



GOVERNOR YOUNGKIN'S PROPOSED AMENDMENTS TO THE 2024-2026 BUDGET

Economic Outlook and Revenue Forecast

A BRIEFING FOR THE SENATE FINANCE & APPROPRIATIONS,
HOUSE APPROPRIATIONS, AND HOUSE FINANCE COMMITTEES

Stephen E. Cummings
Secretary of Finance
Commonwealth of Virginia
www.finance.virginia.gov

December 18, 2024

TOPICS FOR DISCUSSION

FISCAL YEAR 2024 YEAR-IN-REVIEW

FISCAL YEAR 2025 YEAR-TO-DATE REVENUE COLLECTIONS

CURRENT ECONOMIC CONDITIONS AND DECEMBER REVENUE FORECAST

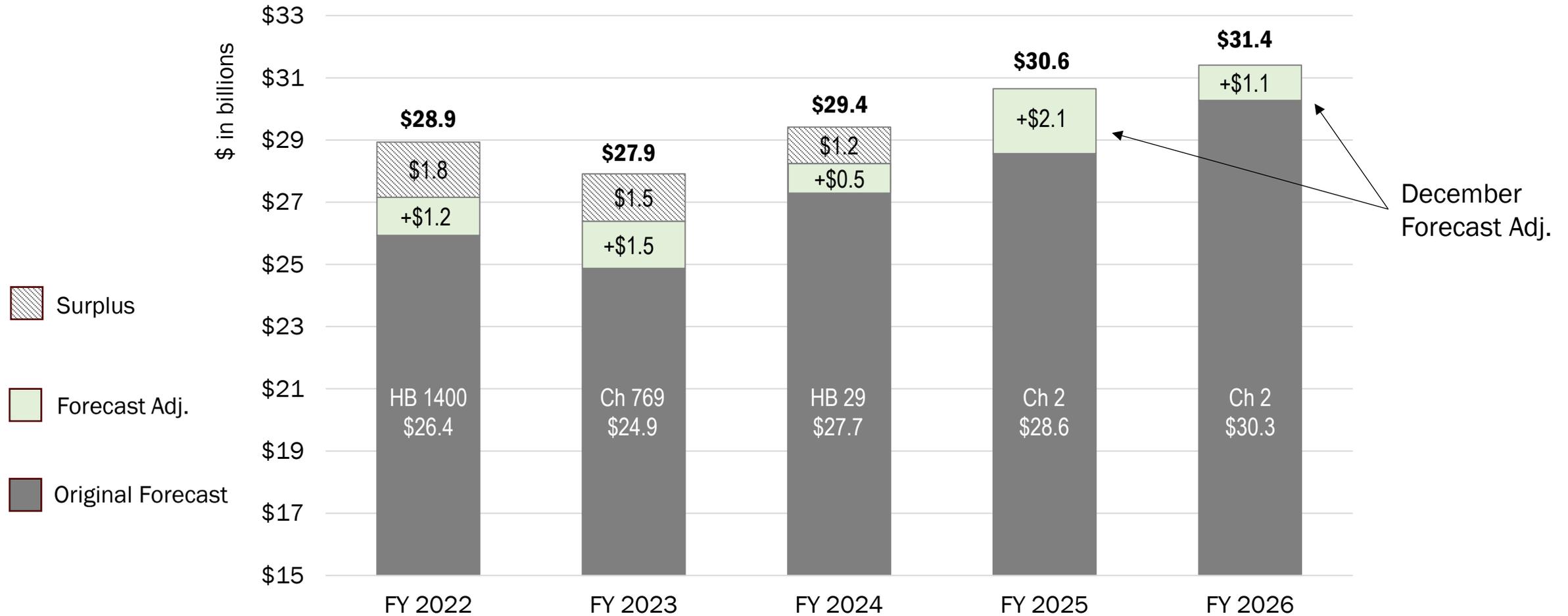
LONGER-TERM OUTLOOK

SUMMARY

- FY 24 closed \$1.7 billion ahead of the December 2023 forecast resulting in a surplus of \$1.2 billion above the official forecast.
- Current year-to-date FY 25 trends continue to show strength as Virginia's economy continues growing. Withholding (58% of total GF revenues) grew by 4.8% in FY 24 and 6.9% through November (FY25), as job and wage growth continues exceeding expectations.
- Preliminary data suggest that a decade-long trend of net out-migration reversed in 2024, with more people moving to Virginia than leaving.
- Total revenues through November are \$763 million higher (7.3%) than prior year, led by strong withholding revenues.
- After consultation with JABE and GACRE, the proposed FY 2025-26 budget amendments reflect a revenue outlook that is modestly higher than the baseline presented at GACRE, which anticipated somewhat slower growth.
- The Fed has signaled further rate cuts over the coming year, and markets expect 75 bps of reduction over the next 12 months, providing some relief to interest sensitive sectors such as housing.
- Given the strength in year-to-date revenues versus the current Chapter 2, revenues for the remainder of the fiscal year could decline by 8.7% and still meet the Chapter 2 forecast, supporting the need for a significant reforecast.
- The December revenue forecast adds \$3.2 billion (\$2.1 billion in FY 25 and \$1.1 billion in FY 26) to the Chapter 2 forecast.
- Through November, revenues are exceeding the December forecast by \$153 million, primarily due to strong withholding revenues.
- Given year-to-date revenue growth of 7.3%, and the assumption of 4.1% growth in the December forecast, GF revenues need only grow 2.3% the remainder of the year.

GF REVENUES HAVE EXCEEDED REVISED FORECASTS

DECEMBER FORECAST CONSISTENT WITH RECENT TRENDS



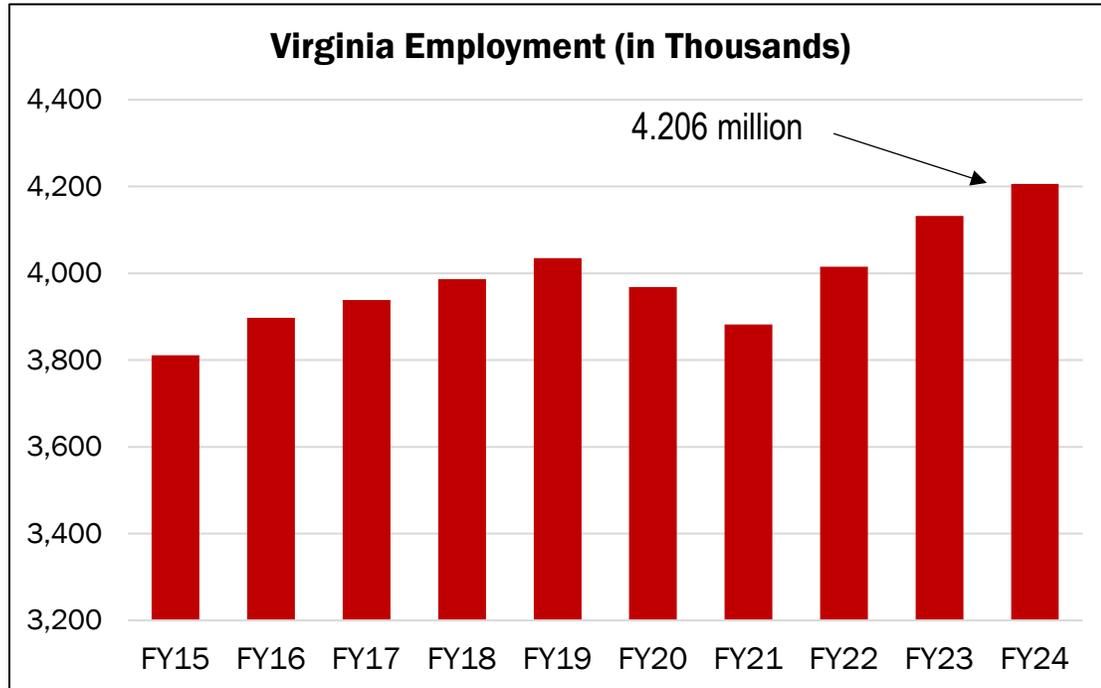
***Revenue totals reflect approximately \$5 billion in reductions from tax cuts and/or rebates FY 2022-24.**

FISCAL YEAR 2024 GENERAL FUND REVENUES TOTALED \$29.4 BILLION, A RECORD HIGH

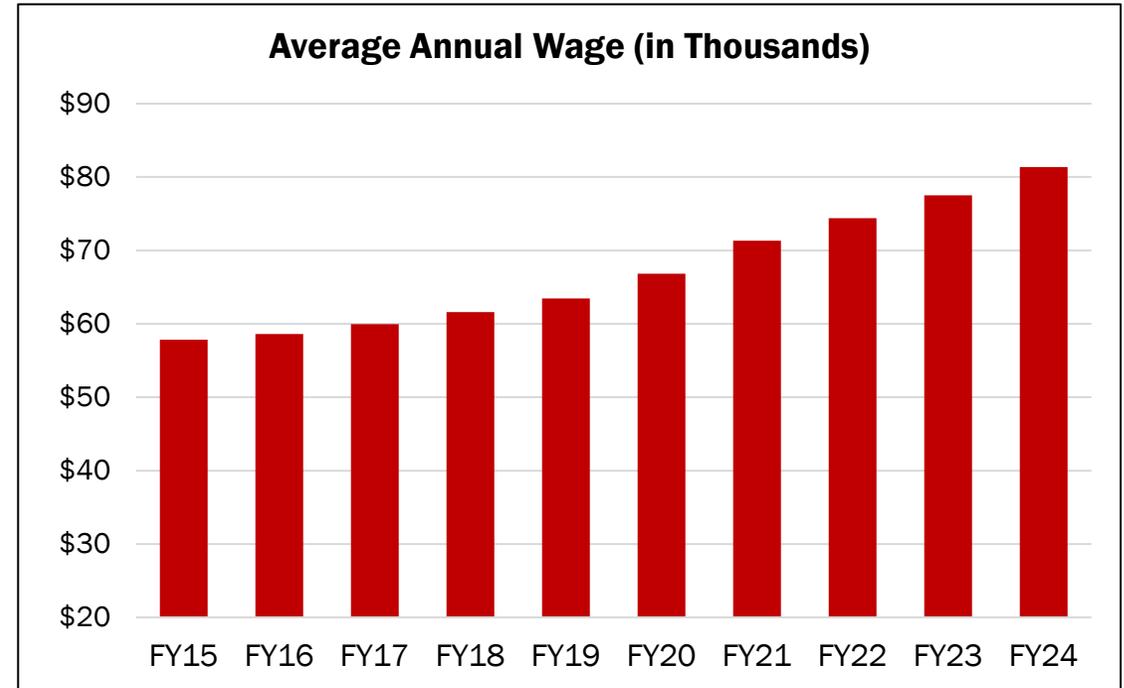
Source, \$ Mil	Actuals				Official Forecast		
	FY 2023	FY 2024	Change	% Change	Ch. 1 Fcst	% Change	Variance
Individual Income Tax	\$18,983.6	\$20,310.4	\$1,326.9	7.0%	\$19,062.9	0.4%	\$1,247.5
Withholding	15,957.2	16,718.2	761.1	4.8%	16,563.5	3.8%	154.7
Nonwithholding	6,629.2	6,563.7	(65.5)	-1.0%	5,813.8	-12.3%	749.9
Refunds	(3,602.8)	(2,971.5)	631.3	-17.5%	(3,314.4)	-8.0%	342.9
Sales and Use Tax	4,734.5	4,709.7	(24.9)	-0.5%	4,515.8	-4.6%	193.9
Corporate Income Tax	2,031.1	1,907.1	(124.1)	-6.1%	2,213.5	9.0%	(306.4)
All Other	2,160.7	2,521.1	360.4	16.7%	2,487.3	15.1%	33.8
Total GF Revenues	\$27,909.9	\$29,448.2	\$1,538.3	5.5%	\$28,279.5	1.3%	\$1,168.7
<i>Total, Excl. Nonwithholding & Refunds</i>	<i>\$24,883.5</i>	<i>\$25,856.0</i>	<i>\$972.5</i>	<i>3.9%</i>	<i>\$25,780.1</i>	<i>3.6%</i>	<i>\$75.9</i>

- FY 2024 general fund revenues were \$1.5 billion higher (5.5%) than FY 2023 and ended with a surplus of \$1.2 billion.
- Payroll withholding accounted for one-half (\$761 million) of the year-over-year increase and grew 4.8 percent over FY 2023.

VIRGINIA EMPLOYMENT GREW 1.8 PERCENT IN FY 2024, REACHING A RECORD HIGH; WAGES GREW 5.0 PERCENT

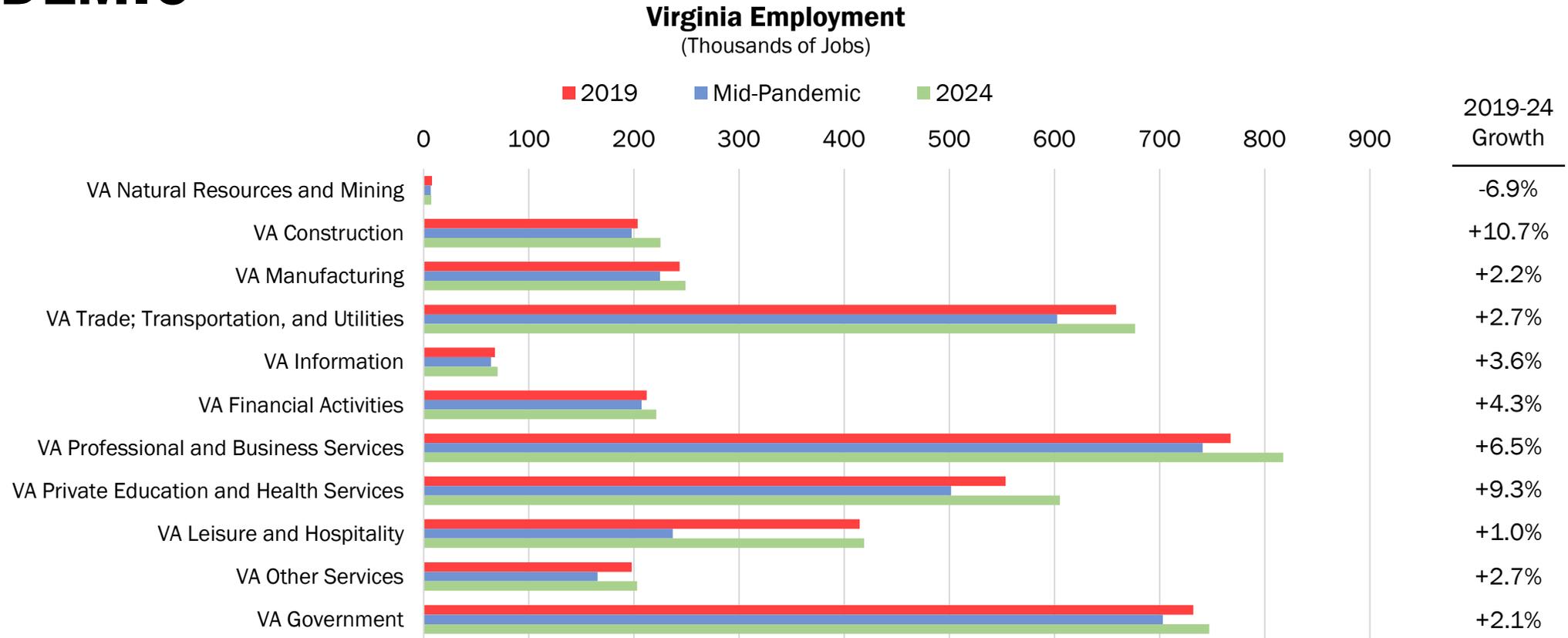


Source: Federal Reserve Bank of St. Louis, All Employees: Total Nonfarm in Virginia, Thousands of Persons, Average of Quarters, Seasonally Adjusted



Source: Moody's Analytics (total wages and salaries per worker, average of quarterly values).

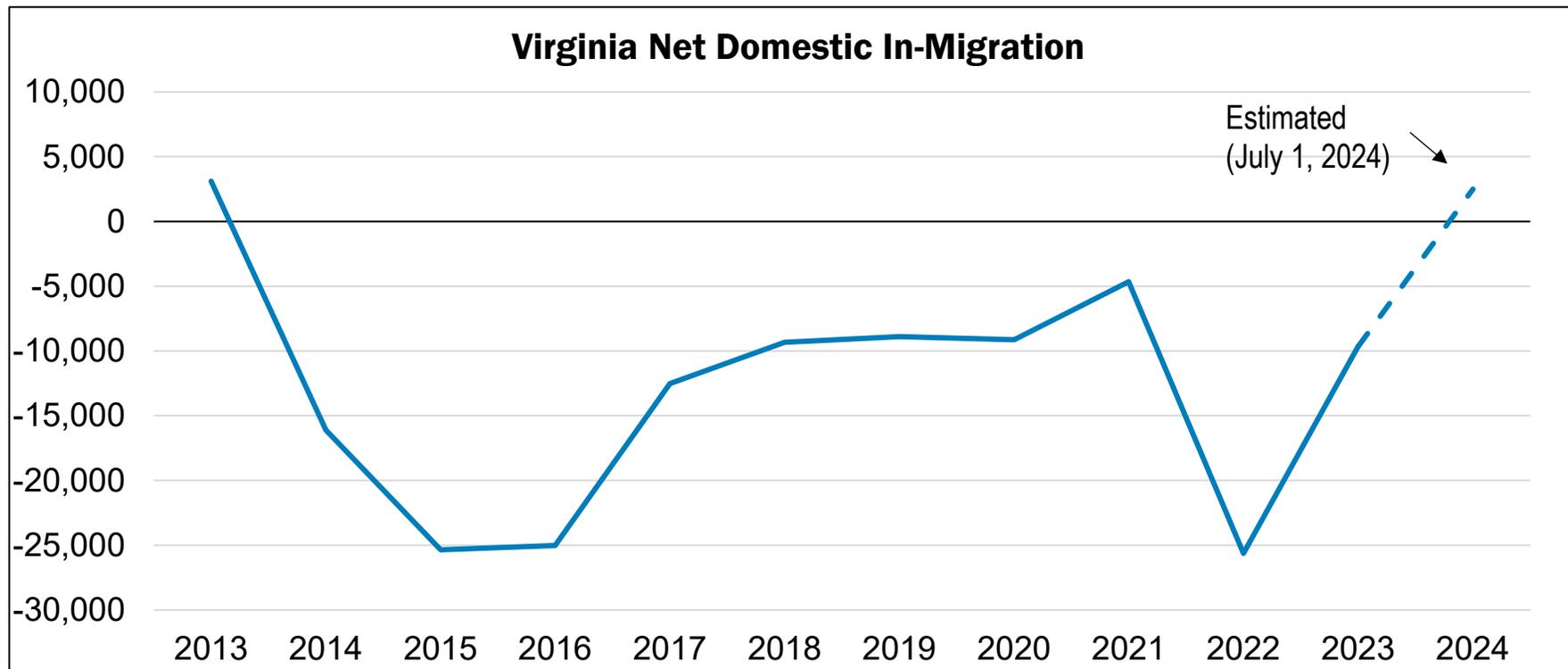
JOB AND WAGES HAVE GROWN STEADILY OUT OF THE PANDEMIC



- Virginia wages and salaries increased 34.5 percent from 2019. This growth in wages has gone along with broad based growth in employment across industries.
- Total private employment is up 5 percent since 2019.

VIRGINIA NET DOMESTIC MIGRATION TURNED POSITIVE IN 2024, REVERSING A DECADE-LONG TREND

- Analyses of recent U.S. Census data, including American Community Survey data, suggest official population estimates will show positive net domestic in-migration for 2024. Official data to be released on December 19.



Source: Census Bureau, Population Estimates Program (PEP) actuals and estimated; VEDP.

