



The Economic Outlook And Revenue Forecast through Fiscal Year 2016

Prepared by the Virginia Department of Taxation
for Review by the
Governor's Advisory Council on Revenue Estimates

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Introduction

At the time of last year's meeting, economic growth had slowed from earlier in the year. The recovery was weak, but fundamentals were improving, particularly the housing market. The Fed continued its quantitative easing program. Global Insight expected modest growth to continue. The looming "fiscal cliff", sequestration, and the European debt crisis, however, created substantial uncertainty.

Actual U.S. economic growth in fiscal year 2013 was close to expectations in the official forecast, Global Insight's November 2012 standard forecast. This low-growth conservative forecast serves as the basis for the current budget.

Economic conditions in the Commonwealth were close to expectations in fiscal year 2013. Employment growth was very close to forecast, although income growth was somewhat slower than anticipated. The year ended with a surplus in general fund revenue collections of 1.6 percent, within the 2 percent variance performance measure. A complete review of fiscal year 2013 general fund revenues is included in Appendix B.

At their October 16th meeting, members of the Joint Advisory Board of Economists reviewed IHS Global Insight's September 2013 standard and alternative pessimistic scenarios. While most members considered the U.S. standard forecast to be reasonable, they were split on their recommendations for the most probable path of the Virginia economy. Although most were willing to accept the Virginia forecast as reasonable, and all agreed growth should be below the U.S. forecast, there was some disagreement about the potential effects of the government shutdown and the outcome of debt ceiling negotiations. (Furloughed employees went back to work the following day and the debt ceiling was extended later that evening.) Almost all felt the standard forecast was too optimistic in fiscal year 2014 and employment growth should be lowered to 1.0 percent. Almost all members recommended that the forecast for fiscal years 2015 and 2016 were conservative. Two members felt the Virginia economy would do better than the forecast in the short-term. There was no support for Moody's Analytics more optimistic forecast.

Section 1 of this book contains a review of the national economic performance during fiscal year 2013. Summaries of IHS Global Insight's October standard and alternative pessimistic national outlooks are presented.

Section 2 contains a review of Virginia's economic performance during fiscal year 2013. This is followed by a summary of the Virginia standard forecast developed by the Department of Taxation using the IHS Global Insight October standard national forecast. The section closes with discussion of the alternative pessimistic forecast for the Virginia economy.

Section 3 reviews fiscal year 2013 general fund tax revenues and the November 2013 standard and alternative general fund revenue forecasts. Section 4 discusses nongeneral fund revenue and forecasts.

Historical and forecast economic data are contained in Appendix A. Appendix B is a history of general fund revenue collections. Appendix C contains detailed econometric output for major sources.

SECTION 1
THE U.S. ECONOMY

Section 1 The U.S. Economy

Introduction

This section begins with a review of fiscal year 2013, comparing actual U.S. economic growth to the official forecast for the year. The official forecast for fiscal year 2013 was based on Global Insight's November 2012 U.S. standard outlook. At their meeting last fall, the Joint Advisory Board of Economists (JABE) members were split on the most probable path for the U.S. economy. Based on members' comments and with input from the Governor's Advisory Council on Revenue Estimates (GACRE) and participants, the official economic outlook for fiscal year 2013 relied on the "standard minus" forecast.

Following the review of fiscal year 2013, Global Insight's October standard forecast is summarized. The section concludes with an overview of Global Insight's October 2013 pessimistic alternative scenario.

Tabular data are presented throughout this section and more detailed tabular data related to this section are presented in Appendix A. Table A-1 shows quarterly national and Virginia historical data for major forecast variables from fiscal year 2011 through fiscal year 2013. Appendix A-2 shows quarterly data for the two forecasts through fiscal year 2016. Table A-3 displays national and Virginia annual historical and forecast data from fiscal year 1994 through fiscal year 2016. Table A-4 displays annual regional historical and forecast employment data from fiscal year 1994 through fiscal year 2016.

Review of Fiscal Year 2013

At the time of Global Insight's November 2012 forecast, economic growth had slowed from earlier in the year. The recovery had weak momentum, but fundamentals were improving, particularly the housing market. The Fed continued its quantitative easing program. The looming "fiscal cliff" with higher taxes, sequestration, and the European debt crisis provided an air of uncertainty which was dampening growth. Global Insight expected the economy to remain on a modest growth track.

Table 1.1 on the next page compares the official forecast and actual results for fiscal year 2013.

Table 1.1 - Fiscal Year 2013 U.S. Forecast Performance

	<u>Forecast</u>	<u>Actual</u>	<u>Actual Minus Forecast</u>
<u>Output, Income, and Spending (% Change)</u>			
Real GDP	1.9	2.0	0.1
Total Personal Income	3.7	3.7	0.0
Wages and Salaries (50%)	3.7	3.9	0.2
Average Wage	2.3	2.2	(0.1)
Real Consumer Spending	2.0	2.0	0.0
<u>Employment and Labor Markets (% Change)</u>			
Total Nonagricultural Employment	1.4	1.6	0.2
Construction (4%)	0.8	2.1	1.3
Manufacturing (9%)	1.2	1.0	(0.2)
Trade, Transportation, and Utilities (19%)	1.3	1.7	0.4
Information (2%)	(0.2)	0.4	0.6
Financial Activities (6%)	0.9	1.3	0.4
Professional and Business Services (14%)	3.2	3.3	0.1
Education and Health Services (15%)	1.9	2.0	0.1
Leisure and Hospitality (10%)	2.3	2.8	0.5
Other Services (4%)	0.9	1.2	0.3
Government (16%)	(0.1)	(0.4)	(0.3)
Unemployment Rate (%)	7.9	7.8	(0.1)
<u>Interest Rates (% Change)</u>			
3-Month Treasury Bills	0.1	0.1	0.0
30-Year Treasury Bonds	2.9	3.0	0.1
<u>Prices (% Change)</u>			
CPI	1.5	1.7	0.2
GDP Deflator	1.8	1.6	(0.2)

The forecast data are from the November 2012 Global Insight U.S. standard scenario.

Following is a summary of key assumptions included in Global Insight's November 2012 forecast and how those assumptions fared over the fiscal year.

- Real GDP rose 2.0 percent for the fiscal year, close to the forecast of 1.9 percent growth.
- Total personal income rose 3.7 percent in fiscal year 2013, right on forecast. Wages and salaries grew 3.9 percent, 0.2 percentage point ahead of the forecast of 3.7 percent.
- Real consumer spending rose 2.0 percent in fiscal year 2013, matching the forecast.
- Total nonagricultural employment grew 1.6 percent, slightly ahead of the forecast of 1.4 percent. Most sectors grew slightly more than expected. The largest variance from the forecast was in the construction sector, which grew 2.1 percent, much faster than the forecast of 0.8 percent growth. The only sector which lost jobs was government.
- The increase in the CPI of 1.7 percent exceeded the forecast by 0.2 percentage point, while the GDP deflator increased 1.6 percent – 0.2 percentage point lower than the predicted growth rate.
- Global Insight expected the Fed to keep the target federal funds rate steady at 0.0 percent to 0.25 percent until mid-2015, and continue its quantitative easing program. The target rate has remained unchanged.

Recent Developments in the U.S. Economy

Modest economic growth persisted despite higher taxes, sequestration, and weak economies overseas. Conditions in the housing sector and job market have improved. Current national indicators suggest the economy continues to expand at a modest pace. According to the third estimate, real GDP grew at an annualized rate of 2.5 percent in the second quarter of 2013, up from 1.1 percent in the first quarter.

Payroll employment grew by 148,000 jobs in September, following gains of 193,000 in August and 89,000 in July. In a separate report, the unemployment rate fell from 7.3 percent to 7.2 percent in September, as the number of employed expanded faster than the increase in the labor force.

Initial claims for unemployment fell by 12,000 to 350,000 during the week ending October 19 – although the reading is not clean because of the U.S. government shutdown and debt-ceiling debate. The four-week moving average increased from 337,500 to 348,250.

The Conference Board's index of leading indicators rose 0.7 percent in August, after a 0.5 percent increase in July. The Conference Board's index of consumer confidence fell

U.S. Economy

from 80.2 to 71.2 in October, as concerns about the short-term outlook for both jobs and earnings resurfaced. The present situation component increased, while the expectations component dropped.

The manufacturing and non-manufacturing sectors continue to expand. The Institute of Supply Management manufacturing index rose from 55.7 to 56.2 in September – the fourth consecutive monthly gain and the highest reading of the year. The non-manufacturing or services index decreased from 58.6 to 54.4 in September – indicating continued growth, but at a slower pace.

Inflation remains low – the CPI increased 0.2 percent in September and stands 1.2 percent above September 2012. Core inflation (excluding food and energy prices) also rose 0.1 percent and stands 1.7 percent above September of last year.

The Federal Reserve announced at its October meeting that it will keep the federal funds rate target unchanged at 0.0 to 0.25 percent, and continued its quantitative easing program.

The Global Insight U.S. Standard Forecast for Fiscal Years 2014-2016

The official forecast for fiscal year 2013, on which the current biennial budget is based, was Global Insight's November 2012 standard forecast. Tables 1.2 and 1.3 compare the official forecast with two other forecasts: Global Insight's October 2013 standard and pessimistic alternative forecasts.

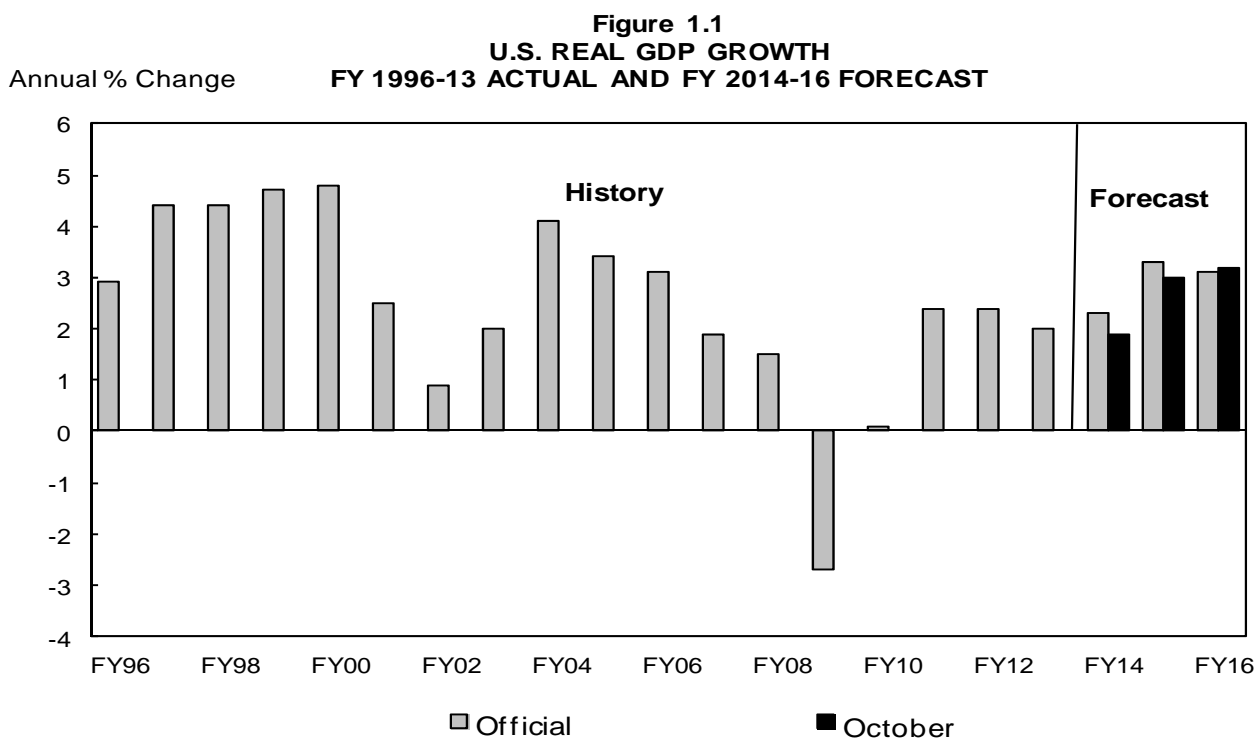
In the October standard forecast, growth was slightly stronger than the official forecast in calendar year 2012, but weaker between calendar years 2013 and 2015. Global Insight believes the economy will continue its modest expansion, with real GDP growth of 1.8 percent in the third quarter of calendar year 2013 and 1.6 percent in the fourth quarter. Rising oil prices, government spending cuts, higher interest rates, and persistently weak job creation are the main threats to growth.

Global Insight expects real GDP growth of 1.9 percent in fiscal year 2014, slightly weaker than the 2.0 percent change in fiscal year 2013. It is then expected to pick up to 3.0 percent in fiscal year 2015, and 3.2 percent in fiscal year 2016. Figure 1.1 on the following page depicts GDP growth.

The outlook for the job market in the October forecast is very close to the official forecast. Payroll employment in the standard forecast is expected to grow 1.7 percent in fiscal year 2014 and 1.8 percent in both fiscal years 2015 and 2016, compared with the official estimate of 1.7 percent, 1.9 percent and 1.9 percent, respectively. The October forecast expects the unemployment rate to fall more quickly than predicted in the official forecast. In the October forecast, the unemployment rate falls to 7.3 percent in fiscal year 2014, 6.8 percent in fiscal year 2015, and 6.2 percent in fiscal year 2016.

Total personal income is expected to rise by 3.6 percent in fiscal year 2014, almost a full percentage point below the official forecast. Income growth then increases to 4.9 percent in fiscal year 2015 and to 5.0 percent in fiscal year 2016, close to the official forecast. Similarly, the October forecast for the largest component of personal income, wages and salaries, is 1.2 percentage points below the official estimate in fiscal year 2014. Global Insight expects wages and salaries growth to rise to 5.0 percent in fiscal year 2015 and 5.1 percent in fiscal year 2016, slightly higher than the official forecast.

Consumers are slower to resume spending in the October standard forecast. Real consumer spending is expected to grow 2.1 percent in fiscal year 2014, compared with 2.6 percent in the official forecast. Growth rises to 2.7 percent in both fiscal years 2015 and 2016, close to the official forecast. With little risk of inflation, the Fed is expected to keep the current federal funds target range of 0.0 percent to 0.25 percent until late 2015, and end quantitative easing during 2014.



Alternative U.S. Forecasts

Global Insight Pessimistic Alternative Scenario

The pessimistic alternative forecast assumes fiscal tightening and a bleak global outlook combine to stall economic growth. Sequestration is more damaging to the economy than in the standard outlook and real GDP growth slows at the end of this year and

contracts 0.5 percent in the fourth quarter of 2013. Consumer confidence sinks and spending slows. A stagnant labor market and weak wage gains lead to a relapse in the housing sector. Global Insight assigns a 20 percent probability to the pessimistic scenario.

In this scenario, real GDP increases by only 0.9 percent in fiscal year 2014, 1.0 percent in fiscal year 2015, and 2.3 percent in fiscal year 2016. Total personal income increases by 2.6 percent in fiscal years 2014 and 2015, and increases to 3.8 percent in fiscal year 2016.

Wages and salaries grow by only 2.1 percent in fiscal year 2014 and 2.7 percent in 2015, about half the rate of the standard forecast, and remains below the standard forecast over the forecast horizon. The pessimistic scenario has employment growth dropping to 1.2 percent in fiscal year 2014, 0.5 percent in 2015 and 1.0 percent in fiscal year 2016.

Table 1.2 - Fiscal Years 2011-2016 Official and October Forecasts
 U.S. Economic Forecasts - Income and Other Indicators

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Output, Income, and Spending (% Change)</u>							
Real GDP	Official (Nov '12)	2.2	2.0	1.9	2.3	3.3	3.1
	Oct Standard	2.4	2.4	2.0	1.9	3.0	3.2
	Oct Pessimistic			2.0	0.9	1.0	2.3
Total Personal Income	Official (Nov '12)	5.5	3.7	3.7	4.5	5.0	5.0
	Oct Standard	5.3	4.7	3.7	3.6	4.9	5.0
	Oct Pessimistic			3.7	2.6	2.6	3.8
Wages and Salaries (50%)	Official (Nov '12)	3.9	3.4	3.7	4.4	4.7	4.7
	Oct Standard	3.9	3.7	3.9	3.2	5.0	5.1
	Oct Pessimistic			3.9	2.1	2.7	4.1
Average Wage	Official (Nov '12)	3.2	2.0	2.3	2.6	2.8	2.7
	Oct Standard	3.2	2.1	2.2	1.6	3.2	3.2
	Oct Pessimistic			2.2	0.9	2.2	3.0
Real Consumer Spending	Official (Nov '12)	2.6	2.0	2.0	2.6	2.7	2.5
	Oct Standard	2.7	2.3	2.0	2.1	2.7	2.7
	Oct Pessimistic			2.0	1.5	1.1	1.1
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Nov '12)	0.1	0.0	0.1	0.1	0.2	1.7
	Oct Standard		0.0	0.1	0.1	0.1	1.2
	Oct Pessimistic			0.1	0.0	0.0	0.1
30-Year Treasury Bonds	Official (Nov '12)	4.2	3.2	2.9	3.5	4.0	4.5
	Oct Standard		3.2	3.0	3.8	4.0	4.4
	Oct Pessimistic			3.0	3.3	3.3	3.8
<u>Prices (% Change)</u>							
CPI	Official (Nov '12)	2.0	2.9	1.5	1.6	1.8	1.7
	Oct Standard		2.9	1.7	1.5	1.7	1.8
	Oct Pessimistic			1.7	1.0	1.5	2.5
GDP Deflator	Official (Nov '12)	1.9	2.0	1.8	1.5	1.6	1.6
	Oct Standard		1.9	1.6	1.5	1.8	1.7
	Oct Pessimistic			1.6	1.1	1.2	1.8

The Official forecast for FY13 - FY16 is Global Insight's November 2012 U.S. standard scenario.

The Oct Standard forecast is Global Insight's October 2013 U.S. standard forecast.

The Oct Pessimistic forecast is Global Insight's October 2013 U.S. pessimistic alternative scenario.

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Table 1.3 - Fiscal Years 2011-2016 Official and October Forecasts

U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '12)	0.7	1.4	1.4	1.7	1.9	1.9
	Oct Standard		1.6	1.6	1.7	1.8	1.8
	Oct Pessimistic			1.6	1.2	0.5	1.0
Construction (4%)	Official (Nov '12)	(2.9)	0.7	0.8	4.7	10.5	11.3
	Oct Standard		2.0	2.1	2.6	6.9	10.5
	Oct Pessimistic			2.1	1.3	0.5	5.4
Manufacturing (9%)	Official (Nov '12)	0.9	1.9	1.2	1.5	1.9	1.8
	Oct Standard		1.8	1.0	1.0	2.3	1.8
	Oct Pessimistic			1.0	0.7	0.5	1.4
Trade, Transportation, and Utilities (19%)	Official (Nov '12)	0.8	1.5	1.3	1.4	1.1	1.4
	Oct Standard		1.9	1.7	1.8	1.2	1.2
	Oct Pessimistic			1.7	1.3	0.0	0.6
Financial Activities (6%)	Official (Nov '12)	(0.2)	0.5	0.9	1.4	0.7	(0.5)
	Oct Standard		0.7	1.3	1.0	0.1	(0.2)
	Oct Pessimistic			1.3	(0.3)	(0.4)	(1.2)
Professional and Business Services (14%)	Official (Nov '12)	3.1	3.6	3.2	4.0	5.1	4.5
	Oct Standard		3.6	3.3	3.5	4.3	3.7
	Oct Pessimistic			3.3	2.3	0.6	2.5
Education and Health Services (15%)	Official (Nov '12)	1.7	2.1	1.9	1.5	1.6	2.1
	Oct Standard		2.1	2.0	1.8	1.4	1.5
	Oct Pessimistic			2.0	1.8	1.9	1.5
Leisure and Hospitality (10%)	Official (Nov '12)	1.4	2.3	2.3	1.7	(0.2)	(0.2)
	Oct Standard		2.9	2.8	2.8	1.5	0.9
	Oct Pessimistic			2.8	3.1	1.5	0.2
Government (16%)	Official (Nov '12)	(1.4)	(1.2)	(0.1)	0.0	0.3	0.7
	Oct Standard		(1.4)	(0.4)	0.0	0.7	0.5
	Oct Pessimistic			(0.4)	(0.3)	(0.6)	(0.0)
Unemployment Rate (%)	Official (Nov '12)	9.3	8.6	7.9	7.6	7.0	6.4
	Oct Standard		8.5	7.8	7.3	6.8	6.2
	Oct Pessimistic			7.8	7.5	7.9	7.8

The Official forecast for FY13 - FY16 is Global Insight's November 2012 U.S. standard scenario.

The Oct Standard forecast is Global Insight's October 2013 U.S. standard forecast.

The Oct Pessimistic forecast is Global Insight's October 2013 U.S. pessimistic alternative scenario.

SECTION 2
THE VIRGINIA ECONOMY

Section 2 The Virginia Economy

Introduction

This section begins with a review of fiscal year 2013, comparing actual economic growth in Virginia to the official forecast for the year. The official forecast for Virginia was based on Global Insight's November 2012 U.S. standard forecast, which was approved by both JABE and GACRE at their annual fall meetings with modifications to slightly lower growth resulting in a standard minus forecast. Following the review of fiscal year 2013, the October standard forecast is summarized. The section concludes with an overview of the October 2013 pessimistic alternative scenario.

Tabular data are presented throughout this section. More detailed tabular data are presented in Appendix A. Table A.1 shows quarterly national and Virginia historical data for major forecast variables from fiscal year 2011 through fiscal year 2013. Table A.2 shows quarterly national and Virginia data for the two forecasts through fiscal year 2016. Table A.3 displays national and Virginia annual historical and forecast data from fiscal year 1994 through fiscal year 2016. Table A.4 displays annual regional historical and forecast employment data from fiscal year 1994 through fiscal year 2016.

The state and regional employment data used in the forecast are the result of a methodology that uses unemployment insurance tax records (ES-202) data to fine tune the current employment statistics (CES) survey data. To ensure that the most current Virginia employment data are used in the forecast, ES-202 data through the fourth quarter of calendar year 2012 have been incorporated into the CES employment data series. The revised employment series is then seasonally adjusted. This process yields a projection of the annual benchmark revisions that the Virginia Employment Commission will release early next calendar year. The table below compares the base CES employment data series with the series incorporating ES-202 data.

<u>FY13</u>	<u>CES</u>	<u>ES202</u>
Q1	0.9	1.0
Q2	1.0	1.2
Q3	1.0	1.4
Q4	1.2	1.4
Annual	1.0	1.3

Review of Fiscal Year 2013

Overview

In the official forecast for fiscal year 2013, employment in Virginia was expected to grow at a slower pace than in fiscal year 2012 and personal income was also expected to grow more slowly. While Virginia's higher-than-average dependence on federal spending helped Virginia weather the recession, it has more recently been a liability stemming from federal spending reductions in addition to the decisions regarding the debt-ceiling and automatic spending cuts per the sequester. The resulting uncertainty about future cuts has likely already had some effect on hiring in defense-related industries in Virginia, most of which are part of the professional and business services sector. Table 2.1 compares the official forecast and actual results for fiscal year 2013.

Table 2.1 - Fiscal Year 2013 Virginia Forecast Performance

	<u>Forecast</u>	<u>Actual</u>	<u>Actual Minus Forecast</u>
<u>Income (% Change)</u>			
Total Personal Income	3.4	3.0	(0.4)
Wages and Salaries (53%)	3.7	3.0	(0.7)
Average Wage	2.5	1.7	(0.8)
Dividends, Interest, and Rent (20%)	4.5	4.8	0.3
Supplements to Wages and Salaries (12%)	3.1	2.5	(0.6)
Proprietor's Income (7%)	0.9	6.7	5.8
Net Transfer Payments (6%)	4.1	(2.2)	(6.3)
<u>Employment and Labor Markets (% Change)</u>			
Total Nonagricultural Employment	1.2	1.3	0.1
Construction and Mining (5%)	1.6	1.7	0.1
Manufacturing (6%)	1.1	0.1	(1.0)
Trade, Transportation, and Utilities (17%)	1.2	1.1	(0.1)
Information (2%)	(1.5)	(2.1)	(0.6)
Financial Activities (5%)	0.7	3.2	2.5
Professional and Business Services (18%)	2.0	0.8	(1.2)
Education and Health Services (13%)	2.0	2.3	0.3
Leisure and Hospitality (10%)	2.4	3.1	0.7
Other Services (5%)	0.6	0.6	0.0
Government (19%)	(0.3)	0.5	0.8
Unemployment Rate (%)	5.3	5.6	0.3

The forecast data are based on the November 2012 Global Insight U.S. standard forecast and the corresponding Virginia state forecast developed by the Department of Taxation.

