

# September 2012 Transportation Revenue Forecast

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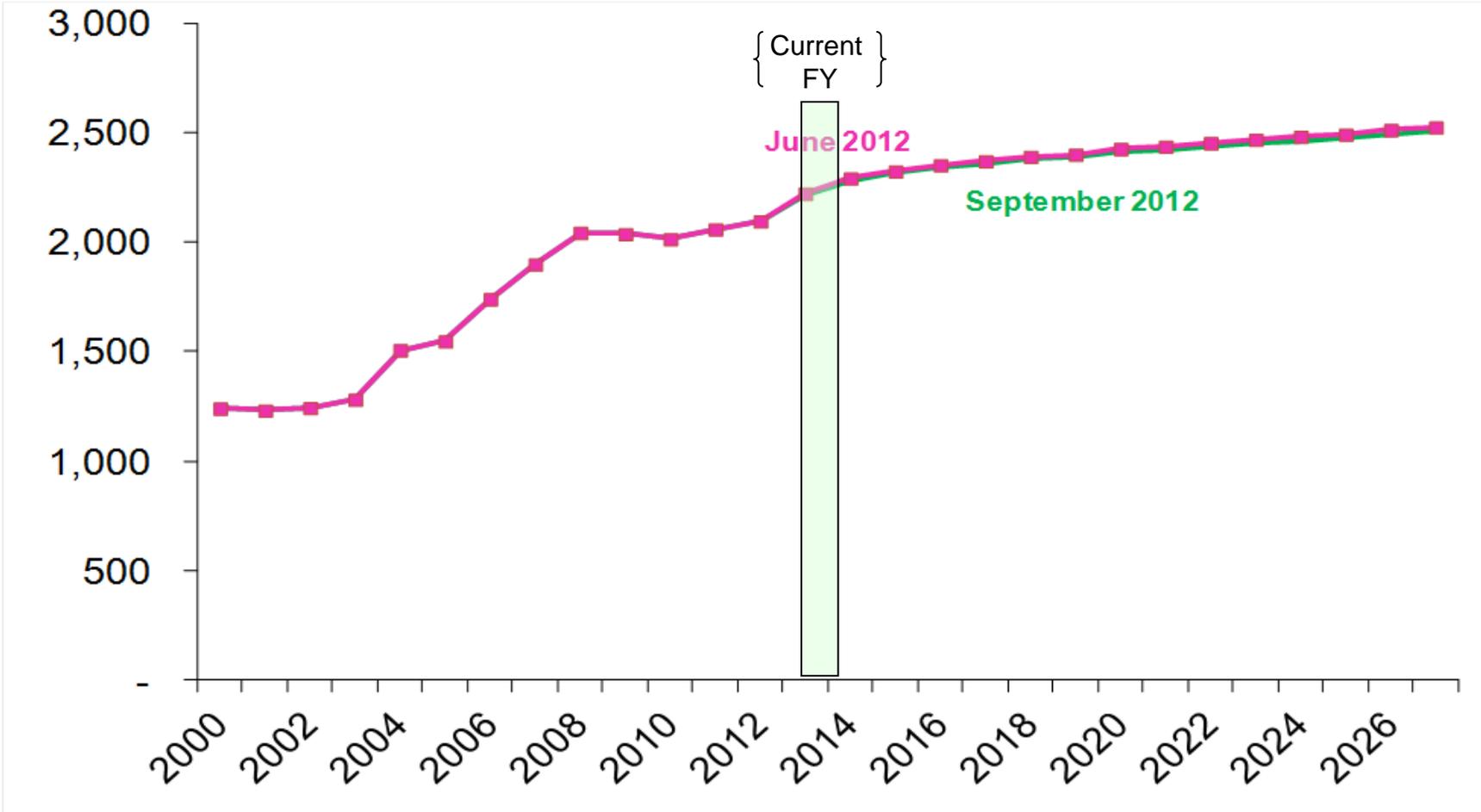
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# Figure 1 Transportation Revenues are Down Slightly September vs. June 2012 forecasts



Current Forecast : \$4.307 billion increase of 5.7% over last biennium

- Overall revenue is down 0.3% forecast to forecast or (\$11.4 million)
- Largest share of change is due to lower fuel tax collections and driver related fee revenues