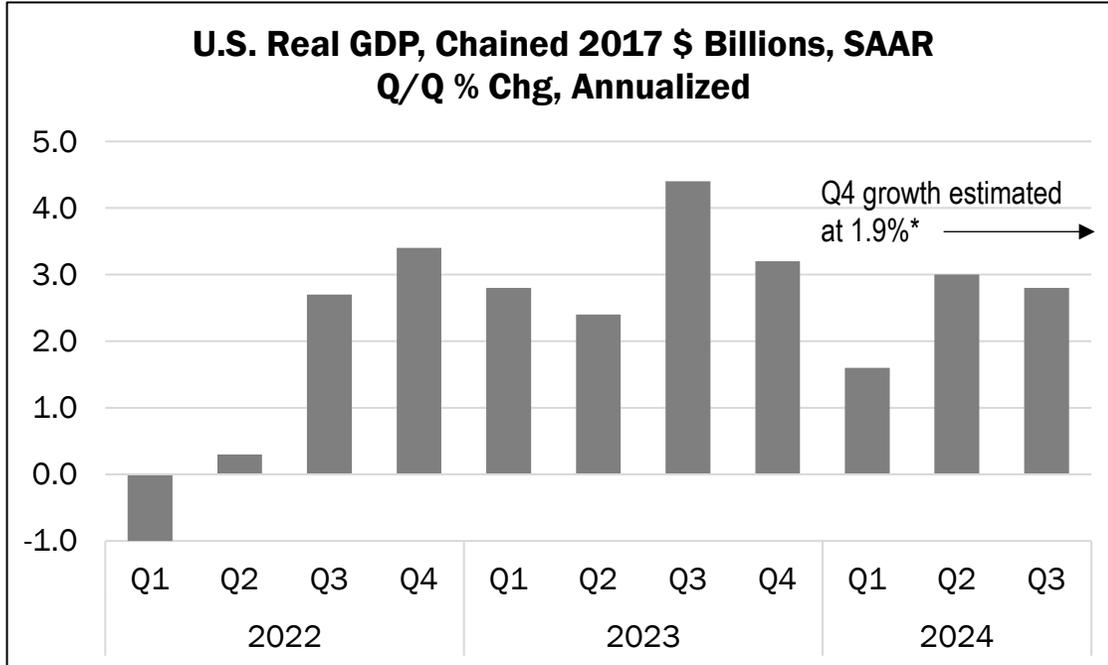
MOMENTUM HAS CONTINUED INTO FY 2025

REVENUES ARE UP 7.3 PERCENT YEAR-OVER-YEAR THROUGH NOVEMBER

SOURCE, \$ Mil	November				FYTD			
	FY 24	FY 25	Change \$	Change %	FY 24	FY 25	Change \$	Change %
Withholding	\$1,415.2	\$1,432.4	\$17.1	1.2%	\$6,555.8	\$7,007.2	\$451.4	6.9%
Non-withholding	115.3	121.0	5.7	4.9%	1,406.3	1,700.0	293.7	20.9%
IIT Refunds	(250.0)	(242.8)	7.1	-2.9%	(988.8)	(894.1)	94.6	-9.6%
Net Individual Income	\$1,280.6	\$1,310.5	\$29.9	2.3%	\$6,973.4	\$7,813.1	\$839.7	12.0%
Sales & Use Tax	385.8	415.0	29.2	7.6%	1,975.2	2,010.9	35.7	1.8%
Net Corporate Income Tax	35.7	6.2	(29.5)	-82.6%	647.3	469.9	(177.4)	-27.4%
Insurance	-	-	-	-	-	-	-	-
Wills, Suits, Deeds	28.0	37.9	9.9	35.4%	164.0	195.2	31.2	19.0%
Interest Income	116.7	110.4	(6.3)	-5.4%	401.9	385.8	(16.1)	-4.0%
All Other	111.5	107.0	(4.5)	-4.1%	281.3	331.5	50.2	17.8%
Total GF Revenues	\$1,958.2	\$1,989.6	\$31.4	1.6%	\$10,443.0	\$11,206.3	\$763.2	7.3%

- Fiscal year-to-date general fund revenues are \$763.2 million higher than the same period last year (+7.3 percent).
- Withholding, driven by strength in wages and employment, has added \$451.4 million of that growth.
- Nonwithholding, contributed an additional \$293.7 million.
- Volatility in corporate income tax presents a concern, and the forecast presented here today has accounted for such volatility.

U.S. ECONOMY CONTINUES GROWING AT A HEALTHY PACE



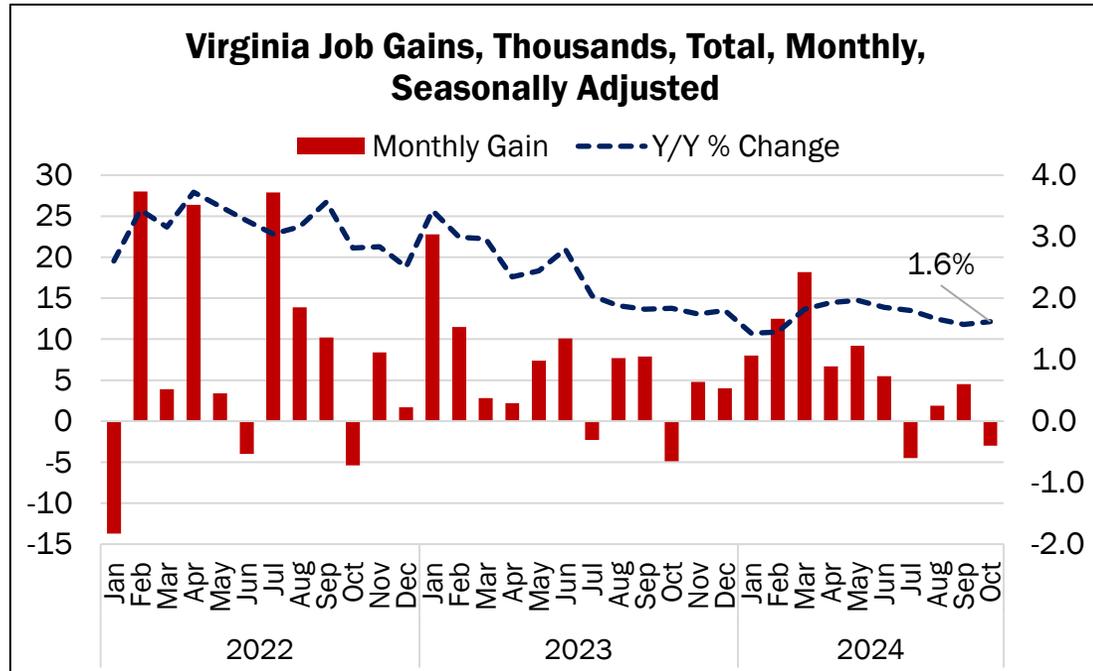
Source: U.S. Bureau of Economic Analysis. *NY Fed Nowcast Estimates.



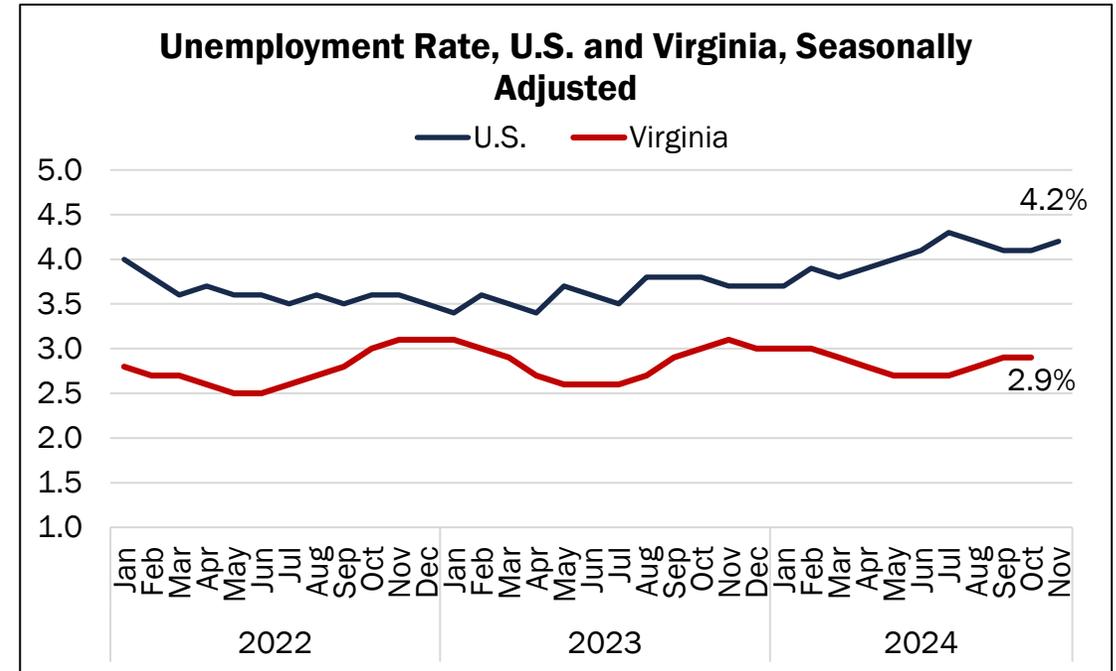
Source: US Bureau of Labor Statistics (Establishment Survey).

- Real GDP growth remains strong, increasing at an annual rate of 2.8 percent in Q3 of 2024 and 3.0 percent in Q2 of 2024. The largest positive contribution to real GDP growth in Q3 came from personal consumption.
- The November jobs report was stronger than expected, adding 227,000 jobs for the month. Payroll gains for September and October were also revised up by a total of 56,000. Private sector payrolls rose 194,000 in November and were revised up by 56,000 in prior months.

VIRGINIA EMPLOYMENT CONSISTENTLY GROWING AT 1.5 TO 2.0 PERCENT YEAR-OVER-YEAR, UNEMPLOYMENT WELL BELOW THE U.S.



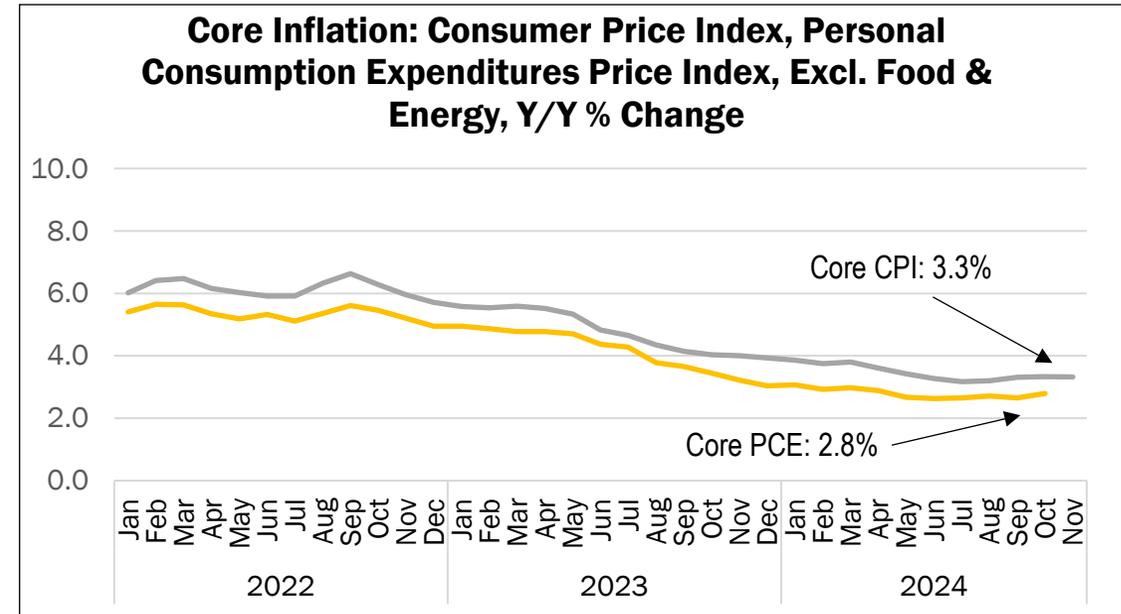
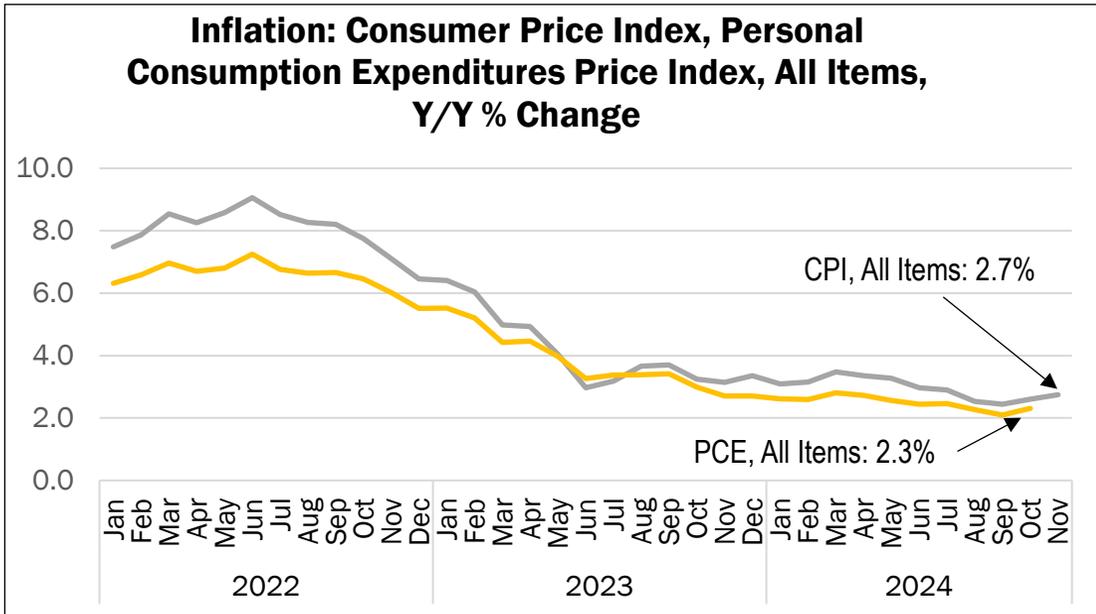
Source: US Bureau of Labor Statistics



Source: US Bureau of Labor Statistics

- In October, payroll employment in Virginia was 1.6 percent higher than prior year. Total nonagricultural employment, from the monthly establishment survey decreased month-over-month by 3,000 to 4.25 million. Private sector employment decreased by 3,700 while government employment increased by 700. September's estimate, after revision, increased by 2,400.
- Virginia's unemployment rate was unchanged at 2.9 percent in October, while the nationwide rate increased slightly in November to 4.2 percent.

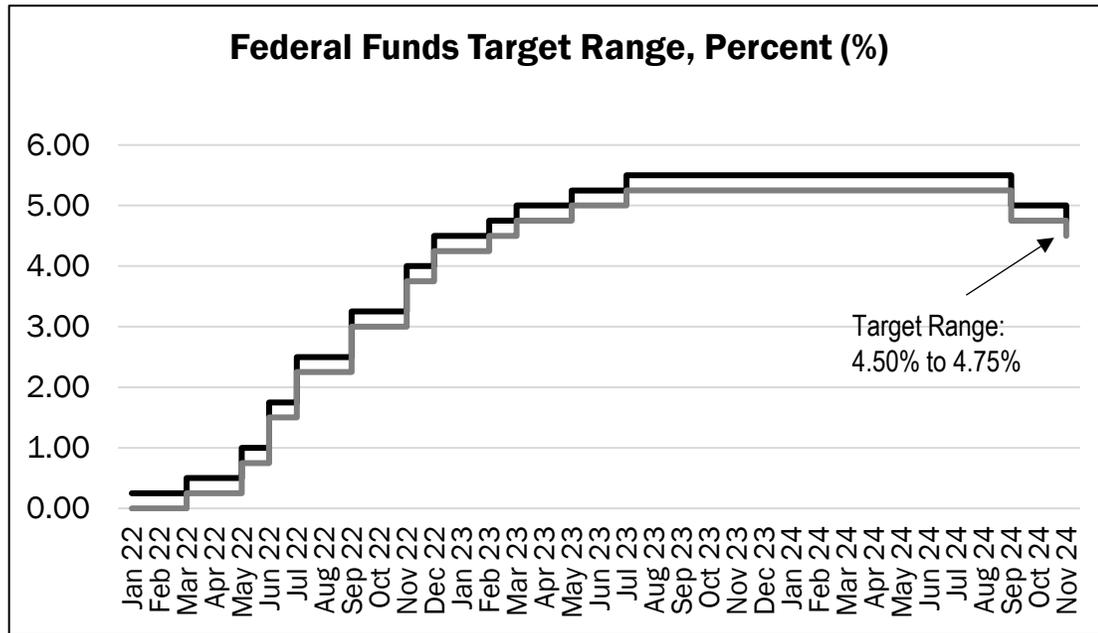
CORE INFLATION MEASURES CONTINUE TO MODERATE



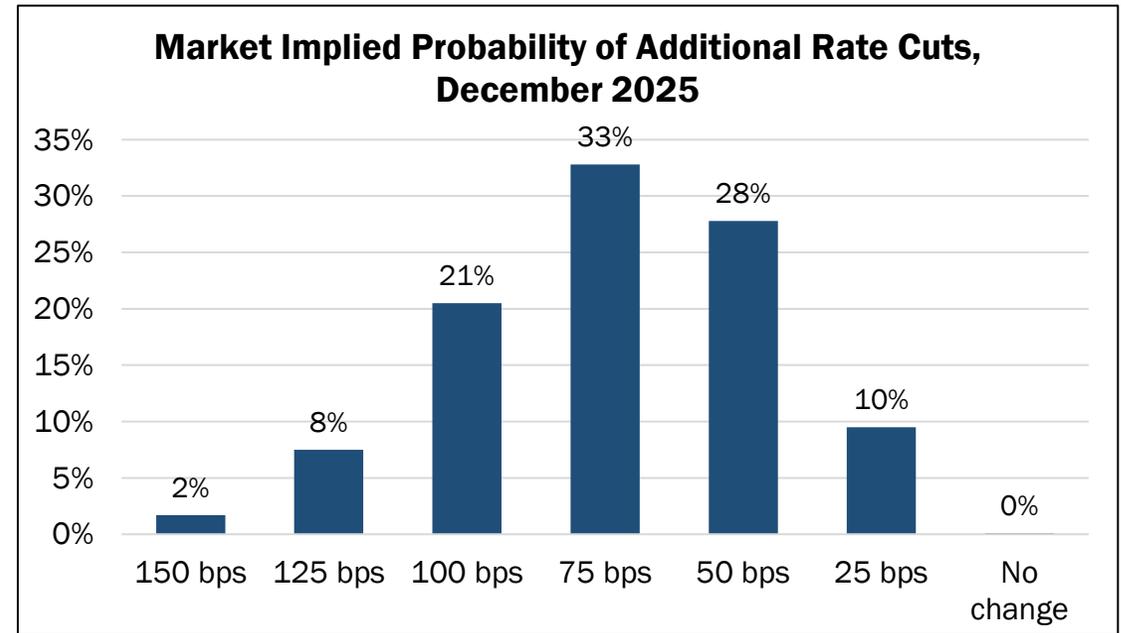
Sources: Federal Reserve Bank of St. Louis; US Bureau of Labor Statistics; US Bureau of Economic Analysis (CPI is not seasonally adjusted; PCE is seasonally adjusted).

- The Federal Reserve’s preferred inflation measure, the year-over-year change in the personal consumption expenditure (PCE) price index increased slightly in October to 2.3 percent, versus the Fed’s 2-percent target. The 12-month change in the Core PCE was at 2.8 percent.
- The 12-month change in the Consumer Price Index (CPI) for November was 2.7 percent, 0.1 percentage points higher than the previous month, while the Core CPI was unchanged at 3.3 percent.

FED CUTS INTEREST RATES BY 50 BPS IN SEPTEMBER AND 25 BPS IN NOVEMBER; FURTHER CUTS EXPECTED



Source: Federal Reserve of St. Louis, Federal Reserve Board.



Source: CME Group, FedWatch Tool, Dec 16, 2024.

- Following September's half-point cut, the Federal Reserve lowered the federal funds rate by a further 25 basis points, as expected. The Fed sees risks to inflation and employment as roughly in balance and is expected to continue loosening policy.
- Fed Funds futures contracts prices indicate that the market is pricing in a 60 percent likelihood of rate cuts totaling at least 75 bps by the end of 2025. Markets anticipate a 25 bps reduction at the December 18, 2024, meeting.

BUSINESS AND CONSUMER CONFIDENCE IS STRENGTHENING

- The National Federation of Independent Businesses (NFIB) **Small Business Optimism Index** rose by 8 points in November to 101.7, after 34 months of remaining below the 50-year average of 98. This is the highest reading since June 2021.
- The University of Michigan **Index of Consumer Sentiment** increased to a reading of 74.0 in December, up from 71.8 in November. This is a month-over-month increase of 3.1 percent and up 6.2 percent year-over-year.
- The Conference Board **Consumer Confidence Index** rose in November to its highest level in more than a year, driven by improved sentiment about both the current economic situation and future expectations. The consumer confidence index rose to 111.7 from an upwardly revised 109.6 in October.
- The **Richmond Federal Reserve's CFO Survey**, focused on large businesses in the region, reported a rise in its economic optimism index of 5.3 points in November, or 8.7 percent month-over-month, also reaching its highest level since June 2021.

