

Appendix B - Highway Fund

Table of Contents

Revenue Category	Page
Highway Fund Summary Table	B-1
Fuel Taxes	B-4

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY04 Actual	% Chg.	FY05 Actual	% Chg.	FY05 Budget	FY06 Actual	% Chg.	FY07 Budget	% Chg.	Recom. Chg.	FY07 Revised	% Chg.
Fuel Taxes	212,600,843	13.1%	220,484,728	3.7%	220,838,729	221,575,309	0.5%	227,484,941	2.7%	0	227,484,941	2.7%
Motor Vehicle Registration & Fees	82,577,755	-0.5%	84,645,422	2.5%	81,378,234	87,658,962	3.6%	86,476,317	-1.3%	0	86,476,317	-1.3%
Inspection Fees	4,708,196	12.9%	4,260,059	-9.5%	4,281,459	4,373,692	2.7%	4,379,756	0.1%	0	4,379,756	0.1%
Fines, Forfeits and Penalties	1,918,703	-24.2%	1,518,580	-20.9%	1,890,359	1,809,813	19.2%	2,018,239	11.5%	0	2,018,239	11.5%
Income from Investments	720,046	-46.2%	1,440,739	100.1%	1,059,903	1,833,806	27.3%	795,000	-56.6%	0	795,000	-56.6%
Other Revenues	9,502,442	2.5%	13,728,627	44.5%	13,817,473	9,294,574	-32.3%	9,603,076	3.3%	0	9,603,076	3.3%
Total - Highway Fund Revenue	312,027,986	8.3%	326,078,155	4.5%	323,266,157	326,546,157	0.1%	330,757,329	1.3%	0	330,757,329	1.3%
Change in Biennial Totals										0		

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY08 Budget	% Chg.	Recom. Chg.	FY08 Revised	% Chg.	FY09 Budget	% Chg.	Recom. Chg.	FY09 Revised	% Chg.
Fuel Taxes	236,650,637	4.0%	(2,100,239)	234,550,398	3.1%	242,698,100	2.6%	(2,912,734)	239,785,366	2.2%
Motor Vehicle Registration & Fees	86,908,059	0.5%	0	86,908,059	0.5%	86,789,607	-0.1%	0	86,789,607	-0.1%
Inspection Fees	4,433,458	1.2%	0	4,433,458	1.2%	4,489,821	1.3%	0	4,489,821	1.3%
Fines, Forfeits and Penalties	2,018,239	0.0%	0	2,018,239	0.0%	2,018,239	0.0%	0	2,018,239	0.0%
Income from Investments	795,000	0.0%	0	795,000	0.0%	795,000	0.0%	0	795,000	0.0%
Other Revenues	10,190,906	6.1%	0	10,190,906	6.1%	10,405,753	2.1%	0	10,405,753	2.1%
Total - Highway Fund Revenue	340,996,299	3.1%	(2,100,239)	338,896,060	2.5%	347,196,520	1.8%	(2,912,734)	344,283,786	1.6%
Change in Biennial Totals								(5,012,973)		

HIGHWAY FUND REVENUE
REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - MARCH 2007

Source	FY10			FY09 Revised			FY11			FY09 Revised		
	Projection	% Chg.	Recom. Chg.		% Chg.	Projection	% Chg.	Recom. Chg.		% Chg.		
Fuel Taxes	248,058,193	3.5%	(2,990,234)	245,067,959	2.2%	253,922,031	2.4%	(3,643,229)	250,278,802	2.1%		
Motor Vehicle Registration & Fees	84,433,980	-2.7%	0	84,433,980	-2.7%	84,774,764	0.4%	0	84,774,764	0.4%		
Inspection Fees	4,496,057	0.1%	0	4,496,057	0.1%	4,502,326	0.1%	0	4,502,326	0.1%		
Fines, Forfeits and Penalties	2,018,239	0.0%	0	2,018,239	0.0%	2,018,239	0.0%	0	2,018,239	0.0%		
Income from Investments	795,000	0.0%	0	795,000	0.0%	795,000	0.0%	0	795,000	0.0%		
Other Revenues	10,443,944	0.4%	0	10,443,944	0.4%	10,482,405	0.4%	0	10,482,405	0.4%		
Total - Highway Fund Revenue	350,245,413	1.7%	(2,990,234)	347,255,179	0.9%	356,494,765	1.8%	(3,643,229)	352,851,536	1.6%		
Change in Biennial Totals								(6,633,463)				

Highway Fund - Fuel Taxes

	FY04 Actual	FY05 Actual	FY06 Actual	FY07	FY08	FY09	FY10	FY11
Current Forecast	\$212,600,843	\$220,484,728	\$221,575,309	\$227,484,941	\$236,650,637	\$242,698,100	\$248,058,193	\$253,922,031
Annual % Growth	13.1%	3.7%	0.5%	2.7%	4.0%	2.6%	2.2%	2.4%
Net Increase (Decrease)				\$0	(\$2,100,239)	(\$2,912,734)	(\$2,990,234)	(\$3,643,229)
Revised Forecast	\$212,600,843	\$220,484,728	\$221,575,309	\$227,484,941	\$234,550,398	\$239,785,366	\$245,067,959	\$250,278,802
Annual % Growth	13.1%	3.7%	0.5%	2.7%	3.1%	2.2%	2.2%	2.1%

Revenue Source Summary:

An excise tax is imposed upon internal combustion engine fuel sold or used within this State. Beginning July 1, 2003, the rate is indexed annually for inflation. Refund of the gasoline tax paid (less 1¢ per gallon) is provided for fuel used in commercial motor boats, tractors used for agricultural purposes, vehicles used on rail and tracks or in stationary engines or in mechanical or industrial arts. Fuel used for these purposes is subject to the 5% use tax if the gasoline tax is refunded. Full refund is provided for certain common carrier passenger service vehicles.

Revenue Source Forecast Factors and Trends:

The collection of budgeted fuel taxes is somewhat dependent on a fairly strong economy and reasonable retail prices for gasoline. In FY06 with fuel prices at very high levels, fuel taxes were under budget by \$5.2 million, a -2.3% variance. Through the first quarter of FY07, fuel taxes continued to run under budget and were \$2.9 million under (a -6.6% variance) despite an improvement in gasoline prices.

Forecast Recommended Changes:

In its February 2007 report, the Consensus Economic Forecasting Commission (CEFC) made the following changes in its Consumer Price Index estimates: decreased calendar year 2006 from 3.5% to 3.2%, decreased calendar year 2007 from 2.5% to 2.1%, left calendar year 2008 unchanged at 2.2% and decreased calendar years 2009, 2010 and 2011 from 2.2% to 2.1%. The effect of the CEFC adjustments to the Consumer Price Index estimations decreased projected fuel tax revenue for each of FY08, FY09, FY10 and FY11.

Actual and Projected Tax Rates

	7/1/2003 Act.	7/1/2004 Act.	7/1/2005 Act.	7/1/2006 Act.	7/1/2007	7/1/2008	7/1/2009	7/1/2010
Gasoline Tax								
Current Forecast	\$0.246	\$0.252	\$0.259	\$0.268	\$0.277	\$0.284	\$0.290	\$0.297
Revised Forecast					\$0.276	\$0.282	\$0.288	\$0.294
Special Fuel Tax								
Current Forecast	\$0.257	\$0.263	\$0.270	\$0.279	\$0.289	\$0.296	\$0.303	\$0.309
Revised Forecast					\$0.288	\$0.294	\$0.301	\$0.307