Following is a review of key assumptions included in the November 2012 official forecast compared with the actual outcome for the year.

Income

Total personal income increased 3.0 percent, 0.4 percentage point behind the forecast; net transfer payments, which declined by 2.2 percent, were 6.3 percentage points behind the forecast; and supplements to wages and salaries finished 0.6 percentage points behind the forecast. Wages and salaries, which accounted for 53 percent of total personal income in FY 2013, grew 3.0 percent or 0.7 percentage points below the forecast. These shortfalls were almost made up by the other two components of income, as they performed better than expected. First, proprietor's income rose 6.7 percent instead of the predicted 0.9 percent. Second, dividends, interest, and rental income, which made up 20 percent of total personal income in FY 2013, grew 4.8 percent, 0.3 percentage points ahead of the forecast.

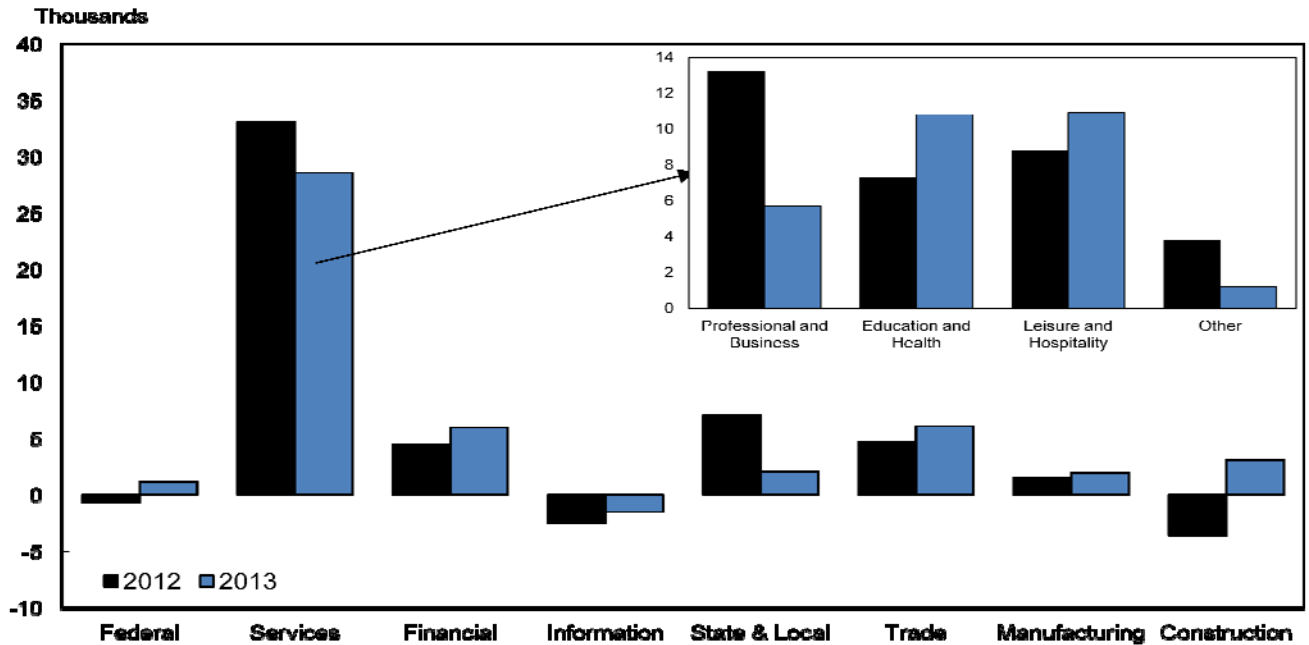
Employment

Payroll employment growth slightly exceeded expectations in fiscal year 2013. In the official forecast, total nonagricultural employment was projected to increase 1.2 percent, with the average annual employment level rising by 43,400 jobs. Actual job gains were 46,400, an increase of 1.3 percent. Lower-than-expected gains for the professional and business services sector and manufacturing were offset by higher-than-expected gains in financial activities, education and health services, leisure and hospitality services, and government (state and local). Overall, six out of ten major employment sectors met or exceeded the official forecast in fiscal year 2013.

In terms of the number of jobs, the largest variance was concentrated in the professional and business services sector, which was expected to gain 13,200 jobs, however, only gained 5,700 jobs. Financial activities gained 6,000 jobs; this sector outperformed the forecasted gain of 1,300 jobs. Government added 3,300 jobs (about evenly split from federal, state and local government), instead of losing the predicted 2,300 jobs. Figure 2.1 on the following page displays fiscal year 2013 job gains and losses by sector compared with fiscal year 2012.

Tables 2.4 and 2.5 provide an overview of regional employment in Virginia. On a regional basis, employment in Northern Virginia and the Richmond-Petersburg area exceeded expectations. In Northern Virginia, which represents 36 percent of all jobs in the state, total employment rose by 28,500 jobs, above the predicted amount of 14,400. The professional and business services sector added 5,600 new jobs in fiscal year 2013, down from 9,900 added in fiscal year 2012. Education and health services added 2,200 jobs, 500 less than predicted. The government sector added 7,700 jobs, instead of 1,000 jobs. Construction added 200 more jobs than expected, while financial activities added 1,900 more than expected.

Figure 2.1
VIRGINIA JOB GAINS/LOSSES BY SECTOR
FISCAL YEARS 2012 AND 2013



Employment in the Norfolk-Virginia Beach-Newport News MSA (20 percent of state employment) was slightly below expectations in fiscal year 2013, rising by 1.3 percent compared with the forecast of 1.9 percent growth. The region gained 9,900 jobs in fiscal year 2013, compared with the forecast of 14,300. The professional and business services sector gained 100 jobs compared to expectations of 4,500 new jobs. Employment in the tourism industry, long a staple of the area economy, grew less than expected, adding 1,500 jobs compared with a forecast of 2,700. Government, which was forecast to lose 1,100 jobs, gained 1,200. Education and health services also outperformed, adding 800 more jobs than expected.

Employment in the Richmond-Petersburg MSA (16 percent of state employment) exceeded expectations by growing 2.0 percent (12,300 jobs) in fiscal year 2013, far ahead of the forecast of 0.4 percent. Professional and business services were more than expected, adding 2,100 jobs instead of the predicted 200. Education and health services added 1,900 more jobs than expected, while leisure and hospitality added 2,200 more than expected. Government subtracted 100 jobs in line with the forecast.

Outside of the three major metro areas, the remainder of the state (27 percent of state employment) declined 4,200 jobs in fiscal year 2013, well below the forecasted gain of 12,400. Professional and business services lost 2,100 jobs, instead of the predicted gain of 1,900. Education and health and leisure and hospitality each gained fewer jobs than expected: 600 and 1,000, respectively. Government decreased by 5,600 jobs, instead of losing 2,100.

Recent Developments in the Virginia Economy

In Virginia, payroll employment rose 0.8 percent in August from August of last year. Northern Virginia posted job growth of 1.0 percent; Hampton Roads rose 3.1 percent; and Richmond-Petersburg rose 0.1 percent. The seasonally adjusted unemployment rate in the Commonwealth increased 0.1 percentage point to 5.8 percent in August 0.1 percentage point below August 2012.

The Virginia Leading Index rose less than 0.1 percent in August after also increasing less than 0.1 percent in July. The U.S. leading index, future employment, and initial claims improved in August, while auto registrations, and building permits declined. The Leading Indexes increased in Charlottesville, Danville, Harrisonburg, and Lynchburg, while the indexes for the remaining metro areas contracted.

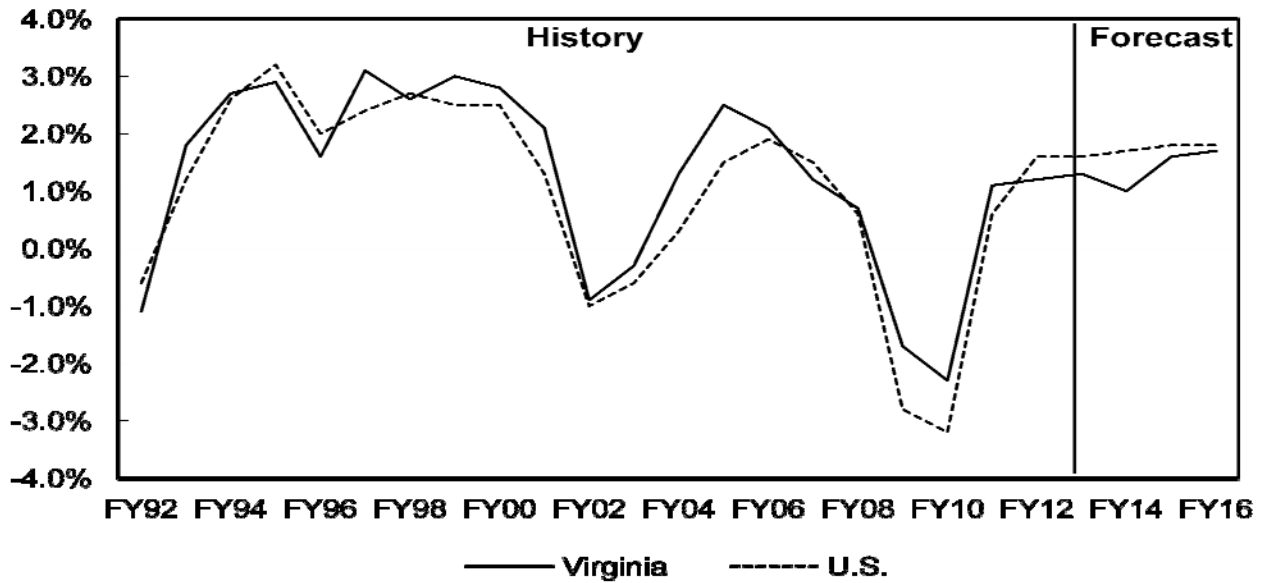
The October Standard Forecast for Fiscal Years 2014 through 2016

This section compares the official forecast, Global Insight's November 2012 forecast with two other forecasts currently under consideration. Tables 2.2 and 2.3 compare the official forecast with Global Insight's October 2013 standard forecast and the pessimistic alternative scenario. Tables 2.4 and 2.5 show the October 2013 standard forecast and the pessimistic alternative scenario for regional employment. All four tables appear at the end of the section.

In the official forecast, economic growth in the Commonwealth was projected to moderately accelerate in fiscal year 2014 relative to fiscal year 2013. The October standard forecast tempers this outlook and assumes that Virginia will grow slower than the nation in terms of employment and personal income. Federal government spending is forecast to decline 4.9% in calendar year 2013 as the impact of sequestration takes hold it is expected to continue to be a drag on the overall economy throughout the forecast horizon. Figure 2.2 on the next page compares employment growth in Virginia with that of the nation, while Figure 2.3 provides the same comparison for personal income.

As shown in Figure 2.4, according to the October standard forecast, total nonagricultural employment is expected to increase 1.0 percent (37,900 jobs) in fiscal year 2014, below the official forecast of 1.4 percent growth. The professional and business services sector and the construction sector are expected to post bigger gains than in fiscal year 2013, while education and health services is expected to have smaller gains, and the government t sector is expected to post job losses. Overall, employment is expected to increase 1.6 percent in fiscal year 2015, below the official forecast of 2.0 percent; the expected increase in fiscal year 2016 is 1.7 percent, below the official forecast of 2.0 percent.

**Figure 2.2
U.S. AND VIRGINIA EMPLOYMENT GROWTH
HISTORY AND FORECAST - FISCAL YEARS 1992-2016**



**Figure 2.3
U.S. AND VIRGINIA PERSONAL INCOME GROWTH
HISTORY AND FORECAST - FISCAL YEARS 1992-2016**

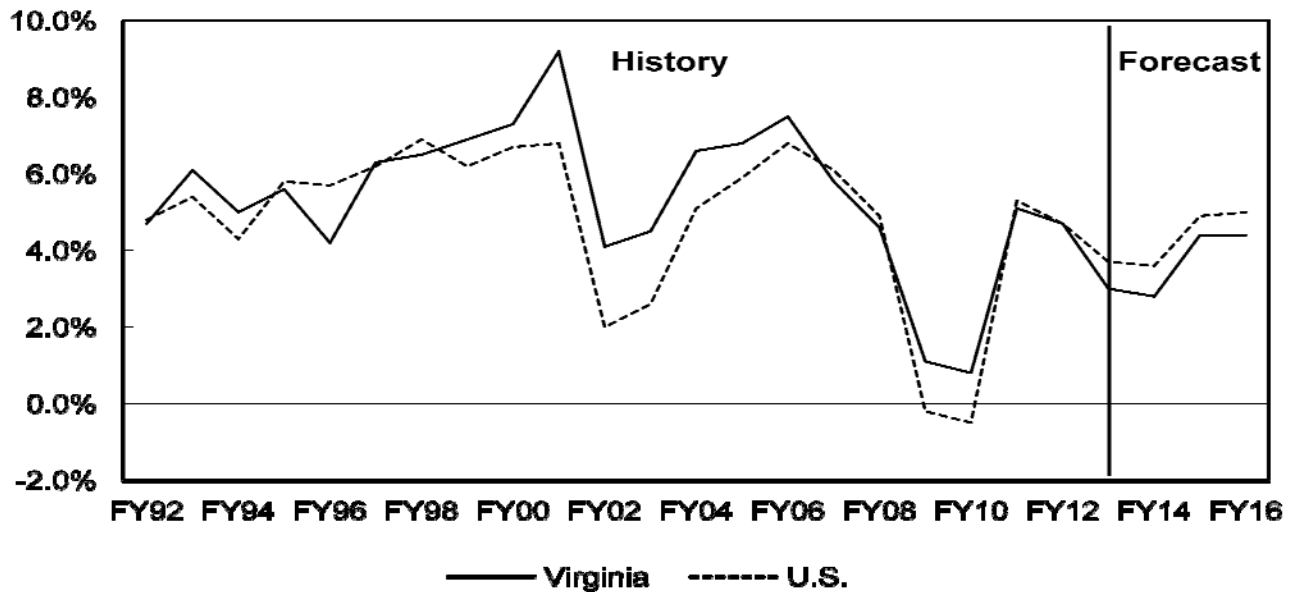
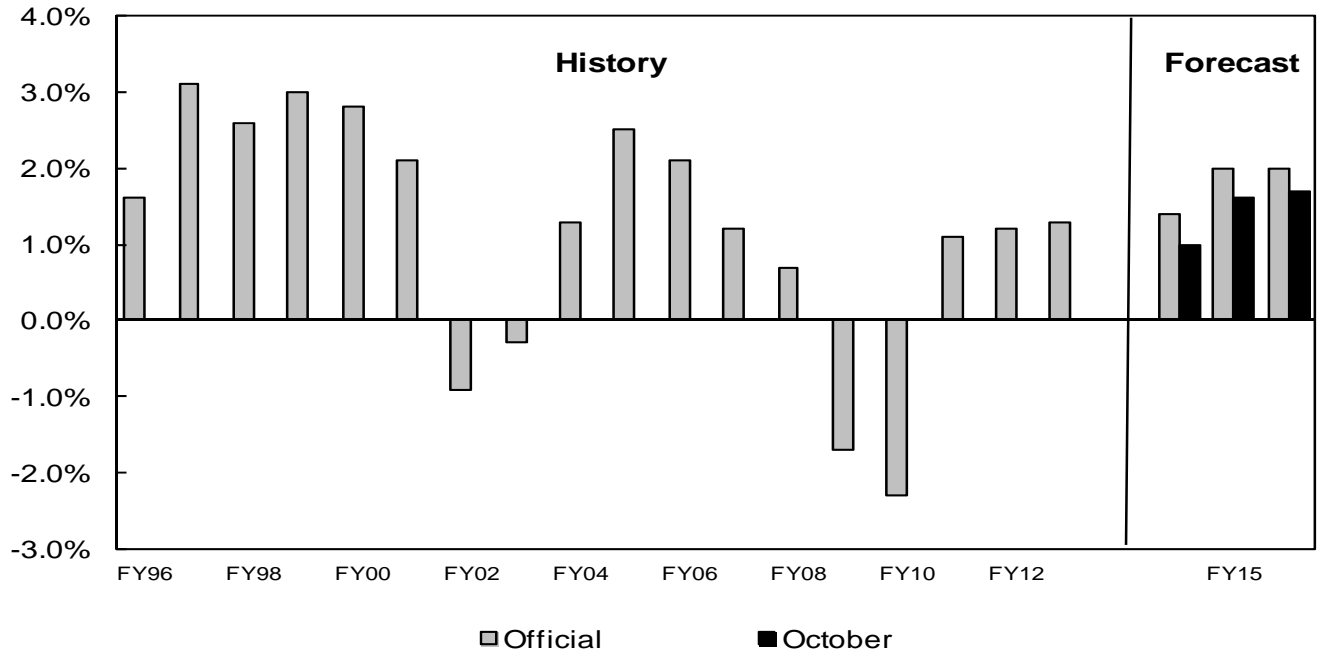


Figure 2.4
VIRGINIA EMPLOYMENT GROWTH
FY 1996-13 ACTUAL AND FY 2014-16 FORECAST



In the October standard forecast, total personal income is expected to grow slower in fiscal years 2014, 2015 and 2016 than in the official forecast. Growth of 2.8 percent is expected in fiscal year 2014, compared with 4.1 percent in the official forecast. Personal income growth increases to 4.4 percent in both fiscal years 2015 and 2016. Income from wages and salaries is expected to grow 2.6 percent in fiscal year 2014 and 4.2 percent in fiscal year 2015, 1.3 percentage points and 0.2 percentage points less than the official forecast. Growth of dividends, interest, and rental income is expected to increase 4.4 percent in fiscal year 2014, and then increase to 4.7 percent in both fiscal years 2015 and 2016.

The outlook for proprietor's income is quite different from the official forecast: the October standard forecast predicts a 4.3 percent increase in fiscal year 2014 and 2.3 percent in 2015, as opposed to positive but much weaker growth in the official forecast. Net transfer payments are expected to decline 2.7 percent in fiscal year 2014, and then increase to 6.3 percent and 4.7 percent in fiscal years 2015 and 2016, respectively. Figures 2.5 and 2.6 on the following page chart the annual percent change in personal income and wages and salaries, comparing the official forecast with the October standard forecast.

Figure 2.5
VIRGINIA PERSONAL INCOME GROWTH
FY 1996-13 ACTUAL AND FY 2014-16 FORECAST

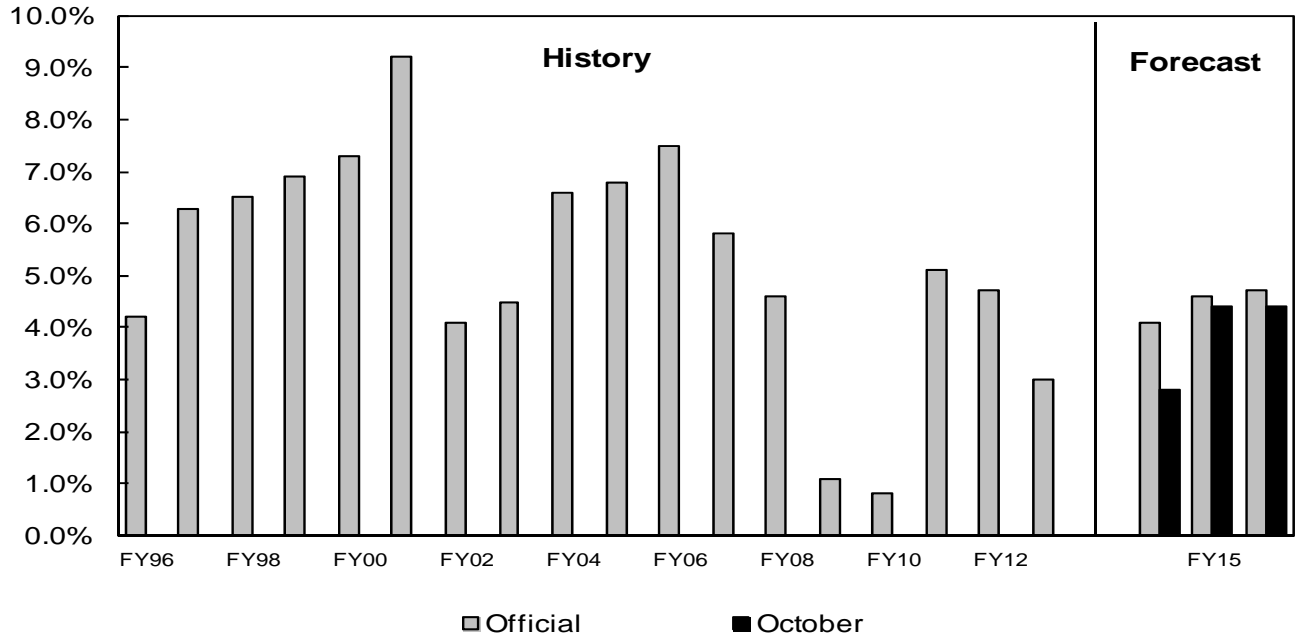
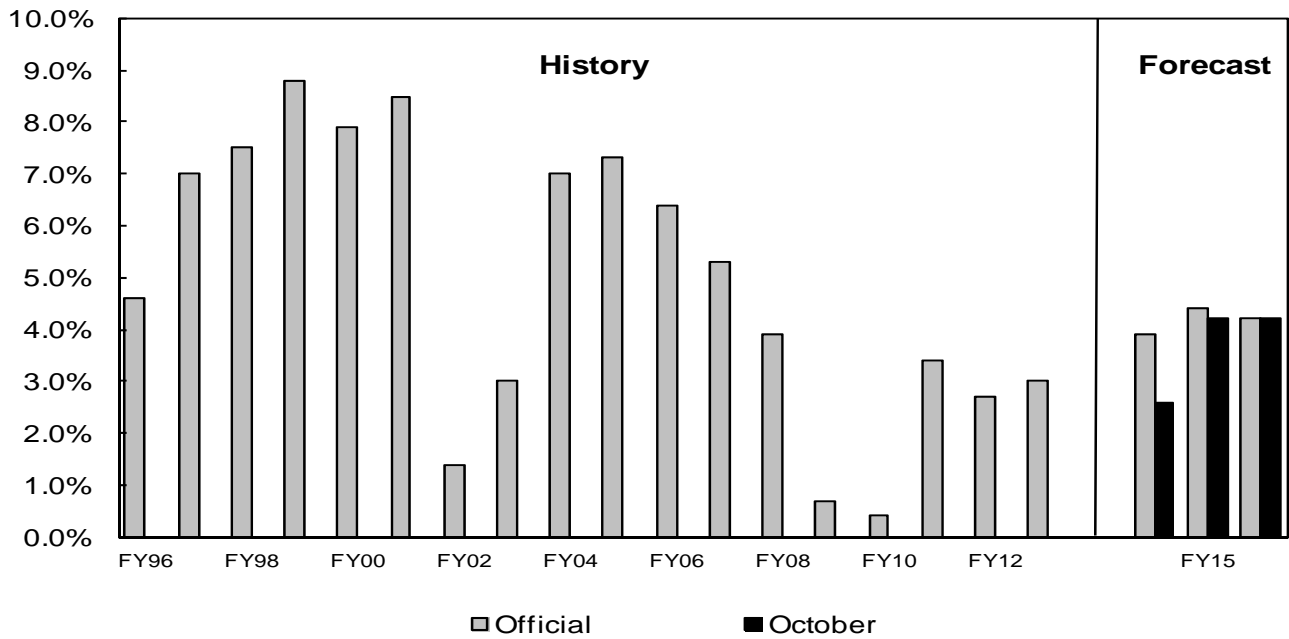


Figure 2.6
VIRGINIA WAGES AND SALARIES GROWTH
FY 1996-13 ACTUAL AND FY 2014-16 FORECAST



Global Insight Pessimistic Alternative Scenario

In the Virginia pessimistic alternative forecast, economic growth significantly slows, as private sector confidence falls and the fiscal tightening effects the economy more than assumed. This causes a drop in stock prices, a tightening of credit and downsizing by consumers and businesses. Employment growth is 0.5 percent in fiscal year 2014, falls to 0.3 percent in fiscal year 2015, and increases to 0.8 percent in fiscal year 2016. Total personal income grows 2.0 percent in fiscal year 2014 and 2.8 percent in fiscal year 2015, compared with 2.8 percent and 4.4 percent in the October standard forecast. Wages and salaries grow 1.5 percent, 2.5 percent and 3.3 percent in fiscal years 2014-16. These growth rates are between 0.9 and 1.7 percentage points below the October standard forecast.