WITH REVENUES WELL AHEAD OF CHAPTER 2, A SUBSTANTIAL UPWARD ADJUSTMENT TO FY 2025 REVENUES IS APPROPRIATE

November Year-to-Date Collections and FY25 Chapter 2 Forecast

SOURCE, \$ Mil	FY24 Thru November	FY25 Thru November	Actuals FY24 Remaining	Chapter 2 FY25 Remaining	YTD Nov Growth	Dec-Jun Rev Growth Needed	Dec-Jun FY24 Growth
Withholding	\$6,555.8	\$7,007.2	\$10,162.4	\$9,622.2	6.9%	-5.3%	6.8%
Non-withholding	1,406.3	1,700.0	5,157.4	3,931.1	20.9%	-23.8%	-3.0%
IIT Refunds	(988.8)	(894.1)	(1,982.7)	(2,121.6)	-9.6%	7.0%	-13.4%
Net Individual Income	\$6,973.4	\$7,813.1	\$13,337.1	\$11,431.7	12.0%	-14.3%	6.4%
Sales & Use Tax	1,975.2	2,010.9	2,734.5	2,681.5	1.8%	-1.9%	-0.5%
Corporate Income Tax	647.3	469.9	1,259.8	1,595.6	-27.4%	26.7%	-17.1%
Insurance	-	-	468.2	439.3		-6.2%	3.8%
Wills, Suits, Deeds	164.0	195.2	242.5	261.5	19.0%	7.9%	7.6%
Interest Income	401.9	385.8	297.8	338.5	-4.0%	13.7%	23.3%
All Other	281.3	331.5	665.4	609.5	17.8%	-8.4%	7.4%
Total GF Revenues	\$10,443.0	\$11,206.3	\$19,005.2	\$17,357.5	7.3%	-8.7%	3.6%

- Because revenue collections are ahead of last year by 7.3 percent, revenues could decline 8.7 percent year-over-year the rest of the fiscal year and still meet the forecast assumed in Chapter 2.
- In that same period last year, revenues grew 3.6 percent.

THE DECEMBER FORECAST REFLECTS THE FEEDBACK OF THE GOVERNOR’S ADVISORY COUNCIL ON REVENUE ESTIMATES

- The **Joint Advisory Board of Economists** (“JABE”) met on October 8 and reviewed underlying economic assumptions.
- JABE members were generally in agreement with a slow-growth “Baseline” outlook.
- One member endorsed the “Above Baseline” scenario.
- The **Governor’s Advisory Council on Revenue Estimates** (“GACRE”) met on November 25 and reviewed economic assumptions and the preliminary baseline and alternative revenue forecasts.

Key Virginia Economic Indicators					
(annual percent change)					
	Long Run	FY24	FY25 To	Dec Forecast	
	Average	Actual	Date	FY25	FY26
GSP	2.2%	3.1%	3.0%	1.5%	1.7%
VA Average Wage	3.8%	5.0%	4.8%	3.5%	2.5%
VA Employment	1.2%	1.8%	1.4%	1.2%	1.0%

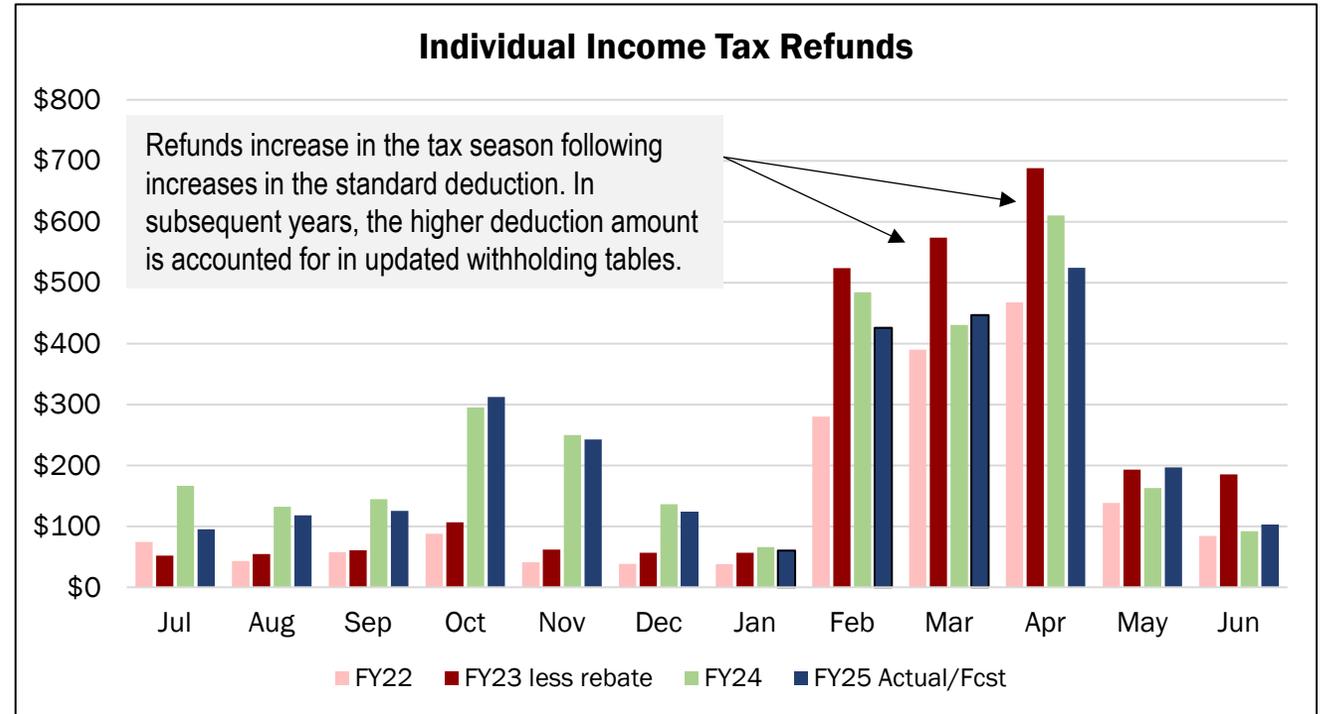
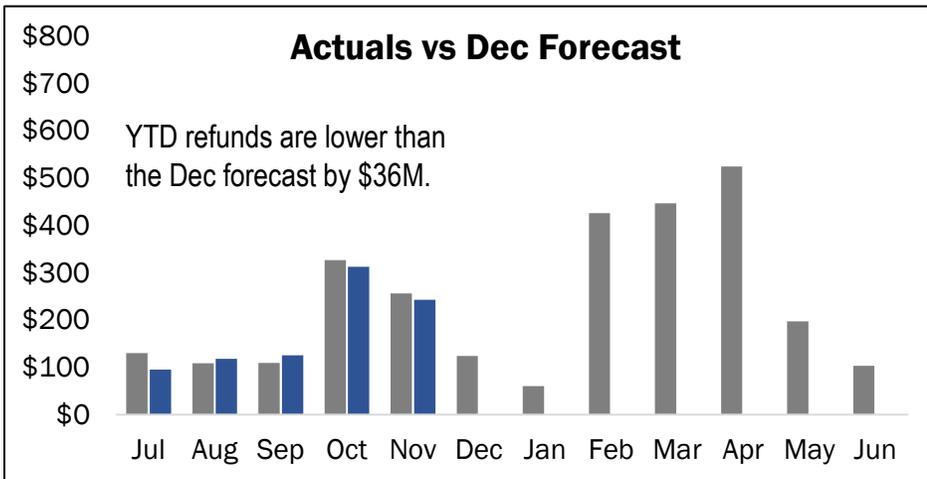
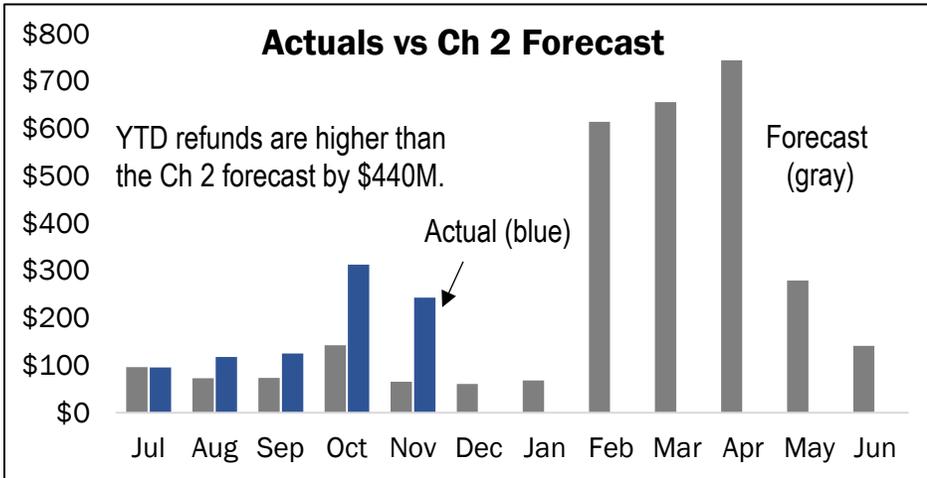
- GACRE members were generally more optimistic. Multiple members endorsed the “Above Baseline” forecast or suggested “Baseline Plus” with the remainder of members supporting the Baseline.
- Accordingly, the December forecast includes modest upward adjustments to the forecast relative to the forecast presented at GACRE.
- In addition, the December forecast includes adjustments to timing assumptions which mainly affect monthly projections for nonwithholding and individual income tax refunds, and further adjustments are included which are based on year-to-date collections through November.

THE DECEMBER FORECAST ADDS \$2.1 BILLION IN GF REVENUES IN FY 2025 AND \$1.1 BILLION IN FY 2026

Revenue (\$ mil.)	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026			Total
	Actuals	Ch. 2 Forecast	December Forecast	Change	Ch. 2 Forecast	December Forecast	Change	Change
Withholding	\$16,718.2	\$16,629.4	\$17,580.8	\$951.5	\$17,739.9	\$17,905.3	\$165.4	\$1,116.9
Nonwithholding	6,563.7	5,631.1	6,778.5	1,147.4	5,699.1	6,382.7	683.6	1,831.0
Refunds	(2,971.5)	(3,015.8)	(2,811.6)	204.2	(2,743.4)	(2,494.1)	249.2	453.4
Net Individual Income	\$20,310.4	\$19,244.7	\$21,547.7	\$2,303.0	\$20,695.7	\$21,793.9	\$1,098.3	\$3,401.3
Sales & Use Tax	4,709.7	4,692.3	4,797.9	105.6	4,889.3	4,987.4	98.0	203.7
Corporate Income	1,907.1	2,065.5	1,791.5	(274.0)	2,164.7	1,995.4	(169.3)	(443.3)
All Other Sources	2,520.9	2,561.3	2,511.3	(50.0)	2,525.8	2,629.8	104.0	54.0
Total GF Revenues	\$29,448.2	\$28,563.8	\$30,648.4	\$2,084.7	\$30,275.5	\$31,406.5	\$1,131.0	\$3,215.6
Total Transfers	12.7	1,128.1	1,354.7	226.6	1,714.8	1,541.0	(173.7)	52.9
Total General Fund	\$29,460.8	\$29,691.9	\$32,003.1	\$2,311.2	\$31,990.5	\$32,947.6	\$957.0	\$3,268.3

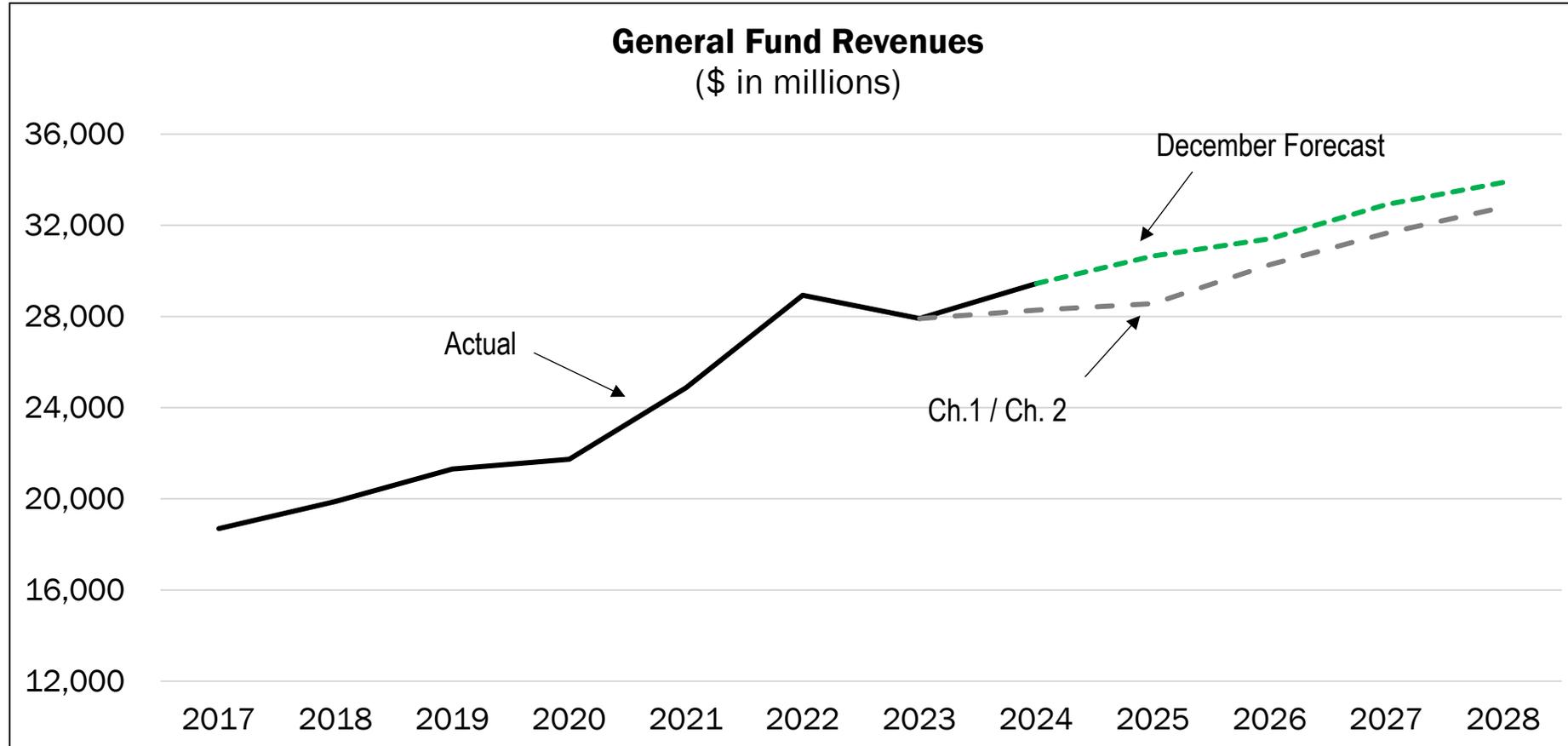
- Individual income tax is predicted to come in \$2.3 and \$1.1 billion higher than Chapter 2. Nonwithholding accounts for \$1.8 billion of the \$3.4 billion increase in individual income tax revenues.
 - In FY 2025, the December forecast anticipates a modest, 3.3 percent increase in nonwithholding versus the Chapter 2 assumption of a 14.2 percent decline.
- Chapter 2 predicted sales & use tax to decline in Fiscal Year 2025, while the new forecast expects modest growth.
- The forecast is more cautious in corporate income tax which has been more volatile.

INDIVIDUAL INCOME TAX REFUNDS



- The forecast for individual income tax refunds is adjusted for economic assumptions and for timing.
- For the full year, refunds are forecasted to decline 5.5 percent in FY 2025.
- Ch 2 projected an increase in filing season refunds, similar to the increase in FY 2023. The December forecast anticipates a more normal pattern and accounts for retroactive PTET.

THIS DECEMBER FORECAST RELATIVE TO CHAPTER 2 ASSUMPTIONS



DECEMBER GENERAL FUND FORECAST FOR FISCAL YEARS 2025-26

Composition of the December Revenue Forecast (GF dollars in millions)

	FY 2025	FY 2026	2024-26 Biennium
General Fund Revenues: GACRE	\$30,515.5	\$31,340.9	\$61,856.4
<i>Y/Y Growth</i>	3.6%	2.7%	
Post-GACRE Adjustments:			
Economic Outlook Adjustments	<u>\$147.4</u>	<u>\$111.4</u>	<u>\$258.8</u>
General Fund Revenues After Economic Adjustments	\$30,662.8	\$31,452.3	\$62,115.2
Policy Adjustments	<u>(\$14.4)</u>	<u>(\$45.8)</u>	<u>(\$60.2)</u>
General Fund Revenues: December	\$30,648.4	\$31,406.5	\$62,054.9
<i>Y/Y Growth</i>	4.1%	2.5%	
Increase over Chapter 2: December	\$2,084.6	\$1,131.0	\$3,215.6

Excludes GF transfers. Totals may not sum due to rounding.

FISCAL YTD THROUGH NOVEMBER, GF REVENUES ARE \$153 MILLION AHEAD OF THIS DECEMBER FORECAST

SOURCE, \$ Mil	November				FYTD			
	Actuals	Projected	Variance \$	Variance %	Actuals	Projected	Variance \$	Variance %
Withholding	\$1,432.4	\$1,306.0	\$126.4	9.7%	\$7,007.2	\$6,927.3	\$79.9	1.2%
Non-withholding	121.0	113.9	7.0	6.2%	1,700.0	1,682.6	17.4	1.0%
IIT Refunds	(242.8)	(256.1)	13.2	-5.2%	(894.1)	(930.0)	35.9	-3.9%
Net Individual Income	\$1,310.5	\$1,163.8	\$146.7	12.6%	\$7,813.1	\$7,679.8	\$133.2	1.7%
Sales & Use Tax	415.0	392.6	22.4	5.7%	2,010.9	2,010.2	0.7	0.0%
Corporate Income Tax	8.8	19.9	(11.1)	-55.9%	469.9	503.2	(33.3)	-6.6%
Insurance	-	-	-	0.0%	-	-	-	0.0%
Wills, Suits, Deeds	37.9	31.9	6.0	18.9%	195.2	176.6	18.6	10.5%
Interest Income	110.4	102.9	7.5	7.3%	385.8	360.0	25.8	7.2%
All Other	331.5	106.1	0.9	0.8%	331.5	323.3	8.2	2.5%
Total GF Revenues	\$1,989.6	\$1,817.2	\$172.3	9.5%	\$11,206.3	\$11,053.1	\$153.2	1.4%
Total, Excl. NWH and Refunds	\$2,111.4	\$1,959.4	\$152.1	7.8%	\$10,400.4	\$10,300.5	\$99.9	1.0%

- Revenues are \$153.2 million ahead of the December forecast driven by a significant positive variance in withholding collections for the month of November. Minor positive variances in nonwithholding and refunds are mainly due to timing adjustments reflected in the December forecast relative to Chapter 2.
- The December forecast includes updated understanding of Tax Year 2021 PTET utilization and timing (reflected in nonwithholding and refunds) vs. the Chapter 2 forecast.

REVENUES NEED ONLY GROW 2.3 PERCENT OVER THE REST OF THE YEAR

November Year-to-Date Collections and FY25 December Forecast

SOURCE, \$ Mil	FY24 Thru November	FY25 Thru November	FY24 Remaining	FY25 Remaining	YTD Nov Growth	Dec-Jun	Dec-Jun
						Rev Growth Needed	FY24 Growth
Withholding	\$6,555.8	\$7,007.2	\$10,162.4	\$10,573.6	6.9%	4.0%	6.8%
Non-withholding	1,406.3	1,700.0	5,157.4	5,078.5	20.9%	-1.5%	-3.0%
IIT Refunds	(988.8)	(894.1)	(1,982.7)	(1,917.4)	-9.6%	-3.3%	-13.4%
Net Individual Income	\$6,973.4	\$7,813.1	\$13,337.1	\$13,734.7	12.0%	3.0%	6.4%
Sales & Use Tax	1,975.2	2,010.9	2,734.5	2,787.1	1.8%	1.9%	-0.5%
Corporate Income Tax	647.3	469.9	1,259.8	1,321.6	-27.4%	4.9%	-17.1%
Insurance	-	-	468.2	485.7		3.7%	3.8%
Wills, Suits, Deeds	164.0	195.2	242.5	262.4	19.0%	8.2%	7.6%
Interest Income	401.9	385.8	297.8	231.3	-4.0%	-22.3%	23.3%
All Other	281.3	331.5	665.4	619.3	17.8%	-6.9%	7.4%
Total GF Revenues	\$10,443.0	\$11,206.3	\$19,005.2	\$19,442.2	7.3%	2.3%	3.6%

- For the remainder of FY 2025, net individual income tax revenues (approximately 70 percent of GF revenues) need to grow by only 3 percent versus 12 percent year-to-date and 6.4 percent in the same period in FY 2024.
- Corporate income tax collections are down year-over-year mainly due to refund activity. On a year-over-year basis, net corporate tax collections are projected to increase over the December to June period.

