



March 2023 Transportation Revenue Forecast




State Transportation Revenue Overview

May 16, 2023

Carl See, Deputy Director

Washington State Transportation Commission

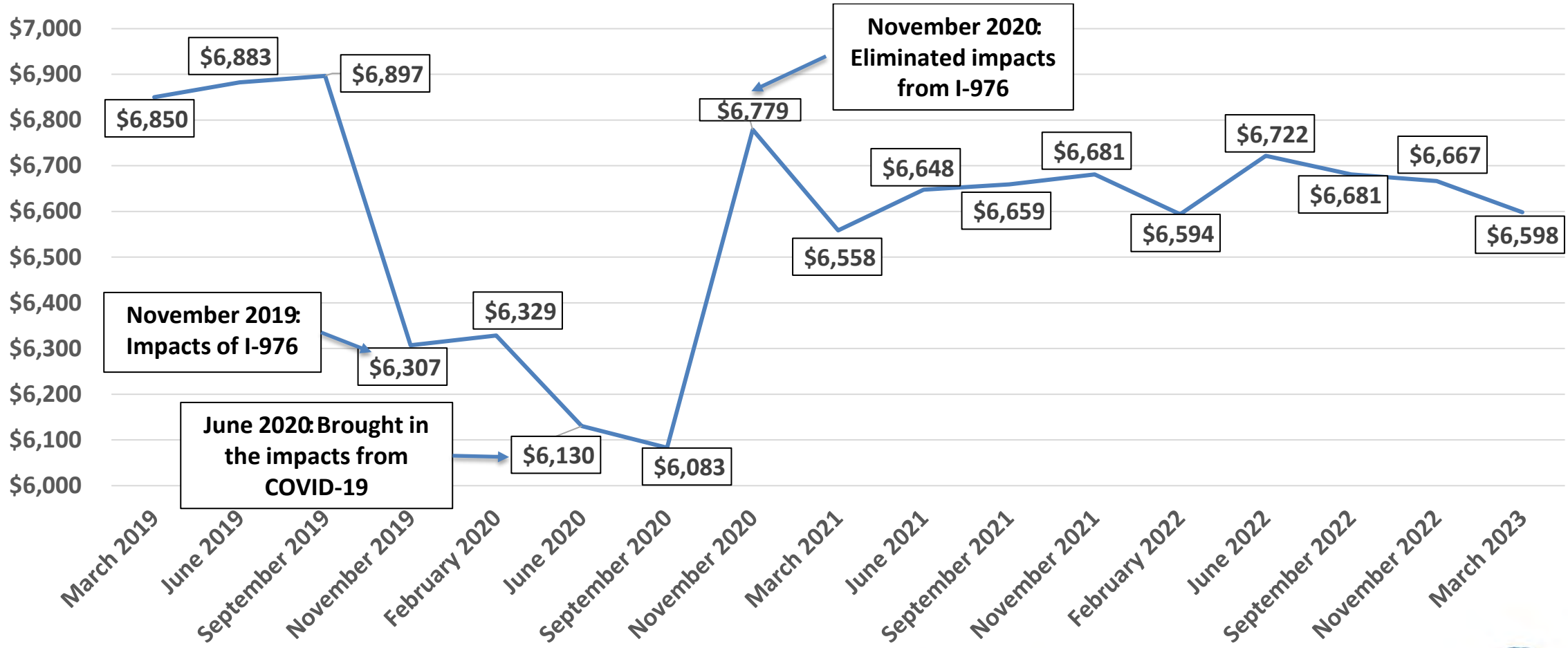
March 2023 Transportation Forecast Highlights

-  The **2021-23 biennium** March 2023 transportation revenue forecast is \$6.6 billion, **down** \$68.5 million, or -1.0%, compared to the November 2022 forecast
-  The **2023-25 biennium** March 2023 transportation revenue forecast is \$7.0 billion, **down** \$157 million, or -2.2%, compared to the November 2022 forecast
-  For the **10-year forecast horizon**, the March 2023 transportation revenue forecast is \$36.2 billion, which is **down** from the November 2022 forecast by \$633.5 million or -1.7%.

