

Governor McDonnell's Proposed 2014-2016 Budget

Economic Outlook & Revenue Forecast

*A Briefing for the Senate Finance,
House Finance, and House Appropriations
Committees*

December 16, 2013



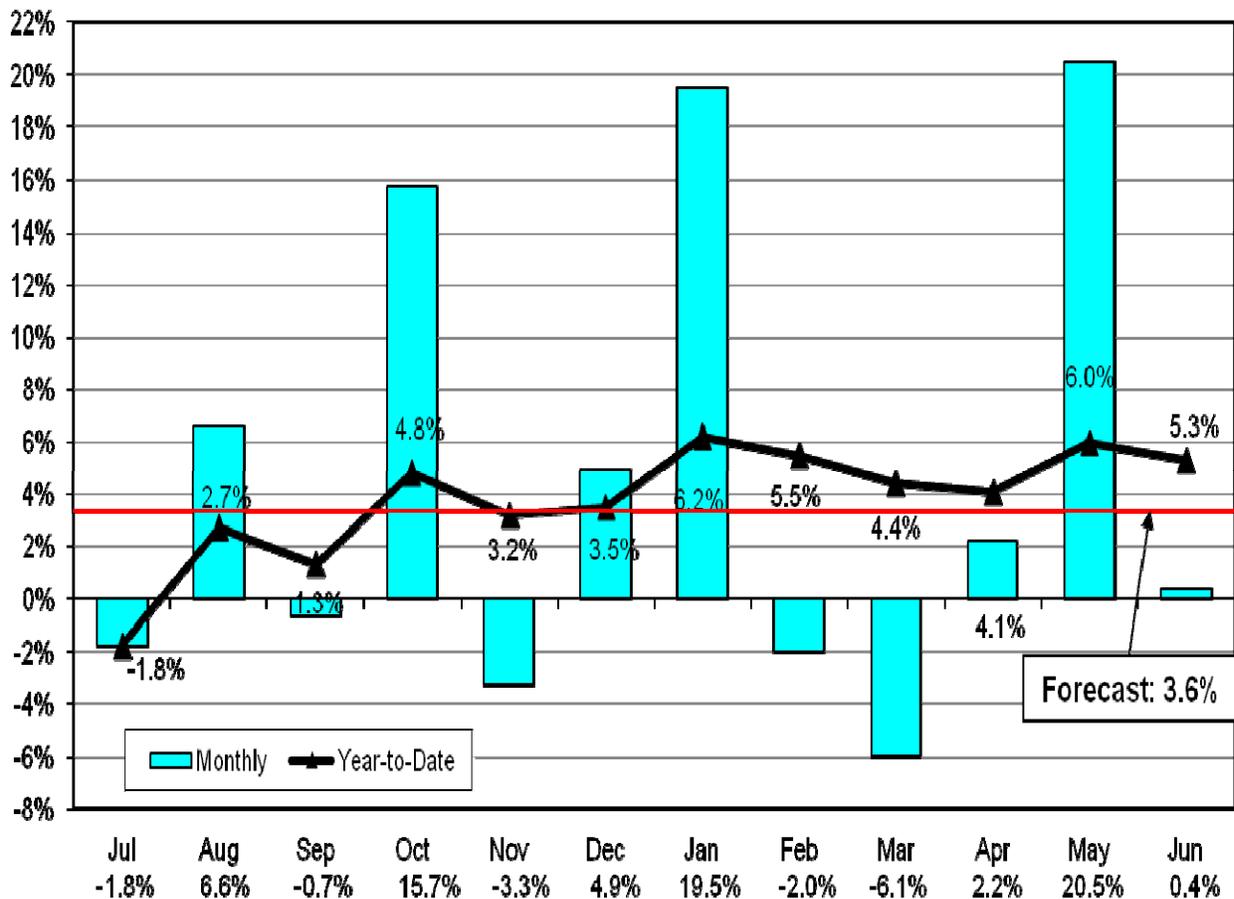
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Outline...

- Fiscal Year 2013 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

Calendar Effects Throughout Fiscal Year 2013 Led to a Roller Coaster for Monthly Revenue...

Growth in Total General Fund Revenue Collections
FY13 Monthly and Year-to-Date



- Total general fund revenue collections exceeded the forecast by \$263.6 million in fiscal year 2013, a forecast variance of 1.6 percent. Total revenues rose 5.3 percent, ahead of the revised annual forecast of 3.6 percent growth.
 - Adjusting for the accelerated sales tax (AST) program, total revenues grew 5.1 percent, ahead of the economic-base forecast of 3.4 percent growth.

Fiscal Year 2013 Revenues and Transfers Finished \$264.3 Million (1.6 Percent) Above Forecast...

Summary of Fiscal Year 2013 Revenue Collections (millions of dollars)

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>% Growth Over FY12</u>	
			<u>Dollars</u>	<u>Percent</u>	<u>Forecast</u>	<u>Actual</u>
Withholding	\$ 10,366.3	\$ 10,251.3	\$ (115.0)	(1.1) %	3.3 %	2.1 %
Nonwithholding	2,517.6	2,807.7	290.1	11.5	6.8	19.1
Refunds	(1,791.3)	(1,719.1)	72.2	(4.0)	0.4	(3.7)
Net Individual	11,092.6	11,340.0	247.4	2.2	4.5	6.9
Sales	3,248.8	3,219.8	(29.0)	(0.9)	4.1	3.1
Corporate	820.9	796.7	(24.2)	(2.9)	(4.5)	(7.3)
Wills (Recordation)	336.5	377.5	41.0	12.2	4.5	17.2
Insurance	255.6	262.2	6.6	2.6	1.1	3.7
All Other Revenue	666.6	688.4	21.8	3.3	(1.6)	1.6
Total Revenues	\$ 16,421.0	\$ 16,684.6	\$ 263.6	1.6 %	3.6 %	5.3 %
ABC Profits	66.6	68.0	1.4	2.1	4.4	6.6
Sales Tax (0.25%)	222.8	221.4	(1.4)	(0.6)	4.1	3.4
Transfers	134.5	135.2	0.7	0.5	(39.8)	(39.5)
Total Transfers	\$ 423.9	\$ 424.6	\$ 0.7	0.2 %	(15.4) %	(15.3) %
Total General Fund	\$ 16,844.9	\$ 17,109.2	\$ 264.3	1.6 %	3.0 %	4.7 %

- Total revenues are 5.7% above the previous peak year of fiscal year 2008.

All Surplus Dollars Are Either Reserved, Committed, or Assigned...

General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2013 (millions of dollars)

Assets		
Cash, Cash Equivalents, and Investments	\$ 1,839.7	
Cash, Travel Advances and Amounts Due from Other Funds	<u>1.4</u>	
Total Assets		<u>\$ 1,841.1</u>
Liabilities and Fund Equity		
Liabilities:		
Due to Other Funds	13.1	
Deposits Pending Distribution	<u>7.3</u>	
Total Liabilities	\$	20.4
Fund Equity:		
Reserved Fund Balance:		
Revenue Stabilization Reserve Fund	440.0	
Revenue Stabilization Reserve 2014	244.6	
Revenue Stabilization Reserve 2015	243.2	
Lottery Proceeds Fund	1.2	
Water Supply Assistance Grant Fund	<u>12.0</u>	
Total Reserved Fund Balance	941.0	
Commitments and Assignments:		
Reapp. 2013 Unexpended Bal. for Cap Outlay	26.0	
Central Capital Planning Fund	12.3	
Communication Sales and Use Tax	33.9	
Natural Disaster Sum Sufficient	34.5	
Amount Required by Chapter 806	232.3	
Amt. Required for Mandatory Reapp.	134.6	
AST for Transportation Trust Fund	21.7	
Fed. Portion of Va. Power Rebate/Internal Service Fund	4.8	
Virginia WQIF - Part A	26.4	
Virginia WQIF - Part B	5.1	
Discretionary Reappropriations	46.1	
Federal Action Contingency Trust Fund	22.5	
Select NGF Balances	<u>279.5</u>	
Total Committed and Assigned Fund Balance	879.7	
Total Fund Equity		<u>1,820.7</u>
Total Liabilities and Fund Balance		<u>\$ 1,841.1</u>

Recent National and State Economic Indicators Suggest a Continuing Modest Economic Expansion ...

- Real GDP grew 3.6 percent in the third quarter of 2013, a significant improvement over growth of 1.2 percent in the first quarter and 2.5 percent in the second quarter.
- Payroll employment grew by 203,000 jobs in November. Monthly gains have averaged 193,000 over the last three months.
- The unemployment rate fell from 7.3 to 7.0 percent in November, its lowest rate since November 2008.
 - The decline resulted from an increase in household employment, even as the labor force increased.
- In Virginia employment has been growing at about 1 percent. Payroll employment grew 0.7 percent in October.
 - Employment increased 0.3 percent Northern Virginia, 1.5 percent in Hampton Roads and 1.0 percent in Richmond-Petersburg.
- The unseasonally adjusted unemployment rate in Virginia rose slightly from 5.3 percent in September to 5.5 percent in October. The rate is unchanged from October of last year.
- During the week ending November 30, initial claims for unemployment fell from 321,000 to 298,000, although initial claims are volatile around the Veterans Day and Thanksgiving. The four-week moving average decreased from 333,000 to 322,250.
- The Conference Board's index of leading indicators rose 0.2 percent in October, its fourth consecutive monthly increase. The behavior of the index is consistent with a strengthening in underlying economic conditions.

Recent National and State Economic Indicators Suggest a Continuing Modest Economic Expansion (continued)...

- Consumer confidence continued to slide in November, as the Conference Board's index of consumer confidence fell from 72.4 to 70.4.
 - Although both components fell, the expectations component drove the decline.
- Conditions in the manufacturing sector strengthened in November as the Institute of Supply Management index rose from 56.4 to 57.3, its sixth consecutive gain.
 - This gain is consistent with a slowly growing economy.
- Driven by falling energy prices, the CPI fell 0.1 percent in October from the previous month and stands 1.0 percent above October of last year, the lowest level since October 2009.
 - Core inflation (excluding food and energy prices) rose 0.1 percent and has increased 1.7 percent from October 2012.
- According to RealtyTrac, U.S. foreclosure activity for November declined 37 percent from November 2012.
 - One in every 1,155 U.S. housing units received a foreclosure notice in November.
 - In Virginia, one in every 2,051 households received a foreclosure notice.
- The U.S. personal savings rate fell from 5.2 percent in September to 4.8 percent in October.
- The Federal Reserve announced at its October meeting that it will keep the federal funds rate target at 0.0 to 0.25 percent and continue the quantitative easing program.

Global Insight's October U.S. standard forecast...

- Real GDP growth of 1.6 percent in the 4th quarter of calendar year 2013 accelerating to 2.7 percent in the 1st quarter of 2014.
 - Growth is not expected to be above 3.0 percent until the second quarter of 2014.
- The standard forecast, which was released in the midst of the federal government shutdown, assumes that:
 - The shutdown will last about one week and that the furloughed workers will receive back pay;
 - The debt-ceiling will be raised; and
 - The automatic spending cuts (or “sequester”), which began in March, will continue through the end of the year. Federal government contributions to real GDP will continue to decline throughout the forecast horizon.
- The Fed is expected to begin its quantitative easing (QE) tapering in December and eliminate QE entirely during 2014; the federal funds rate will remain 0 – 0.25% until late 2015.
- Global Insight also has two alternative forecasts - a 20 percent probability that the recovery stalls and a 20 percent chance the recovery reignites and grows faster.

The Fall 2013 Consensus Forecasting Process...

- The Joint Advisory Board of Economists (JABE) met in October.
 - Members were presented the September standard economic outlook, a forecast that was moderately weaker than the official economic forecast.
 - A majority of JABE members supported the standard outlook; however, most members felt more comfortable lowering Virginia's employment growth to 1.0 percent in FY14. The members also unanimously approved of maintaining a key assumption that Virginia would underperform the nation.
 - The October standard outlook was adjusted consistent with these concerns – specifically lowering employment and wages and salary growth in FY14.
- The Governor's Advisory Council on Revenue Estimates (GACRE) met in November.
 - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for FY14 and the FY15-16 biennium.
 - At the GACRE meeting, 7 business members voted for the standard minus forecast – the forecast presented, 2 voted for standard minus-minus, and 1 voted for the standard forecast.
 - Members of the General Assembly who attended had differing opinions: 4 supported the standard minus, 3 supported the standard plus and 3 supported the standard minus-minus.

Since GACRE, the U.S. and Virginia Economic Outlooks Have Been Slightly Revised...

- Global Insight's November U.S. standard forecast reflects better-than-expected economic growth since October, including the advance estimate of 3rd quarter GDP growth of 2.8 percent.
 - As a result, in FY14 real GDP is now expected to grow 2.1 percent instead of 1.9 percent, and employment is expected to grow 1.6 percent instead of 1.7 percent.
- Given GACRE's support of the standard minus forecast, JABE adjustments to the Virginia outlook to account for the standard minus were retained.

Key Virginia Economic Indicators

Official and November Forecasts

Annual Percent Change

	Fiscal Year					
	11	12	13	14	15	16
Employment						
Official (Nov '12)	1.0	1.6	1.2	1.4	2.0	2.0
Nov Standard			1.3	1.0	1.5	1.7
Personal Income						
Official (Nov '12)	5.6	4.0	3.4	4.1	4.6	4.7
Nov Standard			3.0	2.9	4.3	4.4
Wages & Salaries						
Official (Nov '12)	3.6	2.6	3.7	3.9	4.4	4.2
Nov Standard			3.0	2.6	4.0	4.2
Average Wage						
Official (Nov '12)	2.5	1.0	2.5	2.5	2.3	2.2
Nov Standard			1.7	1.6	2.5	2.5

- As a result, the November 2013 Virginia Economic Outlook for FY14-16 remains a low growth forecast that is weaker than last year's official forecast.

Fiscal Year 2014 Year-to-Date Revenue Collections Through November Continue Along a Path of Slow Revenue Growth...

November Year-to-Date Collections and FY 2014 Forecasts (annual percent change)

<u>Major Source</u>	As a % of Total Revenues	Percent Growth over Prior Year			
		<u>Nov YTD Actual</u>	<u>Official Estimate</u>	<u>December Estimate</u>	<u>Dec-Jun Req'd Meet Dec Est.</u>
Withholding	63.8 %	3.4 %	5.4 %	3.3 %	3.2 %
Nonwithholding	15.6	6.6	(5.9)	6.3	6.2
Refunds	(10.8)	33.5	6.3	5.1	1.7
Net Individual	68.6	2.5	2.5	3.7	4.5
Sales	18.8	(2.6)	(1.0)	(4.4)	(5.4)
Corporate	5.0	(12.1)	5.4	0.4	4.4
Wills (Recordation)	2.0	(4.7)	(10.9)	0.0	3.1
Insurance	1.7	0.0	7.0	10.4	10.4
All Other Revenue	4.0	(1.5)	(2.3)	(3.8)	(5.0)
Total	100.0 %	0.7 %	1.5 %	1.7 %	2.3 %

Sales x HB2313 & AST	2.6 %	5.2 %	1.6 %	1.0 %
Total x HB2313 & AST	1.7 %	2.7 %	2.9 %	3.6 %

- In November, total revenues grew 1.1 as payroll withholding grew 2.6% and sales tax increased 1.8 percent.
 - Present trends in refunds are influenced by the use of Land Preservation Credits.
 - Wills declined by 21.6 percent – the fourth consecutive double digit monthly decline.
- Total revenues grew 0.7 percent through November, behind the official estimate of 1.5 percent -- adjusting for HB2313 & AST, total revenues grew 1.7 percent, behind the economic-base forecast of 2.7 percent growth.

