

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

May 2025

Summary

Commonwealth Transportation Fund (CTF) revenues decreased by 4.1 percent (\$17.4 million) in May compared to the same month last year. This decline is primarily attributable to low international registrations compared to last year, which is down 63.4 percent (\$12.0 million) compared to last May. This can be attributed to payments being processed earlier this year, which is reflected in the strong performance for this source last month.

Motor Fuels Tax

Motor fuels taxes decreased by 2.5 percent in May, while year-to-date growth remained positive at a 5.2 percent (\$71.5 million) increase over last year. Real average price of a gallon of regular fuel decreased slightly to \$3.16 since April.

The real price of a barrel of oil retreated again in May, down to \$59.57 from \$61.16 in April. Trade tensions continue, even as the U.S. seeks to sign new trade agreements with partners. The uncertainty around trade deals, along with the war in Ukraine, and escalating conflicts in the Middle East will likely continue keeping oil prices volatile. Potential plans for increasing domestic oil production could offset these costs in the long run.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections decreased by 6.1 percent in May. Collections on this source have grown 5.2 percent year-to-date.

U.S. light vehicle sales dropped to a seasonally adjusted annualized rate of 15.65 million units in May 2025, the steepest decline in five years which also falls short of the 16.3 million (SAAR) estimate from Trading Economics. The primary driver of this change was the choice by consumers to push their purchasing decisions earlier in the year to “get ahead” of tariff-related price increases.

New cars sales were generally flat in May compared to April at 1.47 million units sold, a 2.5 percent year-over-year increase compared to May last year. Used car sales were similarly flat month-over-month compared to April at 1.53 million units sold which also denotes a 4 percent growth compared to last May. The used vehicles market remains stable with a slight dip in inventories and modest declines in prices.

Nearly 104,000 new electric vehicles were sold during May, which denotes an increase of 4.2 percent over April, but a 10.7 percent year-over-year decrease from this period last year. Used EV sales totaled over 36,000 for the month, a 1.1 percent increase over April, and a substantial year-over-year increase of 32.1 percent over May of last year. The rest of 2025 will likely continue being volatile for EV sales. If tariffs remain in place on imports of vehicle, parts, and other input goods for EV manufacturing, it is likely to keep prices high which could expose weakness in the market over the remainder of the year.

State Retail Sales Tax

The transportation portion of the state retail sales tax increased by 5.2 percent in May.

Motor Vehicle Licenses

Motor vehicle registration fee collections were down 2.0 percent in May.

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	May			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	\$133,094	\$136,469	(2.5)	\$1,451,719	\$1,380,261	5.2	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	114,595	122,073	(6.1)	1,233,059	1,169,420	5.4	1.8
State Sales and Use Tax	1,418,600	16.87	121,372	115,416	5.2	1,289,535	1,256,103	2.7	3.0
Motor Vehicle License Fees	218,900	2.60	18,855	19,236	(2.0)	209,888	201,798	4.0	2.9
Highway Use Fee	90,900	1.08	6,874	7,012	(2.0)	77,410	65,087	18.9	28.0
International Registration Plan	114,400	1.36	6,932	18,961	(63.4)	111,223	109,961	1.1	0.5
Recordation Tax	52,500	0.63	5,444	5,420	0.4	53,951	45,883	17.6	3.2
Interest Earnings	33,400	0.40	77	108	(28.7)	42,385	37,858	12.0	(38.4)
Misc. Taxes, Fees, and Revenues	18,900	0.22	1,906	1,866	2.1	20,745	18,508	12.1	(12.4)
Total State Taxes and Fees	\$5,048,500	60.04	\$409,149	\$426,561	(4.1)	\$4,718,576	\$4,502,670	4.8	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 %	May			Year-To-Date			% Annual
Revenue	FY 2025	of Total	FY 2025	FY 2024	%	FY 2025	FY 2024	%	Growth
	Estimate	Fund			Change			Change	Required
									By Est
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes									
(Includes Aviation & Road Taxes)	\$1,594,600	18.96	\$133,094	\$136,469	(2.5)	\$1,451,719	\$1,380,261	5.2	6.5
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	1,277,600	15.19	114,595	122,073	(6.1)	1,233,059	1,169,420	5.4	1.8
State Sales and Use Tax	1,418,600	16.87	121,372	115,416	5.2	1,289,535	1,256,103	2.7	3.0
Motor Vehicle License Fees	218,900	2.60	18,855	19,236	(2.0)	209,888	201,798	4.0	2.9
Highway Use Fee	90,900	1.08	6,874	7,012	(2.0)	77,410	65,087	18.9	28.0
International Registration Plan	114,400	1.36	6,932	18,961	(63.4)	111,223	109,961	1.1	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	5,444	5,420	0.4	53,951	45,883	17.6	3.2
Total Commonwealth Transportation Fund	\$4,996,200	59.42	\$407,166	\$424,587	(4.1)	\$4,655,446	\$4,446,304	4.7	4.2
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.22	\$1,906	\$1,866	2.1	\$20,745	\$18,508	12.1	(12.4)
Other Miscellaneous Revenues	30,132	0.36	5,854	7,491	(21.9)	488,578	366,431	33.3	(92.0)
Federal Grants and Contracts	0	0.00	10,694	3,465	208.6	60,400	37,110	62.8	(100.0)
Transfer (to) / from Transportation Trust Fund	526,783	6.26	0	0	-	381,000	250,399	52.2	54.7
Total Highway Maintenance and Operating Fund	\$575,815	6.84	\$18,454	\$12,822	43.9	\$950,723	\$672,448	41.4	(26.1)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$33,400	0.40	\$77	\$108	(28.7)	\$42,385	\$37,858	12.0	(38.4)
Federal Grants and Contracts	1,743,227	20.73	73,521	75,659	(2.8)	1,287,381	1,202,570	7.1	38.9
Receipts from Cities/Counties	1,466,358	17.44	48,619	47,011	3.4	517,972	577,846	(10.4)	126.7
Toll Revenues	116,696	1.38	5,611	5,733	(2.1)	60,096	62,639	(4.1)	73.3
Miscellaneous Revenues	4,058	0.05	4,232	25,669	(83.5)	252,070	234,129	7.7	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(526,783)	(6.26)	0	0	-	(381,000)	(250,399)	(52.2)	(54.7)
Total Transportation Trust Fund	\$2,836,956	33.74	\$132,060	\$154,180	(14.3)	\$1,778,904	\$1,864,643	(4.6)	44.6
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,408,971	100.00	\$557,680	\$591,589	(5.7)	\$7,385,073	\$6,983,395	5.8	11.6

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