POLICY ACTIONS SUPPORT THE WORKING CLASS, MAKE VIRGINIA MORE COMPETITIVE, AND MODERNIZE THE TAX CODE

Policy Adjustments (GF dollars in millions)

	Pre-Funded FY 2025	Revenue Adjustments		
		FY 2025	FY 2026	2024-26 Biennium
Working-Class Car Tax Credit (3 years pre-funded)*	(\$1,103.0)			
Make Existing Virginia Standard Deduction Permanent		\$0	\$0	\$0
Eliminate Tax on Tips**		\$0	(\$35.0)	(\$35.0)
Provide for Full Utilization of Educ. Improvement Scholarship Tax Credit		(\$4.0)	(\$4.0)	(\$8.0)
Implement Market Based Sourcing		\$0	\$0	\$0
Modernize Requirement for Estimated Tax Payments		(\$10.4)	(\$1.1)	(\$11.5)
Make Tax Due/Refund Interest Rate Equal to Federal		\$0	(\$10.0)	(\$10.0)
Reduction of Interest Payments Due to Refund Acceleration		\$0	\$4.3	\$4.3
Total	(\$1,103.0)	(\$14.4)	(\$45.8)	(\$60.2)

Totals may not sum due to rounding. * Three years pre-funded. See Item 255. Revenue reductions assumed beginning in FY 2029.

** FY 26 reflects partial taxable year impact; impact in FY 27 and thereafter is approx. \$70m.

CAR TAX CREDIT (-\$1.1 BILLION GF IN FY25)

REFUNDABLE INCOME TAX CREDIT BEGINNING IN 2025

Credit Amount

- Permanent, refundable, income tax credit equal to amount of local property tax paid on personal-use vehicles, up to \$150 (\$300 if married filing jointly).
- If itemized deductions are elected, taxpayers must add back property tax deducted for personal-use vehicles.

Working Class

- Limited to taxpayers making less than \$50,000 (\$100,000 if married filing jointly).
- Taxpayers are paying more in car taxes due to inflation/increases in vehicle valuation and ownership of more cars.
- Average car tax bill is ~\$290; credit could eliminate car tax burden for one car owned by a working-class family.

Car Tax Increases

- Restricts credit to residents living in jurisdictions where the governing body does not increase the personal property tax rate levied by more than 2.5 percent annually.

Budget Impact

- Prefunded for first three years, with an appropriation of FY 2025 surplus revenues.
- Revenue reduction assumed in forecast after first three years.

NO TAX ON TIPS (-\$35M IN FY 26)

Federal Elimination of the Tip Tax

There is wide-spread support for eliminating income taxes on tip income

- Congress is currently considering legislation (S.4621/H.R.8941) that would exempt tip income from federal income taxation.
- Both the Harris and the Trump campaigns proposed plans to eliminate federal income taxes on tip income.
- Even if Congress were to pass legislation, state-level legislation still required because revenue impact is greater than conformity threshold.

Virginia Elimination of the Tip Tax

Would increase the progressivity of Virginia's income tax

- Reducing the tax burden on >250,000 working-class Virginians who receive tip income.
- Primarily benefits workers in the food service, personal service, and hospitality industries.
- Applies to "cash tips," which includes both cash payments and electronically paid tips (i.e., credit/debit cards).
- Estimated full-year annualized revenue loss of approximately \$70 million is assumed in the official revenue forecast beginning in FY27.

FEDERAL TAX CUTS AND JOBS ACT (TCJA) RENEWAL IN 2025

– ACTION NEEDED BY VIRGINIA

- Leaders of the next Congress and federal administration are widely discussing how and when to renew the TCJA in 2025, including the higher standard deduction, limitation on itemized deductions, and lower rates.
- Expiration of the TCJA, which is set to occur at the end of 2025, unless renewed, would cause the largest tax increase in US history.
- **Virginia will need to act.**
- The Governor and General Assembly increased the standard deduction from \$3,000 (\$6,000 for married couples) to its current thresholds of \$8,500/\$17,000.
- Unless extended, the increased standard deduction will expire at the end of 2025 – causing one of the largest tax increases in Virginia history, which would disproportionately impact lower- and middle-income taxpayers.
- Action to ensure the standard deduction increase continues is needed before 2026 to prevent this major tax increase, reduce payment errors, and provide clarity to employers making individual withholding payments in 2026.
- In addition, extending now would provide economic certainty for taxpayers.

MAKING THE EXISTING VIRGINIA STANDARD DEDUCTION PERMANENT

Virginia's Standard Deduction Amounts					
	TY 2018 & Prior	TY 2019 – 2021	TY 2022 & 2023	TY 2024 & 2025	TY 2026 & After
Single	\$3,000	\$4,500	\$8,000	\$8,500	\$3,000
Married Filing Jointly	\$6,000	\$9,000	\$16,000	\$17,000	\$6,000

If current standard deduction amounts are not extended, Virginia will fall back to 2017 (pre-TCJA) levels.



- Revenue impact is already assumed in the forecast.
- **Failure to pass prior to January 1, 2026, would result in tax increases of \$557.2 million in FY 2026 and \$1.16 billion in FY 2027.**

VIRGINIA'S TAX SYSTEM MUST EVOLVE TO COMPETE

- To retain our competitiveness and reduce complexity, Virginia should:
 - Adopt Market Based Sourcing to attract and retain higher growth services businesses.
 - Simplify compliance by modernizing requirements for individual income tax estimated payments.
 - Equalize Virginia's interest rates with the federal rates.

MODERNIZING THE TAX CODE: MARKET-BASED SOURCING

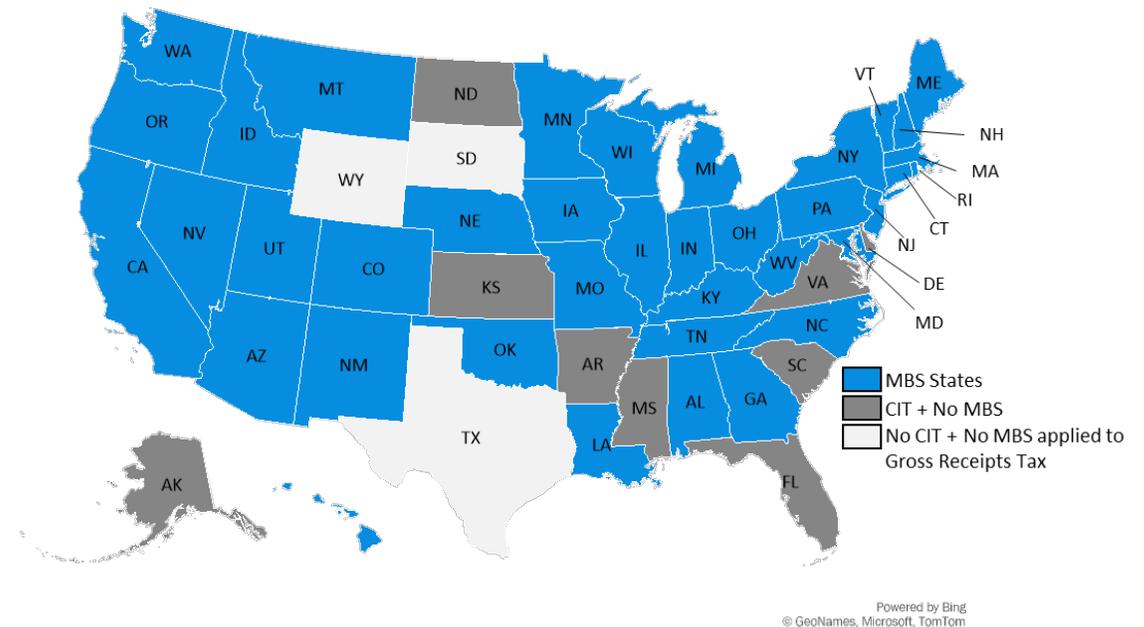
- Under market-based sourcing, for purposes of the corporate income tax, all sales (not just sales of tangible personal property) are sourced to where the corporation’s market or customers are located.

Method	Sales of ...		
	Tangible Personal Property	Intangible Property	Services
Cost of Performance	Where property is delivered	Where the greater proportion of cost of performance are	Where greater proportion of cost of performance are located
Market-Based Sourcing	Where property is delivered	Where intangible property is used	Where benefit of the service received by customer and/or where service is delivered

- The Cost of Performance method penalizes Virginia-based multi-state service providers.
- MBS ensures that out-of-state businesses are paying their fair share and prevents them from benefiting from “nowhere income.” It protects in-state businesses from double taxation from other MBS states.
- It is estimated that Virginia would potentially lose revenue in the first two years of implementation (no more than \$25m in FY27-28 combined) but that there would be a small net revenue increase over time as out-of-state businesses comply.

MODERNIZING THE TAX CODE: MARKET-BASED SOURCING

- Critical strategic priority for VEDP Innovative Framework restructuring.
- Knowledge work is projected to account for 62% of job growth in the US over the next decade. Virginia must win in this sector to deliver relative job growth.
- Knowledge Work includes:
 - Aerospace & defense innovation
 - Business & financial services
 - Software & cybersecurity
- Corporate income taxes (CIT) are levied in 44 states. NV, OH, TX, and WA impose gross receipts taxes instead of CIT.
- VA is one of eight CIT states without Market-Based Sourcing.



Cluster	Employment (2024)	Empl. CAGR (2024-34)	Share of Tradeable Sectors
Knowledge Work	776,910	0.9%	62.3%
Manufacturing	161,894	0.3%	3.8%
Logistics	227,551	0.4%	7.2%
Total Core Sectors	1,166,355	0.7%	73.3%

Source: VEDP, Tax Foundation.

MODERNIZING THE THRESHOLD FOR ESTIMATED TAX PAYMENTS

- Individual taxpayers are required to make estimated tax payments if their liability exceeds \$150 for the year—increasing the threshold from \$150 to \$1,000 would exempt an estimated 59,000 taxpayers from the time, cost, and potential penalties of meeting the estimated tax payment requirement.

Competitors Have Higher Thresholds

- \$500 threshold for Maryland and Kentucky
- \$1,000 threshold for Federal and North Carolina

Virginia's Threshold is Outdated

- Threshold has been \$150 for over 40 years
- Has not been updated since before 1987

Virginia's Threshold is Burdensome

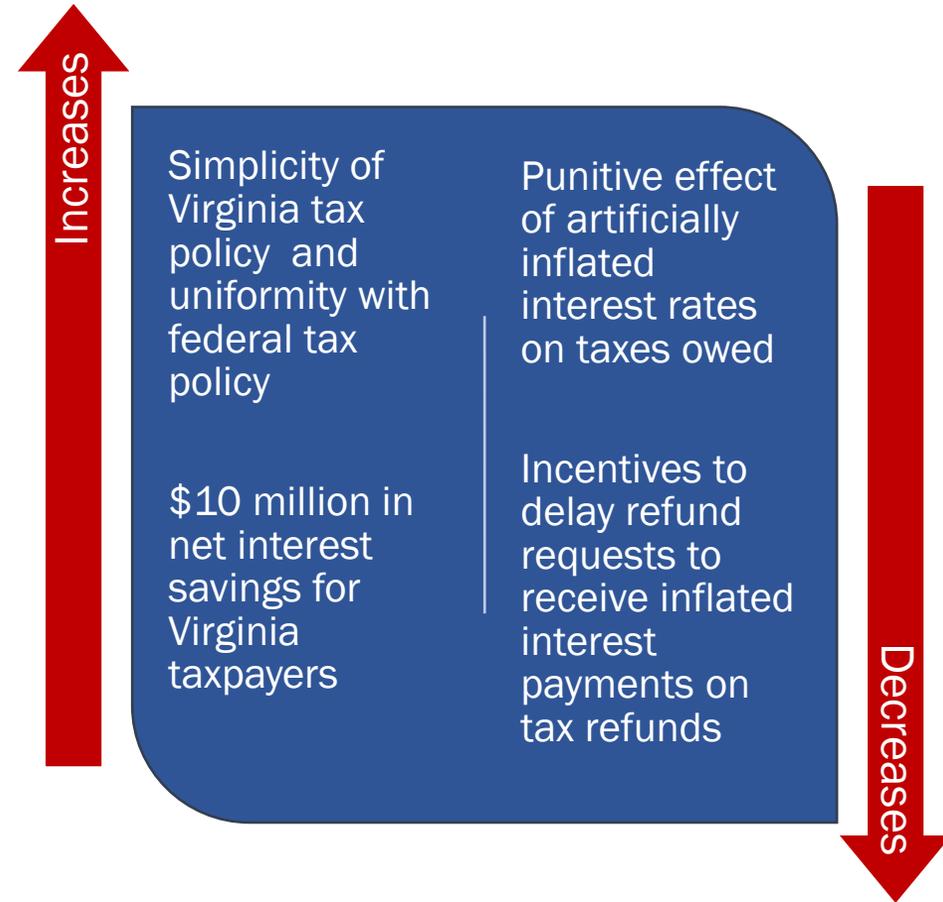
- Results in a high volume of low value penalty cases for the Department and is burdensome to taxpayers.

- This results in a one-time GF revenue reduction of \$10.4 million in FY26, as well as an ongoing reduction of \$1.1 million annually in FY27 and after.

REDUCE VIRGINIA'S INTEREST RATE TO THE FEDERAL LEVEL

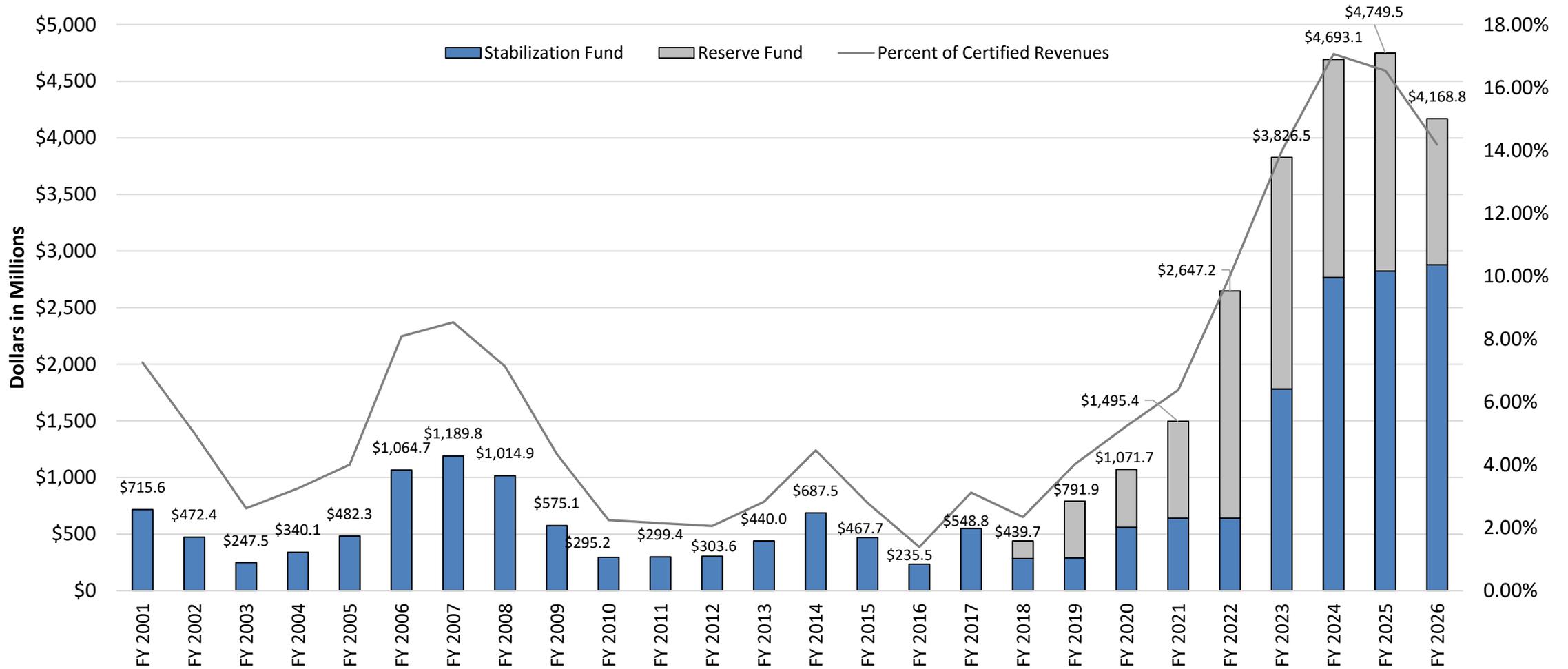
Virginia's Current Interest Rates

- Virginia's interest rate on omitted taxes and assessments ("underpayment rate") and interest rate on refunds ("overpayment rate") are equal to the IRS's underpayment rate and overpayment rate for noncorporate taxpayers plus an additional two percent.
- Virginia added the additional two percent to the underpayment rate in 1991, prior to this Virginia's rates were equal to the equivalent IRS rates.
- Interest rates are currently 8% at the federal level and 10% for Virginia purposes; scheduled to reduce to 7% and 9% in January 2025.



COMBINED RESERVE FUND BALANCES MEET THE 15 PERCENT STATUTORY REQUIREMENT

Total of All Reserves



AMONG TRIPLE-AAA RATED STATES, VIRGINIA HAS PRIORITIZED RESERVE FUND GROWTH

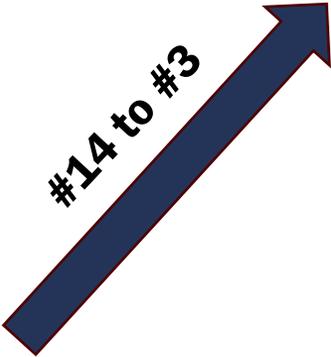
Rainy Day Funds as Percent of GF Expenditures

AAA States, FY 2019

Texas	21%
Georgia	10%
South Dakota	10%
Iowa	9%
Indiana	9%
Minnesota	9%
North Carolina	8%
Utah	7%
South Carolina	7%
Tennessee	6%
Delaware	5%
Maryland	5%
Florida	5%
Virginia	4%
Missouri	3%

AAA States, FY 2024

Texas	22%
North Carolina	16%
Virginia*	15%
South Dakota	15%
Iowa	11%
Ohio	11%
Maryland	9%
Indiana	9%
Minnesota	9%
Utah	8%
Tennessee	8%
Florida	7%
Missouri	6%
Delaware	6%
Georgia	N/A



Source: National Association of State Budget Officers "The Fiscal Survey of States"

LONGER-TERM OUTLOOK CONFIRMS STRUCTURAL BALANCE

- *Va. Code* §§ 2.2-1503 and 2.2-1503.1 require the Governor to annually prepare a long-term revenue forecast and six-year financial plan.
- The Governor asked the Department of Planning and Budget (DPB) to update the six-year plan to take into account the December Post-GACRE forecast and proposed spending and tax policies in HB 1600 / SB 800.
- Among other things, the spending projections include the continuation of Chapter 2, 2024 Special Session I amounts, ongoing costs of the Right Help Right Now initiative, increases in Medicaid, Children's Services Act, and other forecast items, including previously planned increases for public school teachers, state employees, and other state supported local employees.
- Results indicate continued structural balance through FY 2030.

LONGER-TERM OUTLOOK CONFIRMS STRUCTURAL BALANCE

GENERAL FUND RESOURCES	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Prior Year Balance	\$2,989.6	\$7.1	\$14.8	\$14.3	\$153.5	\$700.1
Revenue						
Net Individual Income Tax	21,547.7	21,781.6	22,803.3	23,543.0	24,235.0	24,941.9
Sales and Use Tax	4,797.9	4,985.4	\$5,224.0	\$5,359.0	\$5,660.3	\$5,877.9
Corporate Income Tax	1,791.5	2,005.4	\$2,105.1	\$2,232.5	\$2,341.4	\$2,483.5
All Other Sources	2,511.3	2,634.1	\$2,782.5	\$2,753.6	\$2,878.1	\$2,921.7
Total Revenue	\$30,648.4	\$31,406.5	\$32,914.8	\$33,888.1	\$35,114.8	\$36,225.1
Adjustments to Balance	\$1,510.1	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)
Transfers	\$1,354.7	\$1,541.0	\$898.0	\$916.4	\$957.8	\$990.9
Total General Fund Resources	\$36,502.8	\$32,954.1	\$33,827.0	\$34,818.4	\$36,225.6	\$37,915.5
GENERAL FUND APPROPRIATION	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chapter 2, Operating Legislative Appropriation	\$31,784.7	\$31,964.2	\$32,673.0	\$33,404.4	\$34,170.8	\$34,996.1
Introduced Operating Amendments	\$2,652.2	\$715.2	\$939.7	\$1,060.5	\$1,154.7	\$1,225.5
Total Operating	\$34,436.9	\$32,679.4	\$33,612.7	\$34,464.9	\$35,325.5	\$36,221.6
Chapter 2, Capital Outlay Legislative Appropriation	691.7	260.0	200.0	200.0	200.0	200.0
Introduced Capital Outlay Amendments	1,367.2	0.0	0.0	0.0	0.0	0.0
Total Capital Outlay	2,058.9	260.0	200.0	200.0	200.0	200.0
Total GF Appropriation	\$36,495.8	\$32,939.4	\$33,812.7	\$34,664.9	\$35,525.5	\$36,421.5
GF BALANCE (RESOURCES LESS APPROPRIATION)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Resources Less Approp - Annual Balance	\$7.1	\$7.7	\$14.3	\$139.2	\$700.1	\$793.9
Resources Less Approp - Cumulative/Biennium		\$14.8		\$153.5		\$1,494.0

Source: VA Department of Planning and Budget.