Virginia Economy

Table 2.2 - Fiscal Years 2011-2016 Official and October Forecasts

Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</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
	Oct Standard	1.1	1.2	1.3	1.0	1.6	1.7
	Oct Pessimistic			1.3	0.5	0.3	0.8
Construction and Mining (5%)	Official (Nov '12)	(1.1)	(1.8)	1.6	3.5	8.8	9.6
	Oct Standard	(1.1)	(1.9)	1.7	2.6	3.6	5.8
	Oct Pessimistic			1.7	1.3	(2.7)	0.2
Manufacturing (6%)	Official (Nov '12)	(1.4)	1.2	1.1	1.2	2.1	2.0
	Oct Standard	(1.3)	0.7	0.1	0.3	1.7	2.2
	Oct Pessimistic			0.1	(0.3)	(1.2)	1.4
Trade, Transportation, and Utilities (17%)	Official (Nov '12)	1.1	1.8	1.2	0.9	0.4	1.0
	Oct Standard	1.1	0.9	1.1	1.0	0.7	0.6
	Oct Pessimistic			1.1	0.5	(0.5)	0.1
Financial Activities (5%)	Official (Nov '12)	1.3	2.4	0.7	1.9	0.9	(0.6)
	Oct Standard	1.4	2.5	3.2	(0.5)	0.2	(0.1)
	Oct Pessimistic			3.2	(3.2)	(0.9)	(2.2)
Professional and Business Services (18%)	Official (Nov '12)	2.9	1.6	2.0	1.9	3.2	3.1
	Oct Standard	2.9	2.0	0.8	0.9	2.9	2.9
	Oct Pessimistic			0.8	0.0	0.0	1.8
Education and Health Services (13%)	Official (Nov '12)	2.0	3.4	2.0	1.2	1.8	2.5
	Oct Standard	2.1	1.6	2.3	1.7	1.6	1.8
	Oct Pessimistic			2.3	1.7	2.2	1.7
Leisure and Hospitality (10%)	Official (Nov '12)	1.8	2.7	2.4	2.6	0.7	0.4
	Oct Standard	1.8	2.5	3.1	0.2	1.6	1.0
	Oct Pessimistic			3.1	0.5	1.6	0.2
Government (19%)	Official (Nov '12)	0.4	0.8	(0.3)	(0.0)	1.6	1.3
	Oct Standard	0.3	0.9	0.5	(0.2)	1.8	1.4
	Oct Pessimistic			0.5	(0.6)	0.9	1.5
Unemployment Rate (%)	Official (Nov '12)	6.5	6.0	5.3	5.1	4.7	4.3
	Oct Standard	6.7	6.2	5.6	5.1	5.0	4.9
	Oct Pessimistic			5.6	5.3	5.8	6.1

The Official forecast for FY13-16 is based on Global Insight's November 2012 U.S. standard forecast.

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

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

Table 2.3 - Fiscal Years 2011-2016 Official and October Forecasts

Virginia Economic Forecasts - Income

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Income (% Change)</u>							
Total Personal Income	Official (Nov '12)	5.6	4.0	3.4	4.1	4.6	4.7
	Oct Standard	5.1	4.7	3.0	2.8	4.4	4.4
	Oct Pessimistic			3.0	2.0	2.8	3.5
Wages and Salaries (53%)	Official (Nov '12)	3.6	2.6	3.7	3.9	4.4	4.2
	Oct Standard	3.4	2.7	3.0	2.6	4.2	4.2
	Oct Pessimistic			3.0	1.5	2.5	3.3
Average Wage	Official (Nov '12)	2.5	1.0	2.5	2.5	2.3	2.2
	Oct Standard	2.3	1.5	1.7	1.6	2.5	2.5
	Oct Pessimistic			1.7	1.0	2.2	2.5
Dividends, Interest, and Rent (20%)	Official (Nov '12)	7.2	6.8	4.5	5.6	6.0	6.8
	Oct Standard	7.3	7.9	4.8	4.4	4.7	4.7
	Oct Pessimistic			4.8	3.4	1.2	2.0
Supplements to Wages and Salaries (12%)	Official (Nov '12)	3.7	3.1	3.1	5.2	5.9	6.0
	Oct Standard	0.3	2.0	2.5	2.4	5.0	7.0
	Oct Pessimistic			2.5	2.3	4.6	6.4
Proprietor's Income (7%)	Official (Nov '12)	11.6	4.1	0.9	0.3	1.5	4.3
	Oct Standard	11.1	13.4	6.7	4.3	2.3	0.6
	Oct Pessimistic			6.7	3.9	1.2	0.3
Net Transfer Payments (6%)	Official (Nov '12)	19.8	11.2	4.1	4.3	3.8	2.5
	Oct Standard	16.4	9.5	(2.2)	(2.7)	6.3	4.7
	Oct Pessimistic			(2.2)	(3.0)	9.5	8.9

The Official forecast for FY13-16 is based on Global Insight's November 2012 U.S. standard forecast.

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

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

Virginia Economy

Table 2.4 - Fiscal Years 2011-2016 October Standard Forecast
Virginia Economic Forecast - Regional Employment

		FY11	FY12	FY13	FY14	FY15	FY16
<u>Region by Sector (% Change)</u>							
Northern Virginia (37%) *	Total Nonagricultural Employment	2.0	1.9	2.1	2.0	1.6	1.6
	Construction and Mining (5%) **	0.1	0.1	2.1	3.6	1.0	0.3
	Trade, Transportation, and Utilities (15%)	1.8	1.4	1.6	0.6	0.9	0.7
	Financial Activities (5%)	1.5	1.1	3.9	1.4	0.4	0.1
	Professional and Business Services (28%)	3.2	2.7	1.5	0.9	2.6	2.4
	Education and Health Services (10%)	3.4	3.6	1.6	1.3	1.9	2.2
	Leisure and Hospitality (9%)	3.2	3.7	4.8	1.2	0.9	1.1
	Government (17%)	1.2	1.2	3.4	0.2	2.4	2.4
Hampton Roads (20%)	Total Nonagricultural Employment	0.1	0.6	1.3	1.1	2.1	1.6
	Construction and Mining (5%)	(2.5)	(4.5)	2.3	3.5	6.2	9.8
	Trade, Transportation, and Utilities (17%)	0.2	(0.6)	0.0	2.5	1.3	0.8
	Financial Activities (5%)	0.2	1.0	3.6	0.9	0.1	(0.3)
	Professional and Business Services (13%)	0.5	0.7	0.1	1.0	4.9	3.8
	Education and Health Services (13%)	2.4	3.1	2.4	1.2	1.5	1.6
	Leisure and Hospitality (12%)	0.6	0.1	1.8	0.6	1.8	0.8
	Government (21%)	(0.1)	0.8	0.7	0.5	2.4	0.4
Richmond (17%)	Total Nonagricultural Employment	0.8	1.9	2.0	0.5	1.9	2.0
	Construction and Mining (6%)	(2.2)	(1.1)	4.0	1.4	5.0	6.9
	Trade, Transportation, and Utilities (18%)	1.1	2.0	2.7	1.3	0.6	1.1
	Financial Activities (7%)	1.0	5.8	4.3	(1.9)	0.1	(0.2)
	Professional and Business Services (16%)	3.9	2.7	2.1	0.9	2.5	3.0
	Education and Health Services (14%)	0.8	3.2	3.2	1.0	1.8	1.9
	Leisure and Hospitality (9%)	1.7	5.4	2.9	(0.6)	3.4	1.0
	Government (19%)	(0.1)	0.2	(0.1)	0.6	2.4	2.0
Balance (27%)	Total Nonagricultural Employment	0.8	0.4	(0.4)	(0.1)	1.0	1.6
	Construction and Mining (5%)	(0.8)	(3.1)	(0.8)	1.7	4.6	9.1
	Trade, Transportation, and Utilities (19%)	0.8	0.9	0.1	0.5	0.1	0.2
	Financial Activities (4%)	3.1	2.7	0.5	(3.5)	0.1	(0.3)
	Professional and Business Services (10%)	3.4	0.1	(2.2)	1.2	2.4	3.6
	Education and Health Services (15%)	1.6	(2.2)	2.3	2.9	1.3	1.4
	Leisure and Hospitality (9%)	1.1	1.7	2.1	(1.1)	1.2	0.9
	Government (20%)	(0.1)	1.0	(2.7)	(1.8)	0.2	0.6

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

* Represents the percentage share of Virginia in fiscal year 2013.

** Represents the percentage share of total employment within the region in fiscal year 2013.

Table 2.5 - Fiscal Years 2011-2016 October Pessimistic Scenario
Virginia Economic Forecast - Regional Employment

Region by Sector (% Change)		FY11	FY12	FY13	FY14	FY15	FY16
Northern Virginia (37%) *	Total Nonagricultural Employment	2.0	1.9	2.1	1.4	0.3	0.6
	Construction and Mining (5%) **	0.1	0.1	2.1	2.0	(6.5)	(7.0)
	Trade, Transportation, and Utilities (15%)	1.8	1.4	1.6	(0.1)	(0.4)	0.0
	Financial Activities (5%)	1.5	1.1	3.9	(3.2)	(1.5)	(3.4)
	Professional and Business Services (28%)	3.2	2.7	1.5	0.2	0.4	1.3
	Education and Health Services (10%)	3.4	3.6	1.6	1.3	2.6	2.2
	Leisure and Hospitality (9%)	3.2	3.7	4.8	1.5	0.9	0.4
	Government (17%)	1.2	1.2	3.4	(0.1)	1.6	2.5
Hampton Roads (20%)	Total Nonagricultural Employment	0.1	0.6	1.3	0.5	0.8	0.9
	Construction and Mining (5%)	(2.5)	(4.5)	2.3	2.2	0.2	5.0
	Trade, Transportation, and Utilities (17%)	0.2	(0.6)	0.0	1.9	0.0	0.2
	Financial Activities (5%)	0.2	1.0	3.6	(1.1)	(0.7)	(1.8)
	Professional and Business Services (13%)	0.5	0.7	0.1	(0.3)	0.9	2.6
	Education and Health Services (13%)	2.4	3.1	2.4	1.2	2.0	1.5
	Leisure and Hospitality (12%)	0.6	0.1	1.8	0.9	1.8	0.2
	Government (21%)	(0.1)	0.8	0.7	(0.2)	1.1	0.8
Richmond (17%)	Total Nonagricultural Employment	0.8	1.9	2.0	(0.0)	0.4	1.1
	Construction and Mining (6%)	(2.2)	(1.1)	4.0	0.1	(1.1)	1.7
	Trade, Transportation, and Utilities (18%)	1.1	2.0	2.7	0.6	(0.8)	0.4
	Financial Activities (7%)	1.0	5.8	4.3	(3.4)	(0.5)	(1.3)
	Professional and Business Services (16%)	3.9	2.7	2.1	(0.0)	(0.5)	1.9
	Education and Health Services (14%)	0.8	3.2	3.2	1.1	2.4	1.9
	Leisure and Hospitality (9%)	1.7	5.4	2.9	(0.3)	3.4	0.2
	Government (19%)	(0.1)	0.2	(0.1)	0.4	1.7	2.2
Balance (27%)	Total Nonagricultural Employment	0.8	0.4	(0.4)	(0.5)	(0.2)	0.9
	Construction and Mining (5%)	(0.8)	(3.1)	(0.8)	0.6	(0.6)	4.8
	Trade, Transportation, and Utilities (19%)	0.8	0.9	0.1	0.1	(0.7)	(0.0)
	Financial Activities (4%)	3.1	2.7	0.5	(5.2)	(0.6)	(1.6)
	Professional and Business Services (9%)	3.4	0.1	(2.2)	(0.1)	(1.6)	2.7
	Education and Health Services (15%)	1.6	(2.2)	2.3	2.9	1.7	1.3
	Leisure and Hospitality (9%)	1.1	1.7	2.1	(0.8)	1.2	0.2
	Government (21%)	(0.1)	1.0	(2.7)	(2.0)	(0.5)	0.6

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

* Represents the percentage share of Virginia in fiscal year 2013.

** Represents the percentage share of total employment within the region in fiscal year 2013.

SECTION 3
GENERAL FUND REVENUES

Section 3 General Fund Revenues

Fiscal Year 2013 in Review

In fiscal year 2013, total general fund revenues finished the year with a surplus and were 5.7 percent above the previous peak year of 2008. Total general fund revenues grew 5.3 percent to \$16,684.6 million, exceeding the official forecast of 3.6 percent growth by \$263.6 million. Adjusting for the accelerated sales tax program, total revenues grew by 5.1 percent, ahead of the economic-base forecast of 3.4 percent growth. The total general fund, including revenues and transfers, exceeded the official forecast by \$264.3 million.

Strong collections in individual nonwithholding payments and recordation taxes accounted for the bulk of the surplus in fiscal year 2013. Individual nonwithholding collections were \$290.1 million ahead of the forecast, recordation tax receipts had a surplus of \$41.0 million, and taxes on premiums of insurance companies had a \$6.6 million surplus. In addition, payments of individual refunds were \$72.2 million below forecast. Payroll withholding and sales tax collections, 83 percent of total revenues and closely related to economic activity, fell short of the forecast by \$144.0 million. Collections of corporate income taxes came in \$24.2 million below the forecast. Collectively, the five major sources ended the year \$241.8 million above the forecast. Collections of miscellaneous taxes and other revenues were \$21.8 million ahead of the forecast in fiscal year 2013.

Table 3.1 on the next page compares actual revenues for fiscal year 2013 with the official forecast. The official revenue forecast was based on the November 2012 Global Insight standard forecast, the corresponding Virginia economic forecast developed by the Department of Taxation, historical revenue collections data, and actions of the 2013 General Assembly.

Total revenue collections in fiscal year 2013 had a forecast variance of 1.6 percent. The largest revenue source, net individual income tax, recorded a variance of 2.2 percent. The nonwithholding component of individual income tax, one of the most volatile sources, had a variance of 11.5 percent, while the payroll withholding component finished the year with a variance of -1.1 percent. Sales and use tax collections, the second largest revenue source, had a forecast variance of -0.9 percent. Corporate income tax collections had a forecast variance of -2.9 percent. Wills, suits, deeds and contract fees – primarily recordation taxes – had a forecast variance of 12.2 percent, while taxes on insurance premiums had a variance of 2.6 percent. The remaining miscellaneous taxes and other revenues had a forecast variance of 3.3 percent.

Table 3.2 provides an evolutionary perspective of the fiscal year 2013 forecasts used by the Governor and General Assembly, in terms of their variance from actual collections. The variances for total revenues ranged from 1.6 percent in the May 2013 official forecast (the most recent) to 2.7 percent in the December 2011 introduced forecast (the oldest).

General Fund Revenues

Table 3.1
Fiscal Year 2013 General Fund Collections: Actual and Forecast
(Dollars in Millions)

	Fiscal Year 2012		Fiscal Year 2013					
	Actual	% Growth	Official Forecast	Actual	Forecast Dollars	Variance Percent	% Growth Over FY 12	
							Official	Actual
MAJOR TAX SOURCES								
Corporate Income	\$ 859.9	4.6 %	\$ 820.9	\$ 796.7	\$ (24.2)	(2.9) %	(4.5) %	(7.3) %
Individual Income Tax								
Gross	12,397.6	4.9	12,883.9	13,059.0	175.1	1.4	3.9	5.3
Withholding	10,039.7	4.2	10,366.3	10,251.3	(115.0)	(1.1)	3.3	2.1
Nonwithholding	2,357.9	8.2	2,517.6	2,807.7	290.1	11.5	6.8	19.1
Refunds	<u>(1,784.7)</u>	<u>(4.5)</u>	<u>(1,791.3)</u>	<u>(1,719.1)</u>	<u>72.2</u>	<u>(4.0)</u>	<u>0.4</u>	<u>(3.7)</u>
Net	10,612.8	6.7	11,092.6	11,340.0	247.4	2.2	4.5	6.9
Insurance Company Premiums	252.9	(10.2)	255.6	262.2	6.6	2.6	1.1	3.7
State Sales & Use Tax	3,121.5	3.6	3,248.8	3,219.8	(29.0)	(0.9)	4.1	3.1
Wills, Suits, Deeds, & Contract Fees	322.1	10.5	336.5	377.5	41.0	12.2	4.5	17.2
Total Major Tax Sources	\$ 15,169.2	5.7 %	\$ 15,754.4	\$ 15,996.2	\$ 241.8	1.5 %	3.9 %	5.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 143.4	5.4 %	\$ 148.3	\$ 152.9	\$ 4.6	3.1 %	3.4 %	6.6 %
Bank Franchise Tax	18.9	(22.6)	17.0	20.4	3.4	20.3	(10.0)	8.3
Beer & Beverage Excise Tax	43.0	0.1	43.0	42.3	(0.7)	(1.6)	0.0	(1.6)
Corporate Franchise & Charter Fees	42.3	(4.7)	40.5	47.1	6.6	16.3	(4.3)	11.3
Excess & Other Fees from Officers	(8.7)	(0.5)	(8.7)	(10.8)	(2.1)	24.1	(0.3)	(24.6)
Estate & Gifts	0.3	(89.0)	0.0	(0.3)	(0.3)	n/a	(100.0)	(189.9)
Institutional Revenues	5.8	(9.4)	5.7	5.7	(0.0)	(0.1)	(2.4)	(2.5)
Interest & Rents	77.5	(4.8)	67.8	67.8	0.0	0.1	(12.6)	(12.5)
Licenses & Permits	4.2	(2.5)	4.3	4.2	(0.1)	(2.9)	1.4	(1.6)
Miscellaneous Taxes and Penalties	223.4	(1.1)	221.1	224.2	3.1	1.4	(1.0)	0.4
Other Miscellaneous Revenues	32.8	(4.8)	32.3	38.7	6.4	19.7	(1.5)	17.9
Public Service GR / Consumption Tax	94.4	0.7	95.3	96.2	0.9	1.0	0.9	1.9
Total Misc. Taxes and Other Revenues	\$ 677.4	(1.6) %	\$ 666.6	\$ 688.4	\$ 21.8	3.3 %	(1.6) %	1.6 %
TOTAL GF REVENUES	\$ 15,846.7	5.4 %	\$ 16,421.0	\$ 16,684.6	\$ 263.6	1.6 %	3.6 %	5.3 %
TRANSFERS								
A.B.C. Profits	\$ 63.8	26.3 %	\$ 66.6	\$ 68.0	\$ 1.4	2.1 %	4.4 %	6.6 %
Sales Tax (0.25%)	214.1	4.9	222.8	221.4	(1.4)	(0.6)	4.1	3.4
Transfers Per Appropriations Act	223.4	21.0	134.5	135.2	0.7	0.5	(39.8)	(39.5)
Total Transfers	\$ 501.3	21.6 %	\$ 423.9	\$ 424.6	\$ 0.7	0.2 %	(15.4) %	(15.3) %
TOTAL GENERAL FUND	\$ 16,348.0	5.8 %	\$ 16,844.9	\$ 17,109.2	\$ 264.3	1.6 %	3.0 %	4.7 %

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.

Table 3.2
Actual Collections Over (Under) the Forecast
 Percent Variance

	May 3 2013 Official		December 17 2012 Introduced		May 25 2012 Official		December 19 2011 Introduced	
Major Tax Sources (97%)								
Corporate Income (5%)	(2.9)	%	(2.9)	%	(10.1)	%	(9.2)	%
Individual Income (68%)	2.2		2.2		3.9		4.0	
Insurance Company Premiums (2%)	2.6		2.6		(10.7)		(10.7)	
State Sales & Use Tax (20%)	(0.9)		(0.9)		0.4		2.1	
Wills, Suits, Deeds & Contracts (2%)	12.2		12.2		16.9		16.9	
Total Major Tax Sources	1.5	%	1.5	%	2.4	%	2.9	%
Miscellaneous Taxes & Other Revenues (3%)	3.3	%	3.9	%	(0.4)	%	(1.2)	%
Total Revenues	1.6	%	1.6	%	2.3	%	2.7	%

Numbers in parentheses indicate collections as a percentage of total general fund revenues. These may not add to 100 percent due to rounding.

The May 3, 2013 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 December 17, 2012 forecast is based on the November 2011 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation, which incorporates GACRE's recommendations.

The May 25, 2012 Official forecast is an update to the December 2011 forecast, incorporating year-to-date collection trends through January 2012 and actions of the 2012 General Assembly.

The December 19, 2011 Introduced forecast is based on the November 2011 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and accompanied the Governor's Budget Bill.

Individual Income Taxes

Collections of net individual income taxes (68 percent of total revenues) grew 6.9 percent in fiscal year 2013, ahead of the annual forecast of 4.5 percent growth. Receipts of \$11,340.0 million exceeded the official estimate by \$247.4 million, a variance of 2.2 percent from the forecast. The surplus resulted from better-than-expected receipts in individual nonwithholding, and a decline in refunds.

Withholding: In fiscal year 2013, withholding receipts (63 percent of total revenues) increased 2.1 percent, trailing the forecast growth rate of 3.3 percent. Collections of \$10,251.3 million were \$115.0 million below the forecast, a forecast variance of -1.1 percent.

General Fund Revenues

Slower-than-expected employment growth dampened collections in this source, particularly in payments from federal contractors and small businesses. Also, collections were markedly weaker in the fourth quarter of the fiscal year due to the effects of federal sequestration.

Nonwithholding: Collections of individual nonwithholding (15 percent of total revenues) grew 19.1 percent in fiscal year 2013, well ahead of the annual forecast of 6.8 percent growth. Receipts of \$2,807.7 million were \$290.1 million above the annual estimate, a forecast variance of 11.5 percent.

The annual surplus in nonwithholding was a result of higher-than-expected individual final payments, which increased by 32.0 percent compared with expectations of a 10.0 percent increase. These payments are historically tied to non-wage income sources – mainly the financial markets.

Refunds: Individual income tax refunds totaled \$1,719.1 million in fiscal year 2013, \$72.2 million less than expected. They fell by 3.7 percent compared with the forecast of 0.4 percent growth. During the main filing season of January through June, TAX issued 2.6 million refunds, about the same number as last year. The average check size was virtually unchanged (\$566 versus \$573).

Sales Taxes

Collections of sales and use taxes (20 percent of total revenues) were \$3,219.8 million in fiscal year 2013, \$29.0 million below the forecast, a forecast variance of 0.9 percent. Collections grew 3.1 percent for the year compared with the forecast of 4.1 percent growth. Adjusting for accelerated sales tax payments received in June, sales tax collections grew 2.1 percent in fiscal year 2013, compared with the economic-base forecast of a 3.2 percent increase. Monthly growth rates were below the annual forecast in 9 out of the 12 months as Virginia consumers have shown restraint in the face of sequestration and federal government layoffs.

Corporate Income Taxes

Corporate income tax collections (5 percent of total revenues), historically the most volatile revenue source, fell short of the forecast. Collections of \$796.7 million were \$24.2 million below expectations, a forecast variance of 2.9 percent. A decline of 7.3 percent trailed the forecast of a 4.5 percent decline.