# Key Economic Variables Are More Optimistic but Some Show No Change

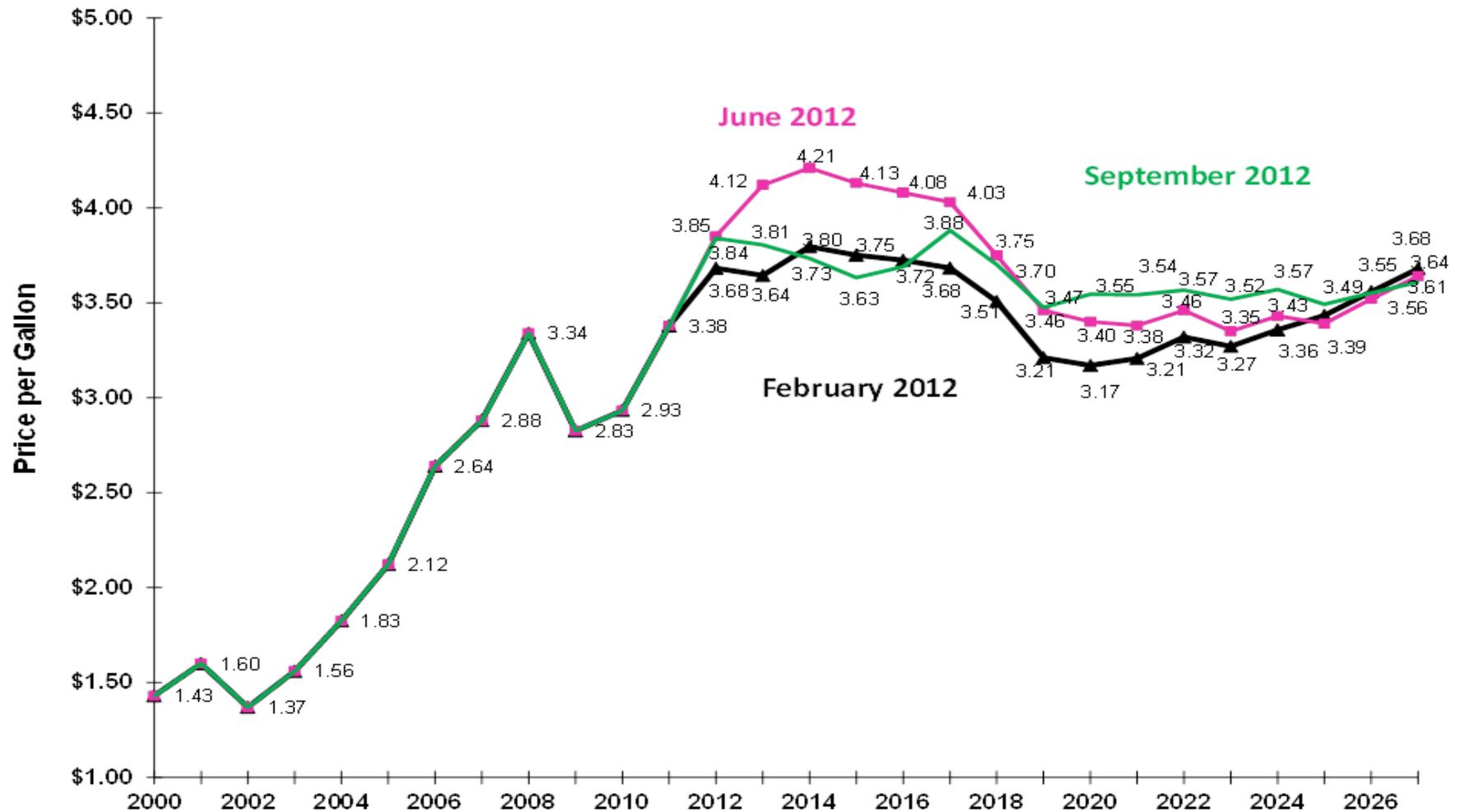
- Each quarter TRFC uses the latest economic variable forecasts by ERFC now thru FY 2017 and long-term forecast from OFM as well as other forecasting entities like Global Insight