CONCLUSION

- **Virginia economic performance continues to be strong:**
 - Virginia is winning the competition for investment and jobs through economic development activities and the reversal of a decade-long trend of net negative domestic migration as more workers and families move into Virginia than are leaving.
 - Workforce in Virginia reached the highest level in history, unemployment is 2.9% versus 4.2% nationally.
- **Revenues:** Significantly exceeded the Chapter 2 forecast, supporting the need for a meaningful reforecast.
- **A revised forecast:** After discussions with JABE and GACRE, a revised forecast is recommended generating incremental revenues of \$3.2 billion over the biennium.
- **Capital Expenditures of \$1 billion in FY25:** After the provision for one-time uses identified in the Chapter 1 budget process (I-81, Revenue Reserve Deposit, WQIF, VMSDEP, etc.), \$1 billion capital expenditures in FY 2025 are provided to supplement existing projects, upgrade/repair existing facilities, and build new facilities primarily for higher ed and public safety.
- **Tax Relief for Working Class Virginians:** \$1.1 billion allocated to the Working Class Car Tax Relief Fund, fully funding three years of relief for the average car tax of \$290 for a typical family filing jointly earning \$100,000 per year or less. Ongoing relief is assumed in FY 2028 and beyond. Additionally, elimination of the tip tax (\$35 million FY 2026, \$70 million thereafter).
- **Incremental ongoing second year spending of approximately \$715 million:** Largely consumed by required funding for Medicaid and education, leaving limited resources for programs that are shared priorities of the Governor and General Assembly.
- **Budget is structurally balanced through FY 2030:** Using prudent economic assumptions and includes permanent funding of the Working Class Car Tax Credit beyond FY 2027.

APPENDIX

- U.S. Economic Indicators
- Virginia Economic Indicators
- General Fund Forecast: Fiscal Year 2025 to 2032
- Commonwealth Transportation Fund Forecast: Fiscal Year 2024 to 2032
- Virginia Health Care Fund Forecast: Fiscal Year 2024 to 2032
- GACRE Baseline General Fund Forecast: Fiscal Year 2025 to 2028
- GACRE Above Baseline General Fund Forecast: Fiscal Year 2025 to 2028
- GACRE Below Baseline General Fund Forecast: Fiscal Year 2025 to 2028
- Growth in Total General Fund Revenues: Fiscal Year 1961 to 2026
- Nongeneral Fund Forecast: Fiscal Year 2024 to 2030
- November 2024 Revenue Report

Fiscal Years 2025-2028 November Forecasts

U.S. Economic Forecasts - Income and Other Indicators (% Change)

		<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
<u>Output, Income, and Spending</u>					
Real GDP	Baseline	1.4	1.7	2.2	2.0
	Recession	0.7	-1.1	1.9	3.6
	Above Baseline	2.1	1.9	2.1	2.0
Total Personal Income	Baseline	3.8	3.6	4.3	4.6
	Recession	3.9	2.0	1.5	4.0
	Above Baseline	4.7	4.1	4.2	4.3
Wages and Salaries	Baseline	3.5	2.8	4.3	4.9
	Recession	3.1	-0.1	1.3	3.9
	Above Baseline	5.2	3.9	4.1	4.3
Average Wage	Baseline	2.7	2.8	3.8	4.6
	Recession	2.8	2.4	1.0	3.0
	Above Baseline	4.3	3.6	3.6	3.8
Real Consumer Spending	Baseline	1.7	2.2	2.4	1.7
	Recession	1.0	-1.0	2.3	3.5
	Above Baseline	2.5	2.3	2.4	1.7
<u>Interest Rates (%)</u>					
Effective Federal Funds	Baseline	4.4	3.0	2.9	2.9
	Recession	4.9	3.9	2.9	2.9
	Above Baseline	4.2	3.0	2.9	2.9
10-Year Treasury Bonds	Baseline	3.8	3.8	3.7	3.5
	Recession	4.1	4.0	4.0	4.3
	Above Baseline	3.8	3.7	3.7	3.5
<u>Prices (% of Total)</u>					
CPI, All Items	Baseline	2.3	2.4	2.3	2.3
	Recession	2.5	1.9	1.5	1.7
	Above Baseline	2.4	2.5	2.4	2.5
Core PCE Price Index	Baseline	2.3	1.9	2.0	2.1
	Recession	2.4	1.7	1.4	1.6
	Above Baseline	2.4	2.0	2.1	2.3

The Baseline forecast is derived from staff's assumptions and estimations.

The Recession forecast is Moody's October 2024 U.S. Next-Cycle Recession scenario and staff's assumptions.

The Above Baseline forecast is Moody's October 2024 U.S. Consensus scenario.

Fiscal Years 2025-2028 June Forecasts

U.S. Economic Forecasts - Employment and Labor Markets (% Change)

		FY25	FY26	FY27	FY28
<u>Employment and Labor Markets</u>					
Total Nonagricultural Employment	Baseline	0.8	0.0	0.5	0.3
	Recession	0.3	-2.4	0.3	0.9
	Above Baseline	0.9	0.3	0.5	0.5
Construction	Baseline	1.2	0.3	-0.3	-0.2
	Recession	1.1	-2.7	-0.4	-0.3
	Above Baseline	1.8	0.4	-0.4	0.0
Manufacturing	Baseline	-0.1	-0.3	-0.1	-0.2
	Recession	-0.5	-2.5	-0.3	0.1
	Above Baseline	0.0	0.0	-0.1	0.1
Trade, Transportation, and Utilities	Baseline	0.4	0.1	0.5	0.3
	Recession	0.0	-1.8	0.5	0.5
	Above Baseline	0.5	0.4	0.6	0.6
Financial Activities	Baseline	0.2	-0.1	0.7	0.8
	Recession	0.0	-1.7	0.3	0.2
	Above Baseline	0.3	0.2	0.8	1.1
Professional and Business Services	Baseline	0.2	0.6	1.5	1.3
	Recession	-0.3	-1.8	1.4	1.9
	Above Baseline	0.3	1.0	1.5	1.5
Education and Health Services	Baseline	2.2	0.2	0.5	0.3
	Recession	1.8	-2.0	0.5	0.7
	Above Baseline	2.4	0.5	0.5	0.5
Leisure and Hospitality	Baseline	0.7	-0.3	0.5	-0.1
	Recession	-0.1	-4.5	0.7	2.0
	Above Baseline	0.9	0.2	0.4	0.1
Government	Baseline	1.0	-0.3	0.2	-0.1
	Recession	0.8	-2.3	-0.6	1.1
	Above Baseline	1.2	-0.1	0.1	0.0
Unemployment Rate (%)	Baseline	4.4	4.5	4.3	4.3
	Recession	4.9	6.8	6.3	5.6
	Above Baseline	4.3	4.1	3.9	3.8

The Baseline forecast is derived from staff's assumptions and estimations.

The Recession forecast is Moody's October 2024 U.S. Next-Cycle Recession scenario and staff's assumptions.

The Above Baseline forecast is Moody's October 2024 U.S. Consensus scenario.

FY 2025-2028 November Forecasts

Virginia Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
<u>Employment and Labor Markets</u>					
Total Nonagricultural Employment	Baseline	0.5	0.4	0.5	0.3
	Recession	-0.2	-1.5	0.2	0.8
	Above Baseline	1.1	0.5	0.5	0.5
Construction and Mining	Baseline	2.9	-0.2	-0.7	-0.7
	Recession	2.9	-3.3	-0.7	-0.9
	Above Baseline	2.9	0.7	-0.7	-0.4
Manufacturing	Baseline	0.4	-0.1	-0.4	-0.4
	Recession	-0.4	-1.7	-0.7	-0.2
	Above Baseline	1.0	0.0	-0.3	-0.2
Trade, Transportation, and Utilities	Baseline	0.1	0.5	0.4	0.2
	Recession	-0.7	-0.8	0.2	0.4
	Above Baseline	0.6	0.5	0.5	0.4
Financial Activities	Baseline	-1.3	0.2	0.7	0.8
	Recession	-2.0	-1.0	0.1	0.1
	Above Baseline	-0.7	0.4	0.9	1.1
Professional and Business Services	Baseline	0.8	1.1	1.4	1.3
	Recession	0.0	-0.9	1.1	1.8
	Above Baseline	1.4	1.2	1.5	1.5
Education and Health Services	Baseline	1.6	0.5	0.5	0.3
	Recession	0.7	-1.3	0.3	0.6
	Above Baseline	2.2	0.6	0.5	0.5
Leisure and Hospitality	Baseline	0.4	0.2	0.4	-0.1
	Recession	-0.7	-2.9	0.4	1.6
	Above Baseline	1.0	0.3	0.4	0.1
Government	Baseline	-0.2	-0.1	0.2	0.0
	Recession	-0.4	-1.8	-0.4	1.0
	Above Baseline	0.0	0.0	0.2	0.0
Unemployment Rate	Baseline	3.2	3.4	3.2	3.2
	Recession	3.6	5.1	4.8	4.3
	Above Baseline	3.1	3.1	3.1	3.1

The Baseline forecast is derived from staff's assumptions and estimations.

The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions.

The Above Baseline forecast is is Moody's October 2024 Virginia Consensus scenario.

FY 2025-2028 June Forecasts

Virginia Economic Forecasts - Income (% Change)

		<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
<u>Income</u>					
Real Gross State Product	Baseline	1.5	1.8	2.1	2.0
	Recession	0.9	-0.5	1.8	3.2
	Above Baseline	2.1	1.9	2.1	1.9
Total Personal Income	Baseline	3.7	4.0	5.2	4.0
	Recession	3.3	0.9	3.4	4.4
	Above Baseline	4.7	4.3	4.4	4.4
Wages and Salaries	Baseline	3.4	3.2	5.2	4.0
	Recession	2.4	-1.3	3.6	4.3
	Above Baseline	5.1	4.0	4.1	4.3
Average Wage	Baseline	2.8	2.8	4.7	3.7
	Recession	2.6	0.3	3.4	3.4
	Above Baseline	4.0	3.5	3.6	3.8

The Baseline forecast is derived from staff's assumptions and estimations.

The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions.

The Above Baseline forecast is is Moody's October 2024 Virginia Consensus scenario.

The Official to December Baseline General Fund Forecast for Fiscal Year 2025
(Dollars in Millions)

	Fiscal Year 2025				
	Official Forecast	December Forecast	Change	% Growth over FY 24	
				Official	December
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,791.5	\$ (274.0)	8.3 %	(6.1) %
Individual Income					
Gross	22,260.5	24,359.3	2,098.8	(4.4)	4.6
Withholding	16,629.4	17,580.8	951.5	(0.5)	5.2
Nonwithholding	5,631.1	6,778.5	1,147.4	(14.2)	3.3
Refunds	(3,015.8)	(2,811.6)	204.2	1.5	(5.4)
Net	19,244.7	21,547.7	2,303.0	(5.2)	6.1
Insurance Company Premiums	439.3	485.7	46.4	(6.2)	3.7
State Sales & Use Tax	4,692.3	4,797.9	105.6	(0.4)	1.9
Wills, Suits, Deeds, & Contract Fees	456.7	457.6	0.9	12.4	12.6
Total Major Tax Sources	\$ 26,898.5	\$ 29,080.5	\$ 2,182.0	(3.2) %	4.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	617.3	(107.2)	3.5	(11.8)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,567.9	(97.4)	1.2	(4.8)
TOTAL GF REVENUES	\$ 28,563.8	\$ 30,648.4	\$ 2,084.7	(3.0) %	4.1 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %
Sales Tax (0.375%)	571.7	586.0	14.3	(0.4)	2.1
Transfers Per Appropriations	394.3	607.6	213.3	(153.9)	(183.1)
Total Transfers	\$ 1,128.1	\$ 1,354.7	\$ 226.6	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 32,003.1	\$ 2,311.2	0.8 %	8.6 %

The Official to December Baseline General Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

	Fiscal Year 2026					2024-2026 Biennium		
	Official Forecast	December Forecast	Change	% Growth over FY 25		Official Forecast	December Forecast	Change
				Official	December			
MAJOR TAX SOURCES								
Corporate Income	\$ 2,164.7	\$ 1,995.4	\$ (169.3)	4.8 %	11.4 %	\$ 4,230.2	\$ 3,786.9	\$ (443.3)
Individual Income								
Gross	23,439.1	24,288.1	849.0	5.3	(0.3)	45,699.6	48,647.4	2,947.8
Withholding	17,739.9	17,905.3	165.4	6.7	1.8	34,369.3	35,486.2	1,116.9
Nonwithholding	5,699.1	6,382.7	683.6	1.2	(5.8)	11,330.3	13,161.2	1,831.0
Refunds	(2,743.4)	(2,494.1)	249.2	(9.0)	(11.3)	(5,759.2)	(5,305.8)	453.4
Net	20,695.7	21,793.9	1,098.3	7.5	1.1	39,940.4	43,341.6	3,401.3
Insurance Company Premiums	452.3	503.7	51.3	3.0	3.7	891.6	989.4	97.8
State Sales & Use Tax	4,889.3	4,987.4	98.0	4.2	3.9	9,581.6	9,785.3	203.7
Wills, Suits, Deeds, & Contract Fees	457.2	557.0	99.8	0.1	21.7	913.9	1,014.6	100.7
Total Major Tax Sources	\$ 28,659.3	\$ 29,837.4	\$ 1,178.1	6.5 %	2.6 %	\$ 55,557.8	\$ 58,917.9	\$ 3,360.1
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)
Interest & Rents	652.2	633.6	(18.6)	(10.0)	2.6	1,376.7	1,251.0	(125.7)
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1
Total Misc. Taxes and Other Revenues	1,616.5	1,569.1	(47.4)	(2.9)	0.1	3,281.8	3,137.1	(144.7)
TOTAL GF REVENUES	\$ 30,275.8	\$ 31,406.5	\$ 1,130.7	6.0 %	2.5 %	\$ 58,839.6	\$ 62,054.9	\$ 3,215.4
TRANSFERS								
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)
Sales Tax (0.375%)	595.1	608.9	13.8	4.1	3.9	1,166.8	1,194.8	28.0
Transfers Per Appropriations	888.7	776.1	(112.6)	125.4	27.7	1,283.0	1,383.7	100.8
Total Transfers	\$ 1,714.8	\$ 1,541.0	\$ (173.7)	52.0 %	13.8 %	\$ 2,842.9	\$ 2,895.7	\$ 52.9
	#N/A							-
TOTAL GENERAL FUND	\$ 31,990.5	\$ 32,947.6	\$ 957.0	7.7 %	3.0 %	\$ 61,682.4	\$ 64,950.7	\$ 3,268.3

The Official to December Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Dollars in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	December Forecast	% Growth Over FY 26	December Forecast	% Growth Over FY 27	December Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 2,095.1	5.0 %	\$ 2,222.5	6.1 %	\$ 4,317.6	14.0 %
Individual Income						
Gross	25,169.4	3.6	25,839.7	2.7	51,009.1	4.9
Withholding	18,654.1	4.2	19,151.4	2.7	37,805.5	6.5
Nonwithholding	6,515.3	2.1	6,688.3	2.7	13,203.6	0.3
Refunds	(2,350.1)	(5.8)	(2,278.3)	(3.1)	(4,628.4)	(12.8)
Net	22,819.3	4.7	23,561.4	3.3	46,380.7	7.0
Insurance Company Premiums	527.3	4.7	539.6	2.3	1,066.8	7.8
State Sales & Use Tax	5,226.0	4.8	5,361.0	2.6	10,587.0	8.2
Wills, Suits, Deeds, & Contract Fees	657.0	17.9	753.3	14.7	1,410.3	39.0
Total Major Tax Sources	\$ 31,324.6	5.0 %	\$ 32,437.8	3.6 %	\$ 63,762.4	8.2 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	637.4	0.6	472.4	(25.9)	1,109.8	(11.3)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,590.2	1.3	1,450.4	(8.8)	3,040.6	(3.1)
TOTAL GF REVENUES	\$ 32,914.8	4.8 %	\$ 33,888.2	3.0 %	\$ 66,803.0	7.7 %
TRANSFERS						
A.B.C. Profits	\$ 159.5	2.2 %	\$ 161.5	1.3 %	\$ 321.0	1.2 %
Sales Tax (0.375%)	638.0	4.8	654.5	2.6	1,292.5	8.2
Transfers Per Appropriations	100.5	(87.1)	100.5	-	200.9	(85.5)
Total Transfers	\$ 898.0	(41.7) %	\$ 916.4	2.1 %	\$ 1,814.4	(37.3) %
TOTAL GENERAL FUND	\$ 33,812.8	2.6 %	\$ 34,804.6	2.9 %	\$ 68,617.4	5.6 %

The December General Fund Forecast Through Fiscal Year 2032
(Dollars in Millions)

	December Forecast		December Forecast		December Forecast		December Forecast	
	FY 2029	Growth over FY 2028	FY 2030	Growth over FY 2029	FY 2031	Growth over FY 2030	FY 2032	Growth over FY 2031
MAJOR TAX SOURCES								
Corporate Income	\$ 2,331.4	4.9 %	\$ 2,473.5	6.1 %	\$ 2,682.3	8.4 %	\$ 2,725.9	1.6 %
Individual Income								
Gross	26,873.6	4.0	27,583.5	2.6	28,304.0	2.6	29,055.1	2.7
Withholding	19,933.5	4.1	20,526.4	3.0	21,110.3	2.8	21,721.0	2.9
Nonwithholding	6,940.1	3.8	7,057.1	1.7	7,193.7	1.9	7,334.1	2.0
Refunds	(2,620.1)	15.0	(2,623.2)	0.1	(2,627.2)	0.2	(2,632.4)	0.2
Net	24,253.4	2.9	24,960.3	2.9	25,676.8	2.9	26,422.7	2.9
Insurance Company Premiums	568.2	5.3	588.9	3.6	610.2	3.6	633.8	3.9
State Sales & Use Tax	5,662.3	5.6	5,879.9	3.8	6,085.1	3.5	6,473.7	6.4
Wills, Suits, Deeds, & Contract Fees	819.8	8.8	817.2	(0.3)	786.0	(3.8)	782.4	(0.5)
Total Major Tax Sources	\$ 33,635.2	3.7 %	\$ 34,719.9	3.2 %	\$ 35,840.3	3.2 %	\$ 37,038.4	3.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 293.9	2.0 %	\$ 300.0	2.1 %	\$ 305.2	1.7 %	\$ 310.4	1.7 %
Bank Franchise Tax	29.7	-	29.7	-	29.7	-	29.7	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	39.1	-	39.1	-
Corporate Franchise & Charter Fees	93.5	4.1	97.2	4.0	101.0	3.9	104.7	3.7
Interest & Rents	472.6	0.0	476.9	0.9	477.8	0.2	477.1	(0.2)
Miscellaneous Taxes and Penalties	294.8	6.4	304.4	3.3	314.0	3.2	318.6	1.5
Other Miscellaneous Revenues	50.8	0.2	50.8	-	51.2	0.8	51.2	-
Public Service GR / Consumption Tax	115.5	1.7	117.4	1.6	119.3	1.6	121.2	1.6
Sports Betting Taxes	89.7	-	89.7	-	89.7	-	89.7	-
Total Misc. Taxes and Other Revenues	1,479.7	2.0	1,505.3	1.7	1,527.1	1.4	1,541.7	1.0
TOTAL GF REVENUES	\$ 35,114.8	3.6 %	\$ 36,225.1	3.2 %	\$ 37,367.3	3.2 %	\$ 38,580.2	3.2 %
TRANSFERS								
A.B.C. Profits	\$ 166.0	2.8 %	\$ 172.5	3.9 %	\$ 174.9	1.4 %	\$ 177.3	1.4 %
Sales Tax (0.375%)	691.3	5.6	717.9	3.8	742.9	3.5	790.4	6.4
Transfers Per Appropriations	100.5	-	100.5	-	100.5	-	100.5	-
Total Transfers	\$ 957.8	4.5 %	\$ 990.9	3.5 %	\$ 1,018.4	2.8 %	\$ 1,068.2	4.9 %
TOTAL GENERAL FUND	\$ 36,072.6	6.7 %	\$ 37,215.9	3.2 %	\$ 38,385.6	3.1 %	\$ 39,648.3	3.3 %