Wills, Suits, Deeds, and Contract Fees

Wills, Suits, Deeds, and Contract Fees (2 percent of total revenues), of which the primary component is the recordation tax, were well ahead of the forecast in fiscal year 2013. Driven by the recovering housing market and low interest rates, receipts in this source exceeded expectations by \$41.0 million, a variance of 12.2 percent. Collections finished the year at \$377.5 million, a 17.2 percent increase from fiscal year 2012 and ahead of the official forecast of 4.5 percent growth.

Insurance Premiums Taxes

Collections of taxes on the premiums of insurance companies (2 percent of total revenues) were \$262.2 million in fiscal year 2013 – \$6.6 million above the annual estimate. Growth in the commercial real estate market and improving home values led to a rebound in insurance premiums tax collections.

Miscellaneous Taxes and Other Revenues

Collectively, minor revenue sources finished the fiscal year \$21.8 million above the annual forecast. Collections of \$688.4 million were 1.6 percent above fiscal year 2012, and ahead of the forecast of a 1.6 percent decline. The surplus was primarily due to Corporate Franchise Fees, which came in \$6.6 million above forecast.

The Revised General Fund Forecasts

Two revenue forecasts based on the two economic scenarios detailed in Section 2 are presented here: the November standard forecast and the pessimistic alternative forecast. Both of these forecasts incorporate Virginia tax collections data through the first quarter of fiscal year 2014, as well as the latest national and state economic data.

Appendix C-1 summarizes the econometric models that serve as inputs to the forecast of the major revenue sources. These models translate economic scenarios into revenue projections. In developing the revenue forecast, the output from these equations is supplemented by an analysis of current and historical collections patterns and recent legislation affecting each source.

The Standard Forecast for Fiscal Years 2014 through 2016

Table 3.3 on the following pages provides a comparison of the November standard revenue forecast with the official forecast and the outlook for the next biennium. The official forecast is based on the November 2012 Global Insight U.S. standard outlook and the corresponding Virginia forecast developed by the Department of Taxation. It reflects the comments of JABE and adjustments by the 2013 General Assembly, Chapter 806. The official forecast also serves as the basis for the current Appropriations Act.

In the November standard forecast, total general fund revenues have been increased by \$56.4 million in fiscal year 2014. Revenues are now expected to increase 1.9 percent in fiscal year 2014, compared with 1.5 percent in the official forecast. Adjusting for policy changes including the accelerated sales tax program, the 0.05 percent transfer to transportation, and the 0.125 percent sales tax transfer required by the provisions of HB 2313, total revenue growth for fiscal year 2014 is expected to be 2.9 percent. The increase over the official forecast for fiscal year 2014 comes mainly from upward revisions to individual nonwithholding and recordation tax collections and a downward revision to refunds. These outweigh the impacts of downward revisions to individual withholding, sales,

General Fund Revenues

Table 3.3
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.

Table 3.3
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	(1,885.0)	4.3	(1,965.0)	4.2	(3,850.0)	9.2
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	377.5	0.0	377.5	0.0	755.0	0.0
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	97.7	0.0	97.7	0.0	195.4	0.8
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	120.0	(9.0)	120.0	0.0	240.0	(10.1)
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.

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and corporate income taxes. Minor source revenues have been revised very little in fiscal year 2014. Total general fund revenue growth is expected to pick up over the next biennium, growing 4.0 percent in fiscal year 2015 and 4.0 percent in fiscal year 2016.

Net Individual Income Taxes

The outlook for net individual income taxes in fiscal year 2014 has been revised upward from the official forecast, as the projected decrease in individual refunds and the large projected increase in nonwithholding are expected to push collections \$137.8 million above the official forecast in fiscal year 2014.

Withholding

The withholding revenue model is based on a direct relationship with wages and salaries (53 percent of total personal income) and net transfer payments (6 percent of total personal income) in Virginia. Withholding receipts are lagging the forecast in the first quarter of the fiscal year, growing 4.8 percent compared with the annual forecast of 5.4 percent. Since growth in wages and salaries is projected to be slightly weaker than in the official forecast, withholding growth in the November standard forecast has been lowered from 5.4 percent to 3.3 percent in fiscal year 2014. This change results in a reduction in withholding of \$224.6 million in fiscal year 2014. Withholding collections are projected to increase by 4.3 percent in fiscal year 2015 and 4.2 percent in 2016.

Nonwithholding

The revenue model for nonwithholding considers estimated and final payments independently. Estimated payments are modeled as a function of total proprietor's income, dividends, interest, and rental income, and the S&P 500 index, while final payments are driven solely by growth in the S&P 500 index.

First quarter collections in nonwithholding are up 2.9 percent from the same period last year, ahead of the official forecast of a 5.9 percent decline. In addition, actual growth in proprietor's income was 5.8 percent higher in fiscal year 2013 than predicted in the official forecast, and the October standard forecast for fiscal years 2014 and 2015 assumes growth 5.6 and 4.0 percentage points higher than the official forecast. The November standard forecast for nonwithholding in fiscal year 2014 raises growth from a 5.9 percent decline to 6.3 percent, resulting in \$342.4 million more in collections than the official forecast. The forecast predicts 7.0 percent growth in fiscal year 2015 and 6.0 percent in fiscal year 2016.

Refunds

The forecast methodology for individual refunds relies on the revised outlook for withholding and nonwithholding, comparing taxable year individual income tax with taxable year refunds for the first and second half of a taxable year. Historic data are adjusted for the land preservation tax credit and the low-income credit. Future values of these credits are estimated and these amounts are added to the base refund forecast.

In the November standard revenue forecast, individual refunds are projected to grow 5.1 percent in fiscal year 2014 compared with the official forecast of a 6.3 percent increase. The November forecast takes \$20.0 million from refunds in fiscal year 2014, reflecting the downward revision to individual withholding taxes. Land preservation credits are projected to be \$100 million each year, slightly above last year's collections of \$85.9 million. The outlook for low income credits is \$125.0 million in fiscal year 2014, \$115.0 million in fiscal year 2015, and \$100 million in fiscal year 2016, slowly declining from last year's amount of \$123.4 million.

Sales

The sales tax revenue model is based on a direct relationship with total personal income in Virginia. Growth in personal income is expected to be 1.3 percentage point lower in fiscal year 2014 compared with the official forecast and remains lower over the forecast horizon. In addition, in fiscal year 2013 sales tax collections fell short of the forecast by \$29.0 million, lowering the base. As a result of this and a decline in economic-base growth in the first quarter of 0.4 percent (vs. the forecast of 5.2 percent), the November standard forecast for sales tax collections is lower than the official forecast. It expects a decline of 3.9 percent in fiscal year 2014, compared with the official forecast of a 1.0 percent decline, a decrease of \$92.0 million. Growth in this source is expected to be 2.6 percent in fiscal year 2015 and 3.5 percent in fiscal year 2016.

Adjusting for policy changes including the accelerated sales tax program, the 0.125 percent sales tax transfer required by the provisions of HB 2313, and the 0.05 percent transfer to transportation, growth is expected to be 1.4 percent in fiscal year 2014, 3.6 percent in fiscal year 2015, and 3.5 percent in 2016.

Corporate

The corporate revenue model considers gross payments and refunds separately. Gross payments are modeled as a function of Virginia specific pre-tax corporate profits and the S&P 500 index. Refunds are driven by the historic ratio of gross payments to refund activity. Although first-quarter collections are up 19.4 percent, the national outlook for slowing corporate profits lowers the corporate forecast from 5.4 percent growth to 0.4 percent growth in fiscal year 2014, resulting in \$39.9 million less revenue than in the official forecast. Collections are expected to rise by 2.1 percent in fiscal year 2015 and 0.7 percent in 2016.

Wills, Suits, Deeds, and Contracts (Recordation)

The revenue model for wills, suits, deeds and contracts is based on refinancing activity and median home prices in Virginia, along with the yield on 30-year treasury bonds. The outlook for recordation taxes drives the other components of this source. Growth in this source has slowed from the double digit increase of last year to 2.8 percent in the first quarter of fiscal year 2014. The November standard forecast for collections in this source is

General Fund Revenues

flat from last year, adding \$41.0 million in revenue to fiscal year 2014. The estimate assumes no growth over the forecast horizon.

Insurance

Collections in this source rose by 3.7 percent in fiscal year 2013, ahead of the official forecast of 1.1 percent growth. Based on higher collections, the November standard forecast for insurance premium is for growth of 10.4 percent in fiscal year 2014, an increase of \$8.7 million. The model calls for growth of 0.5 percent in fiscal year 2015 and 4.2 percent in 2016.

Miscellaneous Taxes and Other Revenues

Taken together, all other revenue sources grew by 1.6 percent in fiscal year 2013, and have been revised upward by only \$0.8 million in fiscal year 2014, for an annual decline of 2.2 percent. The November forecast predicts these revenues will decline by 0.4 percent in fiscal year 2015 and then grow by 1.2 percent in fiscal year 2016.

Alternative General Fund Revenue Forecast

Table 3.4 on the following page compares the official and the November pessimistic alternative general fund forecast. The pessimistic scenario reduces the forecast by \$231.7 million in fiscal year 2014, as growth falls from 1.5 percent in the official forecast to 0.2 percent. The alternative forecast projects total revenue growth of 2.1 percent in fiscal year 2015 and 2.8 percent in fiscal year 2016.

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Table 3.4
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 Forecast	Nov Alt Forecast	Change
				Official	Nov Alt			
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>	20.0	6.3	5.1	<u>(3,546.2)</u>	<u>(3,526.2)</u>	20.0
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>	1.0	<u>(10.9)</u>	<u>(10.6)</u>	<u>714.0</u>	<u>715.0</u>	1.0
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>	2.4	<u>(1.0)</u>	1.5	<u>191.5</u>	<u>193.9</u>	2.4
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>	0.0	<u>(2.4)</u>	<u>(2.4)</u>	<u>267.1</u>	<u>267.1</u>	0.0
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.

General Fund Revenues

Table 3.4
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	(1,805.0)	(0.1)	(1,885.0)	4.4	(3,690.0)	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	317.5	(5.9)	317.5	0.0	635.0	(11.2)
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	97.7	0.0	97.7	0.0	195.4	0.8
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	120.0	(9.0)	120.0	0.0	240.0	(10.1)
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.

Legislative Changes Affecting the Forecast

Table 3.5 below lists the legislative and policy changes that affect the revenue forecast for fiscal years 2014 through 2016.

Table 3.5
Summary of Recent Legislation Affecting General Fund Revenues
(Millions of Dollars)

	FY14	FY15	FY16
CORPORATE INCOME TAX			
C. 781, 2009 - Captive REIT -- HB2504/SB1147	10.0	10.0	10.0
C. 781, 2009 - Single Sales Factor Apportionment -- HB2437	(18.8)	(58.9)	(58.6)
C. 890, 2011 - Virginia Port Tax Incentive -- SB1481/1136/HB2385	(4.3)	(4.3)	(2.7)
C. 3, 2012 - Delay date of scholarships -- SB131/HB321	0.0	(15.0)	(20.0)
C. 3, 2012 - Increase Neighborhood Assistance Credit -- SB131	(1.6)		
INDIVIDUAL INCOME TAX			
C. 3, 2006 - Cap Land Preservation Tax Credit (Total Cost)	(100.0)	(100.0)	(100.0)
C. 890, 2011 - Virginia Port Tax Incentive	(0.7)	(0.7)	(0.7)
C. 890, 2011 - IRS Tax Conformity - Advance to 12/31/2010	55.4	54.5	54.9
C. 3, 2012 - Increase Neighborhood Assistance Credit - SB131	(1.5)	(1.5)	(1.5)
C. 3, 2012 - Small business investment credit Credit - SB344	1.5	1.5	1.5
C. 806, 2013 - American Taxpayer Relief Act of 2012	14.1	13.3	15.1
C. 806, 2013 - Maintain Cap on Equity/Subordinated Debt	0.5	0.5	0.5
C. 806, 2013 - Adjust Credit for Participating Landlords - HB 2013	0.2	0.2	0.2
STATE SALES AND USE TAX			
C. 874, 2011 - Data Center Exemption -- HB302/HB1298/SB130	(3.4)	(3.4)	(3.4)
C. 3, 2012 - Sales Tax Presence in VA Amazon - SB597	14.2	14.2	14.2
C. 3, 2012 - ABC Sales Tax, Sunday Sales - HB896	0.2		
C. 806, 2013 - Adjustment for AST	(20.8)	(2.8)	(2.8)
C. 806, 2013 - Diversion to Transportation	(47.5)	(98.4)	(101.8)
C. 806, 2013 - Additional 0.125% to Transportation - HB2313	(112.2)	(116.3)	(120.4)
WILLS, SUITS, DEEDS, AND CONTRACTS			
C. 847, 2007 - \$0.03 of Recordation Tax to Transportation	(45.5)	(45.5)	(45.5)
INSURANCE PREMIUMS TAX			
C. 847, 2007 - 1/3 of Insurance Premiums Tax to Transportation	(130.8)	(140.1)	(143.7)
C. 874, 2010 - Provide Relief from Retaliatory Taxes	(0.8)	(0.8)	(0.8)
C. 890, 2011 - Increase Relief from Retaliatory Taxes - HB2335/SB1359	(5.4)	(5.4)	(5.4)
C. 890, 2013 - Repeal Open Enrollment Requirement - HB2155/SB780	7.0		
C. 890, 2013 - Repeal Long-Term Care		(1.0)	(1.0)
SALES OF PROPERTY			
C. 3, 2012 - Sale of Sandston Building	0.2		
C. 3, 2012 - Sale of Galax Building	0.1		
C. 3, 2012 - Sale of Prince George Building	0.2		
C. 3, 2012 - Sale of Brunswick Prison	10.5		

SECTION 4
NON-GENERAL FUND REVENUES

Section 4 Non-General Fund Revenues

Transportation Revenues

Most state taxes and fees used to finance the state's transportation programs are deposited into two funds: the Highway Maintenance and Operating Fund (HMOF) and the Transportation Trust Fund (TTF). The HMOF, which finances maintenance and operating costs, consists of traditional highway user taxes and fees. The TTF, which finances construction costs, consists of dedicated portions of highway user taxes and fees, as well as a portion of state sales and recordation taxes, interest earnings, and several miscellaneous sources. Within the TTF, which was created by a special session of the General Assembly in 1986, is the Priority Transportation Fund (PTF). This fund, which was created during the 2000 legislative session, consists of motor fuel tax revenues from insurance premiums, interest payments, and a portion of the motor fuels tax.

Revenues used for the Commonwealth's transportation program are derived from the following taxes and fees:

- Motor Fuels and Road Use Taxes,
- a 4.15 percent Vehicle Sales and Use Tax (The rate of 4.15 percent will be phased in over four years, beginning in fiscal year 2014.),
- licensing fees,
- 0.55 cent State Retail Sales and Use Tax (The share of existing general sales and use tax revenues used for transportation from a 0.50 percent to 0.675 percent, phased in over four years. In the event that the U.S. Congress does not pass the Marketplace Fairness Act by January 1, 2015, the share of sales tax revenues used for transportation will remain at 0.60 percent.),
- 0.3 percent State Retail Sales and Use tax,
- three cents of the State Recordation Tax,
- one-third of State Insurance Premiums Tax,
- International Registration Plan Fees,
- Interest Earnings, and
- Other miscellaneous taxes and fees.

In addition, federal, local, and toll revenues are also used to finance transportation programs. These revenue sources, however, do not determine the fiscal capacity of the state's transportation program and, therefore, are not addressed here. Instead, the discussion focuses on revenues from state sources.

NON-GENERAL FUND REVENUES

Fiscal Year 2013 in Review

Table 4.1 on the following page compares actual collections in fiscal year 2013 to the official forecast for the Commonwealth Transportation Fund (CTF). Total transportation revenues totaled close to \$2.5 billion, an increase of \$55.9 million over last year. Revenue collections grew by 2.3 percent as compared to the official forecast of a 2.8 percent increase, resulting in a forecast variance of -0.5 percent.

Table 4.1
Actual Collections Compared to the Official Forecast for Fiscal Year 2013
(Millions of Dollars)

Revenue Sources	FY2012 Actual	FY2013 Actual	FY2013 Forecast	Percent Change 2012-2013		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	822.7	814.8	\$828.7	-1.0%	0.7%	(\$13.9)	-1.7%
Road Use Tax	8.4	5.1	7.3	(39.3)	(13.1)	-2.2	-30.1
Vehicle Sales Tax	547.2	589.4	585.3	7.7	7.0	4.1	0.7
Vehicle Licenses	235.6	245.6	237.3	4.2	0.7	8.3	3.5
State Sales Tax	503.1	521.2	533.0	3.6	5.9	-11.8	-2.2
Recordation Tax	39.1	46.3	40.5	18.3	3.5	5.8	14.3
Priority Transportation Fund	20.0	20.0	20.0	0.0	0.0	0.0	0.0
Insurance Premiums Tax	137.3	130.1	130.1	(5.2)	(5.2)	0.0	0.0
Int'l Registration Plan	62.6	61.8	63.8	(1.2)	2.0	-2.0	-3.1
Interest Earnings	14.0	9.3	9.9	(33.5)	(29.2)	-0.6	-6.1
Rental Tax	33.3	33.4	33.9	0.3	1.8	-0.5	-1.5
Aviation Fuels Tax	2.1	1.8	2.1	(14.3)	0.0	-0.3	-14.3
Miscellaneous	12.3	14.8	14.8	19.8	19.8	0.0	0.0
TOTAL	\$2,437.7	\$2,493.6	\$2,506.7	2.3%	2.8%	(\$13.1)	-0.5%

As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.

Revenues from motor fuels taxes (33 percent of the CTF) fell short of the forecast by \$13.9 million in fiscal year 2013. Motor fuels tax collections declined by 1.0 percent in fiscal year 2013.

The projection of no growth in transportation energy demand differs markedly from the historical trend, which saw 1.1-percent average annual growth from 1975 to 2011. No

growth in transportation energy demand is the result of declining energy use for light-duty vehicles, which offsets increased energy use for heavy-duty vehicles.

Relatively higher prices, current economic conditions and vehicle fleet efficiency have affected gasoline consumption. Personal vehicle travel demand, measured as annual vehicle miles traveled (VMT) per licensed driver, grew at an average annual rate of 1.0 percent from 1970 to 2007, from about 8,700 miles per driver in 1970 to 12,800 miles in 2007. Since peaking in 2007, travel per licensed driver has declined because of rapidly increasing fuel prices and the economic recession.

Demographic changes moderate projected growth in VMT per licensed driver, which grows by an average of 0.3 percent per year, remaining below the 2007 level until 2029 and then growing to 13,300 miles in 2040. Although vehicle sales rise through 2040, the number of vehicles per licensed driver declines from the all-time peak of 1.12 in 2007 to 1.01 in 2040. Further, unemployment remains above prerecession levels until around 2020, tempering the growth in demand for personal travel.

The market for diesel fuel is different than the market for gasoline. Most diesel fuel is purchased and consumed by motor carriers, and reflects movement of freight through the state rather than commuter passenger travel. Motor carriers are sensitive to prices and are likely to purchase fuel in a state that has lower fuel tax rates. Motor carriers respond to the general economy more than passenger traffic: they tend to travel more miles when the economy is in an expansion and less when the economy is in a recession.

Revenues from the motor vehicle sales and use tax (24 percent of the CTF) increased by 7.7 percent in fiscal year 2013. New car sales increased by 8.2 percent; however, used car sales were relatively flat, growing by only 0.6 percent. Despite three years of solid growth, total vehicle sales remain 15 percent below the pre-recession peak in fiscal year 2004.

Revenues from the transportation share of the state retail sales tax (21 percent of the CTF) increased by 3.6 percent, well below the 5.9 percent decline anticipated in the forecast.

Motor vehicle license fees (10 percent of the CTF) increased by 4.2 percent in fiscal year 2013, well ahead of the anticipated 0.7 percent growth.

International Registration Plan fees (3 percent of the CTF), the registration fees paid by all interstate motor carriers driving through the Commonwealth, declined by 1.2 percent in fiscal year 2013. These fees are based on vehicle weight and the miles traveled in Virginia.

Collectively, all other taxes and revenues (11 percent of the CTF) were \$2.2 million above the forecast in fiscal year 2013.

NON-GENERAL FUND REVENUES

Outlook for Key Tax Base Variables

Motor Fuel Consumption

Gasoline consumption declined by 2.8 percent and Diesel fuel consumption increased by 1.9 percent in fiscal year 2013.

With more efficient light-duty vehicles, motor gasoline consumption is expected to decline while diesel fuel use grows, even as more natural gas is used in heavy-duty vehicles. The projection of no growth in transportation energy demand differs markedly from the historical trend, which saw 1.1-percent average annual growth from 1975 to 2011. No growth in transportation energy demand is the result of declining energy use for light-duty vehicles, which offsets increased energy use for heavy-duty vehicles

The weekly U.S. average regular gasoline retail price fell by 18 cents per gallon during September, ending the month at \$3.43 per gallon. The forecast for the regular gasoline retail price averages \$3.34 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to be \$3.52 per gallon in 2013 and \$3.40 per gallon in 2014.

New Corporate Average Fuel Economy (CAFE) standards will have an impact on future motor fuels tax collections. In late 2007, CAFE standards received their first overhaul in more than 30 years. On December 19, 2007, President Bush signed into law the Energy Independence and Security Act of 2007, which requires automakers to boost fleet-wide gas mileage to 35 mpg by the year 2020. This requirement applies to all passenger automobiles, including light trucks. President Obama recently announced that the new CAFE standards for vehicle fleets would be 54.5 mpg by 2025. This increase, which follows Obama's 2009 mandate for a CAFE average of 35.5 mpg by 2016, is the largest mandatory fuel economy increase in history.

Table 4.2
Motor Fuel Consumption, History and Forecast, Fiscal Years 2013 - 2016
(Percent Growth)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Taxable Gallons - Gasoline				
Official	(0.4)	2.0	1.5	1.5
Standard	(2.8)	(0.5)	0.7	0.9
Alternative		(1.0)	0.5	0.0
Taxable Gallons - Diesel				
Official	2.6	4.4	4.4	4.3
Standard	1.9	2.2	2.5	3.2
Alternative		1.6	(2.0)	(0.4)

Vehicle Sales

The official forecast anticipated that fiscal year 2013 new car sales would continue to grow at rates similar to those in fiscal year 2012. New car sales increased by 8.2 percent, slightly ahead of the forecast of an 8.0 percent increase.

Used car sales were expected to increase in fiscal year 2013 after falling in fiscal year 2012. Used car sales increased by 0.6 percent in fiscal year 2013, lagging the official forecast of 2.6 percent growth.

Table 4.3 shows the official and November 2013 forecast for new and used vehicles. The discussion of the vehicle sales outlook is divided into two sections: new taxable titles and used taxable titles.

**Table 4.3
Virginia Vehicle Market, History and Forecast, Fiscal Years 2013 - 2016
(Percent Growth)**

	Fiscal Years			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New Taxable Titles				
Official	8.0	9.0	4.1	0.2
Standard	8.1	6.9	2.0	0.3
Alternative		2.3	(6.2)	0.1
Used Taxable Titles				
Official	2.6	1.0	2.2	2.4
Standard	0.6	0.5	5.2	1.2
Alternative		(2.4)	3.4	3.7

New Taxable Titles: In fiscal year 2013, approximately 363,000 new vehicles were titled in Virginia, an increase of 28,000 from fiscal year 2012. Even with four years of solid growth, new car sales are about 98,000 units below the peak year for new car sales in fiscal year 2004.

The November forecast expects further growth over the forecast horizon as the large number of vehicles purchased in fiscal years 2004 through 2006 are due for replacement. Sales are expected to rise steadily through the end of 2014 as the economy gains momentum and reaches its strongest post-recession pace. A risk to the steady upward trend in sales driven by replacement demand is that the pace could peter out if economic fundamentals such as employment and income growth fail to improve as well.

NON-GENERAL FUND REVENUES

Used Taxable Titles: About 1.1 million used cars were sold in Virginia in fiscal year 2013, a increase of 0.6 percent. Used car sales generally follow a sales pattern similar to new car sales. However, tight inventories of used vehicles less than five years old have driven used-vehicle prices higher, pushing more consumers into the new-vehicle market. Higher used-vehicle prices have also enabled consumers to trade in their vehicles at higher prices, thus reducing the cost of a new vehicle.