The December Revenue Forecast Has Been Revised Minimally Upward From The Official Forecast...

- Nonwithholding is the main driver of the upward revision to total revenues for the next three years.
 - Exceeded the forecast in fiscal year 2013 by \$290.1 million, thereby raising its revenue base;
 - Fiscal year 2014 year-to-date growth is 6.6 percent, significantly ahead of the annual official estimate of a 5.9 percent decline; and
 - Expectations in the financial markets have improved.
- Receipts from the recordation tax also contributed to the increase for the next three years.
 - Exceeded the forecast in fiscal year 2013 by \$41.0 million, increasing its revenue base;
- Withholding underperformed in fiscal year 2013 and the estimate was reduced over the next three years.
 - Withholding grew 2.1 percent in fiscal year 2013, about 1.2 percentage points or \$115.0 million lower than the official estimate; and
 - Fiscal year 2014 year-to-date growth is 3.4 percent, significantly behind the annual official estimate of 5.4 percent.
- Sales tax revenue also trailed the official estimate in fiscal year 2013 and the estimates over the forecast horizon were reduced.
 - Sales tax grew 3.1 percent in fiscal year 2013, 1.0 percentage points slower than the official estimate; and
 - Fiscal year 2014 year-to-date is down 2.6 percent, behind the annual official estimate of a 1.0 percent decline.

The December General Fund Revenue Forecast Includes Minor Adjustments for Fiscal Year 2014...

Decomposition of the December Revenue Forecast

Fiscal Year 2014
(millions of dollars)

	FY14
<u>Base Revenue Forecast</u>	
GACRE Forecast	\$56.4
<u>Post-GACRE Adjustments</u>	
<u>Sales Tax</u>	(16.0)
Total	(\$16.0)
<u>Policy Adjustments</u>	
<u>Sale of Property</u>	(10.3)
Total	(\$10.3)
<u>Technical Budget Adjustments</u>	
Miscellaneous Revenue Adjustments	(1.0)
<u>Transfers Per Appropriations Act</u>	(24.0)
Total	(\$25.0)
December Forecast Revision	\$5.1

The December General Fund Revenue Forecast For Fiscal Year 2014...

Summary of the December General Fund Revenue Forecast Fiscal Year 2014 (millions of dollars)

Major Source	As a % of Total General Fund	Fiscal Year 2014				
		Official	% Growth	December	% Growth	\$ Change
Withholding	61.8 %	\$ 10,809.8	5.4 %	\$ 10,585.2	3.3 %	\$ (224.6)
Nonwithholding	15.1	2,641.9	(5.9)	2,984.3	6.3	342.4
Refunds	(10.4)	(1,827.1)	6.3	(1,807.1)	5.1	20.0
Net Individual	66.5 %	\$ 11,624.6	2.5 %	\$ 11,762.4	3.7 %	\$ 137.8
Sales	18.2 %	\$ 3,187.4	(1.0) %	\$ 3,079.4	(4.4) %	\$ (108.0)
Corporate	4.8	839.8	5.4	799.9	0.4	(39.9)
Wills (Recordation)	1.9	336.5	(10.9)	377.5	0.0	41.0
Insurance	1.6	280.7	7.0	289.4	10.4	8.7
All Other Revenue	3.8	672.8	(2.3)	662.3	(3.8)	(10.5)
Total Revenues	96.9 %	\$ 16,941.8	1.5 %	\$ 16,970.9	1.7 %	\$ 29.1
ABC Profits	0.4	\$ 69.3	1.9 %	\$ 70.6	3.8 %	\$ 1.3
Sales Tax (0.25%)	2.0	345.6	56.1	334.7	51.2	(10.9)
Transfers	0.8	131.9	(2.4)	117.5	(13.1)	(14.4)
Total Transfers	3.1 %	\$ 546.8	28.8 %	\$ 522.8	23.1 %	\$ (24.0)
Total General Fund	100.0 %	\$ 17,488.6	2.2 %	\$ 17,493.7	2.2 %	\$ 5.1

- Total general fund resources, including revenues and transfers, are \$5.1 million above the official forecast for fiscal year 2014.

The December General Fund Revenue Forecast Also Includes Adjustments for Fiscal Years 2015 and 2016 ...

Decomposition of the December Revenue Forecast

Fiscal Years 2015 and 2016

(millions of dollars)

	FY15	FY16	FY15-16 Biennium
<u>GACRE Revenue Forecast</u>	\$17,681.4	\$18,393.4	\$36,074.8
<u>Policy Adjustments</u>			
Accelerated Sales Tax (Additional Relief)	-	(29.9)	(29.9)
Increase Neighborhood Ass. Credit	(1.0)	(2.0)	(3.0)
Firearm Transaction Fee	0.9	0.9	1.8
Tax Compliance Initiative	10.0	10.0	20.0
Sale of Property	-	10.0	10.0
Unwind NGF Interest Adjustment	(3.8)	(7.6)	(11.4)
<u>Minor</u>	(1.4)	(1.5)	(2.9)
Total	\$4.7	(\$20.1)	(\$15.4)
Total General Fund Revenues	\$ 17,686.1	\$ 18,373.3	\$ 36,059.4

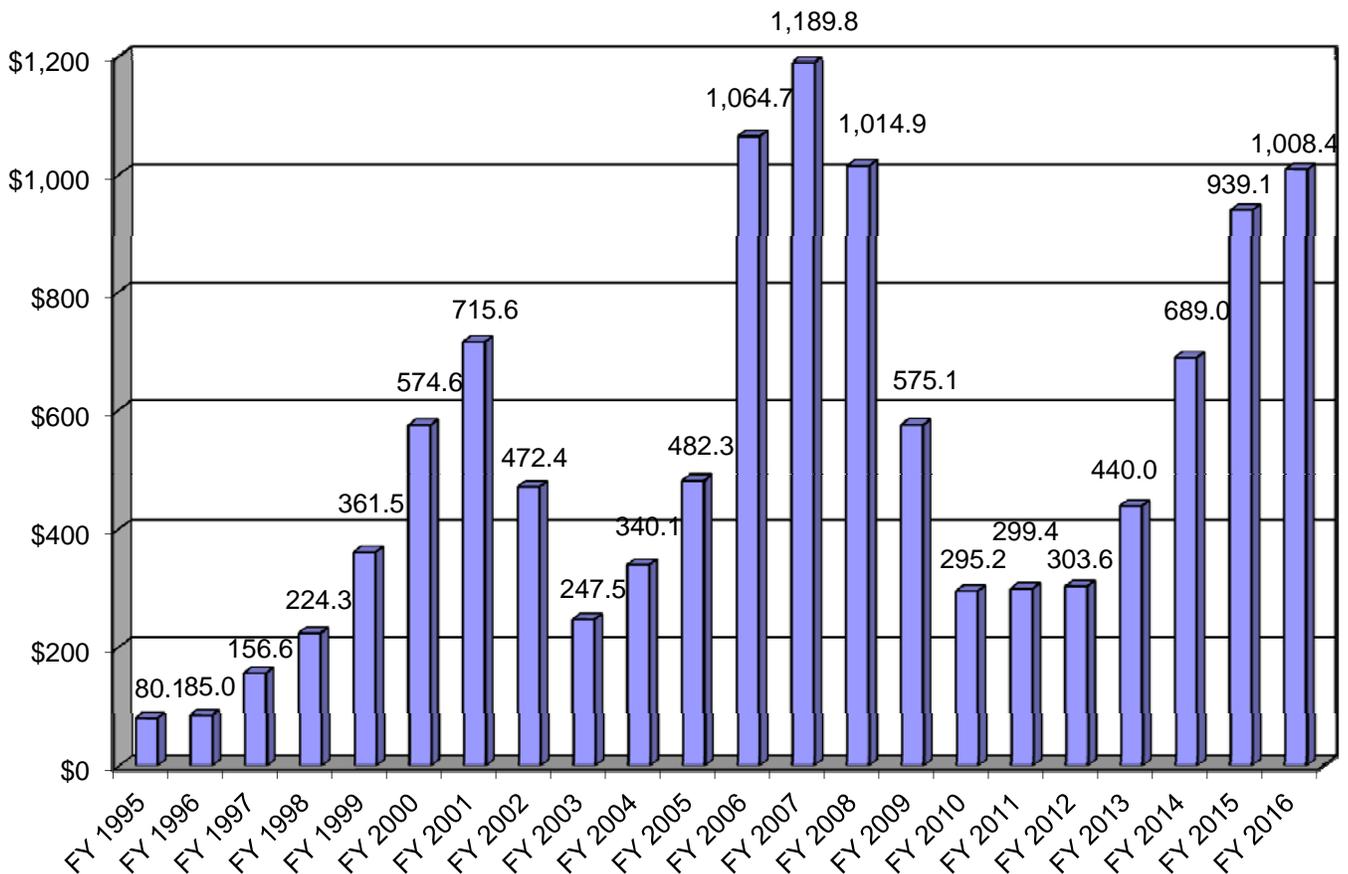
Summary of the December Standard General Fund Forecast: Fiscal Years 2015-2016 (millions of dollars)

Major Source	Fiscal Year 2015		Fiscal Year 2016		2014-16 Biennium	
	December	Growth Over FY14	December	Growth Over FY15	December	% Growth Over FY14-16
Withholding	\$ 11,040.4	4.3 %	\$ 11,504.1	4.2 %	\$ 22,544.4	8.2
Nonwithholding	3,203.7	7.4	3,393.6	5.9	6,597.3	13.9
Refunds	(1,885.0)	4.3	(1,965.0)	4.2	(3,850.0)	9.2
Net Individual	\$ 12,359.0	5.1 %	\$ 12,932.7	4.6 %	\$ 25,291.7	9.5
Sales	\$ 3,175.7	3.1 %	\$ 3,256.7	2.6 %	\$ 6,432.5	2.1
Corporate	816.6	2.1	822.7	0.7	1,639.3	2.7
Wills (Recordation)	377.5	0.0	377.5	0.0	755.0	0.0
Insurance	290.9	0.5	303.1	4.2	594.1	7.7
All Other Revenue	666.3	0.6	680.6	2.1	1,346.9	(0.3)
Total GF Revenue	\$ 17,686.1	4.2 %	\$ 18,373.3	3.9 %	\$ 36,059.5	7.1
A.B.C. Profits	70.8	0.3	71.0	0.3	141.8	2.3
Sales Tax (0.375%)	348.9	4.2	361.1	3.5	710.0	27.7
Transfers Per Act	117.8	0.3	103.3	(12.3)	221.1	(12.5)
Total Transfers	\$ 537.5	2.8 %	\$ 535.4	(0.4) %	\$ 1,072.9	13.2
Total General Fund	\$ 18,223.6	4.2 %	\$ 18,908.7	3.8 %	\$ 37,132.3	7.3

- Total general fund revenue is expected to grow 4.2 percent in fiscal year 2015 and 3.9 percent in fiscal year 2016.

Mandatory Deposits into the Revenue Stabilization Fund Will Triple the Size of the Fund between the end of FY2010 and FY2016 Reaching over \$1.0 Billion by June 30, 2016...

Revenue Stabilization Fund – June 30 Balance
 FY1995-2013 Actual and FY2014-2016 Forecast
 (millions of dollars)



- Mandatory deposits of \$244.6 million in fiscal year 2014 and \$243.2 in fiscal year 2015 are required. The deposit in fiscal year 2016 is \$59.9 million based on official revenue projections.

Next Steps In The Revenue Forecasting Process...

- The mid-session review will incorporate the latest economic and revenue data.
 - Global Insight January U.S. economic outlook.
 - Impact of any federal budget and debt ceiling agreement.
 - Retail holiday sales.
 - Key additional revenue data will be available.
 - December 16: Due date for the fourth quarter corporate estimated income tax payment.
 - January 15: Due date for the fourth quarter individual estimated income tax payment.
 - Retail sales tax collections reflecting the main holiday shopping season.

APPENDIX

This presentation and the appendix data listed below are also available at the Secretary of Finance website (www.finance.virginia.gov).

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast, FY 2014-2020

Commonwealth Transportation Fund Forecast, FY 2014-2020

Virginia Health Care Fund Forecast, FY 2014-2020

GACRE November Standard Revenue Forecast

GACRE November Alternative Revenue Forecast

Growth in General Fund Revenues, FY 1961-2016

Nongeneral Fund Forecast, FY 2014-2020

November 2013 Revenue Report

Fiscal Years 2011-2016 Official and November Forecasts
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonfarm Payrolls	Official (Nov '12)	0.7	1.4	1.4	1.7	1.9	1.9
	Nov Standard	0.6	1.6	1.6	1.6	1.7	1.8
	Nov Pessimistic			1.6	1.3	0.6	1.0
Construction (4%)	Official (Nov '12)	(2.9)	0.7	0.8	4.7	10.5	11.3
	Nov Standard	(2.9)	2.0	2.1	3.0	7.0	10.1
	Nov Pessimistic			2.1	1.8	0.7	5.1
Manufacturing (9%)	Official (Nov '12)	0.9	1.9	1.2	1.5	1.9	1.8
	Nov Standard	0.8	1.8	1.0	0.8	2.4	1.5
	Nov Pessimistic			1.0	0.6	0.8	1.2
Trade, Transportation & Utilities (19%)	Official (Nov '12)	0.8	1.5	1.3	1.4	1.1	1.4
	Nov Standard	0.8	1.9	1.7	1.7	1.0	1.2
	Nov Pessimistic			1.7	1.4	0.1	0.6
Financial Activities (6%)	Official (Nov '12)	(0.2)	0.5	0.9	1.4	0.7	(0.5)
	Nov Standard	(0.7)	0.7	1.3	0.8	0.1	(0.2)
	Nov Pessimistic			1.3	(0.3)	(0.5)	(1.0)
Professional & Business Services (14%)	Official (Nov '12)	3.1	3.6	3.2	4.0	5.1	4.5
	Nov Standard	3.1	3.6	3.3	3.5	4.1	4.1
	Nov Pessimistic			3.3	2.6	1.0	2.6
Education & Health Services (15%)	Official (Nov '12)	1.7	2.1	1.9	1.5	1.6	2.1
	Nov Standard	1.7	2.1	2.0	1.5	1.1	1.7
	Nov Pessimistic			2.0	1.7	1.7	1.7
Leisure & Hospitality (10%)	Official (Nov '12)	1.4	2.3	2.3	1.7	(0.2)	(0.2)
	Nov Standard	1.4	2.9	2.8	2.7	1.4	0.8
	Nov Pessimistic		2.9	2.8	3.1	1.6	0.1
Government (16%)	Official (Nov '12)	(1.4)	(1.2)	(0.1)	0.0	0.3	0.7
	Nov Standard	(1.3)	(1.4)	(0.4)	0.1	0.6	0.6
	Nov Pessimistic			(0.4)	(0.4)	(0.6)	0.1
Civilian unemployment rate (%)	Official (Nov '12)	9.3	8.6	7.9	7.6	7.0	6.4
	Nov Standard	9.3	8.5	7.8	7.1	6.6	6.1
	Nov Pessimistic			7.8	7.4	7.7	7.6

The Official forecast is Global Insight's November 2012 U.S. standard forecast.

