

# *Transportation Funding in VA*

## *Quick Overview*

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# Transportation Funding History

- Virginia instituted a **\$0.03** per gallon (\$0.51 = 2022) gas tax in 1923
- The Federal Government instituted a **\$0.01** per gallon (\$0.21 = 2022) in 1932.

## Federal:

- **1993:** Gas tax raised to \$0.184 per gallon (\$0.36 = 2022).

## Virginia:

- **1986:** State Gas tax raised to \$0.175 per gallon
- **2013:** State gas tax rate falls to \$0.111 per gallon from change from a per gallon “at the pump” to wholesale “at the rack”. Sales and use tax added to the state’s transportation funding program to off-set some of the gas tax revenue decline.
- **2020-2021:** State Gas tax increased to \$0.262 per gallon and tied to inflation via CPI. Regional gas taxes are implemented and tied to CPI.

## Major State Revenues

|   |  |  |   |  |   |  |   |
|---|--|--|---|--|---|--|---|
| <b>International Registration Plan</b><br>\$15 per trip<br><i>Distribution:</i><br>HMOF | <b>Motor Vehicle License Fees</b><br>Base car: \$40.75<br><i>Distribution:</i><br>HMOF \$26<br>TTF \$3 | <b>Sales Tax on Motor Fuels</b><br>5.1% gasoline<br>6% diesel<br><i>Distribution:</i><br>HMOF 80%<br>TTF 11.3%<br>Mass Transit Fund 3.7%<br>PTF 4%<br>DMV 1% | <b>Motor Vehicle Sales and Use Tax</b><br>4.15%<br><i>Distribution:</i><br>HMOF 3.15%<br>TTF 1% | <b>Retail Sales and Use Tax</b><br>0.5% + 0.3% +<br>0.1% GF transfer<br><i>Distribution:</i><br>TTF 0.5%<br>HMOF 0.175% + 0.1% GF transfer<br>Mass Transit 0.075%<br>IPROC 0.05% | <b>Recordation Taxes</b><br>3 of the 25 cents per \$100<br><i>Distribution:</i><br>TTF/Transit 3C | <b>Insurance Premium Taxes</b><br>1/3 Dedicated to PTF | <b>Motor Vehicle Rental Tax</b><br>25% TTF<br>50% Rail Enhancement Fund<br>25% WMATA Capital Fund |
|---|--|--|---|--|---|--|---|

## Commonwealth Transportation Fund (CTF) Major Transportation Revenues

*Applicable to Fiscal Year 2020*

**Interstate Funding Program**  
 (HB 2718/SB 1716, 2019 Session)

**Statewide Components**

- Truck Registration Fees
- Road Tax
- Diesel Tax (FY 2022 start)



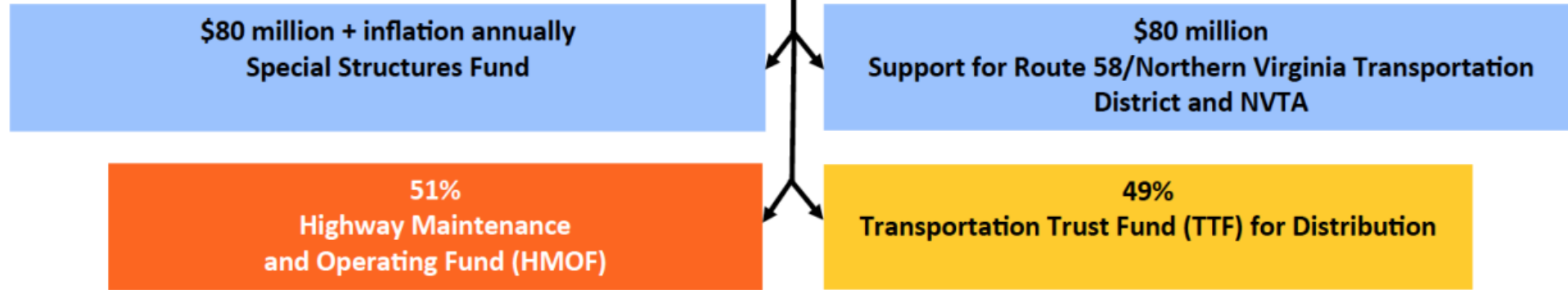
(in millions)

