

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

March 2025

Summary

Commonwealth Transportation Fund (CTF) revenues increased by 25.0 percent (\$93.8 million) in March. This growth is primarily attributable to a transfer timing issue adding a payment of \$66.2 million of motor fuels tax collections to March's total collections which was meant to be attributed to February.

Motor Fuels Tax

Motor fuels taxes increased by 73.1 percent in March primarily due to the additional transfer from February discussed above. Real average price of a gallon of regular fuel decreased to \$3.10 from February, bringing the first quarter average price to \$3.10, 10 cents lower than the forecasted average for 2025.

Due to escalating trade tensions, the continued war in Ukraine, and conflicts in the Middle East crude oil prices are likely to continue being volatile. This is likely to continue until there is more certainty about how the U.S. will conduct trade with our trading partners and when relative stability can return to oil-producing regions.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections increased by 7.9 percent in March.

U.S. light vehicle sales surged to a seasonally adjusted annualized rate of 17.77 million units in March 2025, the highest level since March 2021 and well above the combined January-February total of 15.8 million. Buyers rushed to dealerships to get ahead of potential price hikes, while automakers accelerated fleet deliveries in anticipation of impending tariffs on automobiles and their parts.

New cars sales experienced significant growth in March of 17.2 percent month-over-month compared to February and are up 11.9 percent year-over-year from last March. Used cars sales increased by 9.4 percent from February, and 12.2 percent over last year. March is historically the strongest month for used car sales, but with the added factors of refunds arriving and the threat of 25 percent tariffs looming, many buyers decided to make their purchases this month.

Looking ahead, regardless of any tariff-related impacts, March's strong performance is expected to dampen sales in the second quarter due to further depletion of dealer inventories, which were already lean by industry standards before the month began.

Nearly 300,000 electric vehicles were sold during the first quarter of 2025, which is an increase of 11.4 percent over first quarter of last year. The rest of 2025 will likely be a volatile one for EV sales in the U.S., despite the introduction of new product and healthy incentives. If the new auto tariffs hold, they will pose a monumental challenge for many automakers, particularly due to the tariffs on steel and, importantly for EVs, aluminum. Roughly two-thirds of the EVs sold in the U.S. last year were assembled in the U.S., but like all modern automobiles, the required parts and components are sourced from around the globe.

State Retail Sales Tax

The transportation portion of the state retail sales tax declined by 2.9 percent in March.

Motor Vehicle Licenses

Motor vehicle registration fee collections were up 24.2 percent in March.

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	March			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	\$206,212	\$119,152	73.1	\$1,211,997	\$1,126,038	7.6	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	111,067	102,982	7.9	993,052	947,130	4.8	1.8
State Sales and Use Tax	1,418,600	16.87	100,176	103,176	(2.9)	1,045,261	1,024,661	2.0	3.0
Motor Vehicle License Fees	218,900	2.60	24,122	19,427	24.2	170,419	162,797	4.7	2.9
Highway Use Fee	90,900	1.08	8,852	6,433	37.6	62,454	51,318	21.7	28.0
International Registration Plan	114,400	1.36	11,467	17,609	(34.9)	81,583	85,726	(4.8)	0.5
Recordation Tax	52,500	0.63	4,977	4,105	21.2	42,689	35,486	20.3	3.2
Interest Earnings	33,400	0.40	59	63	(6.3)	28,647	24,195	18.4	(38.4)
Misc. Taxes, Fees, and Revenues	18,900	0.22	1,621	1,792	(9.5)	16,557	14,296	15.8	(12.4)
Total State Taxes and Fees	\$5,048,500	60.04	\$468,553	\$374,739	25.0	\$3,881,320	\$3,689,438	5.2	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 %	March			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	\$206,212	\$119,152	73.1	\$1,211,997	\$1,126,038	7.6	6.5
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	1,277,600	15.19	111,067	102,982	7.9	993,052	947,130	4.8	1.8
State Sales and Use Tax	1,418,600	16.87	100,176	103,176	(2.9)	1,045,261	1,024,661	2.0	3.0
Motor Vehicle License Fees	218,900	2.60	24,122	19,427	24.2	170,419	162,797	4.7	2.9
Highway Use Fee	90,900	1.08	8,852	6,433	37.6	62,454	51,318	21.7	28.0
International Registration Plan	114,400	1.36	11,467	17,609	(34.9)	81,583	85,726	(4.8)	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	4,977	4,105	21.2	42,689	35,486	20.3	3.2
Total Commonwealth Transportation Fund	\$4,996,200	59.42	\$466,873	\$372,884	25.2	\$3,836,116	\$3,650,947	5.1	4.2
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.22	\$1,621	\$1,792	(9.5)	\$16,557	\$14,296	15.8	(12.4)
Other Miscellaneous Revenues	30,132	0.36	11,067	2,912	280.0	423,583	347,295	22.0	(92.0)
Federal Grants and Contracts	0	0.00	4,671	7,401	(36.9)	46,370	30,885	50.1	(100.0)
Transfer (to) / from Transportation Trust Fund	509,882	6.06	127,000	68,399	85.7	381,000	250,399	52.2	49.8
Total Highway Maintenance and Operating Fund	\$558,914	6.64	\$144,359	\$80,504	79.3	\$867,510	\$642,875	34.9	(28.2)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$33,400	0.40	\$59	\$63	(6.3)	\$28,647	\$24,195	18.4	(38.4)
Federal Grants and Contracts	1,743,227	20.73	144,785	110,983	30.5	1,122,330	1,042,082	7.7	38.9
Receipts from Cities/Counties	1,466,358	17.44	61,386	38,207	60.7	422,091	471,603	(10.5)	126.7
Toll Revenues	116,696	1.38	5,466	4,990	9.5	39,710	43,366	(8.4)	73.3
Miscellaneous Revenues	4,058	0.05	2,175	8,122	(73.2)	238,896	195,703	22.1	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(509,882)	(6.06)	(127,000)	(68,399)	(85.7)	(381,000)	(250,399)	(52.2)	(49.8)
Total Transportation Trust Fund	\$2,853,857	33.94	\$86,871	\$93,966	(7.6)	\$1,470,674	\$1,526,550	(3.7)	45.5
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,408,971	100.00	\$698,103	\$547,354	27.5	\$6,174,300	\$5,820,372	6.1	11.6

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