

**Revenue Estimating Conference
Transportation Revenues
Executive Summary
January 8, 2024**

The Revenue Estimating Conference met on January 8, 2024, to consider the forecast of revenues flowing into the State Transportation Trust Fund (STTF). Including the estimates for FY 2023-24, overall revenues to the STTF during the work program period ending in FY 2028-29 were increased by \$257.9 million or about 0.9 percent. The revised estimates reflect actual revenue collections through November of the 2023-24 fiscal year.

For revenues from fuel taxes, the overall forecast was shaped by recent developments in all of the following: changing consumption patterns of motor fuel and other fuels (diesel, aviation and off-highway fuel); projected fuel tax rates; technological advancements in fuel efficiency; and aviation fuel refund activity. The revenue projection for all types of fuel was increased by \$104.7 million or 0.5 percent over the entire work program. Within this total, collections from the Highway Fuel Sales Tax and SCETS fuel tax were increased by \$147.0 million for the work program period. Further adding to the net increase, the forecasts for Aviation Fuel Tax and Fuel Use Tax were increased by \$1.2 million and \$0.9 million, respectively. Moving in the opposite direction, expected collections from the Off-Highway Fuel Tax were reduced by -\$44.4 million. The estimate for Natural Gas Fuel Tax collections did not change. A fallout of some of the other forecast changes, the Local Option Distribution over the work program was increased by \$2.8 million or approximately 0.9 percent over the prior forecast.

Finally, the forecast for the Rental Car Surcharge was increased by \$68.2 million, or 9.2 percent. The new forecast reflects strong FY 2023-24 year-to-date performance offset in later years of the forecast by disruptions in the car leasing market related to high interest rates, the increased use of alternatives to rental cars such as ride sharing services, destination-provided shuttles, and the greater availability of remote work options.

The forecasts for motor vehicle license and registration-related fees were previously adopted by the Highway Safety Licenses and Fees Conference held January 3, 2024. In this work program period, receipts to the STTF from motor vehicle related licenses and fees were increased by \$82.2 million or 0.9 percent over the entire work program. Motor Vehicle Licenses are up \$52.8 million, Initial Registrations are up \$23.7 million, Title Fees are up \$4.5 million, and Motor Carrier Compliance Penalties are up \$1.2 million over the work program period.