The Official and December Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Dollars in Millions)

December 18, 2024

	Fiscal Year 2024		Fiscal Year 2025					
	Forecast	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 24		
						Official	December	
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,415.9	2.4 %	\$ 1,504.3	\$ 1,511.8	\$ 7.5	6.2 %	6.8 %	
Road Tax	80.0	(8.7)	85.1	80.8	(4.3)	6.4	1.0	
Aviation Fuels Tax	2.0	0.0	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,200.0	(0.7)	1,193.5	1,220.5	27.0	(0.5)	1.7	
Motor Vehicle Rental Tax(1)	55.4	3.0	54.9	57.1	2.2	(0.9)	3.1	
Motor Vehicle License Fees	212.8	8.2	219.5	218.9	(0.6)	3.1	2.9	
Highway User Fee	71.0	21.6	65.4	90.9	25.5	(7.9)	28.0	
International Registration Plan	113.8	(1.1)	119.6	114.4	(5.2)	5.1	0.5	
Retail Sales and Use Tax	1,377.1	(2.8)	1,392.2	1,418.6	26.4	1.1	3.0	
Recordation Tax (3 cents)	50.9	(3.2)	55.9	52.5	(3.4)	9.8	3.1	
Insurance Premiums Tax (1/3)	217.8	7.6	228.7	228.7	0.0	5.0	5.0	
Interest Earnings	54.2	155.7	14.2	33.4	19.2	(73.8)	(38.4)	
Miscellaneous	<u>21.5</u>	<u>8.6</u>	<u>18.6</u>	<u>18.9</u>	<u>0.3</u>	<u>(13.5)</u>	<u>(12.1)</u>	
Total State Taxes and Fees	\$ <u>4,872.4</u>	<u>1.1 %</u>	\$ <u>4,953.9</u>	\$ <u>5,048.5</u>	\$ <u>94.6</u>	<u>1.7 %</u>	<u>3.6 %</u>	

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The December forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

December 18, 2024

	Fiscal Year 2026				
	Official Forecast	December Forecast	Change	% Growth over FY 25 Official	% Growth over FY 25 December
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,554.6	\$ 1,555.9	\$ 1.3	3.3 %	2.9 %
Road Tax	82.9	82.3	(0.6)	(2.6)	1.9
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,220.6	1,240.2	19.6	2.3	1.6
Motor Vehicle Rental Tax(1)	55.7	58.0	2.3	1.5	1.6
Motor Vehicle License Fees	221.9	222.4	0.5	1.1	1.6
Highway User Fee	67.9	104.7	36.8	3.8	15.2
International Registration Plan	120.0	115.9	(4.1)	0.3	1.3
Retail Sales and Use Tax	1,452.1	1,477.0	24.9	4.3	4.1
Recordation Tax (3 cents)	56.0	63.6	7.6	0.2	21.1
Insurance Premiums Tax (1/3)	220.2	240.4	20.2	(3.7)	5.1
Interest Earnings	14.2	32.9	18.7	0.0	(1.5)
Miscellaneous	<u>18.6</u>	<u>18.9</u>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>5,086.7</u>	\$ <u>5,214.2</u>	\$ <u>127.5</u>	<u>2.7 %</u>	<u>3.3 %</u>

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).
The December forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The December Baseline Commonwealth Transportation Fund Forecast for Fiscal Years 2027 and 2028
(Dollars in Millions)

December 18, 2024

	Fiscal Year 2027		Fiscal Year 2028	
	December Forecast	% Growth Over FY26	December Forecast	% Growth over FY 27
Commonwealth Transportation Fund				
Motor Fuels Tax	\$ 1,586.4	\$ 2.0 %	1,633.0	\$ 2.9 %
Road Tax	83.0	0.9	84.3	1.6
Aviation Fuels Tax	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,256.4	1.3	1,271.8	1.2
Motor Vehicle Rental Tax(1)	59.1	1.9	58.5	(1.0)
Motor Vehicle License Fees	220.8	(0.7)	222.8	0.9
Highway User Fee	119.0	13.7	133.9	12.5
International Registration Plan	117.3	1.2	119.4	1.8
Retail Sales and Use Tax	1,534.5	3.9	1,587.3	3.4
Recordation Tax (3 cents)	74.8	17.6	85.4	14.2
Insurance Premiums Tax (1/3)	249.4	3.7	258.7	3.7
Interest Earnings	29.2	(11.2)	25.7	(12.0)
Miscellaneous	<u>18.9</u>	<u>0.0</u>	<u>18.9</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>5,350.8</u>	\$ <u>2.6 %</u>	<u>5,501.7</u>	\$ <u>2.8 %</u>

The December forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

**The December Baseline Commonwealth Transportation Fund Forecast for Fiscal Years 2029-32
(Dollars in Millions)**

December 18, 2024

	Fiscal Years 2029 through 2032							
	FY 29 Forecast	% Growth	FY 30 Forecast	% Growth	FY 31 Forecast	% Growth	FY 32 Forecast	% Growth
Commonwealth Transportation Fund								
Motor Fuels Tax	1,674.5	2.5	1,714.4	2.4	1,764.2	2.9	1,802.3	2.2
Road Tax	84.4	0.1	84.5	0.1	85.8	1.5	85.8	0.0
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,281.0	0.7	1,295.9	1.2	1,310.2	1.1	1,341.8	2.4
Motor Vehicle Rental Tax(1)	58.9	0.7	60.1	2.0	61.8	2.8	62.7	1.5
Motor Vehicle License Fees	223.2	0.2	226.9	1.7	230.8	1.7	234.8	1.7
Highway User Fee	149.5	11.7	165.8	10.9	182.8	10.3	201.0	10.0
International Registration Plan	119.8	0.3	120.1	0.3	120.5	0.3	120.8	0.3
Retail Sales and Use Tax	1,655.6	4.3	1,731.4	4.6	1,795.5	3.7	1,861.9	3.7
Recordation Tax (3 cents)	92.6	8.4	93.4	0.9	94.8	1.5	96.2	1.5
Insurance Premiums Tax (1/3)	267.8	3.5	278.0	3.8	282.6	1.7	292.5	3.5
Interest Earnings	23.8	(7.4)	22.5	(5.5)	21.2	(5.8)	20.6	(2.8)
Miscellaneous	18.9	0.0	18.9	0.0	18.9	0.0	18.9	0.0
Total State Taxes and Fees	\$ 5,652.0	2.7%	\$ 5,814.0	2.9%	\$ 5,971.1	2.7%	\$ 6,141.4	2.9%

The December forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Virginia Health Care Fund Revenue Forecast*

\$ in millions

12/5/2024

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Master Settlement Agreement	57.0	57.0	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
Tobacco Taxes:										
Total Cigarette Taxes	188.8	170.2	170.3	166.0	161.9	157.8	153.9	150.0	146.3	142.6
Other Tobacco Products	<u>57.9</u>	<u>55.3</u>	<u>60.0</u>	<u>57.0</u>	<u>54.2</u>	<u>52.8</u>	<u>51.5</u>	<u>50.2</u>	<u>49.0</u>	<u>47.7</u>
Total Tobacco Taxes	246.7	225.5	230.3	223.0	216.0	210.6	205.4	200.2	195.2	190.4
Medicaid Recoveries:										
Rev Max Cash Transfer In**	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Regular Recoveries***	261.2	24.0	35.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Pharmacy Rebates (Prior Year)*	<u>128.6</u>	<u>121.0</u>	<u>127.7</u>							
Total Recoveries	404.8	160.0	177.7	166.7	166.7	166.7	166.7	166.7	166.7	166.7
TOTAL FUND**	708.5	442.5	458.8	440.5	433.5	428.1	422.9	417.7	412.7	407.9

NOTES:

*Amounts reflect the fiscal year in which revenue is deposited into the VHCF.

Revenues from cigarette and other tobacco products taxes are flat after receiving initial data for September collections, but expect them to be revised upwards after the remainder of revenues are processed. The 2025 and beyond forecast are based on collections in the first two months of FY25, the expected impact of new tax rate for liquid nicotine, and declining rates of tobacco usage in Virginia.

The Official to GACRE Baseline General Fund Forecast for Fiscal Year 2025

(Dollars in Millions)

	Fiscal Year 2025				
	Offical	GACRE	Change	% Growth over FY 24	
	Forecast	Forecast		Official	GACRE
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,891.5	\$ (174.0)	8.3 %	(0.8) %
Individual Income					
Gross	22,260.5	24,053.8	1,793.3	(4.4)	3.3
Withholding	16,629.4	17,364.9	735.5	(0.5)	3.9
Nonwithholding	5,631.1	6,688.9	1,057.8	(14.2)	1.9
Refunds	(3,015.8)	(2,807.6)	208.2	1.5	(5.5)
Net	19,244.7	21,246.1	2,001.4	(5.2)	4.6
Insurance Company Premiums	439.3	485.7	46.4	(6.2)	3.7
State Sales & Use Tax	4,692.3	4,797.9	105.6	(0.4)	1.9
Wills, Suits, Deeds, & Contract Fees	456.7	457.6	0.9	12.4	12.6
Total Major Tax Sources	\$ 26,898.5	\$ 28,879.0	\$ 1,980.5	(3.2) %	3.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	685.9	(38.6)	3.5	(2.0)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,636.5	(28.8)	1.2	(0.6)
TOTAL GF REVENUES	\$ 28,563.8	\$ 30,515.5	\$ 1,951.7	(3.0) %	3.6 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	-4.7 %	-5.3 %
Sales Tax (0.375%)	571.7	586.0	14.3	-0.4	2.1
Transfers Per Appropriations	394.3	394.3	-	-153.9	-153.9
Total Transfers	\$ 1,128.1	\$ 1,141.4	\$ 13.3	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,656.8	\$ 1,965.0	0.8 %	7.5 %

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

The Official to GACRE Baseline General Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

	Fiscal Year 2026					2024-2026 Biennium		
	Official Forecast	GACRE Forecast	Change	% Growth over FY 25		Official Forecast	GACRE Forecast	Change
				Official	GACRE			
MAJOR TAX SOURCES								
Corporate Income	\$ 2,164.7	\$ 2,005.4	\$ (159.3)	4.8 %	6.0 %	\$ 4,230.2	\$ 3,896.9	\$ (333.3)
Individual Income								
Gross	23,439.1	24,210.5	771.4	5.3	0.7	45,699.6	48,264.3	2,564.7
Withholding	17,739.9	17,828.9	89.0	6.7	2.7	34,369.3	35,193.8	824.5
Nonwithholding	5,699.1	6,381.5	682.4	1.2	(4.6)	11,330.3	13,070.4	1,740.2
Refunds	(2,743.4)	(2,490.1)	253.2	(9.0)	(11.3)	(5,759.2)	(5,297.8)	461.4
Net	20,695.7	21,720.4	1,024.7	7.5	2.2	39,940.4	42,966.5	3,026.1
Insurance Company Premiums	452.3	503.7	51.3	3.0	3.7	891.6	989.4	97.8
State Sales & Use Tax	4,889.3	4,985.4	96.0	4.2	3.9	9,581.6	9,783.3	201.7
Wills, Suits, Deeds, & Contract Fees	457.2	557.0	99.8	0.1	21.7	913.9	1,014.6	100.7
Total Major Tax Sources	\$ 28,659.3	\$ 29,771.8	\$ 1,112.5	6.5 %	3.1 %	\$ 55,557.8	\$ 58,650.8	\$ 3,093.0
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)
Interest & Rents	652.2	633.6	(18.6)	(10.0)	(7.6)	1,376.7	1,319.5	(57.2)
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1
Total Misc. Taxes and Other Revenues	1,616.5	1,569.1	(47.4)	(2.9)	(4.1)	3,281.8	3,205.6	(76.2)
TOTAL GF REVENUES	\$ 30,275.8	\$ 31,340.9	\$ 1,065.1	6.0 %	2.7 %	\$ 58,839.6	\$ 61,856.4	\$ 3,016.8
TRANSFERS								
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)
Sales Tax (0.375%)	595.1	608.9	13.8	4.1	3.9	1,166.8	1,194.8	28.0
Transfers Per Appropriations	888.7	888.7	0.0	125.4	125.4	1,283.0	1,283.0	0.0
Total Transfers	\$ 1,714.8	\$ 1,653.7	\$ (61.1)	52.0 %	44.9 %	\$ 2,842.9	\$ 2,795.0	\$ (47.8)
TOTAL GENERAL FUND	\$ 31,990.5	\$ 32,994.6	\$ 1,004.0	7.7 %	4.2 %	\$ 61,682.4	\$ 64,651.4	\$ 2,969.0

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

The Official to GACRE Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Dollars in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	GACRE Forecast	% Growth Over FY 26	GACRE Forecast	% Growth Over FY 27	GACRE Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 2,105.1	5.0 %	\$ 2,232.5	6.1 %	\$ 4,337.6	11.3 %
Individual Income						
Gross	25,109.7	3.7	25,898.7	3.1	51,008.4	5.7
Withholding	18,599.3	4.3	19,217.7	3.3	37,817.0	7.5
Nonwithholding	6,510.4	2.0	6,681.0	2.6	13,191.4	0.9
Refunds	(2,350.1)	(5.6)	(2,278.3)	(3.1)	(4,628.4)	(12.6)
Net	22,759.6	4.8	23,620.4	3.8	46,380.0	7.9
Insurance Company Premiums	527.3	4.7	539.6	2.3	1,066.8	7.8
State Sales & Use Tax	5,224.0	4.8	5,359.0	2.6	10,583.0	8.2
Wills, Suits, Deeds, & Contract Fees	657.0	17.9	753.3	14.7	1,410.3	39.0
Total Major Tax Sources	\$ 31,272.9	5.0 %	\$ 32,504.8	3.9 %	\$ 63,777.7	8.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	637.4	0.6	472.4	(25.9)	1,109.8	(15.9)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,590.2	1.3	1,450.4	(8.8)	3,040.6	(5.1)
TOTAL GF REVENUES	\$ 32,863.2	4.9 %	\$ 33,955.2	3.3 %	\$ 66,818.3	8.0 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	638.0	4.8	654.5	2.6	1,292.5	8.2
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 910.0	(45.0) %	\$ 928.4	2.0 %	\$ 1,838.4	(34.2) %
TOTAL GENERAL FUND	\$ 33,773.1	2.4 %	\$ 34,883.6	3.3 %	\$ 68,656.8	6.2 %

The Official to GACRE Above Baseline General Fund Forecast for Fiscal Year 2025
(Dollars in Millions)

	Fiscal Year 2025				
	Official	GACRE	Change	% Growth over FY 24	
	Forecast	Forecast		Official	GACRE
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,899.8	\$ (165.7)	8.3 %	(0.4) %
Individual Income					
Gross	22,260.5	24,394.9	2,134.4	(4.4)	4.8
Withholding	16,629.4	17,606.9	977.5	(0.5)	5.3
Nonwithholding	5,631.1	6,788.0	1,156.9	(14.2)	3.4
Refunds	(3,015.8)	(2,807.6)	208.2	1.5	(5.5)
Net	19,244.7	21,587.3	2,342.6	(5.2)	6.3
Insurance Company Premiums	439.3	493.0	53.7	(6.2)	5.3
State Sales & Use Tax	4,692.3	4,839.4	147.1	(0.4)	2.8
Wills, Suits, Deeds, & Contract Fees	456.7	462.0	5.3	12.4	13.7
Total Major Tax Sources	\$ 26,898.5	\$ 29,281.5	\$ 2,383.0	(3.2) %	5.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	616.9	(107.6)	3.5	(11.9)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,567.5	(97.8)	1.2	(4.8)
TOTAL GF REVENUES	\$ 28,563.8	\$ 30,849.0	\$ 2,285.2	(3.0) %	4.8 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %
Sales Tax (0.375%)	571.7	591.1	19.4	(0.4)	3.0
Transfers Per Appropriations	394.3	394.3	-	(153.9)	(153.9)
Total Transfers	\$ 1,128.1	\$ 1,146.5	\$ 18.4	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,995.5	\$ 2,303.7	0.8 %	8.6 %

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

The Official to GACRE Above Baseline General Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

	Fiscal Year 2026						2024-2026 Biennium		
	Official Forecast	GACRE Forecast	Change	% Growth over FY 25		Official Forecast	GACRE Forecast	Change	
				Official	GACRE				
MAJOR TAX SOURCES									
Corporate Income	\$ 2,164.7	\$ 2,016.6	\$ (148.1)	4.8 %	6.1 %	\$ 4,230.2	\$ 3,916.4	\$ (313.8)	
Individual Income									
Gross	23,439.1	24,685.5	1,246.4	5.3	1.2	45,699.6	49,080.4	3,380.8	
Withholding	17,739.9	18,193.3	453.4	6.7	3.3	34,369.3	35,800.2	1,430.9	
Nonwithholding	5,699.1	6,492.2	793.0	1.2	(4.4)	11,330.3	13,280.2	1,949.9	
Refunds	(2,743.4)	(2,490.4)	253.0	(9.0)	(11.3)	(5,759.2)	(5,297.9)	461.2	
Net	20,695.7	22,195.1	1,499.4	7.5	2.8	39,940.4	43,782.4	3,842.1	
Insurance Company Premiums	452.3	509.0	56.6	3.0	3.2	891.6	1,002.0	110.3	
State Sales & Use Tax	4,889.3	5,038.4	149.0	4.2	4.1	9,581.6	9,877.8	296.2	
Wills, Suits, Deeds, & Contract Fees	457.2	569.9	112.7	0.1	23.4	913.9	1,031.9	118.0	
Total Major Tax Sources	\$ 28,659.3	\$ 30,329.0	\$ 1,669.7	6.5 %	3.6 %	\$ 55,557.8	\$ 59,610.5	\$ 4,052.7	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)	
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)	
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)	
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)	
Interest & Rents	652.2	501.9	(150.3)	(10.0)	(18.6)	1,376.7	1,118.8	(257.9)	
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)	
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5	
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4	
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1	
Total Misc. Taxes and Other Revenues	1,616.5	1,437.4	(179.1)	(2.9)	(8.3)	3,281.8	3,005.0	(276.8)	
TOTAL GF REVENUES	\$ 30,275.8	\$ 31,766.4	\$ 1,490.6	6.0 %	3.0 %	\$ 58,839.6	\$ 62,615.4	\$ 3,775.9	
TRANSFERS									
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)	
Sales Tax (0.375%)	595.1	615.4	20.3	4.1	4.1	1,166.8	1,206.5	39.7	
Transfers Per Appropriations	888.7	888.7	0.0	125.4	125.4	1,283.0	1,283.0	0.0	
Total Transfers	\$ 1,714.8	\$ 1,660.2	\$ (54.5)	52.0 %	44.8 %	\$ 2,842.9	\$ 2,806.7	\$ (36.1)	
TOTAL GENERAL FUND	\$ 31,990.5	\$ 33,426.6	\$ 1,436.1	7.7 %	4.5 %	\$ 61,682.4	\$ 65,422.2	\$ 3,739.8	

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

The Official to GACRE Above Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Dollars in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	GACRE Forecast	% Growth Over FY 26	GACRE Forecast	% Growth Over FY 27	GACRE Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 2,105.9	4.4 %	\$ 2,248.5	6.8 %	\$ 4,354.4	11.2 %
Individual Income						
Gross	25,470.6	3.2	26,333.6	3.4	51,804.2	5.5
Withholding	18,823.4	3.5	19,499.6	3.6	38,323.1	7.0
Nonwithholding	6,647.1	2.4	6,834.0	2.8	13,481.1	1.5
Refunds	(2,351.0)	(5.6)	(2,277.7)	(3.1)	(4,628.6)	(12.6)
Net	23,119.6	4.2	24,056.0	4.1	47,175.6	7.7
Insurance Company Premiums	527.7	3.7	547.3	3.7	1,075.1	7.3
State Sales & Use Tax	5,235.0	3.9	5,414.4	3.4	10,649.3	7.8
Wills, Suits, Deeds, & Contract Fees	669.4	17.5	765.4	14.3	1,434.8	39.0
Total Major Tax Sources	\$ 31,657.5	4.4 %	\$ 33,031.6	4.3 %	\$ 64,689.1	8.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	488.0	(2.8)	477.7	(2.1)	965.7	(13.7)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,440.9	0.2	1,455.7	1.0	2,896.6	(3.6)
TOTAL GF REVENUES	\$ 33,098.4	4.2 %	\$ 34,487.3	4.2 %	\$ 67,585.7	7.9 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	639.4	3.9	661.3	3.4	1,300.7	7.8
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 911.3	(45.1) %	\$ 935.3	2.6 %	\$ 1,846.6	(34.2) %
TOTAL GENERAL FUND	\$ 34,009.7	1.7 %	\$ 35,422.6	4.2 %	\$ 69,432.3	6.1 %