Economic Variables	Short-term Change from June forecast
Washington Personal Income	
Inflation	
Fuel Prices	
Fuel Efficiency	
Population	
Non-ag. employment	

# Fuel Price Forecasts:

## Forecast of Washington Gasoline Prices

### DOWN September vs June vs February 2012



# Overall Revenue Projections are **Down** from June but Minor Revision

## September 2012 Forecast Compared to June Transportation Revenue Forecast – Millions of Dollars

Revenue Sources	Current Biennium						10-Year Period		
	2011-13			2013-15			(2011-2021)		
	Forecast Sept 12	Chg from June 12	Percent Change	Forecast Sept 12	Chg from June 12	Percent Change	Forecast Sept 12	Chg from June 12	Percent Change
Motor Vehicle Fuel Taxes	2,487	(8.7)	-0.3%	2,530	(12.5)	-0.5%	12,678	(57.2)	-0.4%
Licenses, Permits and Fees	926	(1.5)	-0.2%	992	(6.6)	-0.7%	5,034	(46.6)	-0.9%
All Other Sources	894	(1.2)	-0.1%	1,078	2.9	0.3%	5,502	4.4	0.1%
<b>Total Revenues</b>	<b>4,307</b>	<b>(11.4)</b>	<b>-0.3%</b>	<b>4,600</b>	<b>(16.2)</b>	<b>-0.4%</b>	<b>23,214</b>	<b>(99.4)</b>	<b>-0.4%</b>

- Current projections show total tax revenues to be down from June but revision down is minor less than 0.5%
  - \$11.4 million (0.3%) for the 2011-13 biennium.
  - \$16.2 million (0.4%) in the upcoming 2013-15 biennium.
  - \$99.4 million (0.4%) for the 10 year period from the June forecast.

# Reasons for Sept. Forecast



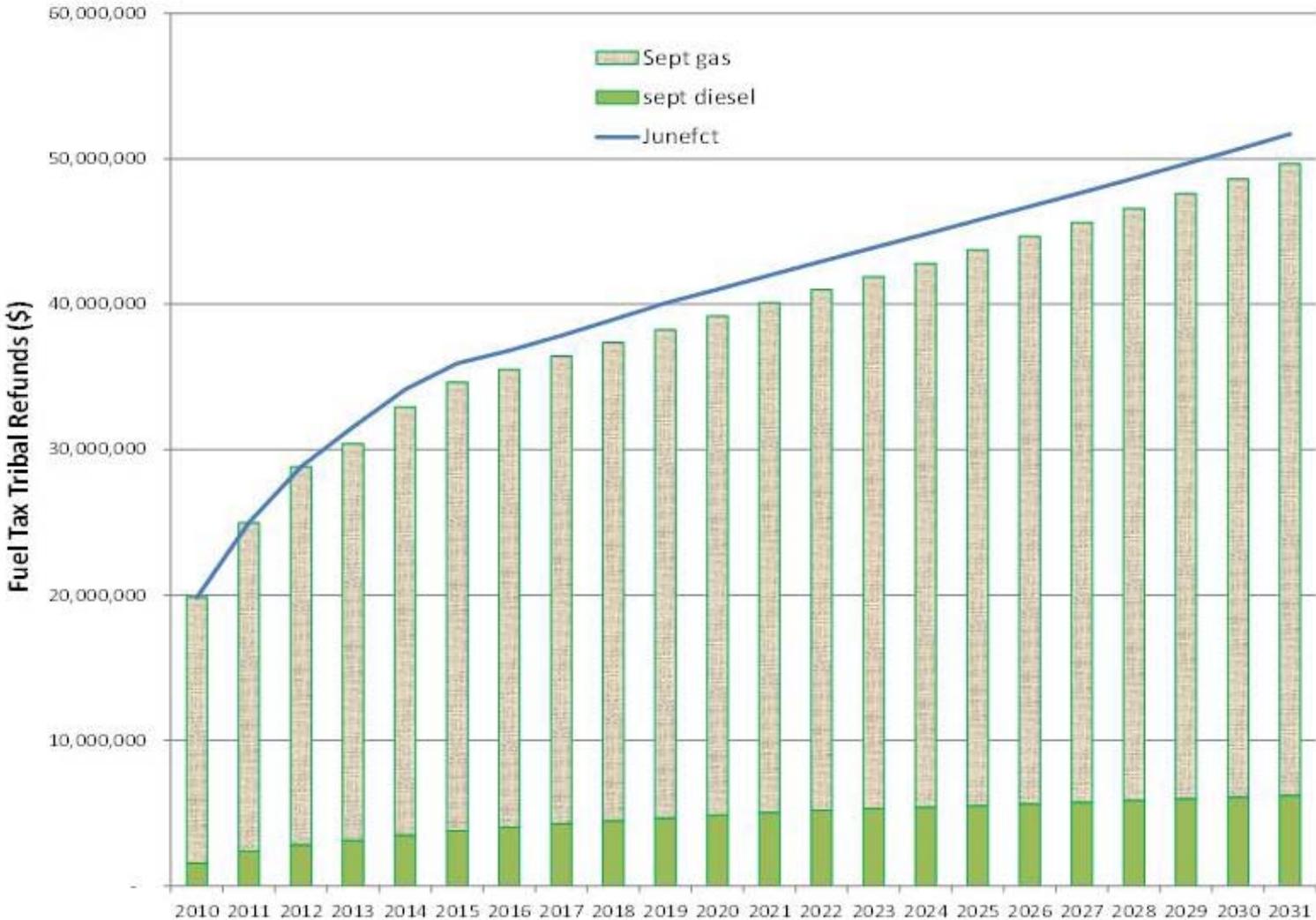
## Fuel Tax Revenue Down:

- Gross Gas Tax Revenue:
  - Lower tax collections by \$1.8 million (0.7%) 
  - The decrease in gas tax revenue from the last forecast over the 10-year forecast horizon totaled \$9.26 million.
- Gross Diesel Tax Revenue:
  - Lower tax collections by \$4.5 million (6.7%) 
  - The loss in diesel tax revenue grows over the 10-year forecast horizon for a total change of \$48 million from the June forecast.

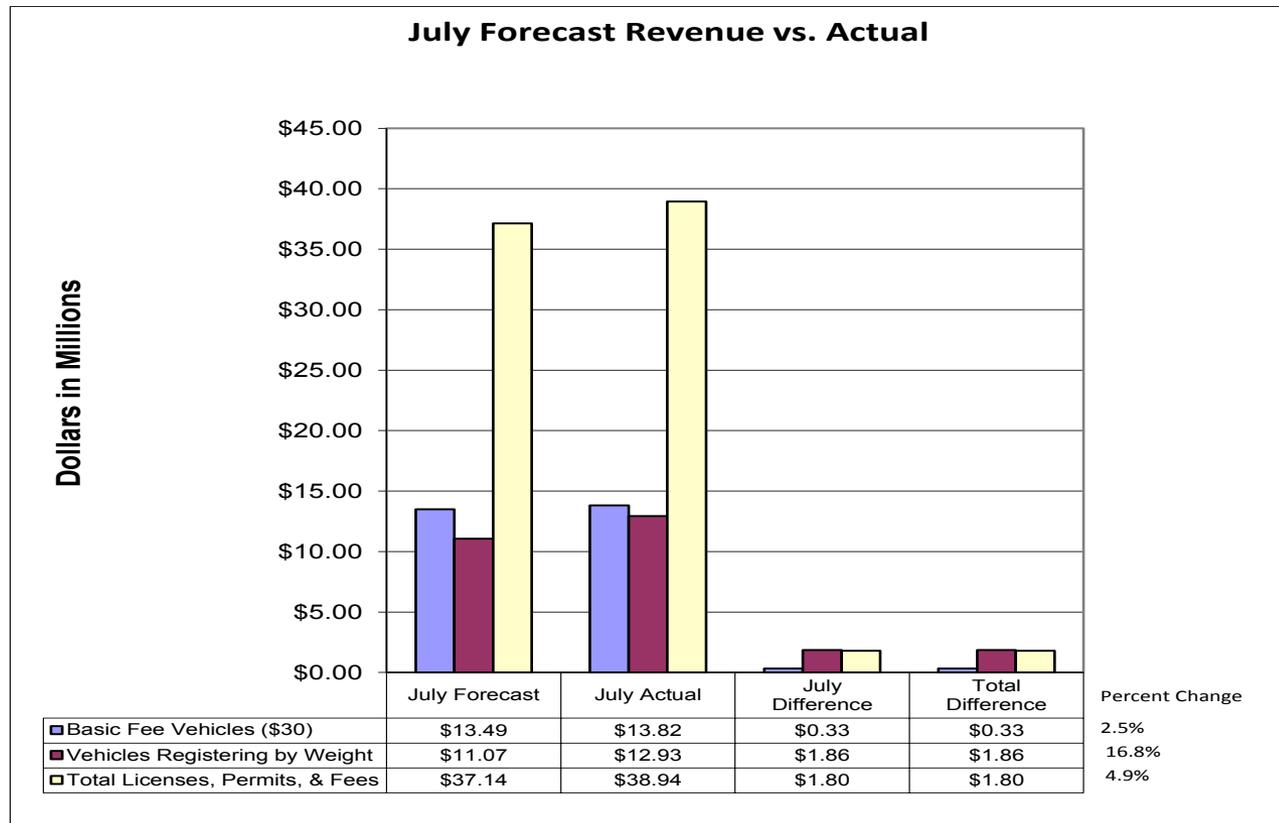
## Fuel Tax Refunds are Down:

- Total Fuel Tax Refunds and Transfers: 
  - Total fuel tax refunds are projected to be \$146.3 million and down from June by \$1.7 million (1.2%) in current biennium.
  - Over the 10-Year forecast horizon, fuel tax refunds are projected to be \$737.6 million and down \$16.7 million or 2.2% from June projections.
- Reasons for the decline in refunds
  - Since June, there has been smaller non-highway diesel tax refunds than anticipated resulting in \$1.7 million less in diesel non-highway refunds in 2011-13 biennium.
  - Revisions to the tribal fuel tax refunds projection has lowered refunds especially long-term.

# Tribal Fuel Tax Refunds Forecast Comparison Sept. vs. June 2012

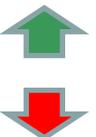


# Recent Collections in Vehicle Passenger Car and Truck Revenue Close to June 2012 Forecast



## Licenses, Permits and Fee Revenue Forecast Down:

- Revenue tax collections came in \$1.8 million above the June forecast
- Over 10 year forecast, LPF revenue is anticipated to be down \$46.6 million
  - Change in truck registration forecast model methodology which decreased truck registrations and revenue in the long-term.



# **Other Components of Transportation Revenue Are **Mixed** (Mainly Minor Changes) From the Last Forecast**

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## **Rental Car and Vehicle Sales Tax Revenue**

- Vehicle sales tax revenue and rental car tax are \$48.1 and \$61.6 million respectively in the current biennium; nearly no change in current biennium.
- Subsequent biennia: projections are down from June due to lower national economic variable projections.

## **Aeronautics Account Tax Revenue**

- In the current biennium: aeronautics account revenue is projected to be \$6.66 million which is down \$207,221 from June projections.
  - Change due to lower projections in aircraft fuel taxes
- In the next two biennia: aircraft fuel taxes are up from June projections by 5% and 3% respectively; after 2015-17 biennium, there's no change in forecast from June.

## **Driver Related Fee Revenue**

- In the current biennium: driver related revenue is projected to be \$231.97 million which is lower than last quarter's forecast by \$4.59 million (1.9%)
- In the next two biennia, driver related revenue is down by \$5 million each biennia or 1.6% from June.

# Other Components of Transportation Revenue Are **Up** (Mainly Minor Changes) From the Last Forecast

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## Ferry Revenue

- Current Biennium: \$324.2 million projection which is up from the last forecast by \$3.5 million (1.1%).
- Next Biennium: \$344.9 million projection which is also up \$6 million (1.8%) from June.

