vehicles followed this pattern, having declined 4.7 percent from January, but increasing 34.2 percent over last February.

This month the Trump administration announced 25 percent tariffs on steel and aluminum, input good in the manufacturing of vehicle, which are expected to raise the cost of producing and purchasing vehicles. The administration has also discussed imposing similar tariffs on all imported vehicles, which constituted 44 percent of new vehicle sold in the U.S. during 2024.

State Retail Sales Tax

The transportation portion of the state retail sales tax grew by 3.0 percent in February.

Motor Vehicle Licenses

Motor vehicle registration fee collections were down 9.0 percent in February.

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	February			Year-To-Date			% Annual Growth Required By Estimate
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
Motor Fuel Taxes	\$1,594,600	18.96	\$57,155	\$121,279	(52.9)	\$1,005,784	\$1,006,886	(0.1)	6.5
Insurance Premiums Tax	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
Motor Vehicle Sales and Use Tax	1,277,600	15.19	97,171	97,097	0.1	881,984	844,148	4.5	1.8
State Sales and Use Tax	1,418,600	16.87	101,724	98,768	3.0	945,085	921,485	2.6	3.0
Motor Vehicle License Fees	218,900	2.60	15,221	16,720	(9.0)	146,296	143,370	2.0	2.9
Highway Use Fee	90,900	1.08	5,629	5,551	1.4	53,602	44,886	19.4	28.0
International Registration Plan	114,400	1.36	8,164	6,808	19.9	70,115	68,117	2.9	0.5
Recordation Tax	52,500	0.63	3,726	3,523	5.8	37,712	31,381	20.2	3.2
Interest Earnings	33,400	0.40	102	59	72.9	28,588	24,132	18.5	(38.4)
Misc. Taxes, Fees, and Revenues	18,900	0.22	1,781	1,519	17.2	14,936	12,504	19.4	(12.4)
Total State Taxes and Fees	\$5,048,500	60.04	\$290,673	\$351,324	(17.3)	\$3,412,763	\$3,314,700	3.0	3.6

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)

		As a %	February			Year-To-Date			% Annual
Revenue	FY 2025	of Total			%			%	Growth
	Estimate	Fund	FY 2025	FY 2024	Change	FY 2025	FY 2024	Change	Required
									By Est
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes									
(Includes Aviation & Road Taxes)	\$1,594,600	18.96	\$57,155	\$121,279	(52.9)	\$1,005,784	\$1,006,886	(0.1)	6.5
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	1,277,600	15.19	97,171	97,097	0.1	881,984	844,148	4.5	1.8
State Sales and Use Tax	1,418,600	16.87	101,724	98,768	3.0	945,085	921,485	2.6	3.0
Motor Vehicle License Fees	218,900	2.60	15,221	16,720	(9.0)	146,296	143,370	2.0	2.9
Highway Use Fee	90,900	1.08	5,629	5,551	1.4	53,602	44,886	19.4	28.0
International Registration Plan	114,400	1.36	8,164	6,808	19.9	70,115	68,117	2.9	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	3,726	3,523	5.8	37,712	31,381	20.2	3.2
Total Commonwealth Transportation Fund	\$4,996,200	59.42	\$288,790	\$349,746	(17.4)	\$3,369,239	\$3,278,064	2.8	4.2
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.22	\$1,781	\$1,519	17.2	\$14,936	\$12,504	19.4	(12.4)
Other Miscellaneous Revenues	30,132	0.36	38,939	3,370	#	412,517	344,383	19.8	(92.0)
Federal Grants and Contracts	0	0.00	7,156	2,566	178.9	41,699	23,485	77.6	(100.0)
Transfer (to) / from Transportation Trust Fund	509,882	6.06	0	0	-	254,000	182,000	39.6	49.8
Total Highway Maintenance and Operating Fund	\$558,914	6.64	\$47,876	\$7,455	542.2	\$723,152	\$562,372	28.6	(28.2)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$33,400	0.40	\$102	\$59	72.9	\$28,588	\$24,132	18.5	(38.4)
Federal Grants and Contracts	1,743,227	20.73	39,437	46,621	(15.4)	977,545	931,099	5.0	38.9
Receipts from Cities/Counties	1,466,358	17.44	32,413	115,927	(72.0)	360,705	433,396	(16.8)	126.7
Toll Revenues	116,696	1.38	2,657	5,065	(47.5)	34,244	38,376	(10.8)	73.3
Miscellaneous Revenues	4,058	0.05	11,279	5,552	103.2	236,721	187,581	26.2	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(509,882)	(6.06)	0	0	-	(254,000)	(182,000)	(39.6)	(49.8)
Total Transportation Trust Fund	\$2,853,857	33.94	\$85,888	\$173,224	(50.4)	\$1,383,803	\$1,432,584	(3.4)	45.5
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,408,971	100.00	\$422,554	\$530,425	(20.3)	\$5,476,194	\$5,273,020	3.9	11.6

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