November 2013 Commonwealth Transportation Fund Forecast

Table 4.4 on the following pages presents a comparison of the November 2013 standard forecast and the official forecast.

During the 2013 session of the General Assembly, House Bill 2313 was passed by both houses of the General Assembly and signed into law by the Governor as Chapter 766. Chapter 766 provided a considerable influx of new revenues into the Commonwealth Transportation Fund:

- The bill eliminates the \$0.175 per gallon tax on motor fuels, and replaces it with a percentage-based tax of 3.5 percent for gasoline and 6 percent for diesel fuel. (In the event that the U.S. Congress does not pass the Marketplace Fairness Act by January 1, 2015, the rate on gasoline will rise to 5.1 percent.)
- The bill raises the state sales and use tax across the Commonwealth from 4 percent to 4.3 percent and designates the increased revenues to the Commonwealth Transportation Fund.
- The bill increases the share of existing general sales and use tax revenues used for transportation from 0.50 percent to 0.675 percent, phased in over four years. (In the event that the U.S. Congress does not pass the Marketplace Fairness Act by January 1, 2015, the share of sales tax revenues used for transportation will remain at 0.60 percent.)
- The bill amends the tax on the sale of motor vehicles (the "titling tax"). Currently, the titling tax is 3 percent. A new rate of 4.15 percent will be phased in over four years.

As compared to the official forecast, total transportation fund revenues are \$17.7 million lower in fiscal year 2014. The November forecast shows a reduction in fiscal year 2015 of \$95.4 million and a reduction of \$140.4 million in fiscal year 2016. Revenue collections are estimated to increase by 13.2 percent, 9.5 percent, and 5.9 percent in fiscal years 2014 to 2016, respectively.

NON-GENERAL FUND REVENUES

Table 4.4
The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2013		Fiscal Year 2014				
	Actual	% Growth	Official Forecast	November Forecast	Change	% Growth over FY 13	
						Official	November
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	199.8	(4.2)	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	\$ 1,618.8	\$ 10.5	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	638.8	(24.1)	27.2	22.6
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	\$ 1,205.0	\$ (27.4)	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	838.6	(28.3)	66.3	60.9
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	\$ 2,823.8	\$ (16.9)	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	\$ 2,845.5	\$ (17.0)	13.8 %	13.2 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 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%.

NON-GENERAL FUND REVENUES

Table 4.4
The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2015				
	Official Forecast	November Forecast	Change	Official	% Growth over FY 14 November
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	107.2
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	663.9	(37.2)	5.8	3.9
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	\$ 1,269.3	\$ (46.5)	6.8 %	5.3 %
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	934.4	(44.0)	12.9	11.4
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	\$ 3,093.6	\$ (93.0)	12.2 %	9.6 %
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	\$ 3,112.4	\$ (94.5)	12.0 %	9.4 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 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%.

NON-GENERAL FUND REVENUES

Table 4.4
The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2016				
	Official	November	Change	% Growth over FY 15	
	Forecast	Forecast		Official	November
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	4.4
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	680.0	(48.5)	3.9	2.4
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	\$ 1,318.4	\$ (64.4)	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	4.4
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	959.9	(56.8)	3.9	2.7
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	\$ 3,274.5	\$ (140.4)	7.2 %	5.9 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	21.1	19.5	(1.6)	3.9	3.7
Total Transfers	\$ 21.1	\$ 19.5	\$ (1.6)	3.9 %	3.7 %
Total Transportation Fund	\$ 3,436.0	\$ 3,294.0	\$ (142.0)	7.1 %	5.9 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 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%.

NON-GENERAL FUND REVENUES

Table 4.4
The November Commonwealth Transportation Fund Forecast for Fiscal Years 2017 through 2020
(Dollars in Millions)

November 1, 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	708.4	4.2	738.6	4.3	768.1	4.0	798.8	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)	\$ 1,361.1	3.2	\$ 1,403.7	3.1%	\$ 1,448.5	3.2%	\$ 1,492.4	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	999.3	4.1	1,041.0	4.2	1,082.5	4.0	1,125.8	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	\$ 3,365.8	2.8	\$ 3,432.6	2.0%	\$ 3,501.3	2.0%	\$ 3,571.2	2.0%
Transfers per the Appropriations Act								
Retail Sales Tax - AST (TTF)	20.2	3.6	21.0	4.0	21.8	3.8	22.7	4.1
Total Transfers	\$ 20.2	3.6	\$ 21.0	4.0	\$ 21.8	3.8	\$ 22.7	4.1
Total Transportation Fund	\$ 3,386.0	2.8	\$ 3,453.6	2.0%	\$ 3,523.1	2.0%	\$ 3,593.9	2.0%

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon. The November forecast is based on the October 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 Alternative Forecast

Table 4.5 on the following pages compares the official and November pessimistic alternative Commonwealth Transportation Fund forecasts. Under the alternative forecast, total revenues are expected to be \$46.5 million lower in fiscal year 2014, \$189.8 million in fiscal year 2015, and \$250.4 million lower in fiscal year 2016, as compared to the official forecast.

This forecast is based on an economic scenario in which the economy barely avoids a recession with growth slowing significantly in calendar year 2014. The slowdown in growth is caused by the combination of unwarranted fiscal tightening and a bleak global outlook.

NON-GENERAL FUND REVENUES

Table 4.5
The Official and November Alt. Commonwealth Transportation Fund Forecast for Fiscal Year 2014
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2013		Fiscal Year 2014				
	Actual	% Growth	Official Forecast	Nov. Alt. Forecast	Change	% Growth over FY 13 Official Nov. Alt.	
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 709.2	(1.0) %	\$ 500.9	\$ 482.8	\$ (18.1)	(29.4) %	(31.9) %
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	593.2	8.2	51.0	53.1
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	199.8	(4.2)	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	\$ 1,598.0	\$ (10.3)	14.1 %	13.3 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 125.7	(0.2) %	\$ 119.0	\$ 112.2	\$ (6.8)	(5.3) %	(10.7) %
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	206.9	(6.5)	5.7	2.5
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	638.8	(24.1)	27.2	22.6
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	\$ 1,197.0	\$ (35.4)	13.7 %	10.5 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 834.9	(0.9) %	\$ 619.9	\$ 595.0	\$ (24.9)	(25.8) %	(28.7) %
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	800.1	1.7	35.5	35.8
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	838.6	(28.3)	66.3	60.9
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	\$ 2,795.0	\$ (45.7)	13.9 %	12.1 %
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	\$ 2,816.7	\$ (45.8)	13.8 %	12.0 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 2013 Global Insight Alternative 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%.

NON-GENERAL FUND REVENUES

Table 4.5
The Official and November Alt. Commonwealth Transportation Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2015				
	Official	Nov. Alt.	Change	% Growth over FY 14	
	Forecast	Forecast		Official	Nov. Alt.
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 650.1	\$ 561.7	\$ (88.4)	29.8 %	16.3 %
Road Tax	0.8	(0.1)	(0.9)	(500.0)	*
Motor Vehicle Sales And Use Tax	620.1	596.8	(23.3)	6.0	0.6
Motor Vehicle License Fees	224.7	232.8	8.1	1.0	1.7
Retail Sales and Use Tax	277.3	268.9	(8.4)	35.9	105.9
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	\$ 1,754.7	\$ (116.1)	16.3 %	9.8 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 154.3	\$ 133.4	\$ (20.9)	29.7 %	18.9 %
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	203.9	(12.3)	1.3	(1.4)
Motor Vehicle License Fees	21.8	22.4	0.6	1.4	2.3
Retail Sales and Use Tax	701.1	659.9	(41.2)	5.8	3.3
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	\$ 1,244.5	\$ (71.3)	6.8 %	4.0 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 804.4	\$ 695.1	\$ (109.3)	29.8 %	16.8 %
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	800.7	(35.6)	4.7	0.1
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	928.8	(49.6)	12.9	10.8
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	\$ 2,999.2	\$ (187.4)	12.2 %	7.3 %
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	\$ 3,018.0	\$ (188.9)	12.0 %	7.1 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 2013 Global Insight Alternative 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%.

NON-GENERAL FUND REVENUES

Table 4.5
The Official and November Alt. Commonwealth Transportation Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

November 1, 2013

	Fiscal Year 2016				
	Official	Nov. Alt.	Change	% Growth over FY 15	
	Forecast	Forecast		Official	Nov. Alt.
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 776.1	\$ 650.4	\$ (125.7)	19.4 %	15.8 %
Road Tax	0.8	(0.3)	(1.1)	0.0	(200.0)
Motor Vehicle Sales And Use Tax	641.9	623.8	(18.1)	3.5	4.5
Motor Vehicle License Fees	225.7	234.6	8.9	0.4	0.8
Retail Sales and Use Tax	288.2	275.6	(12.6)	3.9	2.5
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	\$ 1,877.9	\$ (154.2)	8.6 %	7.0 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 184.3	\$ 154.5	\$ (29.8)	19.4 %	15.8 %
Insurance Premiums Tax (1/3)	144.3	143.7	(0.6)	5.3	4.4
Road Tax	9.1	8.1	(1.0)	4.6	3.8
Motor Vehicle Sales And Use Tax	220.2	209.6	(10.6)	1.9	2.8
Motor Vehicle License Fees	21.8	22.5	0.7	0.0	0.4
Retail Sales and Use Tax	728.5	669.6	(58.9)	3.9	1.5
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	\$ 1,286.6	\$ (96.2)	5.1 %	3.6 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 960.4	\$ 804.9	\$ (155.5)	19.4 %	15.8 %
Insurance Premiums Tax (1/3)	144.3	143.7	(0.6)	5.3	4.4
Road Tax	9.9	7.8	(2.1)	4.2	1.3
Motor Vehicle Sales and Use Tax	862.1	833.4	(28.7)	3.1	4.1
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	945.2	(71.5)	3.9	1.8
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	\$ 3,164.5	\$ (250.4)	7.2 %	5.6 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	21.1	19.4	(1.7)	3.9	3.2
Total Transfers	\$ 21.1	\$ 19.4	\$ (1.7)	3.9 %	3.2 %
Total Transportation Fund	\$ 3,436.0	\$ 3,183.9	\$ (252.1)	7.1 %	5.6 %

The Official forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2013 session of the General Assembly.

The November forecast is based on the October 2013 Global Insight Alternative 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%.

ABC Revenues and Profits Fiscal Year 2013

In fiscal year 2013, ABC’s total income, excluding state tax receipts, was \$662.4 million. Gross sales of alcoholic beverages in the retail stores accounted for 96.9 percent of this income. The remaining 3.1 percent of income was generated largely through the Department’s regulatory and licensing activities. Table 4.6 shows ABC’s revenues, costs, and profits for fiscal years 2010 through 2013. Along with the net ABC profits, Table 4.6 also shows transfers required by the Acts of the Assembly and net profits for distribution transferred to the General Fund.

**Table 4.6
Department of Alcoholic Beverage Control Components
of the Enterprise Fund - Revenues, Expenses, and Disbursements
Fiscal Years 2010-2013 (\$ millions)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Revenue*	584.7	598.6	632.9	662.4
Cost of Goods & Total Operating Expenses	464.3	477.8	501.1	528.1
Net ABC Profit	120.6	120.9	132.1	133.7
Transfer to the General Fund:				
Reimbursement for Appropriations as provided by the Acts of the Assembly	70.6	67.7	67.9	67.1
Net Profits for Distribution	49.9	53.2	64.2	67.4

*These revenue figures exclude receipts collected under the state tax on alcoholic beverages and the general sales tax.

ABC Revenues and Profit Forecast for 2014-2016

Comparisons of ABC’s performance in fiscal year 2012, estimated performance for fiscal year 2013, and actual performance in fiscal year 2013, are included in Table 4.7 on the following page. Fiscal Year 2013 compared to 2012 shows an increase in sales, an increase in net ABC profits for distribution, and an increase in state tax revenue. Table 4.8 on the following page contains fiscal year 2013 results for store sales, profits for distribution and state tax revenues along with the 2014 through 2016 forecasts. Profit forecasts in Table 4.8 are net of any transfers mandated by the Appropriation Act.

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Table 4.7
A Comparison of Fiscal Year 2012 Results
to Fiscal Year 2013 Estimated and Actual Results
(\$ millions)

	<u>FY12</u>	<u>FY13</u>	<u>FY13</u>	<u>Variance</u>		<u>FY12 v. FY13</u>	
	<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>	<u>Amount</u>	<u>Percent</u>	<u>Estimate</u>	<u>Actual</u>
Total Store Sales*	733.8	759.3	768.8	9.5	1.3%	25.5	35.0
Net ABC Profit for Distribution	64.2	64.6	67.4	2.8	4.3%	0.4	3.2
State Tax Revenue**	145.4	148.3	152.1	3.8	2.6%	2.9	6.7

*Figures include state tax on alcoholic beverages excluding the general sales tax collected at ABC stores

**State Tax Revenue does not include \$9.1m wine liter tax transferred to DBHDS

Table 4.8
Forecast of ABC Store Sales, ABC State Tax on Alcohol,
and Net Profits for Distribution
(\$ millions)

	<u>Actual</u>	<u>Forecast</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total ABC Store Sales: (1)	768.8	800.0	816.0	832.3
Adjusted Net Profits for Distribution: (2) (3)	67.4	70.6	70.8	71.0
ABC State Tax Revenues:(1)				
Spirits	126.9	130.0	132.0	134.7
Wine (4)	25.3	24.5	24.5	24.5
Total Tax Revenue:	152.2	154.5	156.5	159.2

(1) Excludes the 5 percent general sales tax and lottery sales

(2) Does not include appropriation transfers mandated by Virginia Acts of Assembly

(3) ABC develops forecasts on an accrual basis. The transfer of profits occurs on a cash basis.

Variations often occur at year end when ABC has to transfer estimated profits on June 30th.

(4) Wine figure excludes statutory transfers

ABC's profit forecast is a factor of two elements: sales performance and trends in expenses. In both cases, forecasts beyond fiscal year 2014 are more prone to forecast error given the uncertainty with the economy and impacts on customer behavior and ABC's cost structure.

In fiscal year 2014, ABC expects sales to continue to grow in both the retail and mixed beverage licensee (restaurant) segments. Sales from ABC's retail outlets continue to increase year over year, while sales to restaurants remain variable due to the slow economic recovery in Virginia and the nation. Uncontrollable factors such as holiday season sales and sales from restaurants have the potential to significantly impact the accuracy of ABC's sales forecast. Currently, ABC is experiencing slight growth in both retail and restaurant sales.

On the expense side, ABC is faced with mandated salary and benefit costs, energy inflation, automatic rent escalation, telecommunication and technology costs and growth in credit card discount fees that are all very difficult to influence in the short run. Personnel costs account for 60 percent of ABC non-merchandise expenditures, 17 percent are for continuous charges such as rent and utilities, 18 percent are for contractual services such as shipping product to stores and telecommunications, and 5 percent are for miscellaneous expenses such as depreciation and credit card discount fees. In fiscal years 2014 and 2015, increases in expenditures are exacerbated by the need to make ongoing infrastructure improvements in order to comply with data security standards mandated by the Payment Card Industry and Commonwealth Information Technology Resource Management (ITRM). Changes in salary and benefit cost rates mandated by the Appropriations Act can also significantly impact the accuracy of ABC's expense forecasts.

Distribution of ABC Profits and ABC State Tax Revenues

During fiscal year 2013, ABC contributed \$133.7 million of net profits to the Commonwealth, and collected \$204.0 million of taxes on store sales, wine, beer and an additional \$31.3 million of general sales tax totaling \$369.0 million.

Net ABC profits are generally earmarked for deposit in the General Fund; certain appropriations have been made by the General Assembly to recover alcohol-related program costs. Such programs include the Department of Behavioral Health and Developmental Services' programs for the treatment of alcoholics as well as testing services and the Breathalyzer Training Program. The transfers for these programs and others were \$67.1 million in fiscal year 2013. These appropriations are charged against net ABC profits before being transferred to the General Fund. The remaining ABC profits are transferred into the General Fund as ABC profits.

In any given time period, amounts transferred to the General Fund will not correspond to net ABC profit earned, due to a 50 day interval before the profits are transferred to the Fund. This issue is exacerbated at year-end when ABC must estimate fourth quarter profits and make the transfer in advance of year-end closing.

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Virginia Lottery

Each fiscal year, the Lottery makes periodic transfers of net income (revenues from sales plus other income, minus expenses) to the Lottery Proceeds Fund. Expenses are comprised of prizes to players, commissions to retailers, ticket printing and distribution, contractual fees for gaming system operations, and administrative operating costs. The primary drivers of the net income transferred are sales of lottery products and prizes paid to players.

Actual Results - Fiscal Year 2013

The Virginia Lottery transferred net proceeds of \$487.3 million to the Lottery Proceeds Fund during fiscal year 2013. The Lottery also transferred \$1.7 million for debt set-off to the Department of Taxation and \$12.0 million from unclaimed prizes to the Literary Fund.

Sales for fiscal year 2013 were \$1.7 billion, an increase of \$73.2 million (+4.5 percent) from fiscal year 2012, and \$91.4 million (+5.7 percent) more than the fiscal year 2013 forecast. Net income was \$0.5 million (-0.1 percent) less than fiscal year 2012, but \$22.2 million (+4.8 percent) more than forecast, primarily due to higher prize expense rates. The additional \$22.2 million in profits that were in excess of the 2013 forecast will be part of the transfers to the Lottery Proceeds Fund for fiscal year 2014.

Forecast Overview - Fiscal Years 2014 through 2016 (Table 4.9 on the following page)

The Virginia Lottery developed its sales and revenue forecasts based upon a variety of baseline assumptions, including:

- the economic outlook as endorsed by the Joint Advisory Board of Economists, in particular with respect to long-term interest rates and US Treasury-issued bond yields;
- continued traditional lottery gaming competition from neighboring jurisdictions, as well as the increased competition from internet lottery sales and casino-style gaming in nearby jurisdictions including Maryland, Washington, D.C., North Carolina, West Virginia, and Delaware;
- no legislatively-mandated change in the overall compensation rate paid to retailers offering Lottery products;
- no new constraints on the Lottery's sales and marketing efforts, including the ability to advertise products, establish prizes paid to players, and offer licensed property games that appeal to consumers; and
- no new, non-traditional product-line offerings.

Table 4.9
Forecast of Lottery Sales and Transfers to the Lottery Proceeds Fund
(in millions)

	FY14	FY15	FY16
Sales	1,744.2	1,779.9	1,779.9
- Prize Expense	1,059.6	1,084.8	1,084.8
- Retailer Compensation	99.4	101.5	101.5
- Operating Expenses	91.7	95.3	95.3
+ Other Income	1.5	1.8	1.8
Net Income	495.0	500.0	500.0
Other Transfers	22.2	-	-
Total Available	517.2	500.0	500.0

For fiscal year 2014, the Lottery is projecting sales of \$1.7 billion and net income (turnover to the Lottery Proceeds Fund) of \$495.0 million. Prize expense is estimated to be \$1.1 billion, or 60.8 percent of sales; retailer compensation is forecast to be \$99.4 million, or 5.7 percent of sales. This forecast takes into account current trends and simulation models for jackpot progressions and sales, and statistically expected prize expense rates. The estimated \$495.0 million net income, plus the residual \$22.2 million of fiscal year 2013 profits that will be transferred during fiscal year 2014, brings the total expected transfers to the Lottery Proceeds Fund for fiscal year 2014 to \$517.2 million.

For fiscal year 2015, the Lottery expects that sales will grow to nearly \$1.8 billion, creating revenue for the Lottery Proceeds Fund of \$500.0 million for fiscal year 2015, and holds this profit estimate steady for fiscal year 2016.

Sales Projections for Fiscal years 2014 through 2016

For each fiscal year forecast, the Lottery total forecast is the sum of sales forecasts developed by the Lottery for each of its products. The methodology for each estimate is dependent upon the nature of the product. The data used in our models include such factors as: experiences of other U.S. and Canadian lotteries, variability of prize percentage, economic variables such as predicted interest rates, seasonal factors, promotions, product life cycle, and the Lottery’s future plans for each of the products.

Scratch Games

Scratch games continue to account for over half of total lottery sales. Sales of scratch games are expected to sustain the recent growth in prior years over the forecast period, as

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players continue to support the variety of games offered in Virginia. The key to the maintenance and growth of scratch sales over the forecast horizon will be actively managing our comprehensive portfolio of games at various price points and prize levels, as well as continuing to maintain and expand our retail distribution network.

The Jackpot-Style Games: Mega Millions, Powerball, Win for Life, and Decades of Dollars

About 15 percent of the Lottery's sales come from jackpot-style games - those games offering top prizes in the millions of dollars. The Lottery now offers four such games: Mega Millions, Powerball, Win for Life, and Decades of Dollars. "Luck of the draw" plays a major role in the sales performance of Mega Millions and Powerball. Drawings of random numbers determine whether the jackpot prize is won or whether it "rolls" and continues to grow. High jackpots increase levels of play. Conversely, high frequency of jackpot winners means less jackpot growth and lower sales. Since drawings of random numbers determine the frequency of jackpot wins, which is a large determinant of sales levels for these games, there is inherently a large degree of uncertainty in any forecast for these large jackpot games.

Another key determinant of sales levels for these games is the prevailing interest rate. The Lottery invests the prize pool for each jackpot prize in U.S. Treasury Bonds to create the necessary income stream. At a given level of sales and resulting cash pool, the higher the yield of the bonds, the higher an annuity jackpot prize may be advertised. Higher advertised jackpots lead to higher sales. Thus in periods of high interest rates, jackpots grow relatively quickly and sales are stable. In periods of low interest rates, jackpots grow slowly and sales decline. Current bond yields continue to be very low.

Win for Life and Decades of Dollars, the other jackpot-style games offered in Virginia, offer a fixed prize to players without regard to the number of winners resulting from any single drawing. Since the inception of Win for Life in March 2006, it has become clear that player awareness of these types of games is key to these products' success. Discussions related to game adjustments with these two smaller multistate games continue.

Escalating efforts to expand multi-state jackpot game offerings among all U.S. Lottery states led to the 2010 breakthrough agreement between the two major consortia – Mega Millions and Powerball – that may lead to further product offerings with a national jackpot. Because there are so many states involved in these types of national agreements, these initiatives have experienced many delays and setbacks over the years. For fiscal year 2014, the Mega Millions game will change to allow for longer jackpot runs with higher advertised jackpots, and at the same time lower overall odds to win smaller prizes. The Powerball game will adjust the add-on "Power Play" feature in early calendar year 2014. There are no other anticipated changes to the national games at this time; if modified games or new products become available for sale in Virginia, a forecast adjustment may be recommended depending upon the timing and predictability of revenue.

Daily Games

The Lottery's other drawing games – those games sold through the network of Lottery computer terminals and where winners are determined by a random drawing – collectively referred to as “daily games,” are Pick 3, Pick 4 and Cash 5. Daily games comprise about a third of total Lottery sales. Each of these products operates on approximately the same profit margin. While Pick 3 and Pick 4 are very mature products, total sales are forecast to continue increasing slightly. Some play is expected to continue to shift from Pick 3 to Pick 4 over time. Cash 5 is expected to continue to exhibit stable sales, an unusual phenomenon and contrary to the experiences of other U.S. lotteries that have seen their Cash 5 sales decline more significantly.

Other Products

Since fiscal year 2007, the Lottery has offered two new products to players: the limited-time offering of raffle tickets, and a new line of “fast play” style games. Raffle style games offer a fixed number of tickets for sale, and each ticket has an equal chance to win predetermined prizes. Fast play style games are printed at retailer terminals, and offer an instant-win experience for consumers.

Net Income for Fiscal Years 2014 through 2016

The Lottery is forecasting net income of \$495.0 million for fiscal year 2014, and \$500.0 million for fiscal years 2015 and 2016. The Lottery's largest expense, prizes to players, is expected to increase slightly over this period as players continue to buy more of the higher price point scratch games, which pay a higher portion of sales back in prizes. Retailers should continue to earn commissions and incentives equal to about 5.7 percent of sales. Operating expenses are projected to remain low and are forecast to stabilize around 5.4 percent of total sales.