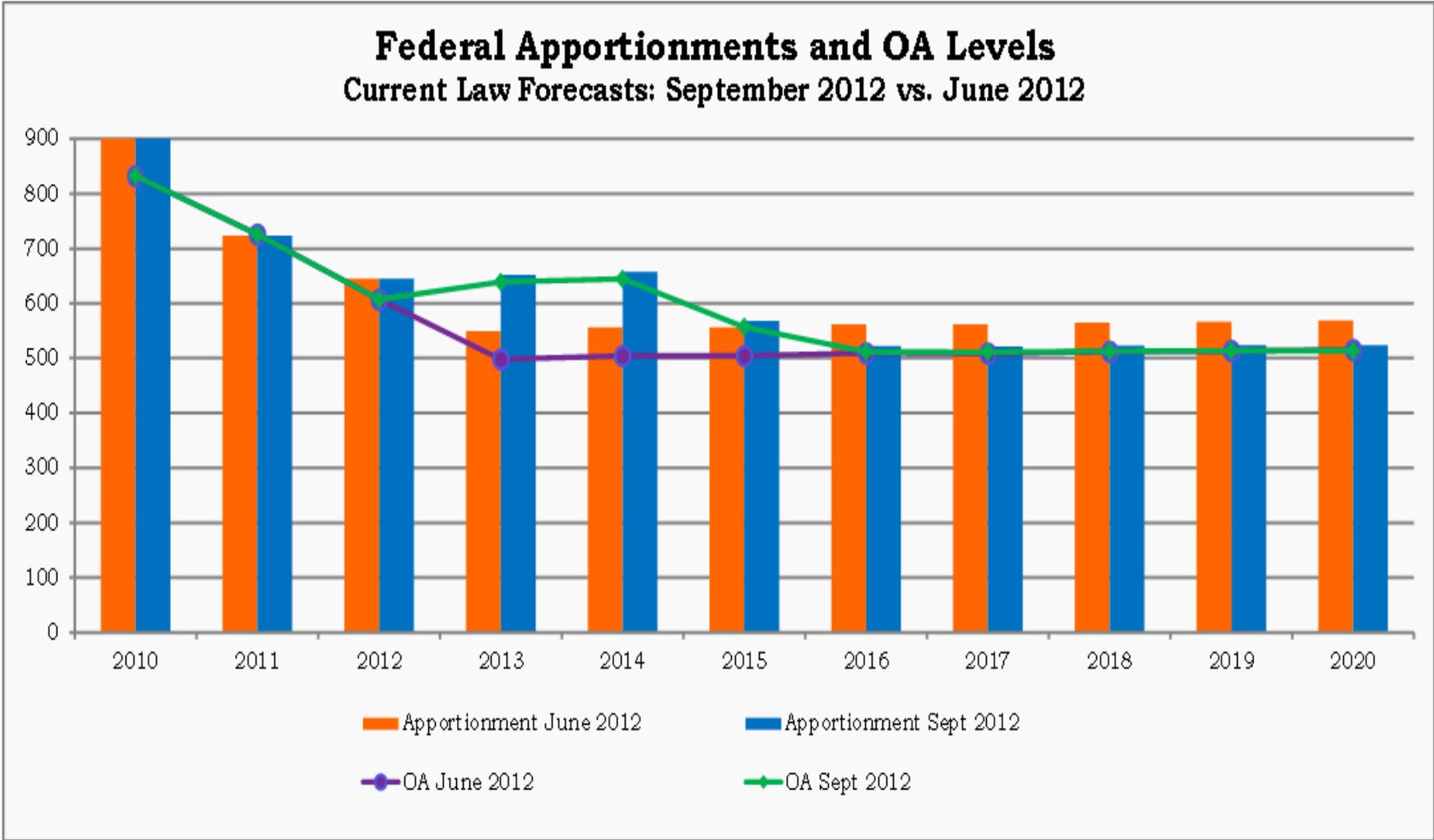
## Toll Revenue

- Current Biennium: total toll revenues is \$201.95 million;
  - TNB forecast is up from June by \$0.86 million
  - HOT lanes is up by from June by \$52,500
  - No change in SR 520 toll forecast

## Federal Funds Revenue

- Passage of new federal transportation Act MAP-21 (FFY 2013-14)
  - Federal funds forecast has been increased for 2 years
  - Apportionment is up from June a little more than \$100 million for each of those two years
  - Obligation Authority is up \$140 million more annually in 2013 and 2014

# September Forecast of Federal Funds Are **Up** From the Last Forecast (FFY 2013 and 2014) - Nearly No change in Remaining Years



# Questions?

If you have questions, or want additional information on the September 2012 Revenue Forecast, please contact:

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