The Nov Standard forecast is Global Insight's November 2013 U.S. standard forecast.

The Nov Pessimistic forecast is Global Insight's November 2013 U.S. pessimistic alternative scenario.

Fiscal Years 2011-2016 Official and November Forecasts
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<u>Output, Income, and Spending (% Change)</u>							
Real gross domestic product	Official (Nov '12)	2.2	2.0	1.9	2.3	3.3	3.1
	Nov Standard	2.4	2.4	2.0	2.1	2.8	3.2
	Nov Pessimistic			2.0	1.3	0.9	2.3
Personal income	Official (Nov '12)	5.5	3.7	3.7	4.5	5.0	5.0
	Nov Standard	5.3	4.7	3.7	3.6	4.8	4.9
	Nov Pessimistic			3.7	2.8	2.5	3.8
Wage & salary disbursements (50%)	Official (Nov '12)	3.9	3.4	3.7	4.4	4.7	4.7
	Nov Standard	3.9	3.7	3.9	3.2	4.9	5.1
	Nov Pessimistic			3.9	2.4	2.7	4.1
Average Wages	Official (Nov '12)	3.2	2.0	2.3	2.6	2.8	2.7
	Nov Standard	3.2	2.1	2.2	1.6	3.1	3.2
	Nov Pessimistic			2.2	1.0	2.1	3.0
Real Consumer Spending	Official (Nov '12)	2.6	2.0	2.0	2.6	2.7	2.5
	Nov Standard	2.7	2.3	2.0	2.0	2.8	2.7
	Nov Pessimistic			2.0	1.6	1.3	1.2
<u>Interest Rates (%)</u>							
Discount rate on 3-month Treasury bills	Official (Nov '12)	0.1	0.0	0.1	0.1	0.2	1.7
	Nov Standard	0.1	0.0	0.1	0.1	0.1	1.2
	Nov Pessimistic			0.1	0.0	0.0	0.1
Yield on 30-year Treasury bonds	Official (Nov '12)	4.2	3.2	2.9	3.5	4.0	4.5
	Nov Standard	4.2	3.2	3.0	3.8	4.1	4.4
	Nov Pessimistic			3.0	3.4	3.3	3.8
<u>Prices (% Change)</u>							
Consumer price index, all-urban	Official (Nov '12)	2.0	2.9	1.5	1.6	1.8	1.7
	Nov Standard	2.0	2.9	1.7	1.3	1.6	1.9
	Nov Pessimistic			1.7	1.0	1.3	2.5
Chained price index--gross domestic product	Official (Nov '12)	1.9	2.0	1.8	1.5	1.6	1.6
	Nov Standard	1.8	1.9	1.6	1.4	1.7	1.7
	Nov Pessimistic			1.6	1.0	1.1	1.8

The Official forecast is Global Insight's November 2012 U.S. standard forecast.

The Nov Standard forecast is Global Insight's November 2013 U.S. standard forecast.

The Nov Pessimistic forecast is Global Insight's November 2013 U.S. pessimistic alternative scenario.

Fiscal Years 2011-2016 Official and November Forecasts
Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '12)	1.0	1.6	1.2	1.4	2.0	2.0
	Nov Standard	1.1	1.2	1.3	1.0	1.5	1.7
	Nov Pessimistic			1.3	0.6	0.4	0.8
Construction and Mining (5%)	Official (Nov '12)	(1.1)	(1.8)	1.6	3.5	8.8	9.6
	Nov Standard	(1.1)	(1.9)	1.7	3.0	3.7	5.3
	Nov Pessimistic			1.7	1.8	(2.5)	(0.1)
Manufacturing (6%)	Official (Nov '12)	(1.4)	1.2	1.1	1.2	2.1	2.0
	Nov Standard	(1.3)	0.7	0.1	(0.1)	1.9	1.7
	Nov Pessimistic			0.1	(0.4)	(0.8)	1.1
Trade, Transportation, and Utilities (17%)	Official (Nov '12)	1.1	1.8	1.2	0.9	0.4	1.0
	Nov Standard	1.1	0.9	1.1	0.9	0.6	0.7
	Nov Pessimistic			1.1	0.6	(0.3)	0.1
Financial Activities (5%)	Official (Nov '12)	1.3	2.4	0.7	1.9	0.9	(0.6)
	Nov Standard	1.4	2.5	3.2	(1.0)	0.2	(0.1)
	Nov Pessimistic			3.2	(3.1)	(0.9)	(1.9)
Professional and Business Services (18%)	Official (Nov '12)	2.9	1.6	2.0	1.9	3.2	3.1
	Nov Standard	2.9	2.0	0.8	1.0	2.7	3.2
	Nov Pessimistic			0.8	0.4	0.3	1.8
Education and Health Services (13%)	Official (Nov '12)	2.0	3.4	2.0	1.2	1.8	2.5
	Nov Standard	2.1	1.6	2.3	1.4	1.2	2.0
	Nov Pessimistic			2.3	1.6	2.0	2.0
Leisure and Hospitality (10%)	Official (Nov '12)	1.8	2.7	2.4	2.6	0.7	0.4
	Nov Standard	1.8	2.5	3.1	0.1	1.5	0.9
	Nov Pessimistic			3.1	0.5	1.7	0.2
Government (19%)	Official (Nov '12)	0.4	0.8	(0.3)	0.0	1.6	1.3
	Nov Standard	0.3	0.9	0.5	(0.1)	1.7	1.4
	Nov Pessimistic			0.5	(0.5)	0.8	1.5
Unemployment Rate (%)	Official (Nov '12)	6.5	6.0	5.3	5.1	4.7	4.3
	Nov Standard	6.7	6.2	5.6	5.0	4.9	4.8
	Nov Pessimistic			5.6	5.2	5.7	6.0

The Official forecast is based on Global Insight's November 2012 U.S. standard forecast.

The Nov Standard forecast from the Department of Taxation is based on Global Insight's November 2013 U.S. standard forecast.

The Nov Pessimistic forecast from the Department of Taxation is based on Global Insight's November 2013 U.S. pessimistic alternative scenario.

Fiscal Years 2011-2016 Official and November Forecasts
Virginia Economic Forecasts - Income

		<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<u>Income (% Change)</u>							
Total Personal Income	Official (Nov '12)	5.6	4.0	3.4	4.1	4.6	4.7
	Nov Standard	5.1	4.7	3.0	2.9	4.3	4.4
	Nov Pessimistic			3.0	2.2	2.7	3.5
Wages and Salaries (53%)	Official (Nov '12)	3.6	2.6	3.7	3.9	4.4	4.2
	Nov Standard	3.4	2.7	3.0	2.6	4.0	4.2
	Nov Pessimistic			3.0	1.7	2.3	3.3
Average Wages	Official (Nov '12)	2.5	1.0	2.5	2.5	2.3	2.2
	Nov Standard	2.3	1.5	1.7	1.6	2.5	2.5
	Nov Pessimistic			1.7	1.1	2.0	2.5
Dividends, Interest, and Rent (20%)	Official (Nov '12)	7.2	6.8	4.5	5.6	6.0	6.8
	Nov Standard	7.3	7.9	4.8	4.7	5.1	4.5
	Nov Pessimistic			4.8	3.9	1.6	1.7
Supplements to Wages and Salaries (12%)	Official (Nov '12)	3.7	3.1	3.1	5.2	5.9	6.0
	Nov Standard	0.3	2.0	2.5	2.1	4.5	6.9
	Nov Pessimistic			2.5	2.0	4.2	6.5
Proprietor Income (7%)	Official (Nov '12)	11.6	4.1	0.9	0.3	1.5	4.3
	Nov Standard	11.1	13.4	6.7	3.8	2.1	0.7
	Nov Pessimistic			6.7	3.4	1.1	0.3
Net Transfer Payments (6%)	Official (Nov '12)	19.8	11.2	4.1	4.3	3.8	2.5
	Nov Standard	16.4	9.5	(2.2)	(1.6)	7.2	4.5
	Nov Pessimistic			(2.2)	(1.8)	9.8	8.6

The Official forecast is based on Global Insight's November 2012 U.S. standard forecast.

The Nov Standard forecast from the Department of Taxation is based on Global Insight's November 2013 U.S. standard forecast.

The Nov Pessimistic forecast from the Department of Taxation is based on Global Insight's November 2013 U.S. pessimistic alternative scenario.

The Official to December Standard General Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 839.8	\$ 799.9	\$ (39.9)	5.4 %	0.4 %	\$ 1,636.5	\$ 1,596.6	\$ (39.9)
Individual Income Tax:								
Gross	13,451.7	13,569.5	117.8	3.0	3.9	26,510.7	26,628.5	117.8
Withholding	10,809.8	10,585.2	(224.6)	5.4	3.3	21,061.1	20,836.5	(224.6)
Nonwithholding	2,641.9	2,984.3	342.4	(5.9)	6.3	5,449.6	5,792.0	342.4
Refunds	<u>(1,827.1)</u>	<u>(1,807.1)</u>	<u>20.0</u>	<u>6.3</u>	<u>5.1</u>	<u>(3,546.2)</u>	<u>(3,526.2)</u>	<u>20.0</u>
Net	11,624.6	11,762.4	137.8	2.5	3.7	22,964.6	23,102.4	137.8
Insurance Company Premiums	280.7	289.4	8.7	7.0	10.4	542.9	551.6	8.7
State Sales & Use Tax	3,187.4	3,079.4	(108.0)	(1.0)	(4.4)	6,407.2	6,299.2	(108.0)
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>377.5</u>	<u>41.0</u>	<u>(10.9)</u>	<u>0.0</u>	<u>714.0</u>	<u>755.0</u>	<u>41.0</u>
Total Major Tax Sources	\$ 16,269.0	\$ 16,308.6	\$ 39.6	1.7 %	2.0 %	\$ 32,265.2	\$ 32,304.8	\$ 39.6
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 151.0	\$ 154.5	\$ 3.5	(1.2) %	1.1 %	\$ 303.9	\$ 307.4	\$ 3.5
Bank Franchise Tax	16.0	20.0	4.0	(21.7)	(2.2)	36.4	40.4	4.0
Beer & Beverage Excise Tax	43.0	42.3	(0.7)	1.6	(0.0)	85.3	84.6	(0.7)
Corporate Franchise & Charter Fees	40.5	47.9	7.4	(14.0)	1.7	87.6	95.0	7.4
Excess & Other Fees from Officers	(8.7)	(9.4)	(0.7)	19.4	13.0	(19.5)	(20.2)	(0.7)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	(0.3)	(0.3)	n/a
Institutional Revenues	5.7	5.6	(0.1)	0.1	(1.7)	11.4	11.3	(0.1)
Interest & Rents	65.0	50.3	(14.7)	(4.2)	(25.9)	132.8	118.1	(14.7)
Licenses & Permits	4.3	4.3	0.0	3.0	3.0	8.5	8.5	0.0
Miscellaneous Taxes and Penalties	222.0	218.4	(3.6)	(1.0)	(2.6)	446.2	442.6	(3.6)
Other Miscellaneous Revenues	38.7	30.7	(8.0)	0.1	(20.6)	77.4	69.4	(8.0)
Public Service GR / Consumption Tax	<u>95.3</u>	<u>97.7</u>	<u>2.4</u>	<u>(1.0)</u>	<u>1.5</u>	<u>191.5</u>	<u>193.9</u>	<u>2.4</u>
Total Misc. Taxes and Other Revenues	\$ 672.8	\$ 662.3	\$ (10.5)	(2.3) %	(3.8) %	\$ 1,361.2	\$ 1,350.7	\$ (10.5)
TOTAL GF REVENUES	\$ 16,941.8	\$ 16,970.9	\$ 29.1	1.5 %	1.7 %	\$ 33,626.4	\$ 33,655.5	\$ 29.1
TRANSFERS								
A.B.C. Profits	\$ 69.3	\$ 70.6	\$ 1.3	1.9 %	3.8 %	\$ 137.3	\$ 138.6	\$ 1.3
Sales Tax (0.375%)	345.6	334.7	(10.9)	56.1	51.2	567.0	556.1	(10.9)
Transfers Per Appropriations Act	<u>131.9</u>	<u>117.5</u>	<u>(14.4)</u>	<u>(2.4)</u>	<u>(13.1)</u>	<u>267.1</u>	<u>252.7</u>	<u>(14.4)</u>
Total Transfers	\$ 546.8	\$ 522.8	\$ (24.0)	28.8 %	23.1 %	\$ 971.4	\$ 947.4	\$ (24.0)
TOTAL GENERAL FUND	\$ 17,488.6	\$ 17,493.7	\$ 5.1	2.2 %	2.2 %	\$ 34,597.8	\$ 34,602.9	\$ 5.1

The Official forecast is based on the November 2012 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2013 General Assembly - Chapter 806.

The Official and December General Fund sales tax forecast includes a reduction of \$49.0m and \$47.2m for the 0.05% transfer to the HMOF, respectively.

The Official General Fund sales tax forecast includes a \$115.2m reduction and corresponding increase in the Transfers Sales Tax of 0.125% to total 0.375% as set forth in HB2313 and the December General Fund sales tax forecast includes a \$111.6m reduction.

The December Standard General Fund Forecast for Fiscal Years 2015-2016
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	December Forecast	% Growth Over FY 14	December Forecast	% Growth Over FY 15	December Forecast	% Growth Over 12-14
MAJOR TAX SOURCES						
Corporate Income	\$ 816.6	2.1 %	\$ 822.7	0.7 %	\$ 1,639.3	2.7 %
Individual Income Tax:						
Gross	14,244.0	5.0	14,897.7	4.6	29,141.7	9.4
Withholding	11,040.4	4.3	11,504.1	4.2	22,544.4	8.2
Nonwithholding	3,203.7	7.4	3,393.6	5.9	6,597.3	13.9
Refunds	<u>(1,885.0)</u>	4.3	<u>(1,965.0)</u>	<u>4.2</u>	<u>(3,850.0)</u>	<u>9.2</u>
Net	12,359.0	5.1	12,932.7	4.6	25,291.7	9.5
Insurance Company Premiums	290.9	0.5	303.1	4.2	594.1	7.7
State Sales & Use Tax	3,175.7	3.1	3,256.7	2.6	6,432.5	2.1
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>0.0</u>	<u>377.5</u>	<u>0.0</u>	<u>755.0</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,019.8	4.4 %	\$ 17,692.7	4.0 %	\$ 34,712.5	7.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 156.5	1.3 %	\$ 159.2	1.7 %	\$ 315.7	2.7 %
Bank Franchise Tax	20.0	0.0	20.0	0.0	40.0	(1.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	(0.0)
Corporate Franchise & Charter Fees	47.9	0.0	47.9	0.0	95.8	0.8
Excess & Other Fees from Officers	(9.4)	0.0	(9.4)	0.0	(18.8)	(6.9)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.6	0.0	5.6	0.0	11.2	(0.8)
Interest & Rents	51.5	2.4	52.7	2.3	104.2	(11.8)
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	1.5
Miscellaneous Taxes and Penalties	218.9	0.2	219.4	0.2	438.3	(1.0)
Other Miscellaneous Revenues	31.0	1.0	40.9	31.9	71.9	3.7
Public Service GR / Consumption Tax	<u>97.7</u>	<u>0.0</u>	<u>97.7</u>	<u>0.0</u>	<u>195.4</u>	<u>0.8</u>
Total Misc. Taxes and Other Revenues	\$ 666.3	0.6 %	\$ 680.6	2.1 %	\$ 1,346.9	(0.3) %
TOTAL GF REVENUES	\$ 17,686.1	4.2 %	\$ 18,373.3	3.9 %	\$ 36,059.4	7.1 %
TRANSFERS						
A.B.C. Profits	\$ 70.8	0.3 %	\$ 71.0	0.3 %	\$ 141.8	2.3 %
Sales Tax (0.375%)	348.9	4.2	361.1	3.5	710.0	27.7
Transfers Per Appropriations Act	<u>117.8</u>	<u>0.3</u>	<u>103.3</u>	<u>(12.3)</u>	<u>221.1</u>	<u>(12.5)</u>
Total Transfers	\$ 537.5	2.8 %	\$ 535.4	(0.4) %	\$ 1,072.9	13.2 %
TOTAL GENERAL FUND	\$ 18,223.6	4.2 %	\$ 18,908.7	3.8 %	\$ 37,132.3	7.3 %

The December Standard forecast is based on the November 2013 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates the Governor's Advisory Council on Revenue Estimates recommendations.