These downward revisions are largely being driven by lower motor vehicle fuel tax revenues.

2021-23 Transportation Revenues*

March 2023 Forecast vs. Prior Forecasts



November 2019: Impacts of I-976

June 2020: Brought in the impacts from COVID-19

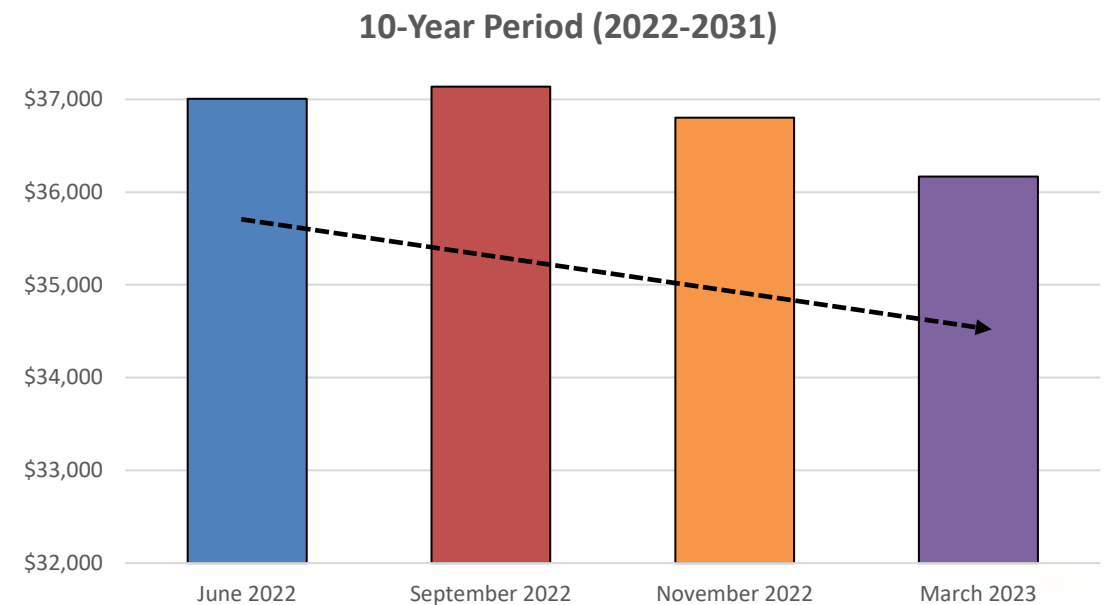
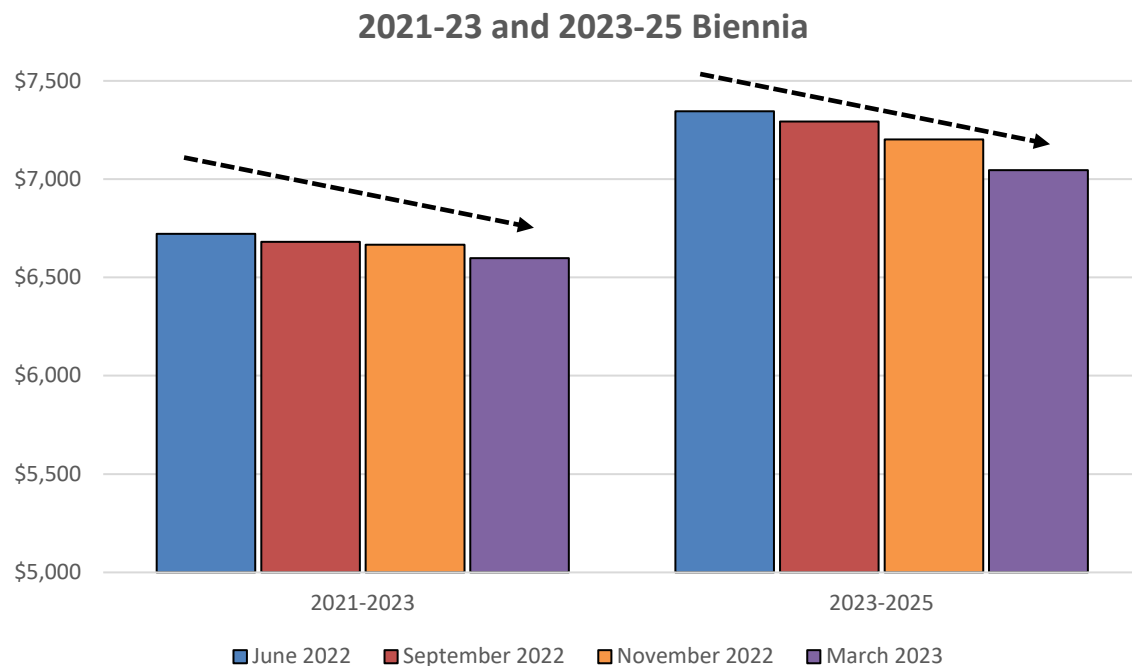
November 2020: Eliminated impacts from I-976

