

Revenue Estimating Conference
Transportation Revenues
Executive Summary
August 3, 2018

The Revenue Estimating Conference met on August 3, 2018, to consider the forecast of revenues flowing into the State Transportation Trust Fund (STTF). Including the estimates for FY 2018-19, overall revenues to the STTF during the work program period ending in FY 2023-24 were decreased by -\$220.3 million or about -0.9 percent.

For revenues from fuel taxes, the overall forecast was shaped by recent changes in all of the following: the consumption of motor fuel and other fuels (diesel, aviation and off-highway fuel); the projected fuel tax rates; technological advancements in fuel efficiency and the implementation of the Corporate Average Fuel Economy (CAFE) Standards; and aviation fuel refund activity. The projection for revenues from all types of fuel was decreased by -\$240.2 million or -1.6 percent over the entire work program. Within the total for fuel-related taxes, Highway Fuel Sales Tax saw the largest dollar decrease in the new forecast, causing 58 percent of the total reduction. These revenues were reduced by -\$139.6 million or -1.4 percent, primarily due to fuel economy improvements. Revenues from the SCETS Fuel Tax and Fuel Use Tax were also decreased relative to the previous forecast, while those from Off-Highway Fuel Sales Tax and Aviation Fuel Tax were revised upward by \$3.2 million (3.9 percent) and by \$1.0 million (1.0 percent), respectively. A fallout of some of the other forecast changes, the Local Option Distribution over the work program was decreased by -\$5.8 million or -2.0 percent over the prior forecast.

Finally, the forecast for the Rental Car Surcharge was decreased by -\$3.4 million or -0.4 percent. This reduction primarily reflects the increasing use of Uber and other transportation network companies that are not subject to the Rental Car Surcharge.

The forecasts for motor vehicle license and registration related fees were previously adopted by the Highway Safety Licenses and Fees Conference held July 27, 2018. In this work program period, receipts to the STTF from motor vehicle related licenses and fees were increased by \$29.1 million or 0.4 percent over the entire work program. While Motor Vehicle Licenses are up by \$52.4 million, all of the other contributing sources are down: Initial Registrations by -\$16.8 million, Title Fees by -\$4.1 million, and Motor Carrier Compliance Penalties by -\$2.4 million over the work program period.