This forecast includes the sales tax diversion to the Commonwealth Transportation Fund as passed in HB2313 2013 without the impact for the federal Marketplace Fairness Act.

The December Standard General Fund Forecast for Fiscal Years 2017-2020
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
MAJOR TAX SOURCES				
Corporate Income	\$ 845.6	\$ 846.8	\$ 856.3	\$ 865.8
Individual Income Tax:				
Gross	15,618.7	16,360.1	17,139.4	17,958.4
Withholding	11,987.2	12,478.7	12,990.3	13,522.9
Nonwithholding	3,631.4	3,881.4	4,149.0	4,435.5
Refunds	<u>(2,051.9)</u>	<u>(2,143.1)</u>	<u>(2,237.4)</u>	<u>(2,335.8)</u>
Net	13,566.8	14,217.0	14,902.0	15,622.6
Insurance Company Premiums	321.8	339.3	350.4	363.9
State Sales & Use Tax	3,414.1	3,550.2	3,695.3	3,842.7
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>377.5</u>	<u>377.5</u>	<u>377.5</u>
Total Major Tax Sources	\$ 18,525.7	\$ 19,330.9	\$ 20,181.4	\$ 21,072.5
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 159.2	\$ 159.2
Bank Franchise Tax	16.0	16.0	16.0	16.0
Beer & Beverage Excise Tax	43.0	43.0	43.0	43.0
Corporate Franchise & Charter Fees	47.9	47.9	47.9	47.9
Excess & Other Fees from Officers	(8.7)	(8.7)	(8.7)	(8.7)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	5.7	5.7	5.7	5.7
Interest & Rents	60.3	60.3	60.3	60.3
Licenses & Permits	4.3	4.3	4.3	4.3
Miscellaneous Taxes and Penalties	223.2	223.5	223.5	223.5
Other Miscellaneous Revenues	26.0	26.0	26.0	26.0
Public Service GR / Consumption Tax	<u>93.9</u>	<u>93.9</u>	<u>93.9</u>	<u>93.9</u>
Total Misc. Taxes and Other Revenues	\$ 670.8	\$ 671.1	\$ 671.1	\$ 671.1
TOTAL GF REVENUES	\$ 19,196.5	\$ 20,002.0	\$ 20,852.5	\$ 21,743.6
TRANSFERS				
A.B.C. Profits	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0
Sales Tax (0.375%)	375.2	390.2	405.8	422.1
Transfers Per Appropriations Act	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total Transfers	\$ 566.2	\$ 581.2	\$ 596.8	\$ 613.1
TOTAL GENERAL FUND	\$ 19,762.7	\$ 20,583.2	\$ 21,449.3	\$ 22,356.7
\$ Change From Previous Year	\$ 854.0	\$ 820.5	\$ 866.1	\$ 907.3
TOTAL BIENNIUM GENERAL FUND		\$ 40,345.9		\$ 43,806.0
\$ Change From Previous Biennium		\$ 3,213.6		\$ 3,460.1
% Growth From Previous Biennium		8.7		8.6 %

The December Standard General Fund Forecast for Fiscal Years 2017-2020
(Dollars in Millions)

December 16, 2013

	FY 17 % Growth Over FY 16	FY 18 % Growth Over FY 17	FY 19 % Growth Over FY 18	FY 20 % Growth Over FY 19
MAJOR TAX SOURCES				
Corporate Income	2.8 %	0.1 %	1.1 %	1.1 %
Individual Income Tax:				
Gross	4.8	4.7	4.8	4.8
Withholding	4.2	4.1	4.1	4.1
Nonwithholding	7.0	6.9	6.9	6.9
Refunds	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
Net	4.9	4.8	4.8	4.8
Insurance Company Premiums	6.1	5.4	3.3	3.8
State Sales & Use Tax	4.8	4.0	4.1	4.0
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	4.7 %	4.3 %	4.4 %	4.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	(20.0)	0.0	0.0	0.0
Beer & Beverage Excise Tax	1.7	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	(7.4)	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	1.8	0.0	0.0	0.0
Interest & Rents	14.4	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	1.7	0.1	0.0	0.0
Other Miscellaneous Revenues	(36.4)	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>(3.9)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	(1.4) %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	4.5 %	4.2 %	4.3 %	4.3 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	3.9	4.0	4.0	4.0
Transfers Per Appropriations Act	<u>16.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	5.8 %	2.6 %	2.7 %	2.7 %
TOTAL GENERAL FUND	<u>4.5 %</u>	<u>4.2 %</u>	<u>4.2 %</u>	<u>4.2 %</u>

The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2013		Fiscal Year 2014					
	Actual	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 13 Official December		
Highway Maintenance & Operating Fund								
Motor Fuels Tax	\$ 709.2	(1.0) %	\$ 500.9	\$ 485.1	\$ (15.8)	(29.4) %	(31.6) %	
Road Tax	(2.6)	(360.0)	(0.2)	0.0	0.2	(92.3)	*	
Motor Vehicle Sales And Use Tax	387.5	8.4	585.0	611.7	26.7	51.0	57.9	
Motor Vehicle License Fees	223.9	4.4	222.4	228.8	6.4	(0.7)	2.2	
Retail Sales and Use Tax	0.0	n/a	204.0	199.5	(4.5)	n/a	n/a	
International Registration Plan	61.8	(1.3)	65.3	62.3	(3.0)	5.7	0.8	
Recordation Tax (1 cent)	15.4	18.5	13.5	15.0	1.5	(12.3)	(2.6)	
Miscellaneous	14.8	20.3	17.4	16.1	(1.3)	17.6	8.8	
Total State Taxes and Fees	\$ 1,410.0	2.4 %	\$ 1,608.3	\$ 1,618.5	\$ 10.2	14.1 %	14.8 %	
Transportation Trust Fund								
Motor Fuels Tax	\$ 125.7	(0.2) %	\$ 119.0	\$ 112.7	\$ (6.3)	(5.3) %	(10.3) %	
Insurance Premiums Tax (1/3)	130.1	(5.2)	131.0	130.8	(0.2)	0.7	0.5	
Road Tax	7.7	4.1	8.2	7.7	(0.5)	6.5	0.0	
Motor Vehicle Sales And Use Tax	201.8	6.3	213.4	214.4	1.0	5.7	6.2	
Motor Vehicle License Fees	21.7	2.8	21.5	21.9	0.4	(0.9)	0.9	
Retail Sales and Use Tax	521.2	3.6	662.9	638.3	(24.6)	27.2	22.5	
Recordation Tax (2 cents)	30.9	18.4	27.0	30.5	3.5	(12.6)	(1.3)	
Interest Earnings	9.3	(33.6)	11.9	13.1	1.2	28.0	40.9	
Rental Tax	33.4	0.3	35.3	33.1	(2.2)	5.7	(0.9)	
Aviation Fuels Tax	1.8	(14.3)	2.2	2.0	(0.2)	22.2	11.1	
Total State Taxes and Fees	\$ 1,083.6	2.2 %	\$ 1,232.4	\$ 1,204.5	\$ (27.9)	13.7 %	11.2 %	
Total HMOF And TTF								
Motor Fuels Tax	\$ 834.9	(0.9) %	\$ 619.9	\$ 597.8	\$ (22.1)	(25.8) %	(28.4) %	
Insurance Premiums Tax (1/3)	130.1	(5.2)	131.0	130.8	(0.2)	0.7	0.5	
Road Tax	5.1	(39.3)	8.0	7.7	(0.3)	56.9	51.0	
Motor Vehicle Sales and Use Tax	589.3	7.7	798.4	826.1	27.7	35.5	40.2	
Motor Vehicle License Fees	245.6	4.2	243.9	250.7	6.8	(0.7)	2.1	
International Registration Plan	61.8	(1.3)	65.3	62.3	(3.0)	5.7	0.8	
Retail Sales and Use Tax	521.2	3.6	866.9	837.8	(29.1)	66.3	60.7	
Recordation Tax (3 cents)	46.3	18.4	40.5	45.5	5.0	(12.5)	(1.7)	
Interest Earnings	9.3	(33.6)	11.9	13.1	1.2	28.0	40.9	
Rental Tax	33.4	0.3	35.3	33.1	(2.2)	5.7	(0.9)	
Aviation Fuels Tax	1.8	(14.3)	2.2	2.0	(0.2)	22.2	11.1	
Miscellaneous	14.8	20.3	17.4	16.1	(1.3)	17.6	8.8	
Total State Taxes and Fees	\$ 2,493.6	2.3 %	\$ 2,840.7	\$ 2,823.0	\$ (17.7)	13.9 %	13.2 %	
Transfers per the Appropriations Act								
Retail Sales Tax - AST (TTF)	20.9	(19.6)	21.8	21.7	(0.1)	4.3	3.8	
Total Transfers	\$ 20.9	(19.6)	\$ 21.8	\$ 21.7	\$ (0.1)	4.3	3.8 %	
Total Transportation Fund	\$ 2,514.5	2.1	\$ 2,862.5	\$ 2,844.7	\$ (17.8)	13.8 %	13.1 %	

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The December forecast is based on the November 2013 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon.

Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increase by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2015				
	Official Forecast	December Forecast	Change	% Growth over FY 14	
				Official	December
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 650.1	\$ 573.0	\$ (77.1)	29.8 %	18.1 %
Road Tax	0.8	(0.1)	(0.9)	(500.0)	*
Motor Vehicle Sales And Use Tax	620.1	653.5	33.4	6.0	6.8
Motor Vehicle License Fees	224.7	232.8	8.1	1.0	1.7
Retail Sales and Use Tax	277.3	270.5	(6.8)	35.9	108.5
International Registration Plan	66.9	63.5	(3.4)	2.5	1.9
Recordation Tax (1 cent)	13.5	15.0	1.5	0.0	0.0
Miscellaneous	17.4	16.1	(1.3)	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 1,870.8	\$ 1,824.3	\$ (46.5)	16.3 %	12.7 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 154.3	\$ 136.0	\$ (18.3)	29.7 %	20.7 %
Insurance Premiums Tax (1/3)	137.0	140.1	3.1	4.6	7.1
Road Tax	8.7	7.8	(0.9)	6.1	1.3
Motor Vehicle Sales And Use Tax	216.2	222.1	5.9	1.3	3.6
Motor Vehicle License Fees	21.8	22.4	0.6	1.4	2.3
Retail Sales and Use Tax	701.1	666.1	(35.0)	5.8	4.4
Recordation Tax (2 cents)	27.0	30.5	3.5	0.0	0.0
Interest Earnings	10.6	10.5	(0.1)	(10.9)	(19.8)
Rental Tax	36.9	34.0	(2.9)	4.5	2.7
Aviation Fuels Tax	2.2	2.0	(0.2)	0.0	0.0
Total State Taxes and Fees (TTF)	\$ 1,315.8	\$ 1,271.5	\$ (44.3)	6.8 %	5.6 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 804.4	\$ 709.0	\$ (95.4)	29.8 %	18.6 %
Insurance Premiums Tax (1/3)	137.0	140.1	3.1	4.6	7.1
Road Tax	9.5	7.7	(1.8)	18.8	0.0
Motor Vehicle Sales and Use Tax	836.3	875.6	39.3	4.7	6.0
Motor Vehicle License Fees	246.5	255.2	8.7	1.1	1.8
International Registration Plan	66.9	63.5	(3.4)	2.5	1.9
Retail Sales and Use Tax	978.4	936.6	(41.8)	12.9	11.8
Recordation Tax (3 cents)	40.5	45.5	5.0	0.0	0.0
Interest Earnings	10.6	10.5	(0.1)	(10.9)	(19.8)
Rental Tax	36.9	34.0	(2.9)	4.5	2.7
Aviation Fuels Tax	2.2	2.0	(0.2)	0.0	0.0
Miscellaneous	17.4	16.1	(1.3)	0.0	0.0
Total State Taxes and Fees	\$ 3,186.6	\$ 3,095.8	\$ (90.8)	12.2 %	9.7 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	20.3	18.8	(1.5)	(6.9)	(13.4)
Total Transfers	\$ 20.3	\$ 18.8	\$ (1.5)	(6.9) %	(13.4) %
Total Transportation Fund	\$ 3,206.9	\$ 3,114.6	\$ (92.3)	12.0 %	9.5 %

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The December forecast is based on the November 2013 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon.

Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increase by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

December 16, 2013

	Fiscal Year 2016				
	Official Forecast	December Forecast	Change	% Growth over FY 15	
				Official	December
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 776.1	\$ 672.4	\$ (103.7)	19.4 %	17.3 %
Road Tax	0.8	(0.3)	(1.1)	0.0	(200.0)
Motor Vehicle Sales And Use Tax	641.9	675.7	33.8	3.5	3.4
Motor Vehicle License Fees	225.7	234.6	8.9	0.4	0.8
Retail Sales and Use Tax	288.2	279.9	(8.3)	3.9	3.5
International Registration Plan	68.5	62.7	(5.8)	2.4	(1.3)
Recordation Tax (1 cent)	13.5	15.0	1.5	0.0	0.0
Miscellaneous	17.4	16.1	(1.3)	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 2,032.1	\$ 1,956.1	\$ (76.0)	8.6 %	7.2 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 184.3	\$ 159.6	\$ (24.7)	19.4 %	17.4 %
Insurance Premiums Tax (1/3)	144.3	143.7	(0.6)	5.3	2.6
Road Tax	9.1	8.1	(1.0)	4.6	3.8
Motor Vehicle Sales And Use Tax	220.2	225.9	5.7	1.9	1.7
Motor Vehicle License Fees	21.8	22.5	0.7	0.0	0.4
Retail Sales and Use Tax	728.5	685.5	(43.0)	3.9	2.9
Recordation Tax (2 cents)	27.0	30.5	3.5	0.0	0.0
Interest Earnings	7.8	10.9	3.1	(26.4)	3.8
Rental Tax	37.5	35.1	(2.4)	1.6	3.2
Aviation Fuels Tax	2.3	2.1	(0.2)	4.5	5.0
Total State Taxes and Fees (TTF)	\$ 1,382.8	\$ 1,323.9	\$ (58.9)	5.1 %	4.1 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 960.4	\$ 832.0	\$ (128.4)	19.4 %	17.3 %
Insurance Premiums Tax (1/3)	144.3	143.7	(0.6)	5.3	2.6
Road Tax	9.9	7.8	(2.1)	4.2	1.3
Motor Vehicle Sales and Use Tax	862.1	901.6	39.5	3.1	3.0
Motor Vehicle License Fees	247.5	257.1	9.6	0.4	0.7
International Registration Plan	68.5	62.7	(5.8)	2.4	(1.3)
Retail Sales and Use Tax	1,016.7	965.4	(51.3)	3.9	3.1
Recordation Tax (3 cents)	40.5	45.5	5.0	0.0	0.0
Interest Earnings	7.8	10.9	3.1	(26.4)	3.8
Rental Tax	37.5	35.1	(2.4)	1.6	3.2
Aviation Fuels Tax	2.3	2.1	(0.2)	4.5	5.0
Miscellaneous	17.4	16.1	(1.3)	0.0	0.0
Total State Taxes and Fees	\$ 3,414.9	\$ 3,280.0	\$ (134.9)	7.2 %	5.9 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	21.1	16.2	(4.9)	3.9	(13.8)
Total Transfers	\$ 21.1	\$ 16.2	\$ (4.9)	3.9 %	(13.8) %
Total Transportation Fund	\$ 3,436.0	\$ 3,296.2	\$ (139.8)	7.1 %	5.8 %

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The December forecast is based on the November 2013 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon.

Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increase by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

The December Commonwealth Transportation Fund Forecast for Fiscal Years 2017 through 2020
(Dollars in Millions)

December 16, 2013

	Fiscal Years 2017 through 2020							
	FY 17	%	FY 18	%	FY 19	%	FY 20	%
	Forecast	Growth	Forecast	Growth	Forecast	Growth	Forecast	Growth
Highway Maintenance & Operating Fund								
Motor Fuels Tax	\$ 684.0	1.7	\$ 693.3	1.4	\$ 707.4	2.0	\$ 717.5	1.4
Road Tax	(0.4)	(33.3)	(0.5)	(25.0)	(1.0)	(100.0)	(1.6)	(60.0)
Motor Vehicle Sales And Use Tax	696.8	3.1	697.1	0.0	693.8	(0.5)	693.6	(0.0)
Motor Vehicle License Fees	238.1	1.5	240.1	0.8	240.1	0.0	242.6	1.0
Retail Sales and Use Tax	290.9	3.9	302.4	4.0	314.4	4.0	327.0	4.0
International Registration Plan	64.2	2.4	65.4	1.9	67.0	2.4	68.6	2.4
Recordation Tax (1 cent)	15.0	0.0	15.0	0.0	15.0	0.0	15.0	0.0
Miscellaneous	16.1	0.0	16.1	0.0	16.1	0.0	16.1	0.0
Total State Taxes and Fees (HMOF)	\$ 2,004.7	2.5	\$ 2,028.9	1.2%	\$ 2,052.8	1.2%	\$ 2,078.8	1.3%
Transportation Trust Fund								
Motor Fuels Tax	162.4	1.8	164.7	1.4	168.1	2.1	170.3	1.3
Insurance Premiums Tax (1/3)	148.9	3.6	155.2	4.2	165.4	6.6	171.9	3.9
Road Tax	8.3	2.5	8.5	2.4	8.8	3.5	8.8	0.0
Motor Vehicle Sales And Use Tax	229.2	1.5	229.3	0.0	228.2	(0.5)	228.2	0.0
Motor Vehicle License Fees	22.8	1.3	22.8	0.0	22.9	0.4	23.0	0.4
Retail Sales and Use Tax	713.9	4.1	744.1	4.2	773.6	4.0	804.3	4.0
Recordation Tax (2 cents)	30.5	0.0	30.5	0.0	30.5	0.0	30.5	0.0
Interest Earnings	13.1	20.2	16.0	22.1	17.8	11.3	21.6	21.3
Rental Tax	35.6	1.4	36.1	1.4	36.7	1.7	37.2	1.4
Aviation Fuels Tax	1.9	(9.5)	2.0	5.3	2.0	0.0	2.1	5.0
Total State Taxes and Fees (TTF)	\$ 1,366.6	3.2	\$ 1,409.2	3.1%	\$ 1,454.0	3.2%	\$ 1,497.9	3.0%
Total HMOF And TTF								
Motor Fuels Tax	846.4	1.7	858.0	1.4	875.5	2.0	887.8	1.4
Insurance Premiums Tax (1/3)	148.9	3.6	155.2	4.2	165.4	6.6	171.9	3.9
Road Tax	7.9	1.3	8.0	1.3	7.8	(2.5)	7.2	(7.7)
Motor Vehicle Sales and Use Tax	926.0	2.7	926.4	0.0	922.0	(0.5)	921.8	(0.0)
Motor Vehicle License Fees	260.9	1.5	262.9	0.8	263.0	0.0	265.6	1.0
International Registration Plan	64.2	2.4	65.4	1.9	67.0	2.4	68.6	2.4
Retail Sales and Use Tax	1,004.8	4.1	1,046.5	4.2	1,088.0	4.0	1,131.3	4.0
Recordation Tax (3 cents)	45.5	0.0	45.5	0.0	45.5	0.0	45.5	0.0
Interest Earnings	13.1	20.2	16.0	22.1	17.8	11.3	21.6	21.3
Rental Tax	35.6	1.4	36.1	1.4	36.7	1.7	37.2	1.4
Aviation Fuels Tax	1.9	(9.5)	2.0	5.3	2.0	0.0	2.1	5.0
Miscellaneous	16.1	0.0	16.1	0.0	16.1	0.0	16.1	0.0
Total State Taxes and Fees	\$ 3,371.3	2.8	\$ 3,438.1	2.0%	\$ 3,506.8	2.0%	\$ 3,576.7	2.0%
Transfers per the Appropriations Act								
Retail Sales Tax - AST (TTF)	16.9	4.3	17.7	4.7	18.5	4.5	19.4	4.9
Total Transfers	\$ 16.9	4.3	\$ 17.7	4.7	\$ 18.5	4.5	\$ 19.4	4.9
Total Transportation Fund	\$ 3,388.2	2.8	\$ 3,455.8	2.0%	\$ 3,525.3	2.0%	\$ 3,596.1	2.0%

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This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon. Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increase by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

Virginia Health Care Fund

\$ in millions

December 16, 2013	Actual									
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020		
Tobacco Taxes:										
Total Cigarette Taxes	169.5	164.4	159.5	154.7	154.7	154.7	154.7	154.7	154.7	154.7
Other Tobacco Products	<u>18.7</u>	<u>19.1</u>	<u>19.6</u>	<u>20.1</u>	<u>20.6</u>	<u>21.1</u>	<u>21.7</u>	<u>22.2</u>		
Total Tobacco Taxes	188.2	183.6	179.1	174.8	175.3	175.8	176.4	176.9		
Tobacco Settlement Funds:										
Master Settlement	74.0	48.9	48.5	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Other Revenue:										
Medicaid Recoveries	<u>171.3</u>	<u>160.2</u>	<u>143.7</u>	<u>136.4</u>	<u>136.4</u>	<u>136.4</u>	<u>136.4</u>	<u>136.4</u>		<u>136.4</u>
TOTAL FUND	\$ 433.5	\$ 392.7	\$ 371.3	\$ 359.2	\$ 359.7	\$ 360.2	\$ 360.8	\$ 361.3		

Note: In FY 2013, Master Settlement revenue includes a one-time payment from an arbitration settlement.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The Official to November Standard General Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

November 25, 2013

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 839.8	\$ 799.9	\$ (39.9)	5.4 %	0.4 %	\$ 1,636.5	\$ 1,596.6	\$ (39.9)
Individual Income Tax:								
Gross	13,451.7	13,569.5	117.8	3.0	3.9	26,510.7	26,628.5	117.8
Withholding	10,809.8	10,585.2	(224.6)	5.4	3.3	21,061.1	20,836.5	(224.6)
Nonwithholding	2,641.9	2,984.3	342.4	(5.9)	6.3	5,449.6	5,792.0	342.4
Refunds	<u>(1,827.1)</u>	<u>(1,807.1)</u>	<u>20.0</u>	<u>6.3</u>	<u>5.1</u>	<u>(3,546.2)</u>	<u>(3,526.2)</u>	<u>20.0</u>
Net	11,624.6	11,762.4	137.8	2.5	3.7	22,964.6	23,102.4	137.8
Insurance Company Premiums	280.7	289.4	8.7	7.0	10.4	542.9	551.6	8.7
State Sales & Use Tax	3,187.4	3,095.4	(92.0)	(1.0)	(3.9)	6,407.2	6,315.2	(92.0)
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>377.5</u>	<u>41.0</u>	<u>(10.9)</u>	<u>0.0</u>	<u>714.0</u>	<u>755.0</u>	<u>41.0</u>
Total Major Tax Sources	\$ 16,269.0	\$ 16,324.6	\$ 55.6	1.7 %	2.1 %	\$ 32,265.2	\$ 32,320.8	\$ 55.6
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 151.0	\$ 154.5	\$ 3.5	(1.2) %	1.1 %	\$ 303.9	\$ 307.4	\$ 3.5
Bank Franchise Tax	16.0	20.0	4.0	(21.7)	(2.2)	36.4	40.4	4.0
Beer & Beverage Excise Tax	43.0	42.3	(0.7)	1.6	(0.0)	85.3	84.6	(0.7)
Corporate Franchise & Charter Fees	40.5	47.9	7.4	(14.0)	1.7	87.6	95.0	7.4
Excess & Other Fees from Officers	(8.7)	(9.4)	(0.7)	19.4	13.0	(19.5)	(20.2)	(0.7)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	(0.3)	(0.3)	n/a
Institutional Revenues	5.7	5.6	(0.1)	0.1	(1.7)	11.4	11.3	(0.1)
Interest & Rents	65.0	50.3	(14.7)	(4.2)	(25.9)	132.8	118.1	(14.7)
Licenses & Permits	4.3	4.3	0.0	3.0	3.0	8.5	8.5	0.0
Miscellaneous Taxes and Penalties	222.0	218.4	(3.6)	(1.0)	(2.6)	446.2	442.6	(3.6)
Other Miscellaneous Revenues	38.7	42.0	3.3	0.1	8.6	77.4	80.7	3.3
Public Service GR / Consumption Tax	<u>95.3</u>	<u>97.7</u>	<u>2.4</u>	<u>(1.0)</u>	<u>1.5</u>	<u>191.5</u>	<u>193.9</u>	<u>2.4</u>
Total Misc. Taxes and Other Revenues	\$ 672.8	\$ 673.6	\$ 0.8	(2.3) %	(2.2) %	\$ 1,361.2	\$ 1,362.0	\$ 0.8
TOTAL GF REVENUES	\$ 16,941.8	\$ 16,998.2	\$ 56.4	1.5 %	1.9 %	\$ 33,626.4	\$ 33,682.8	\$ 56.4
TRANSFERS								
A.B.C. Profits	\$ 69.3	\$ 70.6	\$ 1.3	1.9 %	3.8 %	\$ 137.3	\$ 138.6	\$ 1.3
Sales Tax (0.375%)	345.6	336.7	(8.9)	56.1	52.1	567.0	558.1	(8.9)
Transfers Per Appropriations Act	<u>131.9</u>	<u>131.9</u>	<u>0.0</u>	<u>(2.4)</u>	<u>(2.4)</u>	<u>267.1</u>	<u>267.1</u>	<u>0.0</u>
Total Transfers	\$ 546.8	\$ 539.2	\$ (7.6)	28.8 %	27.0 %	\$ 971.4	\$ 963.8	\$ (7.6)
TOTAL GENERAL FUND	\$ 17,488.6	\$ 17,537.4	\$ 48.8	2.2 %	2.5 %	\$ 34,597.8	\$ 34,646.6	\$ 48.8

The November forecast is based on the October 2013 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2013 General Assembly - Chapter 806.

The Official and November General Fund sales tax forecast includes a reduction of \$49.0m and \$47.5m for the 0.05% transfer to the HMOF, respectively.

The Official General Fund sales tax forecast includes a \$115.2m reduction and corresponding increase in the Transfers Sales Tax of 0.125% to total 0.375% as set forth in HB2313 and the November General Fund sales tax forecast includes a \$112.2m reduction.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The November Standard General Fund Forecast for Fiscal Years 2015-2016
(Dollars in Millions)

November 25, 2013

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	November Forecast	% Growth Over FY 14	November Forecast	% Growth Over FY 15	November Forecast	% Growth Over 12-14
MAJOR TAX SOURCES						
Corporate Income	\$ 816.6	2.1 %	\$ 822.7	0.7 %	\$ 1,639.3	2.7 %
Individual Income Tax:						
Gross	14,235.0	4.9	14,889.7	4.6	29,124.7	9.4
Withholding	11,040.4	4.3	11,504.1	4.2	22,544.4	8.2
Nonwithholding	3,194.7	7.0	3,385.6	6.0	6,580.3	13.6
Refunds	<u>(1,885.0)</u>	4.3	<u>(1,965.0)</u>	<u>4.2</u>	<u>(3,850.0)</u>	<u>9.2</u>
Net	12,350.0	5.0	12,924.7	4.7	25,274.7	9.4
Insurance Company Premiums	290.9	0.5	303.1	4.2	594.1	7.7
State Sales & Use Tax	3,175.7	2.6	3,286.6	3.5	6,462.4	2.3
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>0.0</u>	<u>377.5</u>	<u>0.0</u>	<u>755.0</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,010.8	4.2 %	\$ 17,714.6	4.1 %	\$ 34,725.4	7.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 156.5	1.3 %	\$ 159.2	1.7 %	\$ 315.7	2.7 %
Bank Franchise Tax	20.0	0.0	20.0	0.0	40.0	(1.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	(0.0)
Corporate Franchise & Charter Fees	47.9	0.0	47.9	0.0	95.8	0.8
Excess & Other Fees from Officers	(9.4)	0.0	(9.4)	0.0	(18.8)	(6.9)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.6	0.0	5.6	0.0	11.2	(0.8)
Interest & Rents	55.3	9.9	60.3	9.0	115.6	(2.2)
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	1.5
Miscellaneous Taxes and Penalties	218.9	0.2	219.4	0.2	438.3	(1.0)
Other Miscellaneous Revenues	31.5	(25.0)	31.5	0.0	63.0	(21.9)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>0.0</u>	<u>97.7</u>	<u>0.0</u>	<u>195.4</u>	<u>0.8</u>
Total Misc. Taxes and Other Revenues	\$ 670.6	(0.4) %	\$ 678.8	1.2 %	\$ 1,349.4	(0.9) %
TOTAL GF REVENUES	\$ 17,681.4	4.0 %	\$ 18,393.4	4.0 %	\$ 36,074.8	7.1 %
TRANSFERS						
A.B.C. Profits	\$ 70.8	0.3 %	\$ 71.0	0.3 %	\$ 141.8	2.3 %
Sales Tax (0.375%)	348.9	3.6	361.1	3.5	710.0	27.2
Transfers Per Appropriations Act	<u>120.0</u>	<u>(9.0)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(10.1)</u>
Total Transfers	\$ 539.7	0.1 %	\$ 552.1	2.3 %	\$ 1,091.8	13.3 %
TOTAL GENERAL FUND	\$ 18,221.1	3.9 %	\$ 18,945.5	4.0 %	\$ 37,166.6	7.3 %

The November forecast is based on the October 2013 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2013 General Assembly - Chapter 806.