*In millions of dollars

Forecasted Transportation Revenues by Biennium

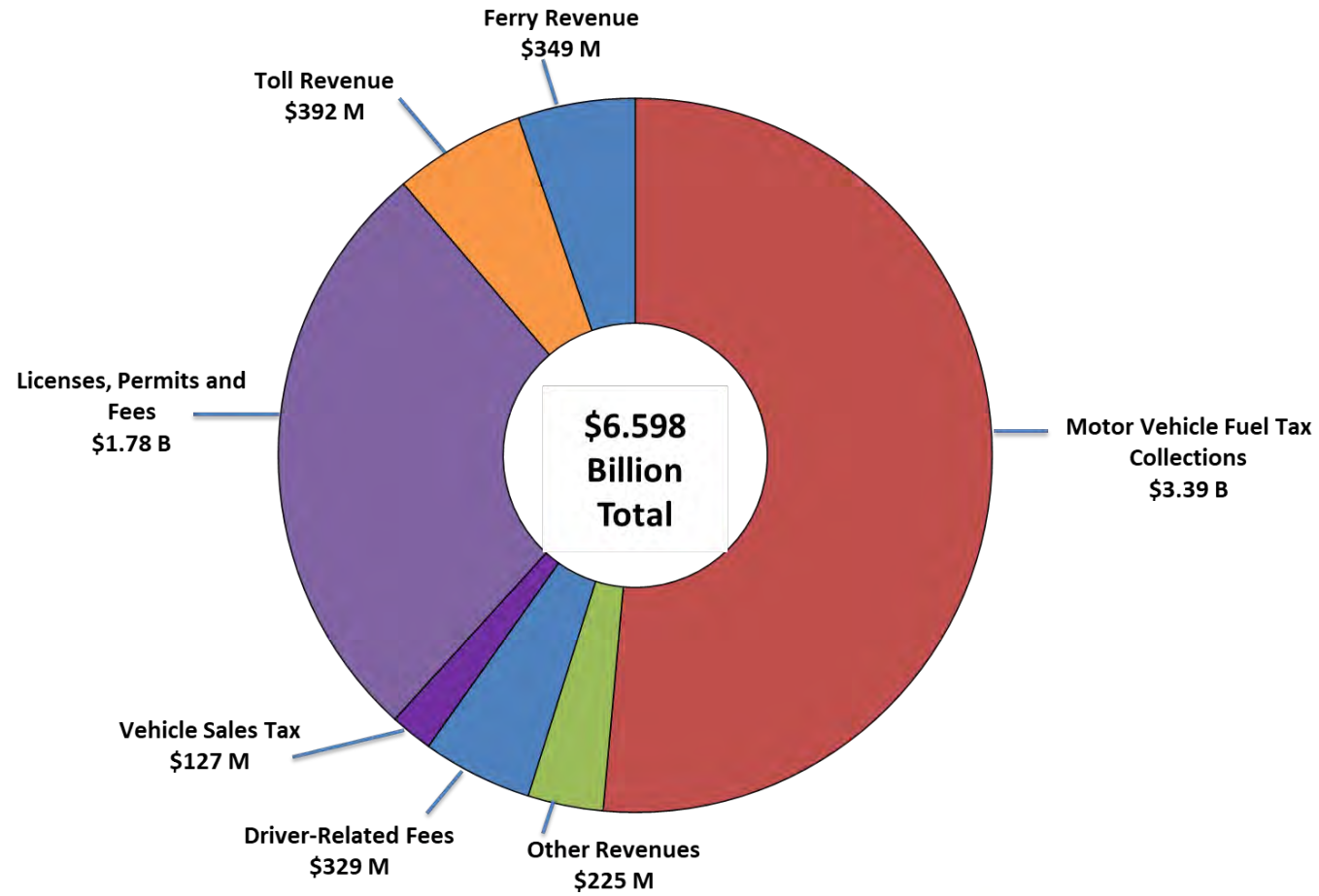
March 2023 vs. June – Nov 2022 Forecasts