The Virginia Lottery, celebrating its 25th year in fiscal year 2014, with its current product mix, continues to operate at a mature stage. Virginia continues to support sustaining sales and net income through innovations in existing products, ongoing operating efficiencies, retailer recruitment and expansion initiatives, and crucial marketing endeavors.

Ongoing Risks to the Forecast

There are always a number of ongoing risks associated with the Virginia Lottery's forecast that could significantly affect the Lottery's transfer to the Lottery Proceeds Fund. The first is luck. Since the basis of many of the Lottery's products is a random drawing, in the relatively short period of one year, a wide range of outcomes can occur. If the Lottery

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experiences unusually high payouts in its daily games in any given year, sales may be higher than projected, but income lower simply due to players winning more money. This phenomenon occurred in fiscal year 2013, resulting in higher sales, but lower profits than fiscal year 2012. Conversely, a prolonged period of low payouts can lead to higher current profit margin, but dampen players' enthusiasm and reduce future sales and profits. Luck is also a primary driver of sales for Mega Millions and Powerball. If jackpots are won with more frequency than expected, then sales will be lower than expected, due to small jackpots. Of course, a long period without a jackpot win can generate much higher sales due to the exponential growth of the jackpot; this was the case in March 2012 when the Mega Millions jackpot grew to a world record \$656 million. This type of sales activity is never anticipated as part of a forecast of expected results.

A second risk is competition from other gaming opportunities available to consumers. The North Carolina Lottery is actively working to launch internet-based product offerings not available in Virginia. Increased competition from video lottery and casino offerings in Maryland, which began in 2010, may have an increasingly negative impact on traditional lottery product sales in Virginia – in particular, the pending development of a casino at either National Harbor on the Potomac River, Fort Washington or Rosecroft raceway just across the Virginia border. This increase in competition for gaming dollars along the heavily populated northern Virginia border is in addition to the well-established competition from video lottery and table games offerings in West Virginia. Expanded gaming options in West Virginia are also aggressively advertised in Virginia markets. Perhaps most significant is the potential competition from internet gaming. With the December 2011 Department of Justice ruling that helped clarify the legality of internet gaming, many states are progressing toward offering internet gaming that would provide Virginia consumers a more readily available outlet for their gaming dollars. This continued expansion will also change consumer expectations and demands for how they are able to buy Lottery products.

A third risk is the prospect of the Lottery being constrained even further in its ability to launch, promote and support products. For example, if the advertising budget were reduced to sub-optimal levels, sales would suffer. It is likely that some products will need to be repositioned or re-launched in the marketplace. Advertising funds are necessary to ensure this is effective.

Unemployment Insurance Trust Fund

The unemployment benefit financing system calculates an employer's tax liability by computing the ratio of benefit charges to taxable wages for the last four fiscal years. An appropriate tax rate, subject to a maximum and minimum, is then assigned based on the employer's benefit ratio. A determining factor of tax schedules is the fund balance factor—a ratio related to the Trust Fund's solvency level. Generally, a lower fund balance factor means higher tax schedules.

The Unemployment Insurance (UI) Trust Fund also may receive tax revenues from two other sources—the pool tax and the fund-building tax. The pool tax is an added tax imposed on all employers to cover those benefits that cannot be charged to a particular employer because the employer is inactive or the employer is already subject to the maximum tax. When the fund balance factor exceeds 50 percent, interest income is used to offset these benefit charges. The fund-building tax of 0.2 percent is added to each employer's tax rate unless the fund balance factor exceeds 50 percent. UI tax collections fell below the projection by \$27.5 million, or 3.3 percent, in fiscal year 2013. With more months of positive cash balances, projected interest revenues were \$2.1 million above the projection.

Discussion of Forecast

The estimates in Tables 4.10 and 4.11 represent projections from the Unemployment Insurance Benefit Financing Model. The current estimates' decrease in tax revenue in fiscal years 2014 through 2016 reflects decreases in the four year moving average of benefit charges and in the pool tax rate. In the Baseline Scenario, pool taxes of 0.25 percent, 0.23 percent, and 0.22 percent are projected for Calendar Years 2014--2016 respectively. A fund-building tax is imposed in Calendar Years 2014 and 2015. With all loans paid off, interest revenues increase with increasing balances.

In the pessimistic Alternate Scenario, pool taxes of 0.26 percent, 0.27 percent, and 0.33 percent are projected for Calendar Years 2014--2016 respectively. A fund-building tax is imposed in Calendar Years 2014--2016. Tax revenues are lower in 2014 in the Alternate Scenario because employment is lower. Due to higher benefit payments in the Alternate Scenario, average benefit ratios are higher for fiscal Years 2014 through 2016. In fiscal year 2015, the higher tax rates are partly offset by lower employment, but still produce slightly higher tax revenue than the Baseline Scenario. For fiscal year 2016, despite continued lower employment, higher tax rates produce higher tax revenue than the Baseline Scenario. The Alternate Scenario produces lower interest revenue because balances are lower throughout the forecast period due to benefits rising faster than taxes.

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Table 4.10
Financial Forecasts Fiscal Years 2014, 2015, and 2016
Baseline Scenario (Global Insight STANDARD)
(Millions of Dollars)

Revenue Source	Fiscal Year 2014		Fiscal Year 2015		Fiscal Year 2016	
	Est.	% Change	Est.	% Change	Est.	% Change
Unemployment Insurance Tax	791.5	-0.4%	779.8	-1.5%	664.9	-14.7%
Interest on Trust Fund	6.3	162.5%	15.4	144.4%	25.9	68.2%
Total Revenue	797.8	0.1%	795.2	-0.3%	690.8	-13.1%

Table 4.11
Financial Forecasts Fiscal Years 2014, 2015, and 2016
Pessimistic Alternate Scenario (Global Insight RECOVERY STALLS)
(Millions of Dollars)

Revenue Source	Fiscal Year 2014		Fiscal Year 2015		Fiscal Year 2016	
	Est.	% Change	Est.	% Change	Est.	% Change
Unemployment Insurance Tax	789.7	-0.6%	781.3	-1.1%	774.8	-0.8%
Interest on Trust Fund	6.2	158.3%	10.8	74.2%	12.1	12.0%
Total Revenue	795.9	-0.2%	792.1	-0.5%	786.9	-0.7%

**APPENDIX A
ECONOMIC DATA**

TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	2010 3	2010 4	2011 1	2011 2	2011.3	2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2
Real Gross Domestic Product, Billions \$, SAAR	14,839.3	14,942.4	14,894.0	15,011.3	15,062.1	15,242.1	15,381.6	15,427.7	15,534.0	15,539.6	15,583.9	15,679.7
Annualized % Change	2.8	2.8	(1.3)	3.2	1.4	4.9	3.7	1.2	2.8	0.1	1.1	2.5
% Change from Prior Year's Quarter	3.0	2.8	2.0	1.9	1.5	2.0	3.3	2.8	3.1	2.0	1.3	1.6
Real Consumer Spending, Billions \$, SAAR	10,063.7	10,169.0	10,221.3	10,258.9	10,311.9	10,373.1	10,447.8	10,496.8	10,541.0	10,584.8	10,644.0	10,691.9
Annualized % Change	2.8	4.3	2.1	1.5	2.1	2.4	2.9	1.9	1.7	1.7	2.3	1.8
% Change from Prior Year's Quarter	2.0	3.1	3.1	2.6	2.5	2.0	2.2	2.3	2.2	2.0	1.9	1.9
U.S. Personal Income, Billions \$, SAAR	12,502.1	12,670.0	13,029.9	13,148.5	13,283.6	13,303.2	13,548.6	13,651.8	13,701.6	14,073.1	13,925.9	14,065.0
Annualized % Change	4.2	5.5	11.9	3.7	4.2	0.6	7.6	3.1	1.5	11.3	(4.1)	4.1
% Change from Prior Year's Quarter	3.7	4.4	6.9	6.3	6.3	5.0	4.0	3.8	3.1	5.8	2.8	3.0
Virginia Personal Income, Millions \$, SAAR	361,752.9	365,524.5	376,401.9	381,011.3	385,079.0	385,229.4	391,302.0	393,324.0	395,287.2	404,107.7	399,305.5	403,308.9
Annualized % Change	2.9	4.2	12.4	5.0	4.3	0.2	6.5	2.1	2.0	9.2	(4.7)	4.1
% Change from Prior Year's Quarter	3.5	4.1	6.5	6.1	6.4	5.4	4.0	3.2	2.7	4.9	2.0	2.5
Virginia Wages and Salaries, Millions \$, SAAR	198,346.2	199,320.0	200,429.4	201,744.8	204,601.5	202,942.2	206,803.3	207,130.5	208,466.7	212,531.4	211,860.3	213,352.8
Annualized % Change	3.6	2.0	2.2	2.7	5.8	(3.2)	7.8	0.6	2.6	8.0	(1.3)	2.8
% Change from Prior Year's Quarter	3.5	3.1	4.2	2.6	3.2	1.8	3.2	2.7	1.9	4.7	2.4	3.0
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	66,314.6	68,279.2	71,205.9	72,809.9	73,826.7	74,861.5	75,422.2	76,596.1	76,673.2	80,543.6	77,865.7	79,947.7
Annualized % Change	5.0	12.4	18.3	9.3	5.7	5.7	3.0	6.4	0.4	21.8	(12.7)	11.1
% Change from Prior Year's Quarter	1.8	6.1	10.1	11.1	11.3	9.6	5.9	5.2	3.9	7.6	3.2	4.4
Virginia Total Proprietor's Income, Millions \$, SAAR	20,389.1	20,937.8	22,601.4	23,254.3	23,882.5	24,130.6	25,459.9	25,421.4	25,459.2	26,118.4	26,874.1	27,070.3
Annualized % Change	1.8	11.2	35.8	12.1	11.3	4.2	23.9	(0.6)	0.6	10.8	12.1	3.0
% Change from Prior Year's Quarter	9.8	8.1	11.7	14.5	17.1	15.2	12.6	9.3	6.6	8.2	5.6	6.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	2010 3	2010 4	2011 1	2011 2	2011 3	2011 4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2
Total U.S. Employment, Millions, SA	130.0	130.3	130.7	131.3	131.7	132.3	133.1	133.5	133.9	134.5	135.1	135.7
Annualized % Change	(0.1)	1.0	1.2	2.0	1.3	1.7	2.4	1.4	1.2	1.6	1.9	1.7
% Change from Prior Year's Quarter	(0.0)	0.6	1.0	1.0	1.4	1.5	1.8	1.7	1.7	1.6	1.5	1.6
Virginia Total Nonag. Employment, Thousands, SA	3,649.3	3,659.9	3,672.7	3,677.5	3,694.6	3,703.4	3,719.5	3,722.7	3,730.6	3,749.3	3,769.8	3,776.2
Annualized % Change	0.0	1.2	1.4	0.5	1.9	1.0	1.7	0.3	0.9	2.0	2.2	0.7
% Change from Prior Year's Quarter	0.6	1.0	1.8	0.8	1.2	1.2	1.3	1.2	1.0	1.2	1.4	1.4
CPI, All Urban, 1982-1984=1.0, SA	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Annualized % Change	1.4	3.0	4.4	4.7	2.9	1.4	2.3	1.0	2.1	2.2	1.4	(0.0)
% Change from Prior Year's Quarter	1.2	1.2	2.1	3.4	3.7	3.3	2.8	1.9	1.7	1.9	1.7	1.4
Refiner's Acquisition Cost of Oil, \$ per Barrel	74.1	81.5	93.7	108.2	100.6	104.5	107.6	101.6	97.5	97.3	101.2	99.4
Quarterly Change	(1.3)	7.5	12.2	14.5	(7.6)	3.9	3.1	(6.0)	(4.1)	(0.2)	3.9	(1.7)
Change from Prior Year's Quarter	7.6	8.4	17.9	32.8	26.5	23.0	13.9	(6.6)	(3.1)	(7.2)	(6.5)	(2.2)
Before-Tax Corporate Profits, Billions \$, SAAR	1,879.5	1,885.2	1,792.3	1,850.4	1,833.1	1,913.6	2,162.1	2,160.0	2,208.5	2,229.5	2,193.1	2,239.7
Annualized % Change	23.5	1.2	(18.3)	13.6	(3.7)	18.8	63.0	(0.4)	9.3	3.9	(6.4)	8.8
% Change from Prior Year's Quarter	21.7	9.6	0.0	3.8	(2.5)	1.5	20.6	16.7	20.5	16.5	1.4	3.7
S&P 500 Stock Market Index, Level	1,096.4	1,204.0	1,302.7	1,319.0	1,228.1	1,225.7	1,347.4	1,350.4	1,402.2	1,418.2	1,514.5	1,609.8
Annualized % Change	(13.0)	45.4	37.1	5.1	(24.8)	(0.8)	46.1	0.9	16.3	4.6	30.1	27.6
% Change from Prior Year's Quarter	10.0	10.6	16.2	16.2	12.0	1.8	3.4	2.4	14.2	15.7	12.4	19.2
30-Year Treasury Bonds, Level	3.9	4.2	4.6	4.3	3.7	3.0	3.1	2.9	2.7	2.9	3.1	3.1
Quarterly Change	(0.5)	0.3	0.4	(0.2)	(0.6)	(0.7)	0.1	(0.2)	(0.2)	0.1	0.3	0.0
Change from Prior Year's Quarter	(0.5)	(0.2)	(0.1)	(0.0)	(0.2)	(1.1)	(1.4)	(1.4)	(1.0)	(0.2)	(0.0)	0.2

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLE¹

	October Standard Forecast												
	2013.3	2013.4	2014.1	2014.2	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2	
Real Gross Domestic Product,													
Billions \$, SAAR	15,748.7	15,811.2	15,917.1	16,037.4	16,158.0	16,286.0	16,422.4	16,555.6	16,689.4	16,817.8	16,943.1	17,073.1	
Annualized % Change	1.8	1.6	2.7	3.1	3.0	3.2	3.4	3.3	3.3	3.1	3.0	3.1	
% Change from Prior Year's Quarter	1.4	1.7	2.1	2.3	2.6	3.0	3.2	3.2	3.3	3.3	3.2	3.1	
Real Consumer Spending,													
Billions \$, SAAR	10,731.8	10,790.4	10,869.9	10,944.9	11,017.9	11,092.2	11,163.6	11,236.8	11,314.5	11,387.8	11,471.4	11,549.6	
Annualized % Change	1.5	2.2	3.0	2.8	2.7	2.7	2.6	2.6	2.8	2.6	3.0	2.8	
% Change from Prior Year's Quarter	1.8	1.9	2.1	2.4	2.7	2.8	2.7	2.7	2.7	2.7	2.8	2.8	
U.S. Personal Income,													
Billions \$, SAAR	14,191.0	14,335.5	14,548.5	14,705.4	14,880.6	15,050.8	15,264.4	15,434.6	15,605.5	15,783.9	16,025.8	16,222.0	
Annualized % Change	3.6	4.1	6.1	4.4	4.9	4.7	5.8	4.5	4.5	4.7	6.3	5.0	
% Change from Prior Year's Quarter	3.6	1.9	4.5	4.6	4.9	5.0	4.9	5.0	4.9	4.9	5.0	5.1	
Virginia Personal Income,													
Millions \$, SAAR	406,832.1	409,488.2	413,783.2	417,109.2	423,100.6	427,208.0	432,484.6	436,154.3	440,574.5	445,208.2	451,914.1	456,787.0	
Annualized % Change	3.5	2.6	4.3	3.3	5.9	3.9	5.0	3.4	4.1	4.3	6.2	4.4	
% Change from Prior Year's Quarter	2.9	1.3	3.6	3.4	4.0	4.3	4.5	4.6	4.1	4.2	4.5	4.7	
Virginia Wages and Salaries,													
Millions \$, SAAR	215,513.5	216,138.3	217,401.1	219,334.2	222,784.2	225,046.7	227,387.2	229,507.6	231,780.1	234,210.7	236,908.8	239,523.5	
Annualized % Change	4.1	1.2	2.4	3.6	6.4	4.1	4.2	3.8	4.0	4.3	4.7	4.5	
% Change from Prior Year's Quarter	3.4	1.7	2.6	2.8	3.4	4.1	4.6	4.6	4.0	4.1	4.2	4.4	
Virginia Dividends, Interest, and Rent,													
Millions \$, SAAR	80,612.2	81,996.0	82,849.7	83,478.1	84,661.8	85,734.5	86,684.4	87,444.6	88,520.1	89,473.9	90,671.2	92,034.2	
Annualized % Change	3.4	7.0	4.2	3.1	5.8	5.2	4.5	3.6	5.0	4.4	5.5	6.1	
% Change from Prior Year's Quarter	5.1	1.8	6.4	4.4	5.0	4.6	4.6	4.8	4.6	4.4	4.6	5.2	
Virginia Total Proprietor's Income,													
Millions \$, SAAR	27,488.6	27,496.0	27,480.4	27,594.3	28,091.1	28,127.9	28,124.5	28,228.1	28,276.9	28,318.3	28,283.8	28,353.6	
Annualized % Change	6.3	0.1	(0.2)	1.7	7.4	0.5	(0.0)	1.5	0.7	0.6	(0.5)	1.0	
% Change from Prior Year's Quarter	8.0	5.3	2.3	1.9	2.2	2.3	2.3	2.3	0.7	0.7	0.6	0.4	

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLE¹

	October Standard Forecast											
	2013.3	2013.4	2014.1	2014.2	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2
Total U.S. Employment, Millions, SA	136.1	136.7	137.4	138.0	138.6	139.2	139.8	140.4	141.0	141.7	142.3	143.0
Annualized % Change	1.3	1.7	2.0	1.9	1.8	1.7	1.9	1.6	1.7	1.9	1.8	1.9
% Change from Prior Year's Quarter	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8
Virginia Total Nonag. Employment, Thousands, SA	3,780.2	3,786.3	3,798.9	3,811.9	3,831.2	3,848.8	3,863.5	3,877.1	3,892.5	3,910.2	3,927.5	3,945.5
Annualized % Change	0.4	0.6	1.3	1.4	2.0	1.8	1.5	1.4	1.6	1.8	1.8	1.8
% Change from Prior Year's Quarter	1.3	1.0	0.8	0.9	1.3	1.7	1.7	1.7	1.6	1.6	1.7	1.8
CPI, All Urban, 1982-1984=1.0, SA	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Annualized % Change	2.6	1.1	1.8	1.9	1.7	1.6	1.7	1.7	1.9	1.8	2.2	1.8
% Change from Prior Year's Quarter	1.5	1.3	1.3	1.8	1.6	1.7	1.7	1.7	1.7	1.8	1.9	1.9
Refiner's Acquisition Cost of Oil, \$ per Barrel	105.1	102.0	99.8	99.0	98.0	97.5	95.7	94.7	94.6	95.4	95.4	94.5
Quarterly Change	5.6	(3.1)	(2.2)	(0.8)	(1.0)	(0.6)	(1.7)	(1.0)	(0.1)	0.8	0.0	(0.9)
Change from Prior Year's Quarter	7.6	4.7	(1.4)	(0.5)	(7.0)	(4.5)	(4.1)	(4.3)	(3.4)	(2.0)	(0.3)	(0.2)
Before-Tax Corporate Profits, Billions \$, SAAR	2,229.0	2,214.7	2,437.2	2,497.1	2,510.8	2,526.3	2,477.4	2,504.4	2,530.4	2,542.5	2,500.1	2,511.9
Annualized % Change	(1.9)	(2.5)	46.7	10.2	2.2	2.5	(7.5)	4.4	4.2	1.9	(6.5)	1.9
% Change from Prior Year's Quarter	0.9	(0.7)	11.1	11.5	12.6	14.1	1.6	0.3	0.8	0.6	0.9	0.3
S&P 500 Stock Market Index, Level	1,675.5	1,697.2	1,710.2	1,721.2	1,734.4	1,751.2	1,769.6	1,787.7	1,805.1	1,826.0	1,848.0	1,868.1
Annualized % Change	17.4	5.3	3.1	2.6	3.1	3.9	4.3	4.2	4.0	4.7	4.9	4.4
% Change from Prior Year's Quarter	19.5	19.7	12.9	6.9	3.5	3.2	3.5	3.9	4.1	4.3	4.4	4.5
30-Year Treasury Bonds, Level	3.7	3.7	3.8	3.9	3.9	4.0	4.0	4.1	4.2	4.3	4.5	4.6
Quarterly Change	0.6	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Change from Prior Year's Quarter	1.0	0.9	0.7	0.7	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	Pessimistic Alternative Scenario											
	2013 3	2013 4	2014 1	2014 2	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2
Real Gross Domestic Product, Billions \$, SAAR	15,729.0	15,710.9	15,734.1	15,752.3	15,766.1	15,835.5	15,930.2	16,023.1	16,116.9	16,215.5	16,305.4	16,402.8
Annualized % Change	1.3	(0.5)	0.6	0.5	0.4	1.8	2.4	2.4	2.4	2.5	2.2	2.4
% Change from Prior Year's Quarter	1.3	1.1	1.0	0.5	0.2	0.8	1.2	1.7	2.2	2.4	2.4	2.4
Real Consumer Spending, Billions \$, SAAR	10,724.3	10,749.0	10,801.0	10,833.4	10,861.0	10,886.1	10,913.3	10,940.2	10,973.3	11,003.6	11,039.4	11,073.4
Annualized % Change	1.2	0.9	1.9	1.2	1.0	0.9	1.0	1.0	1.2	1.1	1.3	1.2
% Change from Prior Year's Quarter	1.7	1.6	1.5	1.3	1.3	1.3	1.0	1.0	1.0	1.1	1.2	1.2
U.S. Personal Income, Billions \$, SAAR	14,164.2	14,254.4	14,366.6	14,434.8	14,509.9	14,594.3	14,738.0	14,858.7	14,989.7	15,127.7	15,333.6	15,496.9
Annualized % Change	2.8	2.6	3.2	1.9	2.1	2.3	4.0	3.3	3.6	3.7	5.6	4.3
% Change from Prior Year's Quarter	3.4	1.3	3.2	2.6	2.4	2.4	2.6	2.9	3.3	3.7	4.0	4.3
Virginia Personal Income, Millions \$, SAAR	405,965.4	407,413.6	409,257.4	410,853.2	415,091.2	417,572.6	421,603.2	424,330.8	427,916.9	431,563.2	437,139.6	440,933.0
Annualized % Change	2.7	1.4	1.8	1.6	4.2	2.4	3.9	2.6	3.4	3.5	5.3	3.5
% Change from Prior Year's Quarter	2.7	0.8	2.5	1.9	2.2	2.5	3.0	3.3	3.1	3.4	3.7	3.9
Virginia Wages and Salaries, Millions \$, SAAR	214,902.5	214,624.8	214,261.6	215,161.9	217,712.5	219,178.5	220,948.2	222,503.0	224,183.8	226,152.7	228,334.1	230,527.3
Annualized % Change	2.9	(0.5)	(0.7)	1.7	4.8	2.7	3.3	2.8	3.1	3.6	3.9	3.9
% Change from Prior Year's Quarter	3.1	1.0	1.1	0.8	1.3	2.1	3.1	3.4	3.0	3.2	3.3	3.6
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	80,441.8	81,542.1	81,925.0	81,918.4	82,115.1	82,271.1	82,516.1	82,711.9	83,341.1	83,692.6	84,189.6	84,906.0
Annualized % Change	2.5	5.6	1.9	(0.0)	1.0	0.8	1.2	1.0	3.1	1.7	2.4	3.4
% Change from Prior Year's Quarter	4.9	1.2	5.2	2.5	2.1	0.9	0.7	1.0	1.5	1.7	2.0	2.7
Virginia Total Proprietor's Income, Millions \$, SAAR	27,482.0	27,428.6	27,368.1	27,370.6	27,768.4	27,757.4	27,706.0	27,759.5	27,758.6	27,796.6	27,796.2	27,934.3
Annualized % Change	6.2	(0.8)	(0.9)	0.0	5.9	(0.2)	(0.7)	0.8	(0.0)	0.5	(0.0)	2.0
% Change from Prior Year's Quarter	7.9	5.0	1.8	1.1	1.0	1.2	1.2	1.4	(0.0)	0.1	0.3	0.6