This forecast includes the sales tax diversion to the CTF as passed in HB2313 2013 without MFA.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The Official to November Pessimistic Alternative General Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

November 25, 2013

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	Nov Alt Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 Nov Alt	Official Forecast	Nov Alt Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 839.8	\$ 768.8	\$ (71.0)	5.4 %	(3.5) %	\$ 1,636.5	\$ 1,565.5	\$ (71.0)
Individual Income Tax:								
Gross	13,451.7	13,328.3	(123.4)	3.0	2.1	26,510.7	26,387.3	(123.4)
Withholding	10,809.8	10,391.1	(418.7)	5.4	1.4	21,061.1	20,642.4	(418.7)
Nonwithholding	2,641.9	2,937.2	295.3	(5.9)	4.6	5,449.6	5,744.9	295.3
Refunds	<u>(1,827.1)</u>	<u>(1,807.1)</u>	<u>20.0</u>	<u>6.3</u>	<u>5.1</u>	<u>(3,546.2)</u>	<u>(3,526.2)</u>	<u>20.0</u>
Net	11,624.6	11,521.2	(103.4)	2.5	1.6	22,964.6	22,861.2	(103.4)
Insurance Company Premiums	280.7	289.4	8.7	7.0	10.4	542.9	551.6	8.7
State Sales & Use Tax	3,187.4	3,119.6	(67.8)	(1.0)	(3.1)	6,407.2	6,339.4	(67.8)
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>337.5</u>	<u>1.0</u>	<u>(10.9)</u>	<u>(10.6)</u>	<u>714.0</u>	<u>715.0</u>	<u>1.0</u>
Total Major Tax Sources	\$ 16,269.0	\$ 16,036.5	\$ (232.5)	1.7 %	0.3 %	\$ 32,265.2	\$ 32,032.7	\$ (232.5)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 151.0	\$ 154.5	\$ 3.5	(1.2) %	1.1 %	\$ 303.9	\$ 307.4	\$ 3.5
Bank Franchise Tax	16.0	20.0	4.0	(21.7)	(2.2)	36.4	40.4	4.0
Beer & Beverage Excise Tax	43.0	42.3	(0.7)	1.6	(0.0)	85.3	84.6	(0.7)
Corporate Franchise & Charter Fees	40.5	47.9	7.4	(14.0)	1.7	87.6	95.0	7.4
Excess & Other Fees from Officers	(8.7)	(9.4)	(0.7)	19.4	13.0	(19.5)	(20.2)	(0.7)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	(0.3)	(0.3)	n/a
Institutional Revenues	5.7	5.6	(0.1)	0.1	(1.7)	11.4	11.3	(0.1)
Interest & Rents	65.0	50.3	(14.7)	(4.2)	(25.9)	132.8	118.1	(14.7)
Licenses & Permits	4.3	4.3	0.0	3.0	3.0	8.5	8.5	0.0
Miscellaneous Taxes and Penalties	222.0	218.4	(3.6)	(1.0)	(2.6)	446.2	442.6	(3.6)
Other Miscellaneous Revenues	38.7	42.0	3.3	0.1	8.6	77.4	80.7	3.3
Public Service GR / Consumption Tax	<u>95.3</u>	<u>97.7</u>	<u>2.4</u>	<u>(1.0)</u>	<u>1.5</u>	<u>191.5</u>	<u>193.9</u>	<u>2.4</u>
Total Misc. Taxes and Other Revenues	\$ 672.8	\$ 673.6	\$ 0.8	(2.3) %	(2.2) %	\$ 1,361.2	\$ 1,362.0	\$ 0.8
TOTAL GF REVENUES	\$ 16,941.8	\$ 16,710.1	\$ (231.7)	1.5 %	0.2 %	\$ 33,626.4	\$ 33,394.7	\$ (231.7)
TRANSFERS								
A.B.C. Profits	\$ 69.3	\$ 70.6	\$ 1.3	1.9 %	3.8 %	\$ 137.3	\$ 138.6	\$ 1.3
Sales Tax (0.375%)	345.6	338.7	(6.9)	56.1	53.0	567.0	560.1	(6.9)
Transfers Per Appropriations Act	<u>131.9</u>	<u>131.9</u>	<u>0.0</u>	<u>(2.4)</u>	<u>(2.4)</u>	<u>267.1</u>	<u>267.1</u>	<u>0.0</u>
Total Transfers	\$ 546.8	\$ 541.2	\$ (5.6)	28.8 %	27.5 %	\$ 971.4	\$ 965.8	\$ (5.6)
TOTAL GENERAL FUND	\$ 17,488.6	\$ 17,251.3	\$ (237.3)	2.2 %	0.8 %	\$ 34,597.8	\$ 34,360.5	\$ (237.3)

The November Pessimistic Alternative forecast is based on the October 2013 Global Insight US Pessimistic Alternative outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2013 General Assembly - Chapter 806.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The November Pessimistic Alternative General Fund Forecast for Fiscal Years 2015-2016
(Dollars in Millions)

November 25, 2013

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	Nov Alt Forecast	% Growth Over FY 14	Nov Alt Forecast	% Growth Over FY 15	Nov Alt Forecast	% Growth Over 12-14
MAJOR TAX SOURCES						
Corporate Income	\$ 767.0	(0.2) %	\$ 774.8	1.0 %	\$ 1,541.8	(1.5) %
Individual Income Tax:						
Gross	13,648.2	2.4	14,080.7	3.2	27,728.9	5.1
Withholding	10,723.1	3.2	11,137.1	3.9	21,860.2	5.9
Nonwithholding	2,925.1	(0.4)	2,943.6	0.6	5,868.7	2.2
Refunds	<u>(1,805.0)</u>	(0.1)	<u>(1,885.0)</u>	4.4	<u>(3,690.0)</u>	4.6
Net	11,843.2	2.8	12,195.7	3.0	24,038.9	5.2
Insurance Company Premiums	290.9	0.5	303.1	4.2	594.1	7.7
State Sales & Use Tax	3,162.1	1.4	3,252.3	2.9	6,414.4	1.2
Wills, Suits, Deeds, & Contract Fees	<u>317.5</u>	<u>(5.9)</u>	<u>317.5</u>	<u>0.0</u>	<u>635.0</u>	<u>(11.2)</u>
Total Major Tax Sources	\$ 16,380.7	2.1 %	\$ 16,843.5	2.8 %	\$ 33,224.1	3.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 156.5	1.3 %	\$ 159.2	1.7 %	\$ 315.7	2.7 %
Bank Franchise Tax	20.0	0.0	20.0	0.0	40.0	(1.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	(0.0)
Corporate Franchise & Charter Fees	47.9	0.0	47.9	0.0	95.8	0.8
Excess & Other Fees from Officers	(9.4)	0.0	(9.4)	0.0	(18.8)	(6.9)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.6	0.0	5.6	0.0	11.2	(0.8)
Interest & Rents	55.3	9.9	60.3	9.0	115.6	(2.2)
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	1.5
Miscellaneous Taxes and Penalties	218.9	0.2	219.4	0.2	438.3	(1.0)
Other Miscellaneous Revenues	31.5	(25.0)	31.5	0.0	63.0	(21.9)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>0.0</u>	<u>97.7</u>	<u>0.0</u>	<u>195.4</u>	<u>0.8</u>
Total Misc. Taxes and Other Revenues	\$ 670.6	(0.4) %	\$ 678.8	1.2 %	\$ 1,349.4	(0.9) %
TOTAL GF REVENUES	\$ 17,051.3	2.0 %	\$ 17,522.3	2.8 %	\$ 34,573.5	3.5 %
TRANSFERS						
A.B.C. Profits	\$ 70.8	0.3 %	\$ 71.0	0.3 %	\$ 141.8	2.3 %
Sales Tax (0.375%)	346.9	2.4	356.9	2.9	703.8	25.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>(9.0)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(10.1)</u>
Total Transfers	\$ 537.7	(0.6) %	\$ 547.9	1.9 %	\$ 1,085.6	12.4 %
TOTAL GENERAL FUND	\$ 17,589.0	2.0 %	\$ 18,070.2	2.7 %	\$ 35,659.1	3.8 %

The November Pessimistic Alternative forecast is based on the October 2013 Global Insight US Pessimistic Alternative outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2013 General Assembly - Chapter 806.

This forecast includes the sales tax diversion to the CTF as passed in HB2313 2013 without MFA.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2016

(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	-	89	5,478,912,000	8.4%
62	242,144,567	4.8%	90	5,494,884,000	0.3%
63	286,304,265	18.2%	91	5,471,879,000	-0.4%
64	298,033,919	4.1%	92	5,623,213,000	2.8%
65	323,213,412	8.4%	93	6,133,637,000	9.1%
66	365,129,776	13.0%	94	6,503,368,000	6.0%
67	414,755,644	13.6%	95	6,881,145,000	5.8%
68	533,597,744	28.7%	96	7,356,110,000	6.9%
69	706,254,374	32.4%	97	7,949,327,000	8.1%
70	743,721,322	5.3%	98	8,773,520,000	10.4%
71	807,954,651	8.6%	99	9,702,747,000	10.6%
72	922,653,686	14.2%	00	10,788,482,000	11.2%
73	1,054,469,443	14.3%	01	11,105,275,000	2.9%
74	1,168,562,871	10.8%	02	10,678,954,000	-3.8%
75	1,303,178,893	11.5%	03	10,867,149,000	1.8%
76	1,428,421,157	9.6%	04	11,917,867,000	9.7%
77	1,636,301,819	14.6%	05	13,687,252,000	14.8%
78	1,923,085,084	17.5%	06	14,834,298,000	8.4%
79	2,115,211,522	10.0%	07	15,565,827,000	4.9%
80	2,344,928,934	10.9%	08	15,766,951,000	1.3%
81	2,579,663,941	10.0%	09	14,315,060,000	-9.2%
82	2,796,458,741	8.4%	10	14,219,477,000	-0.7%
83	2,975,687,935	6.4%	11	15,040,200,000	5.8%
84	3,397,710,261	14.2%	12	15,846,665,000	5.4%
85	3,790,816,000	11.6%	13	16,684,600,000	5.3%
86	4,131,778,000	9.0%	14*	16,970,900,000	1.7%
87	4,590,434,000	11.1%	15*	17,686,100,000	4.2%
88	5,054,382,000	10.1%	16*	18,373,300,000	3.9%

* December 16, 2013 Forecast (Excludes Transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2016

(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	1,305,078,458	-	89	8,641,817,035	3.8%
62	1,360,362,736	4.2%	90	8,338,215,478	-3.5%
63	1,590,579,250	16.9%	91	7,964,889,374	-4.5%
64	1,628,600,650	2.4%	92	7,964,890,935	0.0%
65	1,747,099,524	7.3%	93	8,471,874,309	6.4%
66	1,931,903,577	10.6%	94	8,788,335,135	3.7%
67	2,137,915,691	10.7%	95	9,102,043,651	3.6%
68	2,667,988,720	24.8%	96	9,540,998,703	4.8%
69	3,395,453,721	27.3%	97	10,087,978,426	5.7%
70	3,411,565,697	0.5%	98	11,022,010,050	9.3%
71	3,543,660,750	3.9%	99	12,068,093,284	9.5%
72	3,893,053,527	9.9%	00	13,140,660,171	8.9%
73	4,286,461,150	10.1%	01	13,204,845,422	0.5%
74	4,393,093,500	2.5%	02	12,548,712,103	-5.0%
75	4,447,709,532	1.2%	03	12,519,756,912	-0.2%
76	4,578,272,939	2.9%	04	13,466,516,384	7.6%
77	4,958,490,361	8.3%	05	15,057,482,948	11.8%
78	5,463,309,898	10.2%	06	15,831,694,771	5.1%
79	5,581,033,040	2.2%	07	16,248,253,653	2.6%
80	5,609,877,833	0.5%	08	15,974,621,074	-1.7%
81	5,595,800,306	-0.3%	09	14,329,389,389	-10.3%
82	5,672,330,103	1.4%	10	14,078,690,099	-1.7%
83	5,755,682,660	1.5%	11	14,644,790,652	4.0%
84	6,315,446,582	9.7%	12	15,063,369,772	2.9%
85	6,805,773,788	7.8%	13	15,636,925,961	3.8%
86	7,198,219,512	5.8%	14*	15,742,949,907	0.7%
87	7,833,505,119	8.8%	15*	16,175,594,150	2.7%
88	8,326,823,723	6.3%	16*	16,498,921,833	2.0%

* December 16, 2013 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2014 Through 2020
\$ (Millions)

	Actual							
	2013	2014	2015	2016	2017	2018	2019	2020
Taxes:								
Motor vehicle fuel tax	\$879.3	\$644.8	\$758.2	\$883.3	\$898.6	\$911.0	\$928.7	\$940.6
Unemployment compensation payroll tax	\$773.4	\$793.0	\$779.8	\$664.9	\$551.5	\$486.3	\$461.4	\$462.1
Special highway tax from sales tax	\$521.2	\$847.2	\$890.2	\$917.0	\$954.0	\$992.0	\$1,030.1	\$1,067.2
Motor vehicle sales tax and use tax	\$589.4	\$832.9	\$875.2	\$900.1	\$924.4	\$925.6	\$921.3	\$921.2
Other taxes	\$1,235.7	\$1,600.9	\$1,674.5	\$1,697.9	\$1,716.8	\$1,748.1	\$1,784.1	\$1,812.2
Total	\$3,999.0	\$4,718.8	\$4,977.8	\$5,063.3	\$5,045.3	\$5,063.0	\$5,125.6	\$5,203.3
Rights and privileges:								
Motor Vehicle Licenses	\$251.7	\$325.8	\$337.5	\$339.0	\$343.7	\$345.0	\$344.6	\$347.5
Other Rights & Privileges	\$747.8	\$738.1	\$760.2	\$765.3	\$816.4	\$827.9	\$842.8	\$852.9
Total	\$999.5	\$1,063.9	\$1,097.7	\$1,104.3	\$1,160.1	\$1,172.9	\$1,187.5	\$1,200.5
Sales of property and commodities:								
Alocoholic Beverage Sales	\$636.7	\$668.0	\$698.0	\$727.9	\$731.3	\$738.2	\$745.1	\$752.1
Other Sales	\$463.0	\$579.3	\$556.5	\$574.1	\$592.7	\$612.2	\$632.7	\$654.2
Total	\$1,099.7	\$1,247.3	\$1,254.6	\$1,302.0	\$1,324.0	\$1,350.4	\$1,377.8	\$1,406.4
Assessment & Receipts for Support of Special Services:	\$204.5	\$227.9	\$233.3	\$236.2	\$238.8	\$241.0	\$243.5	\$247.3
Institutional revenue:								
Institutions of Higher Education ²	\$2,256.4	\$4,909.7	\$5,226.3	\$5,496.7	\$5,661.6	\$5,853.9	\$6,051.6	\$6,240.9
Other Educational Institutions	\$3.7	\$4.6	\$4.3	\$4.3	\$4.2	\$4.2	\$4.3	\$4.3
Medical Hospitals ²	\$0.0	\$1,370.0	\$1,418.6	\$1,474.9	\$1,550.1	\$1,622.3	\$1,685.2	\$1,769.3
Mental Hospitals	\$54.4	\$62.4	\$62.1	\$60.4	\$58.6	\$58.5	\$57.0	\$57.6
Corrections	\$57.5	\$60.6	\$62.6	\$62.6	\$59.6	\$59.6	\$59.6	\$59.6
Other Institutions	\$42.8	\$45.5	\$45.4	\$45.8	\$46.3	\$46.5	\$47.0	\$47.2
Total	\$2,414.8	\$6,452.8	\$6,819.2	\$7,144.7	\$7,380.4	\$7,645.2	\$7,904.6	\$8,178.9
Interest dividends and rents:	\$229.2	\$173.1	\$193.1	\$214.3	\$233.2	\$233.2	\$262.0	\$276.7
Grants and donations:								
Federal grants and contracts	\$9,245.0	\$9,286.8	\$9,444.5	\$9,676.7	\$10,025.0	\$10,277.1	\$10,666.5	\$11,070.0
Other grants & contracts	\$181.8	\$176.0	\$179.1	\$179.1	\$187.3	\$192.1	\$189.2	\$193.0
Total	\$9,426.8	\$9,462.8	\$9,623.6	\$9,855.8	\$10,212.3	\$10,469.2	\$10,855.7	\$11,263.0
Other Revenue:	\$1,629.5	\$1,863.1	\$1,939.5	\$1,957.6	\$1,985.3	\$2,008.9	\$2,030.6	\$2,061.1
Total Nongeneral Fund Revenue ¹:	\$20,003.0	\$25,209.6	\$26,138.9	\$26,878.1	\$27,579.4	\$28,183.9	\$28,987.3	\$29,837.1
\$ Amount change from previous year		\$5,206.6	\$929.3	\$739.2	\$701.3	\$604.5	\$803.4	\$849.7
% Change from previous year		26.0%	4.6%	2.8%	2.6%	2.2%	2.9%	2.9%

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 CARS.