A steady decline in how much revenues forecasted for the current and future biennia when comparing the last four forecasts (June 2022 – March 2023)



2021-23 Transportation Revenues by Source

March 2023 Forecast



March 2023 Transportation Revenue Highlights

March 2023 vs. November 2022 Forecasts

March 2023 forecasted revenues compared to prior forecast (November 2022)

Fuel Tax Revenue

- ↓ 2021-23 Biennium: \$3.34 billion, **down** \$48.8 million or -1.42%
- ↓ 2023-25 Biennium: \$3.37 billion, **down** \$135.1 million or -3.86%
- ↓ 10 Year Period (2022-2031): \$17.23 billion, **down** \$604.5 million or -3.39%

Vehicle Licenses, Permits and Fee Revenue

- ↓ 2021-23 Biennium: \$1.78 billion, **down** \$8.85 million or -0.49%
- ↓ 2023-25 Biennium: \$2.07 billion, **down** \$1.38 million or -0.07%
- ↑ 10 Year Period (2022-2031): \$10.64 billion, **up** \$35.64 billion or 0.34%

March 2023 Transportation Revenue Highlights

March 2023 vs. November 2022 Forecasts

March 2023 forecasted revenues compared to prior forecast (November 2022)

Rental Car and Vehicle Sales Tax Revenue

Rental Car Revenue

- ↑ 2021-23 Biennium: \$85.11 million, **up** \$660,000 or 0.79%
- ↑ 2023-25 Biennium: \$89.92 million, **up** \$1.26 million or 1.42%
- ↑ 10 Year Period (2022-2031): \$469.7 million, **up** \$6.67 million or 1.44%

Vehicle Sales Tax

- ↑ 2021-23 Biennium: \$127.15 million, **up** \$640,000 or 0.51%
- ↑ 2023-25 Biennium: \$131.53 million, **up** \$870,000 or 0.66%
- ↑ 10 Year Period (2022-2031): \$686.2 million, **up** \$4.47 million or 0.66%

March 2023 General Fund Revenue Forecast Highlights

General Fund revenue sources are not the same as transportation revenue sources

- Revenue sources include: retail sales and use, property, business and occupation, real estate, public utility, cigarette and tobacco taxes, and insurance premiums

 For **November 2022 through March 2023**, General Fund revenue collections were **higher** than forecasted in November 2022 by \$198.6 million or 2.0%

 The **2021-23 biennium** revenue forecast **increased** by \$100.4 million, or 0.2% compared to the November 2022 forecast

 The **2023-25 biennium** revenue forecast **decreased** by \$407.1 million, or -0.6% compared to the November 2022 forecast

Questions?

Carl See, Deputy Director

Washington State Transportation Commission

transc@wstc.wa.gov

360-705-7070