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	Pessimistic Alternative Scenario											
	2013 3	2013 4	2014 1	2014 2	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2
Total U.S. Employment, Millions, SA	136.1	136.4	136.5	136.7	136.8	137.0	137.3	137.5	137.8	138.3	138.7	139.2
Annualized % Change	1.3	0.8	0.4	0.7	0.2	0.4	0.9	0.8	0.8	1.3	1.2	1.4
% Change from Prior Year's Quarter	1.6	1.4	1.0	0.8	0.5	0.4	0.5	0.6	0.7	1.0	1.0	1.2
Virginia Total Nonag. Employment, Thousands, SA	3,780.0	3,776.7	3,771.3	3,772.8	3,778.8	3,783.8	3,789.0	3,793.8	3,799.9	3,811.0	3,821.8	3,834.5
Annualized % Change	0.4	(0.4)	(0.6)	0.2	0.6	0.5	0.6	0.5	0.7	1.2	1.1	1.3
% Change from Prior Year's Quarter	1.3	0.7	0.0	(0.1)	(0.0)	0.2	0.5	0.6	0.6	0.7	0.9	1.1
CPI, All Urban, 1982-1984=1.0, SA	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5
Annualized % Change	2.2	(0.5)	1.2	1.7	1.6	1.5	2.1	2.3	2.7	2.3	3.3	2.5
% Change from Prior Year's Quarter	1.5	0.8	0.7	1.1	1.0	1.5	1.7	1.9	2.1	2.4	2.6	2.7
Refiner's Acquisition Cost of Oil, \$ per Barrel	105.1	94.6	91.6	91.3	91.2	91.4	92.5	94.7	98.1	100.6	105.0	106.3
Quarterly Change	5.6	(10.5)	(3.0)	(0.3)	(0.1)	0.3	1.1	2.2	3.4	2.5	4.4	1.3
Change from Prior Year's Quarter	7.6	(2.7)	(9.6)	(8.2)	(13.9)	(3.1)	0.9	3.4	6.9	9.2	12.5	11.6
Before-Tax Corporate Profits, Billions \$, SAAR	2,207.8	2,133.7	2,343.4	2,351.3	2,321.6	2,329.7	2,285.8	2,309.7	2,333.3	2,351.2	2,318.3	2,325.8
Annualized % Change	(5.6)	(12.8)	45.5	1.4	(5.0)	1.4	(7.3)	4.3	4.1	3.1	(5.5)	1.3
% Change from Prior Year's Quarter	(0.0)	(4.3)	6.9	5.0	5.2	9.2	(2.5)	(1.8)	0.5	0.9	1.4	0.7
S&P 500 Stock Market Index, Level	1,675.5	1,560.2	1,485.5	1,518.7	1,551.4	1,573.6	1,591.5	1,609.8	1,627.5	1,648.4	1,671.0	1,690.7
Annualized % Change	17.4	(24.8)	(17.8)	9.2	8.9	5.8	4.6	4.7	4.5	5.2	5.6	4.8
% Change from Prior Year's Quarter	19.5	10.0	(1.9)	(5.7)	(7.4)	0.9	7.1	6.0	4.9	4.7	5.0	5.0
30-Year Treasury Bonds, Level	3.7	3.4	3.0	3.0	3.1	3.2	3.4	3.5	3.6	3.7	3.8	4.0
Quarterly Change	0.6	(0.4)	(0.4)	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Change from Prior Year's Quarter	1.0	0.5	(0.2)	(0.2)	(0.6)	(0.1)	0.4	0.5	0.5	0.5	0.5	0.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Real Gross Domestic Product, Billions \$, SAAR	Calendar Year	9,894.7	10,163.7	10,549.5	11,022.9	11,513.4	12,071.4	12,565.2	12,684.5	12,909.7	13,270.0	13,774.0	14,235.6
	% Change	4.0	2.7	3.8	4.5	4.5	4.8	4.1	0.9	1.8	2.8	3.8	3.4
	Fiscal Year	9,691.9	10,039.4	10,330.8	10,781.0	11,259.5	11,790.4	12,353.5	12,663.8	12,774.7	13,025.0	13,554.3	14,014.0
	% Change	3.1	3.6	2.9	4.4	4.4	4.7	4.8	2.5	0.9	2.0	4.1	3.4
Real Consumer Spending, Billions \$, SAAR	Calendar Year	6,338.1	6,527.7	6,755.7	7,010.0	7,384.9	7,788.1	8,182.1	8,387.5	8,600.4	8,866.2	9,205.6	9,527.8
	% Change	3.9	3.0	3.5	3.8	5.3	5.5	5.1	2.5	2.5	3.1	3.8	3.5
	Fiscal Year	6,223.2	6,431.9	6,643.7	6,864.7	7,187.8	7,588.6	7,998.0	8,298.3	8,493.8	8,706.1	9,047.8	9,372.8
	% Change	3.7	3.4	3.3	3.3	4.7	5.6	5.4	3.8	2.4	2.5	3.9	3.6
U.S. Personal Income, Billions \$, SAAR	Calendar Year	5,934.7	6,276.5	6,661.9	7,075.0	7,587.7	7,983.8	8,632.8	8,987.1	9,149.5	9,487.6	10,049.2	10,610.3
	% Change	5.1	5.8	6.1	6.2	7.2	5.2	8.1	4.1	1.8	3.7	5.9	5.6
	Fiscal Year	5,775.8	6,112.3	6,459.5	6,859.7	7,331.9	7,782.9	8,302.5	8,867.3	9,046.8	9,281.7	9,751.0	10,323.9
	% Change	4.3	5.8	5.7	6.2	6.9	6.2	6.7	6.8	2.0	2.6	5.1	5.9
Virginia Personal Income, Millions \$, SAAR	Calendar Year	155,163.3	162,498.5	171,164.8	182,302.8	194,596.3	207,326.3	224,787.5	242,393.2	250,049.2	264,549.7	282,142.0	301,754.8
	% Change	5.5	4.7	5.3	6.5	6.7	6.5	8.4	7.8	3.2	5.8	6.6	7.0
	Fiscal Year	150,902.5	159,417.3	166,162.5	176,645.3	188,127.8	201,061.5	215,754.3	235,514.6	245,154.9	256,262.9	273,181.8	291,671.9
	% Change	5.0	5.6	4.2	6.3	6.5	6.9	7.3	9.2	4.1	4.5	6.6	6.8
Virginia Wages and Salaries, Millions \$, SAAR	Calendar Year	87,132.5	91,269.8	96,626.0	103,770.5	112,122.5	121,001.0	132,391.5	138,736.6	140,596.4	147,600.9	158,792.5	169,118.9
	% Change	5.1	4.7	5.9	7.4	8.0	7.9	9.4	4.8	1.3	5.0	7.6	6.5
	Fiscal Year	85,076.5	89,437.0	93,565.0	100,089.0	107,580.8	117,048.8	126,347.8	137,032.2	138,929.6	143,049.6	153,071.0	164,249.7
	% Change	4.7	5.1	4.6	7.0	7.5	8.8	7.9	8.5	1.4	3.0	7.0	7.3
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	Calendar Year	28,917.8	29,958.0	32,022.5	33,982.3	36,599.0	36,839.3	40,295.0	48,619.7	48,954.1	51,985.3	53,640.5	58,233.6
	% Change	8.3	3.6	6.9	6.1	7.7	0.7	9.4	20.7	0.7	6.2	3.2	8.6
	Fiscal Year	27,499.3	29,764.5	30,716.0	33,113.0	35,347.8	36,635.3	38,566.5	44,861.5	48,504.1	50,463.6	52,726.0	55,400.1
	% Change	5.4	8.2	3.2	7.8	6.7	3.6	5.3	16.3	8.1	4.0	4.5	5.1
Virginia Total Proprietor's Income, Millions \$, SAAR	Calendar Year	8,165.5	9,206.0	9,889.3	10,824.0	11,451.0	12,412.0	14,191.0	15,713.8	17,148.9	17,294.6	19,046.0	20,226.5
	% Change	5.5	12.7	7.4	9.5	5.8	8.4	14.3	10.7	9.1	0.8	10.1	6.2
	Fiscal Year	8,008.5	8,600.0	9,568.8	10,377.0	11,075.5	11,917.0	13,341.5	14,921.8	16,523.7	17,155.4	18,186.7	19,464.9
	% Change	8.9	7.4	11.3	8.4	6.7	7.6	12.0	11.8	10.7	3.8	6.0	7.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History							October Standard Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real Gross Domestic Product, Billions \$, SAAR	Calendar Year	14,615.2	14,876.8	14,833.6	14,417.9	14,779.4	15,052.4	15,470.7	15,705.9	16,099.6	16,621.3	17,145.4
	% Change	2.7	1.8	(0.3)	(2.8)	2.5	1.8	2.8	1.5	2.5	3.2	3.2
	Fiscal Year	14,450.7	14,723.1	14,950.6	14,549.7	14,569.6	14,921.8	15,278.4	15,584.3	15,878.6	16,355.5	16,880.9
	% Change	3.1	1.9	1.5	(2.7)	0.1	2.4	2.4	2.0	1.9	3.0	3.2
Real Consumer Spending, Billions \$, SAAR	Calendar Year	9,814.9	10,035.5	9,999.2	9,842.9	10,035.9	10,291.3	10,517.6	10,714.5	10,981.2	11,275.7	11,594.3
	% Change	3.0	2.2	(0.4)	(1.6)	2.0	2.5	2.2	1.9	2.5	2.7	2.8
	Fiscal Year	9,672.7	9,942.5	10,065.4	9,878.8	9,909.3	10,178.2	10,407.4	10,615.4	10,834.3	11,127.6	11,430.8
	% Change	3.2	2.8	1.2	(1.9)	0.3	2.7	2.3	2.0	2.1	2.7	2.7
U.S. Personal Income, Billions \$, SAAR	Calendar Year	11,389.9	11,995.8	12,430.6	12,082.1	12,435.2	13,191.3	13,743.8	14,129.4	14,796.3	15,522.1	16,325.0
	% Change	7.3	5.3	3.6	(2.8)	2.9	6.1	4.2	2.8	4.7	4.9	5.2
	Fiscal Year	11,025.9	11,696.8	12,274.2	12,246.3	12,189.9	12,837.6	13,446.8	13,941.4	14,445.1	15,157.6	15,909.3
	% Change	6.8	6.1	4.9	(0.2)	(0.5)	5.3	4.7	3.7	3.6	4.9	5.0
Virginia Personal Income, Millions \$, SAAR	Calendar Year	322,869.7	340,434.7	351,721.2	349,238.1	359,956.1	381,930.4	396,005.2	404,733.7	420,300.2	438,605.4	459,317.9
	% Change	7.0	5.4	3.3	(0.7)	3.1	6.1	3.7	2.2	3.8	4.4	4.7
	Fiscal Year	313,491.6	331,655.5	346,856.5	350,508.6	353,306.5	371,172.6	388,733.6	400,502.3	411,803.2	429,736.9	448,620.9
	% Change	7.5	5.8	4.6	1.1	0.8	5.1	4.7	3.0	2.8	4.4	4.4
Virginia Wages and Salaries, Millions \$, SAAR	Calendar Year	178,958.3	188,703.4	193,671.5	191,634.8	196,643.0	202,429.5	208,733.0	214,216.2	221,141.6	230,721.4	240,894.8
	% Change	5.8	5.4	2.6	(1.1)	2.6	2.9	3.1	2.6	3.2	4.3	4.4
	Fiscal Year	174,772.0	184,002.0	191,234.1	192,608.6	193,463.8	199,960.1	205,369.4	211,552.8	217,096.8	226,181.5	235,605.8
	% Change	6.4	5.3	3.9	0.7	0.4	3.4	2.7	3.0	2.6	4.2	4.2
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	Calendar Year	65,691.9	71,737.5	72,976.3	66,182.3	66,191.7	73,176.0	77,308.8	80,105.4	84,181.0	88,030.8	92,903.5
	% Change	12.8	9.2	1.7	(9.3)	0.0	10.6	5.6	3.6	5.1	4.6	5.5
	Fiscal Year	61,972.2	68,782.3	73,185.7	70,141.4	64,914.5	69,652.4	75,176.6	78,757.5	82,234.0	86,131.3	90,174.9
	% Change	11.9	11.0	6.4	(4.2)	(7.5)	7.3	7.9	4.8	4.4	4.7	4.7
Virginia Total Proprietor's Income, Millions \$, SAAR	Calendar Year	21,569.1	20,052.1	19,843.3	18,559.6	20,463.6	23,467.2	25,614.7	27,232.2	27,823.4	28,237.0	28,309.1
	% Change	6.6	(7.0)	(1.0)	(6.5)	10.3	14.7	9.2	6.3	2.2	1.5	0.3
	Fiscal Year	21,303.7	20,810.3	19,802.6	19,012.1	19,614.1	21,795.7	24,723.6	26,380.5	27,514.8	28,142.9	28,308.2
	% Change	9.4	(2.3)	(4.8)	(4.0)	3.2	11.1	13.4	6.7	4.3	2.3	0.6

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real Gross Domestic Product, Billions \$, SAAR	Calendar Year	14,615.2	14,876.8	14,833.6	14,417.9	14,779.4	15,052.4	15,470.7	15,675.9	15,772.0	16,071.4	16,457.8
	% Change	2.7	1.8	(0.3)	(2.8)	2.5	1.8	2.8	1.3	0.6	1.9	2.4
	Fiscal Year	14,450.7	14,723.1	14,950.6	14,549.7	14,569.6	14,921.8	15,278.4	15,584.3	15,731.5	15,888.7	16,260.1
	% Change	3.1	1.9	1.5	(2.7)	0.1	2.4	2.4	2.0	0.9	1.0	2.3
Real Consumer Spending, Billions \$, SAAR	Calendar Year	9,814.9	10,035.5	9,999.2	9,842.9	10,035.9	10,291.3	10,517.6	10,702.3	10,845.4	10,957.6	11,098.1
	% Change	3.0	2.2	(0.4)	(1.6)	2.0	2.5	2.2	1.8	1.3	1.0	1.3
	Fiscal Year	9,672.7	9,942.5	10,065.4	9,878.8	9,909.3	10,178.2	10,407.4	10,615.4	10,776.9	10,900.1	11,022.4
	% Change	3.2	2.8	1.2	(1.9)	0.3	2.7	2.3	2.0	1.5	1.1	1.1
U.S. Personal Income, Billions \$, SAAR	Calendar Year	11,389.9	11,995.8	12,430.6	12,082.1	12,435.2	13,191.3	13,743.8	14,102.4	14,476.4	14,928.5	15,588.7
	% Change	7.3	5.3	3.6	(2.8)	2.9	6.1	4.2	2.6	2.7	3.1	4.4
	Fiscal Year	11,025.9	11,696.8	12,274.2	12,246.3	12,189.9	12,837.6	13,446.8	13,941.4	14,305.0	14,675.2	15,237.0
	% Change	6.8	6.1	4.9	(0.2)	(0.5)	5.3	4.7	3.7	2.6	2.6	3.8
Virginia Personal Income, Millions \$, SAAR	Calendar Year	322,869.7	340,434.7	351,721.2	349,238.1	359,956.1	381,930.4	396,005.2	403,998.4	413,193.6	426,353.6	443,059.1
	% Change	7.0	5.4	3.3	(0.7)	3.1	6.1	3.7	2.0	2.3	3.2	3.9
	Fiscal Year	313,491.6	331,655.5	346,856.5	350,508.6	353,306.5	371,172.6	388,733.6	400,502.3	408,372.4	419,649.5	434,388.2
	% Change	7.5	5.8	4.6	1.1	0.8	5.1	4.7	3.0	2.0	2.8	3.5
Virginia Wages and Salaries, Millions \$, SAAR	Calendar Year	178,958.3	188,703.4	193,671.5	191,634.8	196,643.0	202,429.5	208,733.0	213,685.1	216,578.6	223,446.9	231,836.0
	% Change	5.8	5.4	2.6	(1.1)	2.6	2.9	3.1	2.4	1.4	3.2	3.8
	Fiscal Year	174,772.0	184,002.0	191,234.1	192,608.6	193,463.8	199,960.1	205,369.4	211,552.8	214,737.7	220,085.5	227,299.5
	% Change	6.4	5.3	3.9	0.7	0.4	3.4	2.7	3.0	1.5	2.5	3.3
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	Calendar Year	65,691.9	71,737.5	72,976.3	66,182.3	66,191.7	73,176.0	77,308.8	79,949.3	82,057.4	83,065.4	85,449.7
	% Change	12.8	9.2	1.7	(9.3)	0.0	10.6	5.6	3.4	2.6	1.2	2.9
	Fiscal Year	61,972.2	68,782.3	73,185.7	70,141.4	64,914.5	69,652.4	75,176.6	78,757.5	81,456.8	82,403.6	84,032.3
	% Change	11.9	11.0	6.4	(4.2)	(7.5)	7.3	7.9	4.8	3.4	1.2	2.0
Virginia Total Proprietor's Income, Millions \$, SAAR	Calendar Year	21,569.1	20,052.1	19,843.3	18,559.6	20,463.6	23,467.2	25,614.7	27,213.7	27,566.1	27,755.2	27,942.4
	% Change	6.6	(7.0)	(1.0)	(6.5)	10.3	14.7	9.2	6.2	1.3	0.7	0.7
	Fiscal Year	21,303.7	20,810.3	19,802.6	19,012.1	19,614.1	21,795.7	24,723.6	26,380.5	27,412.3	27,747.8	27,821.4
	% Change	9.4	(2.3)	(4.8)	(4.0)	3.2	11.1	13.4	6.7	3.9	1.2	0.3

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total U.S. Employment, Millions, SA	Calendar Year	114.3	117.3	119.7	122.8	126.0	129.1	131.9	131.9	130.4	130.1	131.5	133.7
	% Change	3.1	2.6	2.0	2.6	2.6	2.4	2.2	0.0	(1.1)	(0.3)	1.1	1.7
	Fiscal Year	112.5	116.1	118.4	121.3	124.5	127.5	130.7	132.3	131.0	130.2	130.6	132.5
	% Change	2.6	3.2	2.0	2.4	2.7	2.5	2.5	1.3	(1.0)	(0.6)	0.3	1.5
Virginia Total Nonag. Employment, Thousands, SA	Calendar Year	3,003.4	3,069.7	3,135.6	3,231.9	3,319.6	3,412.3	3,516.5	3,519.4	3,496.6	3,499.0	3,584.6	3,664.2
	% Change	2.9	2.2	2.1	3.1	2.7	2.8	3.1	0.1	(0.6)	0.1	2.4	2.2
	Fiscal Year	2,958.8	3,045.0	3,092.4	3,188.8	3,270.8	3,369.8	3,463.4	3,535.1	3,501.7	3,492.0	3,536.3	3,626.1
	% Change	2.7	2.9	1.6	3.1	2.6	3.0	2.8	2.1	(0.9)	(0.3)	1.3	2.5
CPI, All Urban, 1982-1984=1.0, SA	Calendar Year	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0
	% Change	2.6	2.8	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.7	3.4
	Fiscal Year	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.8	1.8	1.8	1.9	1.9
	% Change	2.6	2.8	2.7	2.8	1.8	1.7	2.9	3.4	1.8	2.2	2.2	3.0
Refiner's Acquisition Cost of Oil, \$ per Barrel	Calendar Year	15.5	17.2	20.7	19.1	12.5	17.4	28.2	23.0	24.0	28.6	36.9	50.3
	Change	(0.9)	1.7	3.5	(1.6)	(6.5)	4.9	10.8	(5.3)	1.1	4.6	8.3	13.4
	Fiscal Year	14.8	17.1	18.2	21.0	15.7	12.6	24.2	27.2	21.4	27.6	30.8	42.6
	Change	(3.7)	2.4	1.1	2.8	(5.2)	(3.2)	11.7	3.0	(5.8)	6.2	3.2	11.8
Before-Tax Corporate Profits, Billions \$, SAAR	Calendar Year	601.7	685.3	738.8	796.9	728.1	766.2	747.1	690.7	788.9	969.5	1,254.6	1,653.3
	% Change	18.9	13.9	7.8	7.9	(8.6)	5.2	(2.5)	(7.6)	14.2	22.9	29.4	31.8
	Fiscal Year	549.8	652.0	715.9	760.2	775.7	738.8	771.8	727.8	685.6	890.0	1,113.7	1,448.5
	% Change	16.6	18.6	9.8	6.2	2.0	(4.8)	4.5	(5.7)	(5.8)	29.8	25.1	30.1
S&P 500 Stock Market Index, Level	Calendar Year	460.3	541.6	670.8	872.7	1,084.3	1,326.1	1,426.8	1,192.1	995.6	963.7	1,130.6	1,207.1
	% Change	2.0	17.7	23.9	30.1	24.2	22.3	7.6	(16.4)	(16.5)	(3.2)	17.3	6.8
	Fiscal Year	459.6	481.2	614.7	749.3	1,003.0	1,198.8	1,395.4	1,337.4	1,114.9	895.1	1,078.3	1,160.0
	% Change	6.3	4.7	27.7	21.9	33.8	19.5	16.4	(4.2)	(16.6)	(19.7)	20.5	7.6
30-Year Treasury Bonds, Level	Calendar Year	7.4	6.9	6.7	6.6	5.6	5.9	5.9	5.5	5.4	5.1	5.1	4.6
	Change	0.8	(0.5)	(0.2)	(0.1)	(1.0)	0.3	0.1	(0.4)	(0.1)	(0.4)	0.1	(0.6)
	Fiscal Year	6.6	7.5	6.5	6.8	6.1	5.4	6.1	5.7	5.5	5.0	5.2	4.8
	Change	(0.6)	0.9	(1.0)	0.3	(0.7)	(0.7)	0.7	(0.5)	(0.1)	(0.5)	0.2	(0.4)

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History							October Standard Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total U.S. Employment, Millions, SA	Calendar Year	136.1	137.6	136.8	130.9	129.9	131.5	133.7	135.9	138.3	140.7	143.3
	% Change	1.8	1.1	(0.6)	(4.4)	(0.7)	1.2	1.7	1.6	1.7	1.8	1.8
	Fiscal Year	135.0	137.0	137.8	134.0	129.7	130.6	132.6	134.8	137.0	139.5	142.0
	% Change	1.9	1.5	0.6	(2.8)	(3.2)	0.6	1.6	1.6	1.7	1.8	1.8
Virginia Total Nonag. Employment, Thousands, SA	Calendar Year	3,729.4	3,766.2	3,768.7	3,646.0	3,641.4	3,687.1	3,730.5	3,778.1	3,822.7	3,885.8	3,954.7
	% Change	1.8	1.0	0.1	(3.3)	(0.1)	1.3	1.2	1.3	1.2	1.7	1.8
	Fiscal Year	3,703.5	3,749.5	3,775.0	3,711.8	3,626.4	3,664.9	3,710.1	3,756.5	3,794.3	3,855.2	3,918.9
	% Change	2.1	1.2	0.7	(1.7)	(2.3)	1.1	1.2	1.3	1.0	1.6	1.7
CPI, All Urban, 1982-1984=1.0, SA	Calendar Year	2.0	2.1	2.2	2.1	2.2	2.2	2.3	2.3	2.4	2.4	2.5
	% Change	3.2	2.9	3.8	(0.3)	1.6	3.1	2.1	1.5	1.6	1.7	1.9
	Fiscal Year	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.4	2.4
	% Change	3.8	2.6	3.7	1.4	1.0	2.0	2.9	1.7	1.5	1.7	1.8
Refiner's Acquisition Cost of Oil, \$ per Barrel	Calendar Year	60.1	68.0	94.3	59.2	76.7	101.8	101.0	101.9	98.6	95.1	94.7
	Change	9.8	7.9	26.3	(35.1)	17.5	25.1	(0.8)	0.9	(3.3)	(3.5)	(0.4)
	Fiscal Year	58.1	59.1	90.9	66.5	72.7	89.4	103.6	98.8	101.5	96.5	95.0
	Change	15.5	1.0	31.8	(24.4)	6.2	16.7	14.2	(4.7)	2.6	(5.0)	(1.5)
Before-Tax Corporate Profits, Billions \$, SAAR	Calendar Year	1,851.4	1,748.4	1,382.4	1,468.2	1,834.8	1,847.4	2,190.0	2,219.1	2,492.8	2,513.7	2,518.0
	% Change	12.0	(5.6)	(20.9)	6.2	25.0	0.7	18.5	1.3	12.3	0.8	0.2
	Fiscal Year	1,775.3	1,820.0	1,642.9	1,251.5	1,709.7	1,851.9	2,017.2	2,217.7	2,344.5	2,504.7	2,521.2
	% Change	22.6	2.5	(9.7)	(23.8)	36.6	8.3	8.9	9.9	5.7	6.8	0.7
S&P 500 Stock Market Index, Level	Calendar Year	1,310.7	1,476.7	1,220.9	946.7	1,139.3	1,268.9	1,379.6	1,624.3	1,729.2	1,797.1	1,874.6
	% Change	8.6	12.7	(17.3)	(22.5)	20.3	11.4	8.7	17.7	6.5	3.9	4.3
	Fiscal Year	1,254.9	1,399.9	1,426.7	965.8	1,085.6	1,230.5	1,287.9	1,486.2	1,701.0	1,760.7	1,836.8
	% Change	8.2	11.6	1.9	(32.3)	12.4	13.4	4.7	15.4	14.5	3.5	4.3
30-Year Treasury Bonds, Level	Calendar Year	4.9	4.8	4.3	4.1	4.3	3.9	2.9	3.4	3.9	4.2	4.6
	Change	0.3	(0.0)	(0.6)	(0.2)	0.2	(0.3)	(1.0)	0.5	0.5	0.3	0.4
	Fiscal Year	4.7	4.9	4.6	3.9	4.4	4.2	3.2	3.0	3.8	4.0	4.4
	Change	(0.1)	0.2	(0.2)	(0.7)	0.5	(0.2)	(1.0)	(0.2)	0.8	0.2	0.4