FY 2014 Estimate (a)

Commonwealth of Virginia/Department of Accounts
 Summary Report on General Fund Revenue Collections
 For the Fiscal Years 2013 and 2014
 (Dollars in Thousands)

	FY 2014 Estimate	As a % of Gen Fund Rev	November		Change %	Year-To-Date		Change %	% Annual Growth Req By Est
			FY 2014	FY 2013		FY 2014	FY 2013		
Revenue									
Individual Income Tax:									
Withholding	\$10,809,800	63.81	\$818,981	\$797,950	2.6	\$4,149,162	\$4,012,215	3.4	5.4
Tax Dues/Estimated Payments	2,641,900	15.59	35,373	34,964	1.2	519,857	487,504	6.6	(5.9)
Gross Individual Income Tax	\$13,451,700	79.40	\$854,354	\$832,914	2.6	\$4,669,019	\$4,499,719	3.8	3.0
Individual and Fiduciary Income (Refunds)	(1,827,100)	(10.79)	(40,611)	(31,720)	28.0	(245,567)	(183,917)	33.5	6.3
Net Individual Income Tax	\$11,624,600	68.61	\$813,743	\$801,194	1.6	\$4,423,452	\$4,315,802	2.5	2.5
Sales and Use Tax	\$3,187,400	18.82	\$254,147	\$249,544	1.8	\$1,167,319	\$1,197,865	(2.6)	(1.0)
Corporations Income Tax	839,800	4.96	(15,919)	(19,972)	20.3	168,339	191,597	(12.1)	5.4
Wills, Suits, Deeds, Contracts	336,500	1.99	24,208	30,872	(21.6)	143,773	150,817	(4.7)	(10.9)
Insurance Premiums	280,700	1.66	0	0	-	0	0	-	7.0
Interest Income (b)	64,700	0.38	12,079	8,679	39.2	33,418	36,377	(8.1)	(4.2)
Alcoholic Beverage Sales (c)	194,000	1.14	40,924	39,335	4.0	59,221	58,341	1.5	(0.6)
All Other Revenues	414,100	2.44	25,102	32,468	(22.7)	138,851	140,196	(1.0)	(2.7)
Total General Fund Revenues	\$16,941,800	100.00	\$1,154,284	\$1,142,120	1.1	\$6,134,373	\$6,090,995	0.7	1.5

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

- (a) The general fund revenue estimate reflected in this report will not agree to the official general fund revenue estimate included in Chapter 806, 2013 Virginia Acts of Assembly (Appropriation Act). The revenue estimate in this report has been reduced by \$115.2 million to incorporate the effect of an additional 1/8 cent Standards of Quality sales tax transfer required by Chapter 766, 2013 Virginia Acts of Assembly (Transportation Legislation). Chapter 806 will be modified to reflect this change during the 2014 General Assembly session.
- (b) Interest will be allocated in accordance with Section 3-3.03 of Chapter 806, 2013 Virginia Acts of Assembly.
- (c) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2014 Estimate (a)

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2013 and 2014
(Dollars in Thousands)

Revenue	FY 2014 Estimate	As a % of Total Gen Fund Rev	November		Change %	Year-To-Date		Change %	% Annual Growth Req By Est
			FY 2014	FY 2013		FY 2014	FY 2013		
Taxes:									
Individual Income Tax - Withholding	\$10,809,800	63.81	\$818,981	\$797,950	2.6	\$4,149,162	\$4,012,215	3.4	5.4
Tax Dues/Estimated Payments	2,641,900	15.59	35,373	34,964	1.2	519,857	487,504	6.6	(5.9)
Gross Individual Income Tax	\$13,451,700	79.40	\$854,354	\$832,914	2.6	\$4,669,019	\$4,499,719	3.8	3.0
Net Individual Income Tax	(1,827,100)	(10.79)	(40,611)	(31,720)	28.0	(245,567)	(183,917)	33.5	6.3
Sales and Use Tax	\$11,624,600	68.61	\$813,743	\$801,194	1.6	\$4,423,452	\$4,315,802	2.5	2.5
Corporations Income	3,187,400	18.82	254,147	249,544	1.8	1,167,319	1,197,865	(2.6)	(1.0)
Public Service Corporations	95,300	4.96	(15,919)	(19,972)	20.3	168,339	191,597	(12.1)	5.4
Insurance Premiums	280,700	1.66	0	9,946	(42.7)	33,011	33,765	(2.2)	(1.0)
Alcoholic Beverage Excise	151,000	0.89	0	0	-	0	0	-	7.0
Beer and Beverage Excise	43,000	0.25	3,491	3,499	(0.2)	40,465	39,509	2.4	(1.2)
Wills, Suits, Deeds, Contracts	336,500	1.99	24,208	30,872	(21.6)	18,756	18,832	(0.4)	1.6
Inheritance, Gift, and Estate	0	0.00	35	3	#	143,773	150,817	(4.7)	(10.9)
Bank Franchise	16,000	0.09	517	0	-	29	68	(57.4)	100.0
Other Taxes	1,900	0.01	634	1,501	(57.8)	527	79	567.1	(21.7)
Total Taxes	\$16,576,200	97.84	\$1,123,985	\$1,112,423	1.0	\$5,997,034	\$5,951,340	(54.7)	461.9
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$275	\$423	(35.0)	\$1,530	\$1,681	(9.0)	3.0
Corp. Franchise and Charters	40,500	0.23	438	479	(8.6)	2,526	2,406	5.0	(4.0)
Fees for Misc. Privileges & Services	9,800	0.06	568	775	(26.7)	4,083	3,963	3.0	(10.0)
Total Rights and Privileges	\$54,600	0.32	\$1,281	\$1,677	(23.6)	\$8,139	\$8,050	1.1	(12.2)
Other Revenues:									
Sales of Property & Commodities	\$10,500	0.06	\$0	\$0	-	\$2,330	\$0	-	#
Assessm'ts & Rcpts for Support of Special Svcs	400	0.00	33	84	(60.7)	95	108	(12.0)	23.1
Institutional Revenue	5,700	0.03	442	474	(6.8)	2,190	2,696	(18.8)	0.1
Interest (b)	64,700	0.38	12,079	8,679	39.2	33,418	36,377	(8.1)	(4.2)
Dividends and Rent	300	0.00	24	9	166.7	211	191	10.5	(12.5)
Fines, Forfeitures & Fees	220,100	1.30	16,371	17,537	(6.6)	90,548	91,498	(1.0)	(2.0)
Other Revenue	9,600	0.06	127	1,303	(90.3)	1,388	2,074	(33.1)	(50.7)
Excess Fees	(8,700)	(0.05)	(598)	(761)	21.4	(4,292)	(4,395)	2.3	19.4
Private Donations, Gifts & Cont.	0	0.00	0	0	-	2	0	-	(100.0)
Cities, Counties, and Towns	8,400	0.06	540	695	(22.3)	3,310	3,056	8.3	5.9
Total Other Revenues	\$311,000	1.84	\$29,018	\$28,020	3.6	\$129,200	\$131,605	(1.8)	(1.3)
Total General Fund Revenues	\$16,941,800	100.00	\$1,154,284	\$1,142,120	1.1	\$6,134,373	\$6,090,995	0.7	1.5

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

(a) The general fund revenue estimate reflected in this report will not agree to the official general fund revenue estimate included in Chapter 806, 2013 Virginia Acts of Assembly (Appropriation Act). The revenue estimate in this report has been reduced by \$115.2 million to incorporate the effect of an additional 1/8 cent Standards of Quality sales tax transfer required by Chapter 766, 2013 Virginia Acts of Assembly (Transportation Legislation). Chapter 806 will be modified to reflect this change during the 2014 General Assembly session.
(b) Interest will be allocated in accordance with Section 3-3.03 of Chapter 806, 2013 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2013 and 2014
(Dollars in Thousands)

	November			Year-To-Date			% Annual Growth Required By Estimate
	FY 2014 Estimate (a)	FY 2014 (b)	FY 2013	FY 2014 (b)	FY 2013	Change (c)	
Lottery Collections							
Total Lottery Sales	\$1,618,900	\$139,506	\$152,139	\$718,411	\$671,034	7.1	(4.2)
Other Income	1,500	277	244	900	796	13.1	(5.5)
Total Income	<u>\$1,620,400</u>	<u>\$139,783</u>	<u>\$152,383</u>	<u>\$719,311</u>	<u>\$671,830</u>	<u>7.1</u>	<u>(4.2)</u>
Less:							
Prize Expenses	\$977,800	\$83,576	\$86,839	\$421,666	\$397,074	6.2	(4.6)
Retailer Commissions	92,000	7,321	8,474	39,273	37,492	4.8	(3.1)
Operating Expenses	88,600	7,156	7,655	35,115	34,861	0.7	5.3
Total Expenses	<u>\$1,158,400</u>	<u>\$98,053</u>	<u>\$102,968</u>	<u>\$496,054</u>	<u>\$469,427</u>	<u>5.7</u>	<u>(3.8)</u>
Net Proceeds from Operations							
Net Lottery Ticket Profits	\$462,000	\$41,730	\$49,415	\$223,257	\$202,403	10.3	(0.5)
Prior Year Residual Profit Transfer	0	0	0	22,199	22,971	(3.4)	-
Available to Lottery Proceeds Fund	<u>\$462,000</u>	<u>\$41,730</u>	<u>\$49,415</u>	<u>\$245,456</u>	<u>\$225,374</u>	<u>8.9</u>	<u>(5.2)</u>

(a) Estimate established by Chapter 806, 2013 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$22,199,087 was made on August 20, 2013.

The Residual Profit Transfer from FY 2013 will be included in the Lottery's revised FY 2014 revenue estimate in the Governor's Revised Budget in December 2013.

(b) Amounts reported are accrual-based estimates (unaudited closing).

(c) 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
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2013 and 2014
(Dollars in Thousands)

Revenue	FY 2014 Estimate	As a % of Total Fund	November		Change %	Year-To-Date		Change %	% Annual Growth Required By Estimate
			FY 2014	FY 2013		FY 2014	FY 2013		
Motor Fuel Taxes (b)	\$630,100	15.73	\$50,792	\$69,923	(27.4)	\$245,364	\$302,366	(18.9)	(25.1)
Priority Transportation Fund (PTF) (b)	131,000	3.27	3,174	2,219	43.0	117,581	112,622	4.4	0.7
Motor Vehicle Sales and Use Tax	833,700	20.82	58,777	45,350	29.6	339,928	258,160	31.7	33.9
State Sales and Use Tax (a)	866,900	21.66	72,195	42,890	68.3	318,379	204,696	55.5	66.3
Motor Vehicle License Fees	243,900	6.09	16,173	18,397	(12.1)	101,702	103,341	(1.6)	(0.7)
International Registration Plan	65,300	1.63	1,797	3,552	(49.4)	17,343	18,768	(7.6)	5.7
Recordation Tax	40,500	1.01	2,898	3,780	(23.3)	17,408	18,411	(5.4)	(12.6)
Interest Earnings	11,900	0.30	28	25	12.0	1,898	2,613	(27.4)	28.2
Misc. Taxes, Fees, and Revenues	17,400	0.43	928	1,126	(17.6)	6,964	5,394	29.1	17.4
Total State Taxes and Fees	\$2,840,700	70.94	\$206,762	\$187,262	10.4	\$1,166,567	\$1,026,371	13.7	13.9

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

(a) New revenue streams for State Sales and Use Tax are included in the Fiscal Year 2014 Highway Maintenance and Operating Fund Revenue Forecast. As there were no collections for state sales and use tax recorded in the Highway Maintenance and Operating Fund during Fiscal Year 2013, a comparison between Fiscal Years 2013 and 2014 may not be appropriate. Refer to the "State Sales and Use Tax" line item on page 5 for the detailed information pertaining to the "State Sales and Use Tax" line item.