| <u>Revenue</u>                            | <u>FY 2020</u>           | <u>FY 2021</u>           | <u>FY 2022</u>           | <u>FY 2023</u>           | <u>FY 2024</u>           | <u>FY 2025</u>           | <u>Total</u>              |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| <b>Motor Fuel Taxes</b>                   | \$ 916.9                 | \$ 920.6                 | \$ 921.2                 | \$ 919.3                 | \$ 916.5                 | \$ 920.2                 | \$ 5,514.7                |
| <b>Priority Transportation Fund (PTF)</b> | 188.0                    | 199.4                    | 199.8                    | 209.0                    | 218.0                    | 218.0                    | 1,232.2                   |
| <b>Motor Vehicle Sales and Use Tax</b>    | 964.8                    | 970.8                    | 993.5                    | 1,006.1                  | 1,022.8                  | 1,044.8                  | 6,002.8                   |
| <b>State Sales and Use Tax</b>            | 1,115.5                  | 1,149.4                  | 1,176.1                  | 1,203.0                  | 1,229.6                  | 1,254.2                  | 7,127.8                   |
| <b>Motor Vehicle License Fees</b>         | 261.3                    | 261.5                    | 261.5                    | 261.5                    | 261.5                    | 261.7                    | 1,569.0                   |
| <b>International Registration Plan</b>    | 65.0                     | 65.7                     | 66.1                     | 66.0                     | 66.3                     | 66.5                     | 395.6                     |
| <b>Recordation Tax</b>                    | 43.6                     | 43.6                     | 43.6                     | 43.6                     | 43.6                     | 43.6                     | 261.6                     |
| <b>Interest Earnings</b>                  | 4.0                      | 4.0                      | 4.0                      | 4.0                      | 4.0                      | 4.0                      | 24.0                      |
| <b>Misc. Taxes, Fees and Revenues</b>     | <u>17.9</u>              | <u>17.9</u>              | <u>17.9</u>              | <u>17.9</u>              | <u>17.9</u>              | <u>17.9</u>              | <u>107.4</u>              |
| <b>Total State Taxes and Fees</b>         | <u><u>\$ 3,577.0</u></u> | <u><u>\$ 3,632.9</u></u> | <u><u>\$ 3,683.7</u></u> | <u><u>\$ 3,730.4</u></u> | <u><u>\$ 3,780.2</u></u> | <u><u>\$ 3,830.9</u></u> | <u><u>\$ 22,235.1</u></u> |

## Major State Revenues

|   |   |   |  |   |   |   |  |                                       |
|---|---|---|--|---|---|---|--|---------------------------------------|
| <b>International Registration Plan</b><br>\$15 per trip | <b>Motor Vehicle License Fees</b><br>Base car: \$20.75<br>CTF Share | <b>Tax on Motor Fuels</b><br>26.2 cents/gallon + CPI Gasoline<br>27 cents/gallon + CPI Diesel | <b>Highway Use Fee</b><br>Fuel Economy | <b>Motor Vehicle Sales and Use Tax</b><br>4.15% | <b>Retail Sales and Use Tax</b><br>0.5% + 0.3% + 0.1% GF transfer | <b>Recordation Taxes</b><br>3 of the 25 cents per \$100 | <b>Motor Vehicle Rental Tax</b><br>75% CTF<br>25% WMATA Capital Fund | <b>Insurance Premium Taxes</b><br>1/3 |
|---|---|---|--|---|---|---|--|---------------------------------------|

