

**Revenue Estimating Conference
Transportation Revenues
Executive Summary
March 1, 2023**

The Revenue Estimating Conference met on March 1, 2023, to consider the forecast of revenues flowing into the State Transportation Trust Fund (STTF). Including the estimates for FY 2022-23, overall revenues to the STTF during the work program period ending in FY 2027-28 were increased by \$31.8 million or about 0.1 percent. The revised estimates reflect actual revenue collections through January of the 2022-23 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 \$33.1 million or 0.2 percent over the entire work program. Within this total, collections from the Highway Fuel Sales Tax were increased relative to prior forecast while the SCETS fuel tax collections were reduced, producing a net increase of \$8.0 million for the work program period. Further adding to net increase, the forecasts for Off-Highway Fuel Tax and Natural Gas Fuel Tax were increased by \$32.2 million and \$0.1 million, respectively. Moving in the opposite direction, expected collections from the Aviation Fuel Tax were reduced by -\$6.8 million and Fuel Use Tax collections were reduced by -\$0.4 million based on recent experience. A fallout of some of the other forecast changes, the Local Option Distribution over the work program was reduced by -\$3.4 million or approximately -1.1 percent over the prior forecast.

Finally, the forecast for the Rental Car Surcharge was decreased by -\$96.3 million, or -11.6 percent. The new forecast reflects 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 February 23, 2023. In this work program period, receipts to the STTF from motor vehicle related licenses and fees were increased by \$98.4 million or 1.1 percent over the entire work program. Motor Vehicle Licenses are down -\$76.5 million, Initial Registrations are up \$175.4 million, Title Fees are up by less than \$0.1 million, and Motor Carrier Compliance Penalties are down by -\$0.5 million over the work program period.