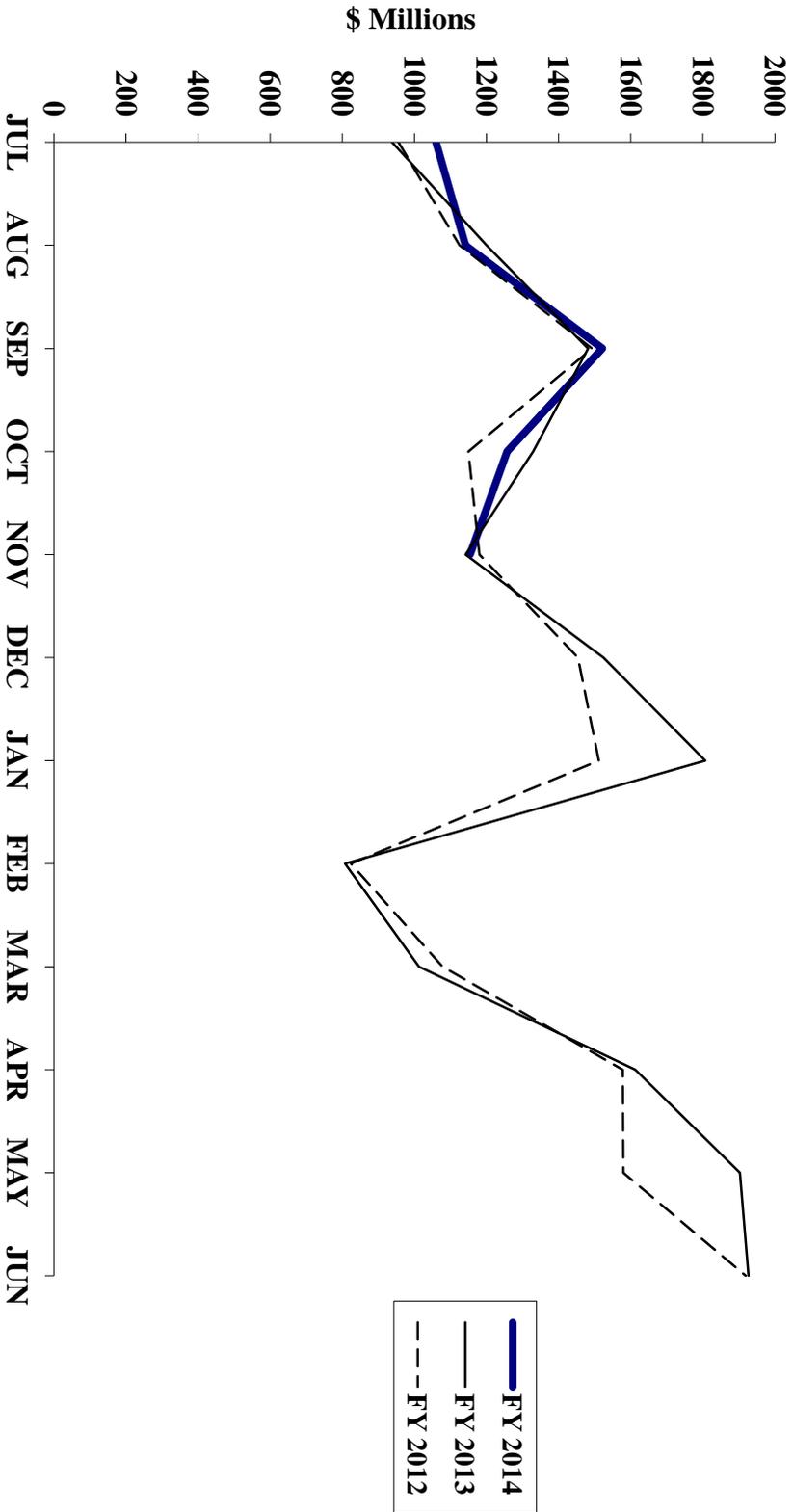
(b) Certain Fiscal Year 2013 monthly and year-to-date amounts have been reclassified. Refer to (b) on page 5 for additional information.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2013 and 2014
(Dollars in Thousands)

	FY 2014 Estimate	As a % of Total Fund	November		Change %	Year-To-Date		Change %	% Annual Growth Required By Est
			FY 2014	FY 2013		FY 2014	FY 2013		
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$500,700	12.50	\$40,818	\$59,921	(31.9)	\$197,102	\$256,469	(23.1)	(29.1)
Motor Vehicle Sales and Use Tax	585,000	14.61	41,828	26,560	57.5	240,510	158,898	51.4	51.0
State Sales and Use Tax (a)	204,000	5.10	17,106	0	-	71,159	0	-	-
Motor Vehicle License Fees	222,400	5.55	14,698	16,671	(11.8)	92,883	94,204	(1.4)	(0.7)
International Registration Plan	65,300	1.63	1,797	3,552	(49.4)	17,343	18,768	(7.6)	5.7
Recordation Tax (1 cent)	13,500	0.34	975	1,260	(22.6)	5,812	6,137	(5.3)	(12.6)
Misc. Taxes, Fees, and Revenues	17,400	0.43	928	1,126	(17.6)	6,964	5,394	29.1	17.4
Total State Taxes and Fees	\$1,608,300	40.16	\$118,150	\$109,090	8.3	\$631,773	\$539,870	17.0	14.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,387	\$1,754	150.1	\$12,325	\$11,816	4.3	(100.0)
Miscellaneous Revenues	18,658	0.47	1,121	1,083	3.5	7,103	6,780	4.8	11.5
Transfer (to) /from Transportation Trust Fund	313,942	7.84	50,000	20,000	150.0	100,000	90,000	11.1	(10.4)
Total Highway Maintenance and Operating Fund	\$1,940,900	48.47	\$173,658	\$131,927	31.6	\$751,201	\$648,466	15.8	7.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes) (b)	\$129,400	3.23	\$9,974	\$10,002	(0.3)	\$48,262	\$45,897	5.2	(4.3)
PTF Insurance Premiums Tax	131,000	3.27	3,174	2,219	43.0	117,581	112,622	4.4	0.7
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,700	6.21	16,949	18,790	(9.8)	99,418	99,262	0.2	5.7
State Sales and Use Tax	662,900	16.56	55,089	42,890	28.4	247,220	204,696	20.8	27.2
Motor Vehicle License Fees	21,500	0.54	1,475	1,726	(14.5)	8,819	9,137	(3.5)	(0.8)
Recordation Tax (2 cents)	27,000	0.67	1,923	2,520	(23.7)	11,596	12,274	(5.5)	(12.6)
Interest Earnings	11,900	0.30	28	25	12.0	1,898	2,613	(27.4)	28.2
Total State Taxes and Fees	\$1,232,400	30.78	\$88,612	\$78,172	13.4	\$534,794	\$486,501	9.9	13.7
Other Revenues:									
Federal Grants and Contracts	\$929,928	23.22	\$67,373	\$92,403	(27.1)	\$748,419	\$731,057	2.4	(28.8)
Receipts from Cities/Counties	178,614	4.46	4,840	5,894	(17.9)	42,380	34,892	21.5	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	910	847	7.4	5,266	5,028	4.7	(5.0)
Miscellaneous Revenues	19,854	0.49	2,850	2,617	8.9	10,920	30,678	(64.4)	(57.6)
Total Other Revenues	\$1,145,164	28.59	\$75,973	\$101,761	(25.3)	\$806,985	\$801,655	0.7	(19.9)
Transfer (to) /from Highway Maintenance and Operating Fund	(\$313,942)	(7.84)	(\$50,000)	(\$20,000)	(150.0)	(\$100,000)	(\$90,000)	(11.1)	10.4
Total Transportation Trust Fund	\$2,063,622	51.53	\$114,585	\$159,933	(28.4)	\$1,241,779	\$1,198,156	3.6	(4.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,004,522	100.00	\$288,243	\$291,860	(1.2)	\$1,992,980	\$1,846,622	7.9	1.0
# Percentage is greater than or equal to 1,000%.									

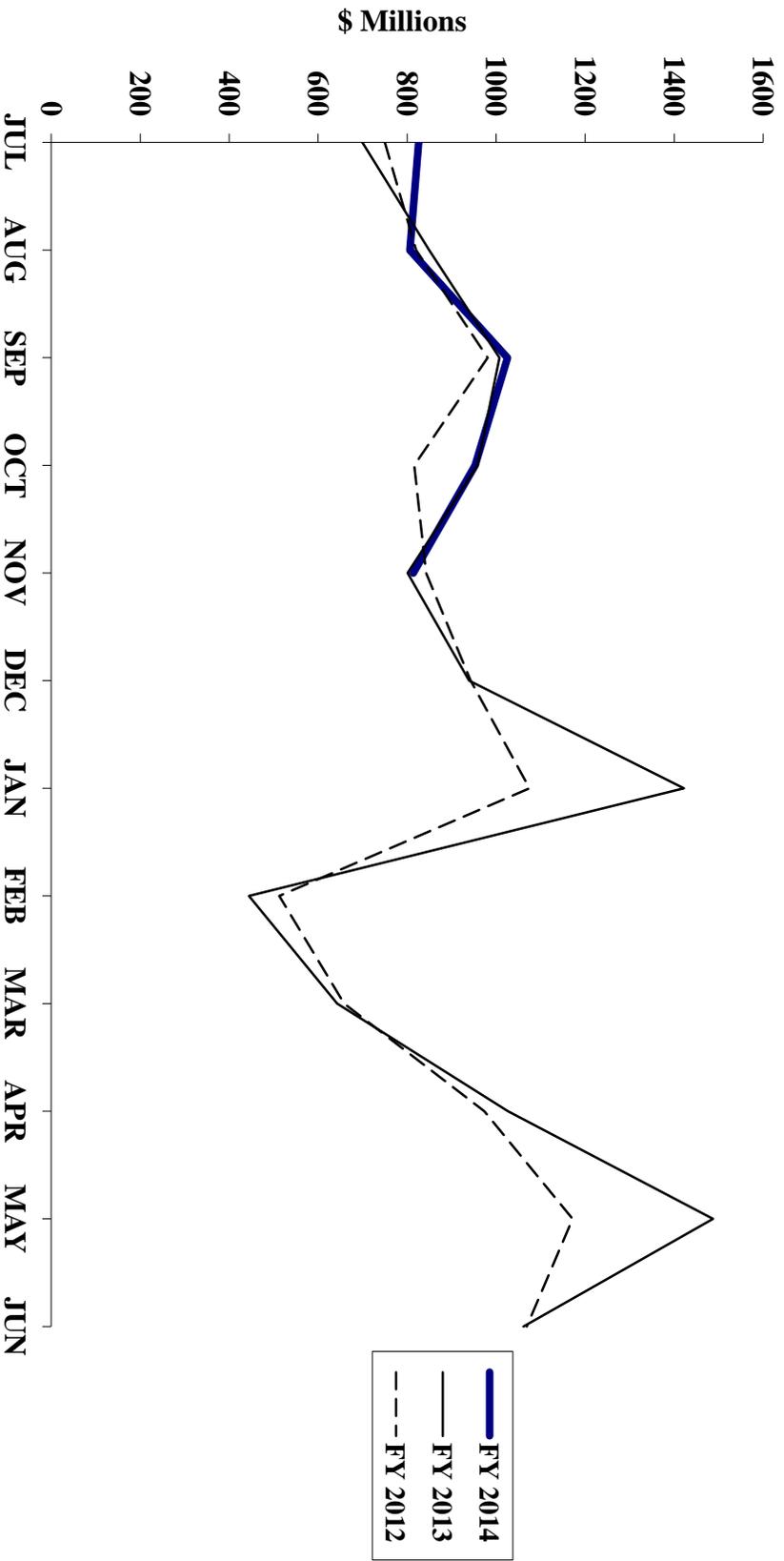
(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.
(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)". In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.

Total General Fund Revenues



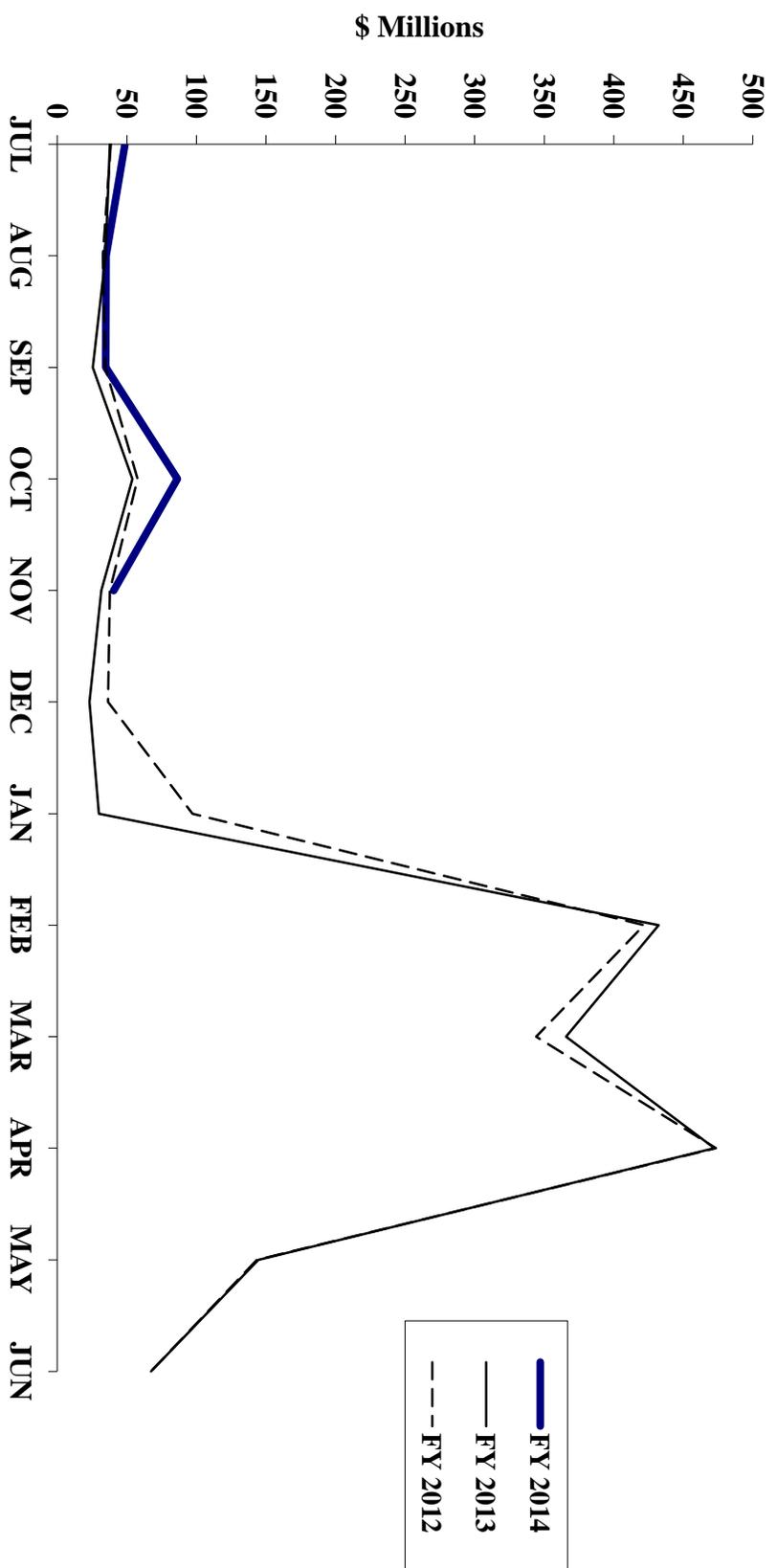
FY 2012 Actual = \$15,846.7 Million
 FY 2013 Actual = \$16,684.6 Million
 FY 2014 Estimate = \$16,941.8 Million

Net Individual Income Tax



FY 2012 Actual = \$10,612.8 Million
FY 2013 Actual = \$11,340.0 Million
FY 2014 Estimate = \$11,624.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2012 Actual = \$1,784.7 Million
FY 2013 Actual = \$1,719.1 Million
FY 2014 Estimate = \$1,827.1 Million

DEPARTMENT OF THE TREASURY
 General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2014
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY	EXTERNAL MANAGEMENT EXTENDED DURATION	COMPOSITE	TREASURY 1 YR. CONSTANT MATURITY ¹
	Avg. Balance	Avg. Balance	Avg. Balance	Yield
	Yield	Annualized Total Return	Rate	
July, 2013	\$4,340.0	\$1,157.6	\$5,497.6	0.12%
August	\$3,872.1	\$1,156.3	\$5,028.4	0.13%
September	\$4,217.5	\$1,158.0	\$5,375.5	0.12%
October	\$4,601.1	\$1,165.3	\$5,766.4	0.12%
November	\$4,167.9	\$1,168.4	\$5,336.3	0.12%
December				
January, 2014				
February				
March				
April				
May				
June				
Year-to-Date Average	\$4,239.7	\$1,161.1	\$5,400.8	0.12%
	0.24%	2.59%	0.75%	

* 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.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2014**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$439,971,765	\$0	\$0	\$0	\$439,971,765
August	\$439,971,765	\$0	\$0	\$0	\$439,971,765
September	\$439,971,765	\$0	\$0	\$0	\$439,971,765
October	\$439,971,765	\$0	\$0	\$865,753	\$440,837,518
November	\$440,837,518	\$0	\$0	\$0	\$440,837,518
December					
January					
February					
March					
April					
May					
June					

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