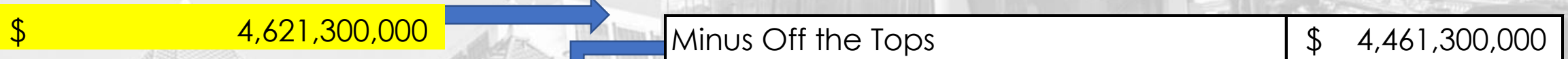
## Commonwealth Transportation Fund



| <b>Sources of Funds</b>                       | <b>FY 2023</b>    | <b>FY 2024</b>    | <b>FY 2025</b>    | <b>FY 2026</b>    | <b>FY 2027</b>    | <b>FY 2028</b>    | <b>TOTAL</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Retail Sales and Use Tax                      | \$1,293.9         | \$1,315.1         | \$1,348.1         | \$1,356.5         | \$1,363.3         | \$1,368.4         | <b>\$8,045.3</b>   |
| Motor Vehicle Sales and Use Tax               | 1,155.1           | 1,119.4           | 1,128.9           | 1,124.2           | 1,121.5           | 1,120.0           | <b>6,769.1</b>     |
| Motor Fuels Tax                               | 1,360.7           | 1,380.7           | 1,392.5           | 1,405.2           | 1,428.1           | 1,458.4           | <b>8,425.6</b>     |
| Aviation Fuels Tax                            | 2.0               | 2.0               | 2.0               | 2.0               | 2.0               | 2.0               | <b>12.0</b>        |
| Road Tax                                      | 69.2              | 69.5              | 69.4              | 69.0              | 68.5              | 67.8              | <b>413.4</b>       |
| International Registration Plan               | 124.2             | 122.6             | 119.6             | 120.0             | 120.3             | 120.7             | <b>727.4</b>       |
| Registration Fees                             | 236.6             | 240.3             | 241.3             | 242.5             | 241.9             | 242.5             | <b>1,445.1</b>     |
| State Insurance Premium Tax                   | 196.0             | 203.8             | 212.8             | 222.8             | 233.2             | 244.0             | <b>1,312.6</b>     |
| Recordation Tax                               | 81.0              | 81.0              | 81.0              | 81.0              | 81.0              | 81.0              | <b>486.0</b>       |
| Vehicle Rental Tax                            | 42.9              | 43.6              | 44.4              | 45.2              | 46.0              | 46.8              | <b>268.9</b>       |
| Highway Use Fee                               | 59.7              | 62.7              | 66.5              | 66.5              | 66.5              | 66.5              | <b>388.4</b>       |
| <b>Total Commonwealth Transportation Fund</b> | <b>\$ 4,621.3</b> | <b>\$ 4,640.7</b> | <b>\$ 4,706.5</b> | <b>\$ 4,734.9</b> | <b>\$ 4,772.3</b> | <b>\$ 4,818.1</b> | <b>\$ 28,293.8</b> |



# How transportation funding flows down?\*



|                                       |                 |
|---------------------------------------|-----------------|
| Highway Maintenance & Operations Fund | \$2,275,263,000 |
| Commonwealth Transportation Fund      | \$2,186,037,000 |

|                                |                 |
|--------------------------------|-----------------|
| Construction Program Fund      | \$1,158,599,610 |
| Commonwealth Mass Transit Fund | \$502,788,510   |
| Commonwealth Rail Fund         | \$163,952,775   |
| Commonwealth Port Fund         | \$54,650,925    |
| Commonwealth Aviation Fund     | \$32,790,555    |
| Commonwealth Space Flight Fund | \$21,860,370    |
| Priority Transportation Fund   | \$229,533,885   |
| Department of Motor Vehicles   | \$21,860,370    |

|  |                |
|--|----------------|
| WMATA - Federal Match (off the top)    | \$50,000,000   |
| DRPT Administration (3.5% off the top) | \$17,597,598   |
| Non-WMATA Operating Costs              | \$ 117,501,546 |
| Non-WMATA Capital Costs                | \$ 78,334,364  |
| WMATA Operating & Capital Funds        | \$ 202,363,774 |
| Special Transit Programs               | \$ 10,879,773  |
| Transit Ridership & Incentive Program  | \$ 26,111,455  |

|   |               |
|---|---------------|
| Greater Richmond Transit Company (GRTC) | \$ 13,096,694 |
|---|---------------|





Thank you!

Questions?

**Virginians For  
High Speed Rail**

**VIRGINIA  
TRANSIT  
ASSOCIATION**