

Revenue Estimating Conference
Transportation Revenues
Executive Summary
December 6, 2018

The Revenue Estimating Conference met on December 6, 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 increased by \$131.5 million or about 0.6 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 increased by \$49.9 million or 0.3 percent over the entire work program. Within the total for fuel-related taxes, SCETS Fuel Tax saw the largest dollar increase in the new forecast, causing 35 percent of the total increase. These revenues were increased by \$17.4 million or 0.3 percent, primarily due to changing refund rates and higher diesel consumption. Revenues from the Highway Fuel Sales Tax, Off-Highway Fuel Sales Tax and Aviation Fuel Tax were also increased relative to the previous forecast, while Fuel Use Tax was unchanged. A fallout of some of the other forecast changes, the Local Option Distribution over the work program was increased by \$0.3 million or 0.1 percent over the prior forecast.

Finally, the forecast for the Rental Car Surcharge was increased by \$18.4 million or 2.1 percent. This increase primarily reflects higher than expected growth for the first five months of FY 2018-19 and the forecast for tourism.

The forecasts for motor vehicle license and registration related fees were previously adopted by the Highway Safety Licenses and Fees Conference held November 16, 2018. In this work program period, receipts to the STTF from motor vehicle related licenses and fees were increased by \$62.9 million or 0.8 percent over the entire work program. Motor Vehicle Licenses are up by \$15.9 million, Initial Registrations are up \$29.7 million, Title Fees are up \$11.4 million, and Motor Carrier Compliance Penalties are up \$5.9 million over the work program period.