The Official to GACRE Below Baseline General Fund Forecast for Fiscal Year 2025

(Dollars in Millions)

	Fiscal Year 2025				
	Official	GACRE	Change	% Growth over FY 24	
	Forecast	Forecast		Official	GACRE
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,860.2	\$ (205.3)	8.3 %	(2.5) %
Individual Income					
Gross	22,260.5	23,661.5	1,401.0	(4.4)	1.6
Withholding	16,629.4	17,202.5	573.1	(0.5)	2.9
Nonwithholding	5,631.1	6,459.0	827.9	(14.2)	(1.6)
Refunds	(3,015.8)	(2,807.4)	208.4	1.5	(5.5)
Net	19,244.7	20,854.1	1,609.4	(5.2)	2.7
Insurance Company Premiums	439.3	478.9	39.5	(6.2)	2.3
State Sales & Use Tax	4,692.3	4,707.3	15.0	(0.4)	(0.1)
Wills, Suits, Deeds, & Contract Fees	456.7	433.1	(23.6)	12.4	6.6
Total Major Tax Sources	\$ 26,898.5	\$ 28,333.6	\$ 1,435.1	(3.2) %	1.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	694.5	(30.0)	3.5	(0.8)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,645.1	(20.2)	1.2	(0.1)
TOTAL GF REVENUES	\$ 28,563.8	\$ 29,978.6	\$ 1,414.9	(3.0) %	1.8 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %
Sales Tax (0.375%)	571.7	574.7	3.0	(0.4)	0.2
Transfers Per Appropriations	394.3	394.3	-	(153.9)	(153.9)
Total Transfers	\$ 1,128.1	\$ 1,130.1	\$ 2.0	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,108.8	\$ 1,416.9	0.8 %	5.6 %

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

The Official to GACRE Below Baseline General Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

	Fiscal Year 2026			% Growth over FY 25		2024-2026 Biennium		
	Official	GACRE	Change	Official	GACRE	Official	GACRE	Change
	Forecast	Forecast		Forecast	Forecast	Forecast	Forecast	
MAJOR TAX SOURCES								
Corporate Income	\$ 2,164.7	\$ 1,859.5	\$ (305.2)	4.8 %	(0.0) %	\$ 4,230.2	\$ 3,719.7	\$ (510.5)
Individual Income								
Gross	23,439.1	22,496.6	(942.5)	5.3	(4.9)	45,699.6	46,158.0	458.5
Withholding	17,739.9	16,963.2	(776.7)	6.7	(1.4)	34,369.3	34,165.7	(203.6)
Nonwithholding	5,699.1	5,533.4	(165.8)	1.2	(14.3)	11,330.3	11,992.4	662.1
Refunds	(2,743.4)	(2,488.5)	254.8	(9.0)	(11.4)	(5,759.2)	(5,295.9)	463.2
Net	20,695.7	20,008.0	(687.7)	7.5	(4.1)	39,940.4	40,862.1	921.7
Insurance Company Premiums	452.3	459.0	6.7	3.0	(4.1)	891.6	937.9	46.3
State Sales & Use Tax	4,889.3	4,553.3	(336.0)	4.2	(3.3)	9,581.6	9,260.6	(321.1)
Wills, Suits, Deeds, & Contract Fees	457.2	456.5	(0.7)	0.1	5.4	913.9	889.6	(24.3)
Total Major Tax Sources	\$ 28,659.3	\$ 27,336.3	\$ (1,322.9)	6.5 %	(3.5) %	\$ 55,557.8	\$ 55,669.9	\$ 112.2
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)
Interest & Rents	652.2	575.8	(76.4)	(10.0)	(17.1)	1,376.7	1,270.3	(106.4)
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1
Total Misc. Taxes and Other Revenues	1,616.5	1,511.3	(105.2)	(2.9)	(8.1)	3,281.8	3,156.4	(125.4)
TOTAL GF REVENUES	\$ 30,275.8	\$ 28,847.7	\$ (1,428.1)	6.0 %	(3.8) %	\$ 58,839.6	\$ 58,826.3	\$ (13.3)
TRANSFERS								
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)
Sales Tax (0.375%)	595.1	555.3	(39.8)	4.1	(3.4)	1,166.8	1,130.0	(36.8)
Transfers Per Appropriations	888.7	888.7	0.0	125.4	125.4	1,283.0	1,283.0	0.0
Total Transfers	\$ 1,714.8	\$ 1,600.1	\$ (114.7)	52.0 %	41.6 %	\$ 2,842.9	\$ 2,730.2	\$ (112.6)
TOTAL GENERAL FUND	\$ 31,990.5	\$ 30,447.7	\$ (1,542.8)	7.7 %	(2.1) %	\$ 61,682.4	\$ 61,556.5	\$ (125.9)

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

The Official to GACRE Below Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Dollars in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	GACRE Forecast	% Growth Over FY 26	GACRE Forecast	% Growth Over FY 27	GACRE Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 1,891.3	1.7 %	\$ 2,122.2	12.2 %	\$ 4,013.5	7.9 %
Individual Income						
Gross	23,438.5	4.2	24,603.1	5.0	48,041.6	4.1
Withholding	17,465.2	3.0	18,096.1	3.6	35,561.3	4.1
Nonwithholding	5,973.3	8.0	6,507.0	8.9	12,480.3	4.1
Refunds	(2,346.1)	(5.7)	(2,274.2)	(3.1)	(4,620.2)	(12.8)
Net	21,092.4	5.4	22,328.9	5.9	43,421.3	6.3
Insurance Company Premiums	490.8	6.9	534.2	8.8	1,025.0	9.3
State Sales & Use Tax	4,791.0	5.2	5,062.0	5.7	9,852.9	6.4
Wills, Suits, Deeds, & Contract Fees	549.3	20.3	640.2	16.6	1,189.5	33.7
Total Major Tax Sources	\$ 28,814.7	5.4 %	\$ 30,687.6	6.5 %	\$ 59,502.2	6.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	490.7	(14.8)	503.2	2.5	993.9	(21.8)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,443.6	(4.5)	1,481.2	2.6	2,924.7	(7.3)
TOTAL GF REVENUES	\$ 30,258.2	4.9 %	\$ 32,168.7	6.3 %	\$ 62,427.0	6.1 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	584.3	5.2	617.7	5.7	1,202.0	6.4
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 856.3	(46.5) %	\$ 891.6	4.1 %	\$ 1,747.9	(36.0) %
TOTAL GENERAL FUND	\$ 31,114.5	2.2 %	\$ 33,060.4	6.3 %	\$ 64,174.9	4.3 %

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	95	6,881,145,000	5.8%
62	242,144,567	4.8%	96	7,356,110,000	6.9%
63	286,304,265	18.2%	97	7,949,327,000	8.1%
64	298,033,919	4.1%	98	8,773,520,000	10.4%
65	323,213,412	8.4%	99	9,702,747,000	10.6%
66	365,129,776	13.0%	00	10,788,482,000	11.2%
67	414,755,644	13.6%	01	11,105,275,000	2.9%
68	533,597,744	28.7%	02	10,678,954,000	-3.8%
69	706,254,374	32.4%	03	10,867,149,000	1.8%
70	743,721,322	5.3%	04	11,917,867,000	9.7%
71	807,954,651	8.6%	05	13,687,252,000	14.8%
72	922,653,686	14.2%	06	14,834,298,000	8.4%
73	1,054,469,443	14.3%	07	15,565,827,000	4.9%
74	1,168,562,871	10.8%	08	15,766,951,000	1.3%
75	1,303,178,893	11.5%	09	14,315,060,000	-9.2%
76	1,428,421,157	9.6%	10	14,219,477,000	-0.7%
77	1,636,301,819	14.6%	11	15,040,200,000	5.8%
78	1,923,085,084	17.5%	12	15,846,665,000	5.4%
79	2,115,211,522	10.0%	13	16,684,600,000	5.3%
80	2,344,928,934	10.9%	14	16,411,400,000	-1.6%
81	2,579,663,941	10.0%	15	17,735,600,000	8.1%
82	2,796,458,741	8.4%	16	18,040,100,000	1.7%
83	2,975,687,935	6.4%	17	18,695,100,000	3.6%
84	3,397,710,261	14.2%	18	19,880,800,000	6.3%
85	3,790,816,000	11.6%	19	21,307,500,000	7.2%
86	4,131,778,000	9.0%	20	21,737,800,000	2.0%
87	4,590,434,000	11.1%	21	24,878,500,000	14.4%
88	5,054,382,000	10.1%	22	28,934,900,000	16.3%
89	5,478,912,000	8.4%	23	27,909,932,000	-3.5%
90	5,494,884,000	0.3%	24	29,448,224,000	5.5%
91	5,471,879,000	-0.4%	25*	30,648,400,000	4.1%
92	5,623,213,000	2.8%	26*	31,406,500,000	2.5%
93	6,133,637,000	9.1%			
94	6,503,368,000	6.0%			

* December 2024 Forecast (Excludes Transfers)

Shaded areas indicate years in which there was a national recession.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	1,481,545,606	-	95	10,384,870,494	3.6%
62	1,537,352,615	3.8%	96	10,890,478,746	4.9%
63	1,796,137,171	16.8%	97	11,558,538,412	6.1%
64	1,846,897,930	2.8%	98	12,581,950,639	8.9%
65	1,968,892,617	6.6%	99	13,752,617,927	9.3%
66	2,176,922,544	10.6%	00	15,018,576,793	9.2%
67	2,400,067,380	10.3%	01	15,085,409,422	0.4%
68	2,984,327,427	24.3%	02	14,255,046,153	-5.5%
69	3,777,165,333	26.6%	03	14,255,083,395	0.0%
70	3,775,330,958	0.0%	04	15,287,450,374	7.2%
71	3,903,492,571	3.4%	05	17,058,635,409	11.6%
72	4,255,439,187	9.0%	06	17,901,333,462	4.9%
73	4,660,947,435	9.5%	07	18,251,113,300	2.0%
74	4,821,350,900	3.4%	08	18,092,414,232	-0.9%
75	4,872,835,309	1.1%	09	16,183,163,476	-10.6%
76	4,994,566,888	2.5%	10	15,989,471,524	-1.2%
77	5,418,801,093	8.5%	11	16,614,507,675	3.9%
78	5,978,533,829	10.3%	12	17,170,185,851	3.3%
79	6,103,493,712	2.1%	13	17,749,291,235	3.4%
80	6,227,651,969	2.0%	14	17,155,565,544	-3.3%
81	6,246,310,906	0.3%	15	18,302,709,452	6.7%
82	6,280,049,049	0.5%	16	18,472,400,349	0.9%
83	6,368,206,849	1.4%	17	18,869,596,595	2.2%
84	7,018,829,877	10.2%	18	19,658,559,979	4.2%
85	7,567,216,453	7.8%	19	20,647,902,747	5.0%
86	8,043,603,658	6.3%	20	20,782,282,602	0.7%
87	8,758,030,297	8.9%	21	23,208,097,204	11.7%
88	9,366,427,767	6.9%	22	25,343,309,531	9.2%
89	9,757,939,027	4.2%	23	23,147,266,236	-8.7%
90	9,441,787,018	-3.2%	24	23,789,720,121	2.8%
91	9,066,232,013	-4.0%	25*	24,243,992,219	1.9%
92	9,063,595,079	0.0%	26*	24,372,611,110	0.5%
93	9,667,377,762	6.7%			
94	10,024,343,457	3.7%			

* December 2024 Forecast (Excludes Transfers)

Shaded areas indicate years in which there was a national recession.

NONGENERAL FUND REVENUE PROJECTIONS

For Fiscal Years 2024 Through 2030

\$(Millions)

	Actual FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Taxes:							
Motor vehicle fuel tax	1,444.6	1,543.0	1,587.0	1,617.4	1,664.2	1,705.8	1,745.8
Unemployment compensation payroll tax	217.5	518.9	442.4	431.2	428.4	429.9	382.9
Special highway tax from sales tax	1,377.1	1,418.6	1,477.0	1,534.5	1,587.3	1,655.6	1,731.4
Motor vehicle sales tax and use tax	1,208.9	1,220.5	1,240.2	1,256.4	1,271.8	1,281.0	1,295.9
Other taxes	2,499.4	2,659.7	2,743.1	2,812.8	2,886.4	2,957.7	3,017.9
Total	6,747.5	7,360.7	7,489.7	7,652.2	7,838.2	8,030.1	8,173.9
Rights and privileges:							
Motor Vehicle Licenses	312.7	329.1	334.1	332.0	334.6	335.2	339.9
Other Rights & Privileges	1,179.6	1,126.5	1,182.1	1,180.9	1,196.9	1,224.1	1,230.1
Total	1,492.3	1,455.6	1,516.1	1,512.9	1,531.4	1,559.3	1,569.9
Sales of property and commodities:							
Alcoholic Beverage Sales	1,202.9	1,463.6	1,478.3	1,503.4	1,528.9	1,559.5	1,592.2
Other Sales	2,022.7	1,054.1	986.8	989.6	992.5	995.6	999.6
Total	3,225.6	2,517.7	2,465.1	2,492.9	2,521.4	2,555.1	2,591.8
Assessment & Receipts for Support of Special Services:							
	3,077.2	3,374.2	3,514.5	3,538.6	3,579.0	3,628.7	3,680.5
Institutional revenue:							
Institutions of Higher Education ²	2,791.1	7,572.7	7,924.7	8,025.5	8,125.0	7,330.0	7,445.3
Other Educational Institutions	3.8	3.8	3.7	3.7	3.7	3.8	3.8
Medical Hospitals ²	0.0	3,077.7	3,322.2	3,569.2	3,850.6	4,128.2	4,413.0
Mental Hospitals	124.6	124.2	137.3	148.5	151.9	151.7	143.5
Corrections	58.1	58.0	58.0	58.0	57.9	57.9	57.9
Other Institutions	44.3	47.8	48.1	48.5	49.5	50.8	52.1
Total	3,021.9	10,884.2	11,494.0	11,853.3	12,238.7	11,722.5	12,115.7
Interest dividends and rents:							
	885.8	404.5	833.6	843.4	802.0	822.4	427.9
Grants and donations:							
Federal grants and contracts	21,184.0	26,854.7	27,496.4	27,147.5	27,192.6	27,023.5	27,052.0
Other grants & contracts	596.3	1,191.4	423.2	697.7	80.4	56.9	48.5
Total	21,780.3	28,046.1	27,919.6	27,845.2	27,273.0	27,080.3	27,100.5
Other Revenue:							
	3,312.3	2,899.7	2,871.4	3,273.9	2,865.3	3,221.1	2,890.1
Total Nongeneral Fund Revenue: ¹							
	43,543.0	56,942.7	58,104.0	59,012.4	58,649.0	58,619.5	58,550.3
\$ Amount change from previous year		13,399.7	1,161.3	908.4	(363.5)	(29.5)	(69.1)
% Change from previous year		30.8%	2.0%	1.6%	-0.6%	-0.1%	-0.1%

¹ Page 1 totals adjusted to reflect lottery proceeds being listed separately.

² Per the Management Agreement between the tier 3 schools and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly, the type 3 schools are not required to report actual revenue collections in Cardinal.

FY 2025 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2025 Estimate	As a % of Gen Fund Rev	FY 2025	November FY 2024	% Change	FY 2025	FY 2024	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$16,629,400	58.22	\$1,432,367	\$1,415,221	1.2	\$7,007,195	\$6,555,843	6.9	(0.5)
Tax Dues/Estimated Payments	5,631,100	19.71	120,955	115,296	4.9	1,700,006	1,406,295	20.9	(14.2)
Gross Individual Income Tax	\$22,260,500	77.93	\$1,553,322	\$1,530,517	1.5	\$8,707,201	\$7,962,138	9.4	(4.4)
Individual and Fiduciary Income (Refunds)	(3,015,800)	(10.56)	(242,817)	(249,962)	(2.9)	(894,146)	(988,786)	(9.6)	1.5
Net Individual Income Tax	\$19,244,700	67.37	\$1,310,505	\$1,280,555	2.3	\$7,813,055	\$6,973,352	12.0	(5.2)
Sales and Use Tax	\$4,692,300	16.43	\$415,001	\$385,796	7.6	\$2,010,853	\$1,975,161	1.8	(0.4)
Corporations Income Tax	2,065,500	7.23	8,798	35,662	(75.3)	469,873	647,285	(27.4)	8.3
Wills, Suits, Deeds, Contracts	456,700	1.60	37,881	27,978	35.4	195,208	164,020	19.0	12.4
Insurance Premiums	439,300	1.54	0	0	-	0	0	-	(6.2)
Interest Income (a)	724,300	2.54	110,402	116,665	(5.4)	385,805	401,929	(4.0)	3.5
Alcoholic Beverage Sales (b)	337,200	1.18	68,395	68,589	(0.3)	81,805	84,935	(3.7)	7.3
All Other Revenues	603,800	2.11	38,580	42,929	(10.1)	249,679	196,365	27.2	(4.5)
Total General Fund Revenues	\$28,563,800	100.00	\$1,989,562	\$1,958,174	1.6	\$11,206,278	\$10,443,047	7.3	(3.0)

Percentage is greater than or equal to 1,000%.

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

(b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2025 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	(1) FY 2025 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2025	(4) November FY 2024	(5) Change %	(6) FY 2025	(7) Year-To-Date FY 2024	(8) Change %	(9) Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$16,629,400	58.22	\$1,432,367	\$1,415,221	1.2	\$7,007,195	\$6,555,843	6.9	(0.5)
Tax Dues/Estimated Payments	5,631,100	19.71	120,955	115,296	4.9	1,700,006	1,406,295	20.9	(14.2)
Gross Individual Income Tax	\$22,260,500	77.93	\$1,553,322	\$1,530,517	1.5	\$8,707,201	\$7,962,138	9.4	(4.4)
Indiv and Fiduc Income (Refunds)	(3,015,800)	(10.56)	(242,817)	(249,962)	(2.9)	(894,146)	(988,786)	(9.6)	1.5
Net Individual Income Tax	\$19,244,700	67.37	\$1,310,505	\$1,280,555	2.3	\$7,813,055	\$6,973,352	12.0	(5.2)
Sales and Use Tax	4,692,300	16.43	415,001	385,796	7.6	2,010,853	1,975,161	1.8	(0.4)
Corporations Income	2,065,500	7.23	8,798	35,662	(75.3)	469,873	647,285	(27.4)	8.3
Public Service Corporations	105,900	0.37	6,675	8,228	(18.9)	40,639	38,814	4.7	(0.9)
Insurance Premiums	439,300	1.54	0	0	-	0	0	-	(6.2)
Alcoholic Beverage Excise	297,200	1.04	65,467	65,444	0.0	68,502	70,780	(3.2)	7.6
Beer and Beverage Excise	40,000	0.14	2,928	3,145	(6.9)	13,303	14,155	(6.0)	5.2
Wills, Suits, Deeds, Contracts	456,700	1.60	37,881	27,978	35.4	195,208	164,020	19.0	12.4
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	-
Bank Franchise	30,400	0.11	147	6	#	4,601	(771)	696.8	16.9
Other Taxes	77,500	0.27	7,228	8,520	(15.2)	28,391	28,700	(1.1)	18.2
Total Taxes	\$27,449,500	96.10	\$1,854,630	\$1,815,334	2.2	\$10,644,425	\$9,911,496	7.4	(3.1)
Rights and Privileges:									
Licenses and Permits	\$3,900	0.01	\$367	\$175	109.7	\$1,646	\$1,366	20.5	2.7
Corp. Franchise and Charters	83,000	0.29	520	529	(1.7)	2,959	2,964	(0.2)	10.9
Fees for Misc. Privileges & Services	15,500	0.06	287	300	(4.3)	6,130	5,323	15.2	(24.5)
Total Rights and Privileges	\$102,400	0.36	\$1,174	\$1,004	16.9	\$10,735	\$9,653	11.2	3.3
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$0	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	300	0.00	21	9	133.3	184	258	(28.7)	(52.2)
Institutional Revenue	3,400	0.01	12	111	(89.2)	1,600	1,243	28.7	2.6
Interest (a)	724,300	2.54	110,402	116,665	(5.4)	385,805	401,929	(4.0)	3.5
Dividends and Rent	200	0.00	15	15	0.0	65	64	1.6	48.1
Fines, Forfeitures & Fees	259,500	0.91	22,043	24,729	(10.9)	112,770	110,484	2.1	0.7
Other Revenue	25,900	0.09	792	489	62.0	49,995	7,367	578.6	(55.4)
Excess Fees	(7,700)	(0.03)	0	(683)	100.0	(1,229)	(1,761)	30.2	(147.3)
Private Donations, Gifts & Cont.	0	0.00	0	48	(100.0)	0	542	(100.0)	(100.0)
Cities, Counties, and Towns	6,000	0.02	473	453	4.4	1,928	1,772	8.8	18.2
Total Other Revenues	\$1,011,900	3.54	\$133,758	\$141,836	(5.7)	\$551,118	\$521,898	5.6	(2.2)
Total General Fund Revenues	\$28,563,800	100.00	\$1,989,562	\$1,958,174	1.6	\$11,206,278	\$10,443,047	7.3	(3.0)

Percentage is greater than or equal to 1,000%.

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

	November			Year-To-Date			% Annual Growth Required
	<u>FY 2025</u>	<u>FY 2024</u>	<u>Change</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>Change</u>	
FY 2025 Estimate	(b)	(c)	%	(c)	(c)	%	
Lottery Collections (a)							
Total Lottery Sales	\$5,744,113	\$424,564	6.7	\$2,249,006	\$2,163,169	4.0	4.0
Other Income	3,000	1,513	(20.7)	4,445	4,879	(8.9)	(69.8)
Total Income	<u>\$5,747,113</u>	<u>\$426,077</u>	<u>6.6</u>	<u>\$2,253,451</u>	<u>\$2,168,048</u>	<u>3.9</u>	<u>3.9</u>
Less:							
Prize Expenses	\$4,473,917	\$334,769	4.8	\$1,739,860	\$1,657,464	5.0	5.4
Retailer Commissions	132,767	10,643	5.2	55,377	54,008	2.5	(6.2)
Operating Expenses	262,503	18,536	5.5	90,533	82,169	10.2	25.2
Total Expenses	<u>\$4,869,187</u>	<u>\$363,948</u>	<u>4.9</u>	<u>\$1,885,770</u>	<u>\$1,793,641</u>	<u>5.1</u>	<u>5.9</u>
Net Proceeds from Operations							
Net Lottery Ticket Profits	\$877,926	\$62,129	16.7	\$367,681	\$374,407	(1.8)	(6.0)
Prior Year Residual Profit Transfer	0	0	-	75,601	86,171	(12.3)	-
Available to Lottery Proceeds Fund	<u>\$877,926</u>	<u>\$62,129</u>	<u>16.7</u>	<u>\$443,282</u>	<u>\$460,578</u>	<u>(3.8)</u>	<u>(14.0)</u>

Percentage is greater than or equal to 1,000%.

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 2, 2024 Virginia Acts of Assembly, Special Session I. The Prior Year Residual Profit Transfer of \$75,601,408 was transferred on August 13, 2024. The FY 2025 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2025 sales and profits, as well as the residual transfer from FY 2024.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	FY 2025 Estimate	As a % of Total		November		Year-To-Date		% Annual Growth Required By Estimate	
		Fund	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024		FY 2025
			Change	Change	Change	Change	Change		
Motor Fuel Taxes	\$1,591,400	19.14	\$123,905	\$122,883	(0.8)	\$661,485	\$616,875	7.2	6.2
Insurance Premiums Tax	228,661	2.75	6,225	8,164	31.1	202,622	184,782	9.7	5.0
Motor Vehicle Sales and Use Tax	1,248,400	15.02	91,636	94,589	3.2	564,424	540,052	4.5	(0.6)
State Sales and Use Tax	1,392,200	16.74	113,417	120,526	6.3	587,453	577,768	1.7	1.1
Motor Vehicle License Fees	219,500	2.64	15,081	13,480	(10.6)	95,756	91,618	4.5	3.2
Highway Use Fee	65,400	0.79	4,993	5,438	8.9	34,768	28,322	22.8	(7.9)
International Registration Plan	119,600	1.44	2,885	3,944	36.7	40,414	37,266	8.4	5.1
Recordation Tax	55,900	0.67	3,400	4,714	38.6	24,344	20,163	20.7	9.9
Interest Earnings	14,200	0.17	65	137	110.8	14,143	11,971	18.1	(73.8)
Misc. Taxes, Fees, and Revenues	18,600	0.22	1,475	1,820	23.4	9,519	8,003	18.9	(13.8)
Total State Taxes and Fees	\$4,953,861	59.58	\$363,082	\$375,695	3.5	\$2,234,928	\$2,116,820	5.6	1.7

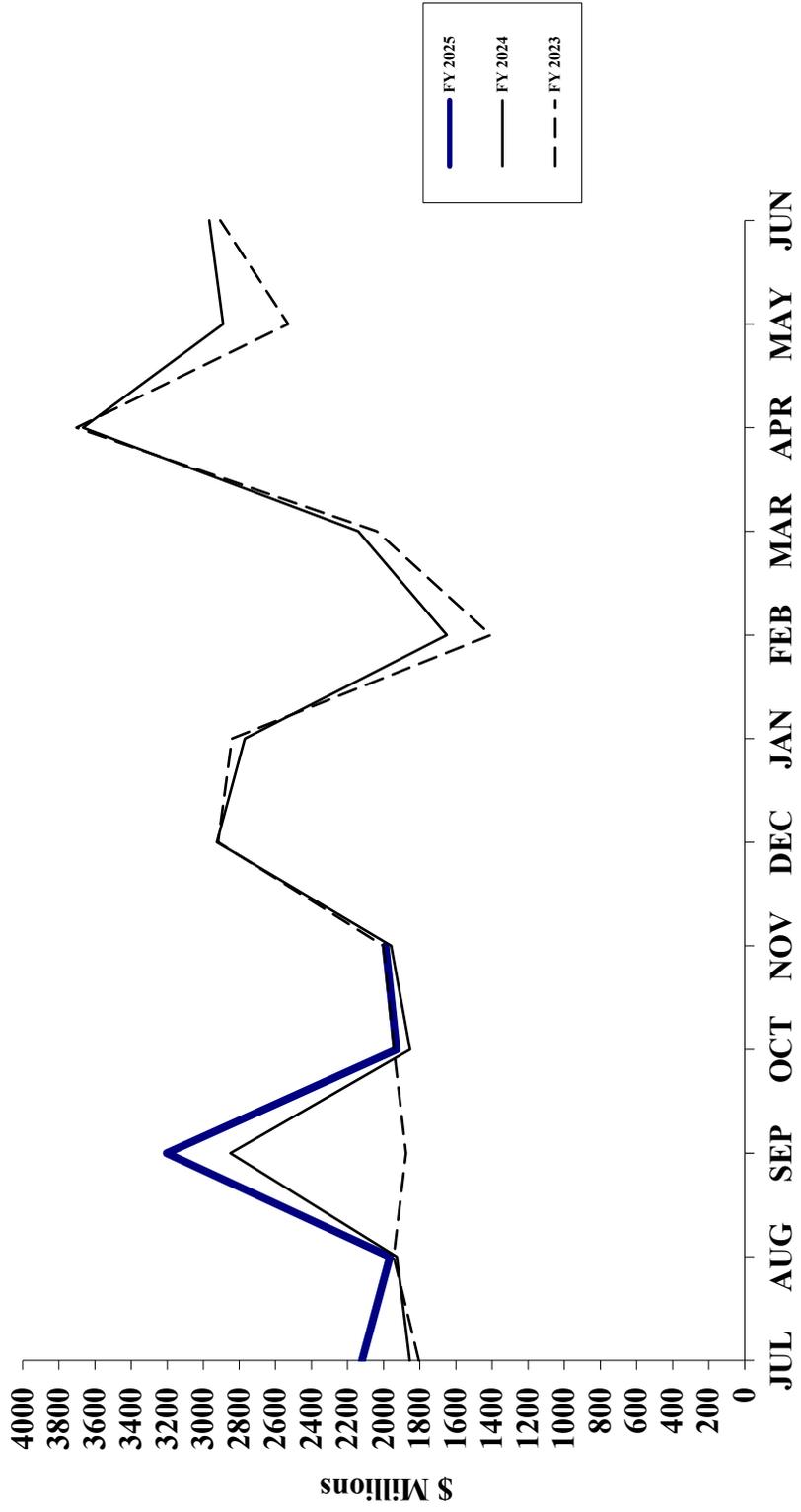
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)**

Revenue	FY 2025 Estimate	As a % of Total Fund	November		Year-To-Date		% Annual Growth Required By Est
			FY 2025	FY 2024	FY 2025	FY 2024	
				% Change		% Change	
COMMONWEALTH TRANSPORTATION FUND							
Motor Vehicle Fuels Taxes	\$1,591,400	19.14	\$122,883	\$123,905	\$661,485	\$616,875	7.2
(Includes Aviation & Road Taxes)							
Motor Vehicle Sales and Use Tax	1,248,400	15.02	94,589	91,636	564,424	540,052	4.5
(Includes Rental Tax)	1,392,200	16.74	120,526	113,417	587,453	577,768	1.7
State Sales and Use Tax	219,500	2.64	13,480	15,081	95,756	91,618	4.5
Motor Vehicle License Fees	65,400	0.79	5,438	4,993	34,768	28,322	22.8
Highway Use Fee	119,600	1.44	3,944	2,885	40,414	37,266	8.4
International Registration Plan	228,661	2.75	8,164	6,225	202,622	184,782	9.7
Insurance Premiums Tax	55,900	0.67	4,714	3,400	24,344	20,163	20.7
Recordation Tax	\$4,921,061	59.19	\$373,738	\$361,542	\$2,211,266	\$2,096,846	5.5
Total Commonwealth Transportation Fund							
HIGHWAY MAINTENANCE AND OPERATING FUND							
Misc. Taxes, Fees, and Revenues	\$18,600	0.22	\$1,820	\$1,475	\$9,519	\$8,003	18.9
Other Miscellaneous Revenues	30,132	0.37	34,041	2,198	336,392	330,507	1.8
Federal Grants and Contracts	0	0.00	981	3,169	20,192	15,235	32.5
Transfer (to) / from Transportation Trust Fund	509,882	6.13	0	0	127,000	91,000	39.6
Total Highway Maintenance and Operating Fund	\$558,614	6.72	\$36,842	\$6,842	\$493,103	\$444,745	10.9
TRANSPORTATION TRUST FUND							
Interest Earnings	\$14,200	0.17	\$137	\$65	\$14,143	\$11,971	18.1
Federal Grants and Contracts	1,743,227	20.97	98,719	40,058	831,095	765,602	8.6
Receipts from Cities/Counties	1,466,358	17.64	42,334	57,619	211,563	254,344	(16.8)
Toll Revenues	116,696	1.39	5,389	4,120	24,103	26,607	(9.4)
Miscellaneous Revenues	4,058	0.05	17,471	2,576	222,848	170,181	30.9
Transfer (to) / from Highway Maintenance and Operating Fund	(509,882)	(6.13)	0	0	(127,000)	(91,000)	(39.6)
Total Transportation Trust Fund	\$2,834,657	34.09	\$164,050	\$104,438	\$1,176,752	\$1,137,705	3.4
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND	\$8,314,332	100.00	\$574,630	\$472,822	\$3,881,121	\$3,679,296	5.5

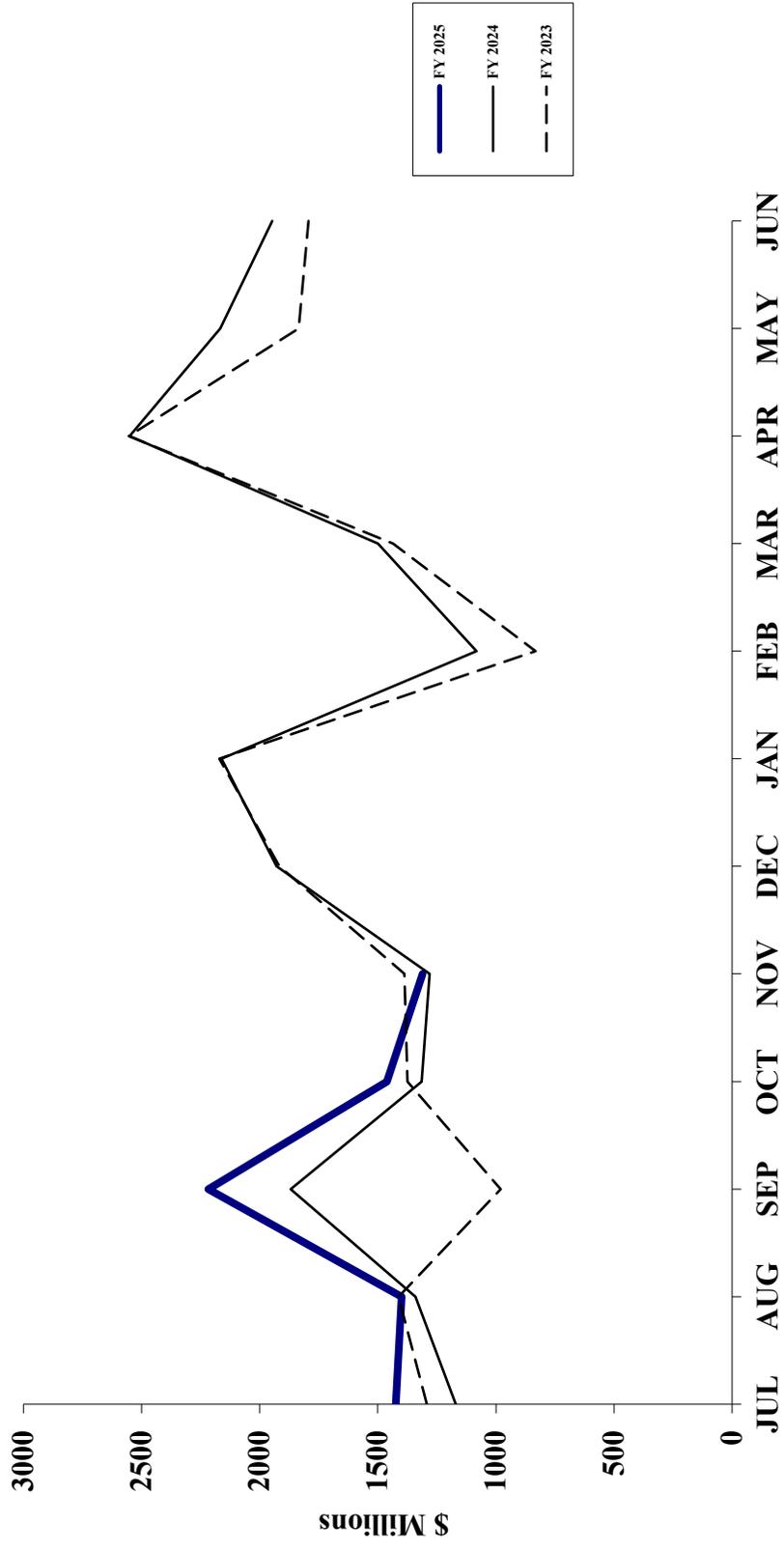
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



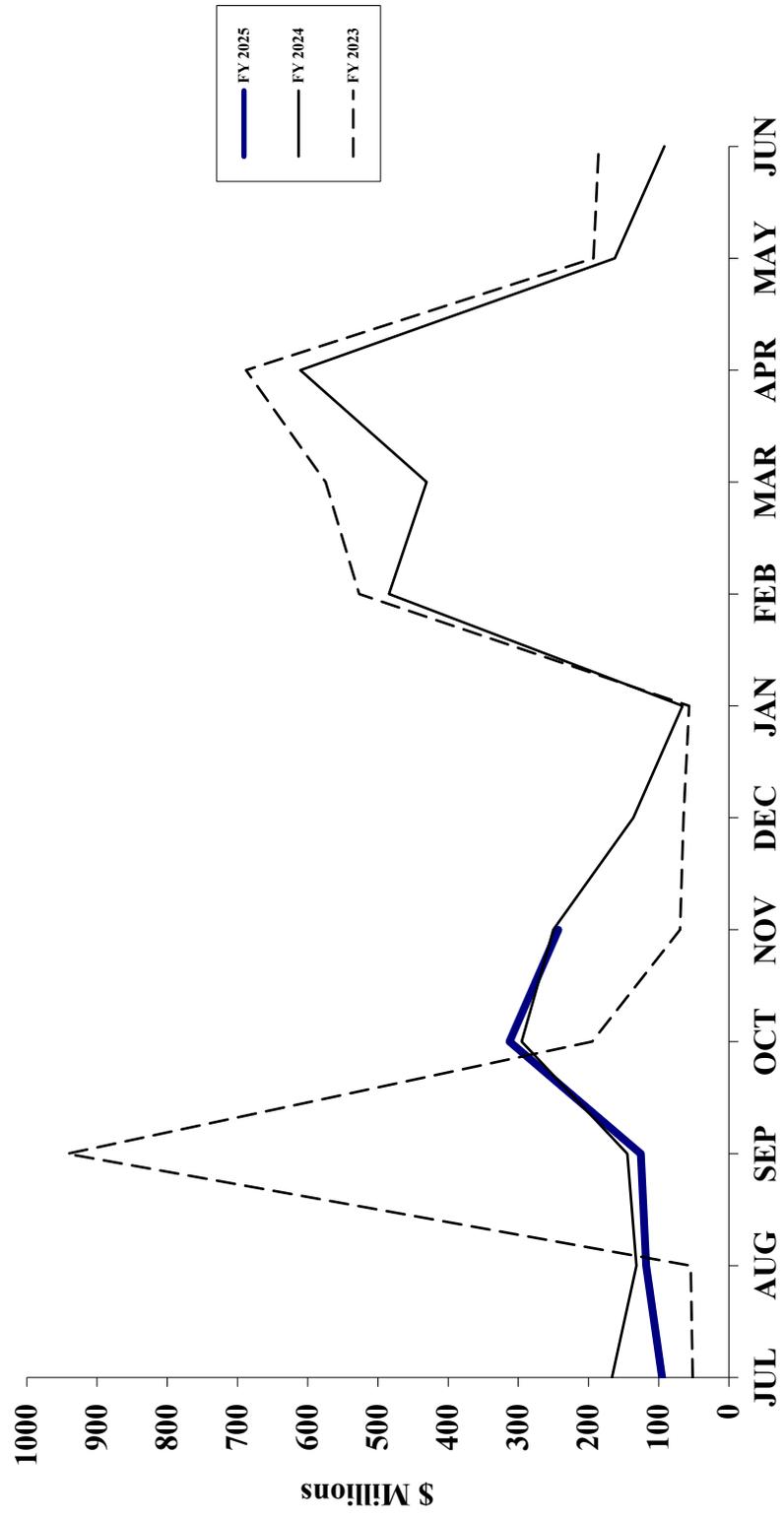
FY 2023 Actual = \$27,909.9 Million
FY 2024 Actual = \$29,448.2 Million
FY 2025 Estimate = \$28,563.8 Million

Net Individual Income Tax



FY 2023 Actual = \$18,983.6 Million
FY 2024 Actual = \$20,310.4 Million
FY 2025 Estimate = \$19,244.7 Million

Individual and Fiduciary Income Tax Refunds



FY 2023 Actual = \$3,602.8 Million
FY 2024 Actual = \$2,971.5 Million
FY 2025 Estimate = \$3,015.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2025
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹	EXTERNAL MANAGEMENT EXTENDED DURATION			COMPOSITE		
	Avg. Balance	Yield		Avg. Balance	Annualized Total Return	YTM ²	Avg. Balance	Rate ³	YTM ⁴
July, 2024	\$21,067.8	4.73%	5.03%	\$9,091.7	20.56%	4.82%	\$30,159.5	9.50%	4.76%
August	\$19,438.1	4.70%	4.93%	\$9,724.4	13.40%	4.55%	\$29,162.5	7.60%	4.65%
September	\$19,333.8	4.65%	4.83%	\$10,331.7	13.44%	4.29%	\$29,665.5	7.71%	4.53%
October	\$19,380.6	4.47%	4.76%	\$10,553.7	-17.91%	4.75%	\$29,934.3	-3.42%	4.57%
November	\$18,860.0	4.31%	4.70%	\$10,513.7	9.27%	4.69%	\$29,373.7	6.09%	4.44%
December									
January, 2025									
February									
March									
April									
May									
June									
Year-to-Date Average	\$19,616.1	4.58 %	4.85%	\$10,043.0	7.20%	4.61%	\$29,659.1	5.47%	4.59%

• Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

⁵ The EDCP Avg. Balance, Annualized Total Return, Composite Avg. Balance, and Composite Rate were updated by Treasury as of August 21, 2024.

Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2025

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
August	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
September	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
October	\$2,767,047,534	\$0	\$0	\$30,301,470	\$2,797,349,004
November	\$2,797,349,004	\$0	\$0	\$0	\$2,797,349,004
December					
January					
February					
March					
April					
May					
June					

Notes: (A) Interest is earned monthly but credited to the Revenue Stabilization Fund on a quarterly basis.