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total U.S. Employment, Millions, SA	Calendar Year	136.1	137.6	136.8	130.9	129.9	131.5	133.7	135.8	136.8	137.7	139.5
	% Change	1.8	1.1	(0.6)	(4.4)	(0.7)	1.2	1.7	1.6	0.7	0.7	1.3
	Fiscal Year	135.0	137.0	137.8	134.0	129.7	130.6	132.6	134.8	136.4	137.1	138.5
	% Change	1.9	1.5	0.6	(2.8)	(3.2)	0.6	1.6	1.6	1.2	0.5	1.0
Virginia Total Nonag. Employment, Thousands, SA	Calendar Year	3,729.4	3,766.2	3,768.7	3,646.0	3,641.4	3,687.1	3,730.5	3,775.7	3,776.7	3,798.4	3,842.9
	% Change	1.8	1.0	0.1	(3.3)	(0.1)	1.3	1.2	1.2	0.0	0.6	1.2
	Fiscal Year	3,703.5	3,749.5	3,775.0	3,711.8	3,626.4	3,664.9	3,710.1	3,756.5	3,775.2	3,786.3	3,816.8
	% Change	2.1	1.2	0.7	(1.7)	(2.3)	1.1	1.2	1.3	0.5	0.3	0.8
CPI, All Urban, 1982-1984=1.0, SA	Calendar Year	2.0	2.1	2.2	2.1	2.2	2.2	2.3	2.3	2.4	2.4	2.5
	% Change	3.2	2.9	3.8	(0.3)	1.6	3.1	2.1	1.3	1.1	2.0	2.6
	Fiscal Year	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.4	2.4
	% Change	3.8	2.6	3.7	1.4	1.0	2.0	2.9	1.7	1.0	1.5	2.5
Refiner's Acquisition Cost of Oil, \$ per Barrel	Calendar Year	60.1	68.0	94.3	59.2	76.7	101.8	101.0	100.1	91.4	96.5	106.5
	Change	9.8	7.9	26.3	(35.1)	17.5	25.1	(0.8)	(0.9)	(8.7)	5.1	10.0
	Fiscal Year	58.1	59.1	90.9	66.5	72.7	89.4	103.6	98.8	95.6	92.4	102.5
	Change	15.5	1.0	31.8	(24.4)	6.2	16.7	14.2	(4.7)	(3.2)	(3.2)	10.1
Before-Tax Corporate Profits, Billions \$, SAAR	Calendar Year	1,851.4	1,748.4	1,382.4	1,468.2	1,834.8	1,847.4	2,190.0	2,193.6	2,336.5	2,320.0	2,328.6
	% Change	12.0	(5.6)	(20.9)	6.2	25.0	0.7	18.5	0.2	6.5	(0.7)	0.4
	Fiscal Year	1,775.3	1,820.0	1,642.9	1,251.5	1,709.7	1,851.9	2,017.2	2,217.7	2,259.1	2,311.7	2,332.1
	% Change	22.6	2.5	(9.7)	(23.8)	36.6	8.3	8.9	9.9	1.9	2.3	0.9
S&P 500 Stock Market Index, Level	Calendar Year	1,310.7	1,476.7	1,220.9	946.7	1,139.3	1,268.9	1,379.6	1,590.0	1,532.3	1,619.3	1,697.4
	% Change	8.6	12.7	(17.3)	(22.5)	20.3	11.4	8.7	15.3	(3.6)	5.7	4.8
	Fiscal Year	1,254.9	1,399.9	1,426.7	965.8	1,085.6	1,230.5	1,287.9	1,486.2	1,560.0	1,581.6	1,659.4
	% Change	8.2	11.6	1.9	(32.3)	12.4	13.4	4.7	15.4	5.0	1.4	4.9
30-Year Treasury Bonds, Level	Calendar Year	4.9	4.8	4.3	4.1	4.3	3.9	2.9	3.3	3.1	3.5	4.0
	Change	0.3	(0.0)	(0.6)	(0.2)	0.2	(0.3)	(1.0)	0.4	(0.3)	0.5	0.4
	Fiscal Year	4.7	4.9	4.6	3.9	4.4	4.2	3.2	3.0	3.3	3.3	3.8
	Change	(0.1)	0.2	(0.2)	(0.7)	0.5	(0.2)	(1.0)	(0.2)	0.3	0.0	0.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Construction and Mining Thousands, SA	Calendar Year	175.7	182.5	189.5	201.5	203.7	210.5	221.6	228.4	224.9	227.6	241.1	254.2
	% Change	5.1	3.9	3.8	6.3	1.1	3.3	5.3	3.1	(1.5)	1.2	5.9	5.4
	Fiscal Year	170.9	180.2	184.1	197.5	201.1	208.4	215.2	226.3	226.7	224.1	234.5	247.7
	% Change	5.1	5.5	2.1	7.3	1.8	3.6	3.3	5.2	0.2	(1.1)	4.7	5.6
Manufacturing Thousands, SA	Calendar Year	370.8	373.1	370.9	374.5	375.6	366.9	363.6	341.3	320.1	305.0	298.7	295.8
	% Change	0.1	0.6	(0.6)	1.0	0.3	(2.3)	(0.9)	(6.1)	(6.2)	(4.7)	(2.1)	(1.0)
	Fiscal Year	369.7	373.2	371.7	372.0	376.0	370.6	366.7	354.6	328.4	313.8	299.3	298.0
	% Change	(0.3)	1.0	(0.4)	0.1	1.1	(1.4)	(1.1)	(3.3)	(7.4)	(4.4)	(4.6)	(0.4)
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	578.8	586.1	599.0	609.3	618.7	637.0	650.7	644.8	636.5	635.2	646.5	657.2
	% Change	3.8	1.2	2.2	1.7	1.5	3.0	2.2	(0.9)	(1.3)	(0.2)	1.8	1.7
	Fiscal Year	569.1	583.6	590.8	605.0	612.9	628.6	644.1	650.6	639.4	634.1	641.3	651.6
	% Change	3.6	2.5	1.2	2.4	1.3	2.6	2.5	1.0	(1.7)	(0.8)	1.1	1.6
Financial Activities Thousands, SA	Calendar Year	149.6	148.6	153.0	158.6	165.2	173.4	178.9	179.9	182.2	186.5	189.0	192.5
	% Change	4.6	(0.7)	2.9	3.7	4.1	5.0	3.2	0.6	1.2	2.4	1.4	1.8
	Fiscal Year	147.3	149.1	150.4	156.2	160.9	170.1	175.7	180.3	180.7	184.2	187.6	190.8
	% Change	5.2	1.3	0.8	3.9	3.0	5.7	3.3	2.6	0.2	1.9	1.8	1.7
Professional and Business Services Thousands, SA	Calendar Year	396.4	425.2	447.8	470.9	507.7	538.5	567.9	559.5	547.0	549.3	578.5	606.0
	% Change	4.7	7.3	5.3	5.1	7.8	6.1	5.5	(1.5)	(2.2)	0.4	5.3	4.8
	Fiscal Year	385.7	411.9	435.5	460.5	488.1	524.2	552.7	569.2	552.0	545.2	561.4	593.6
	% Change	4.8	6.8	5.7	5.7	6.0	7.4	5.4	3.0	(3.0)	(1.2)	3.0	5.7
Education and Health Services Thousands, SA	Calendar Year	275.8	284.4	293.5	307.8	315.5	325.5	332.3	347.6	364.0	371.5	382.1	393.6
	% Change	3.0	3.1	3.2	4.8	2.5	3.2	2.1	4.6	4.7	2.0	2.9	3.0
	Fiscal Year	271.2	280.5	288.0	301.1	311.9	320.7	328.2	339.6	356.0	368.6	376.5	387.2
	% Change	2.5	3.4	2.7	4.5	3.6	2.8	2.3	3.5	4.8	3.5	2.1	2.8
Leisure and Hospitality Thousands, SA	Calendar Year	254.2	266.1	270.5	278.6	281.8	287.1	297.1	301.2	303.9	308.5	320.1	329.4
	% Change	4.3	4.7	1.6	3.0	1.2	1.9	3.5	1.4	0.9	1.5	3.8	2.9
	Fiscal Year	248.0	261.2	267.9	275.4	279.4	284.9	291.9	300.1	301.3	305.9	314.3	325.1
	% Change	3.4	5.3	2.6	2.8	1.5	2.0	2.4	2.8	0.4	1.5	2.8	3.4
Government Thousands, SA	Calendar Year	603.2	597.5	596.2	596.6	602.0	611.2	624.6	629.2	634.9	637.5	651.0	661.9
	% Change	0.9	(0.9)	(0.2)	0.1	0.9	1.5	2.2	0.7	0.9	0.4	2.1	1.7
	Fiscal Year	601.1	602.5	594.6	597.2	597.8	606.1	618.5	627.6	631.5	636.0	643.6	656.6
	% Change	1.3	0.2	(1.3)	0.4	0.1	1.4	2.0	1.5	0.6	0.7	1.2	2.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia		History							October Standard Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Construction and Mining Thousands, SA	Calendar Year	260.0	250.7	234.1	200.6	193.4	189.4	187.7	196.4	199.1	209.3	221.6
	% Change	2.3	(3.6)	(6.6)	(14.3)	(3.6)	(2.0)	(0.9)	4.6	1.4	5.1	5.9
	Fiscal Year	260.0	255.9	243.6	216.9	194.2	192.1	188.5	191.6	196.7	203.9	215.6
	% Change	4.9	(1.6)	(4.8)	(10.9)	(10.5)	(1.1)	(1.9)	1.7	2.6	3.6	5.8
Manufacturing Thousands, SA	Calendar Year	288.1	277.8	264.8	239.4	230.5	231.0	231.4	231.5	234.8	238.7	243.0
	% Change	(2.6)	(3.6)	(4.7)	(9.6)	(3.7)	0.2	0.2	0.0	1.4	1.6	1.8
	Fiscal Year	292.7	282.9	271.6	252.5	233.1	230.0	231.6	231.8	232.4	236.3	241.5
	% Change	(1.8)	(3.4)	(4.0)	(7.0)	(7.7)	(1.3)	0.7	0.1	0.3	1.7	2.2
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	663.0	668.1	659.2	624.4	621.2	628.7	632.8	642.7	647.2	650.6	656.2
	% Change	0.9	0.8	(1.3)	(5.3)	(0.5)	1.2	0.7	1.6	0.7	0.5	0.9
	Fiscal Year	661.3	665.5	666.3	642.0	618.8	625.4	631.2	637.8	644.5	648.9	653.0
	% Change	1.5	0.6	0.1	(3.7)	(3.6)	1.1	0.9	1.1	1.0	0.7	0.6
Financial Activities Thousands, SA	Calendar Year	194.8	193.6	188.6	179.9	179.1	182.6	187.7	191.8	190.1	190.4	189.8
	% Change	1.2	(0.6)	(2.6)	(4.6)	(0.5)	2.0	2.8	2.2	(0.8)	0.1	(0.3)
	Fiscal Year	194.0	195.1	191.1	184.5	178.1	180.6	185.1	191.1	190.1	190.5	190.3
	% Change	1.7	0.6	(2.1)	(3.4)	(3.5)	1.4	2.5	3.2	(0.5)	0.2	(0.1)
Professional and Business Services Thousands, SA	Calendar Year	628.5	646.3	657.0	640.1	650.3	667.5	677.5	681.1	693.3	716.5	734.6
	% Change	3.7	2.8	1.7	(2.6)	1.6	2.6	1.5	0.5	1.8	3.3	2.5
	Fiscal Year	618.6	637.6	653.3	649.8	641.3	660.1	673.3	679.0	685.4	705.3	725.4
	% Change	4.2	3.1	2.5	(0.5)	(1.3)	2.9	2.0	0.8	0.9	2.9	2.9
Education and Health Services Thousands, SA	Calendar Year	408.3	425.4	445.0	453.0	460.3	466.8	479.1	485.9	495.8	502.5	515.0
	% Change	3.7	4.2	4.6	1.8	1.6	1.4	2.6	1.4	2.0	1.4	2.5
	Fiscal Year	400.9	415.9	436.7	449.8	455.1	464.9	472.2	483.0	491.2	499.1	507.9
	% Change	3.5	3.7	5.0	3.0	1.2	2.1	1.6	2.3	1.7	1.6	1.8
Leisure and Hospitality Thousands, SA	Calendar Year	338.8	345.3	349.3	341.6	341.3	349.2	359.1	367.6	367.9	373.8	376.9
	% Change	2.8	1.9	1.2	(2.2)	(0.1)	2.3	2.8	2.4	0.1	1.6	0.8
	Fiscal Year	334.4	342.4	348.6	345.0	339.5	345.5	354.3	365.2	365.8	371.6	375.1
	% Change	2.9	2.4	1.8	(1.0)	(1.6)	1.8	2.5	3.1	0.2	1.6	1.0
Government Thousands, SA	Calendar Year	674.8	683.0	694.4	700.0	704.7	710.3	712.7	713.4	720.1	731.3	742.4
	% Change	2.0	1.2	1.7	0.8	0.7	0.8	0.3	0.1	0.9	1.6	1.5
	Fiscal Year	668.5	679.4	687.5	698.9	703.4	705.6	711.9	715.3	713.6	726.3	736.4
	% Change	1.8	1.6	1.2	1.7	0.6	0.3	0.9	0.5	(0.2)	1.8	1.4

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Construction and Mining Thousands, SA	Calendar Year	260.0	250.7	234.1	200.6	193.4	189.4	187.7	196.2	191.1	187.8	192.8
	% Change	2.3	(3.6)	(6.6)	(14.3)	(3.6)	(2.0)	(0.9)	4.5	(2.6)	(1.8)	2.7
	Fiscal Year	260.0	255.9	243.6	216.9	194.2	192.1	188.5	191.6	194.2	189.0	189.3
	% Change	4.9	(1.6)	(4.8)	(10.9)	(10.5)	(1.1)	(1.9)	1.7	1.3	(2.7)	0.2
Manufacturing Thousands, SA	Calendar Year	288.1	277.8	264.8	239.4	230.5	231.0	231.4	231.5	230.3	228.9	233.8
	% Change	(2.6)	(3.6)	(4.7)	(9.6)	(3.7)	0.2	0.2	0.0	(0.5)	(0.6)	2.1
	Fiscal Year	292.7	282.9	271.6	252.5	233.1	230.0	231.6	231.8	231.1	228.3	231.6
	% Change	(1.8)	(3.4)	(4.0)	(7.0)	(7.7)	(1.3)	0.7	0.1	(0.3)	(1.2)	1.4
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	663.0	668.1	659.2	624.4	621.2	628.7	632.8	642.2	639.1	637.9	639.9
	% Change	0.9	0.8	(1.3)	(5.3)	(0.5)	1.2	0.7	1.5	(0.5)	(0.2)	0.3
	Fiscal Year	661.3	665.5	666.3	642.0	618.8	625.4	631.2	637.8	641.0	638.0	638.7
	% Change	1.5	0.6	0.1	(3.7)	(3.6)	1.1	0.9	1.1	0.5	(0.5)	0.1
Financial Activities Thousands, SA	Calendar Year	194.8	193.6	188.6	179.9	179.1	182.6	187.7	190.7	182.8	181.4	177.8
	% Change	1.2	(0.6)	(2.6)	(4.6)	(0.5)	2.0	2.8	1.6	(4.1)	(0.8)	(2.0)
	Fiscal Year	194.0	195.1	191.1	184.5	178.1	180.6	185.1	191.1	185.0	183.3	179.3
	% Change	1.7	0.6	(2.1)	(3.4)	(3.5)	1.4	2.5	3.2	(3.2)	(0.9)	(2.2)
Professional and Business Services Thousands, SA	Calendar Year	628.5	646.3	657.0	640.1	650.3	667.5	677.5	680.4	676.6	685.6	699.5
	% Change	3.7	2.8	1.7	(2.6)	1.6	2.6	1.5	0.4	(0.6)	1.3	2.0
	Fiscal Year	618.6	637.6	653.3	649.8	641.3	660.1	673.3	679.0	679.3	679.6	691.5
	% Change	4.2	3.1	2.5	(0.5)	(1.3)	2.9	2.0	0.8	0.0	0.0	1.8
Education and Health Services Thousands, SA	Calendar Year	408.3	425.4	445.0	453.0	460.3	466.8	479.1	485.8	497.1	506.0	516.3
	% Change	3.7	4.2	4.6	1.8	1.6	1.4	2.6	1.4	2.3	1.8	2.0
	Fiscal Year	400.9	415.9	436.7	449.8	455.1	464.9	472.2	483.0	491.3	502.0	510.7
	% Change	3.5	3.7	5.0	3.0	1.2	2.1	1.6	2.3	1.7	2.2	1.7
Leisure and Hospitality Thousands, SA	Calendar Year	338.8	345.3	349.3	341.6	341.3	349.2	359.1	367.9	369.5	373.6	374.1
	% Change	2.8	1.9	1.2	(2.2)	(0.1)	2.3	2.8	2.5	0.4	1.1	0.1
	Fiscal Year	334.4	342.4	348.6	345.0	339.5	345.5	354.3	365.2	366.9	372.7	373.6
	% Change	2.9	2.4	1.8	(1.0)	(1.6)	1.8	2.5	3.1	0.5	1.6	0.2
Government Thousands, SA	Calendar Year	674.8	683.0	694.4	700.0	704.7	710.3	712.7	713.4	713.8	722.9	735.9
	% Change	2.0	1.2	1.7	0.8	0.7	0.8	0.3	0.1	0.1	1.3	1.8
	Fiscal Year	668.5	679.4	687.5	698.9	703.4	705.6	711.9	715.3	711.3	717.9	728.9
	% Change	1.8	1.6	1.2	1.7	0.6	0.3	0.9	0.5	(0.6)	0.9	1.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Northern Virginia													
Total Nonagricultural Employment Thousands, SA	Calendar Year	880.7	908.7	942.5	978.8	1,019.5	1,075.7	1,144.6	1,162.1	1,151.2	1,166.7	1,219.5	1,263.7
	% Change	3.5	3.2	3.7	3.9	4.2	5.5	6.4	1.5	(0.9)	1.3	4.5	3.6
	Fiscal Year	865.0	897.2	921.7	962.5	997.8	1,044.8	1,111.2	1,162.3	1,155.2	1,152.2	1,193.1	1,242.1
	% Change	3.5	3.7	2.7	4.4	3.7	4.7	6.3	4.6	(0.6)	(0.3)	3.5	4.1
Construction and Mining Thousands, SA	Calendar Year	52.4	53.1	55.6	59.2	61.9	66.7	73.4	78.6	78.0	78.3	85.5	92.3
	% Change	6.8	1.3	4.7	6.5	4.6	7.7	10.1	7.1	(0.7)	0.4	9.2	8.0
	Fiscal Year	51.0	53.2	53.6	57.9	60.0	64.4	70.0	76.6	78.5	77.0	82.1	88.8
	% Change	8.6	4.4	0.7	8.0	3.7	7.2	8.8	9.4	2.5	(2.0)	6.7	8.1
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	168.2	170.9	174.6	177.4	182.2	190.6	196.9	198.1	197.0	197.6	204.5	210.3
	% Change	3.3	1.6	2.2	1.6	2.7	4.6	3.3	0.6	(0.6)	0.3	3.5	2.9
	Fiscal Year	165.2	170.4	172.1	175.9	180.0	186.0	194.2	198.4	197.1	196.8	200.7	208.3
	% Change	3.2	3.2	1.0	2.2	2.3	3.3	4.4	2.2	(0.6)	(0.1)	2.0	3.8
Financial Activities Thousands, SA	Calendar Year	53.7	51.6	53.2	55.6	58.5	60.3	62.3	62.9	65.0	65.9	67.0	69.0
	% Change	3.9	(3.8)	3.0	4.6	5.2	3.0	3.3	1.0	3.4	1.4	1.7	3.0
	Fiscal Year	53.6	52.6	51.9	54.4	56.9	59.5	61.3	62.6	63.8	65.5	66.3	68.0
	% Change	8.2	(1.8)	(1.3)	4.9	4.5	4.7	3.0	2.1	2.0	2.6	1.2	2.6
Professional and Business Services Thousands, SA	Calendar Year	180.6	193.5	208.7	220.3	239.3	261.7	284.4	285.6	276.4	282.9	306.1	322.5
	% Change	4.4	7.2	7.9	5.6	8.6	9.4	8.7	0.4	(3.2)	2.4	8.2	5.4
	Fiscal Year	176.2	187.1	199.9	215.8	229.2	249.8	273.4	288.8	280.3	276.6	294.1	315.3
	% Change	4.4	6.1	6.9	7.9	6.2	9.0	9.5	5.6	(2.9)	(1.3)	6.3	7.2
Education and Health Services Thousands, SA	Calendar Year	70.7	73.3	75.6	80.3	83.3	87.3	93.5	98.7	102.6	104.7	107.6	112.9
	% Change	5.4	3.7	3.1	6.3	3.7	4.8	7.1	5.5	3.9	2.1	2.7	5.0
	Fiscal Year	68.9	72.3	74.1	77.9	82.1	85.1	90.3	96.0	100.9	104.0	105.6	110.4
	% Change	5.2	5.0	2.5	5.1	5.5	3.6	6.1	6.4	5.0	3.1	1.5	4.6
Leisure and Hospitality Thousands, SA	Calendar Year	78.8	82.4	83.3	86.8	87.6	90.4	96.1	97.9	100.1	102.7	107.6	110.4
	% Change	5.6	4.5	1.1	4.3	0.9	3.1	6.3	2.0	2.2	2.6	4.7	2.6
	Fiscal Year	76.4	81.3	82.5	85.4	87.0	88.9	93.3	97.3	98.7	101.2	105.2	109.4
	% Change	4.4	6.3	1.5	3.5	1.9	2.2	4.9	4.4	1.4	2.5	4.0	4.0
Government Thousands, SA	Calendar Year	167.8	169.2	169.3	167.5	166.7	170.1	175.3	178.9	183.7	190.4	197.5	202.8
	% Change	1.1	0.8	0.0	(1.0)	(0.5)	2.0	3.1	2.0	2.7	3.6	3.8	2.7
	Fiscal Year	166.7	169.0	169.3	168.8	166.2	167.9	173.4	176.8	181.4	186.3	194.5	200.0
	% Change	0.5	1.4	0.2	(0.3)	(1.6)	1.0	3.3	2.0	2.6	2.7	4.4	2.8

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Northern Virginia		History							October Standard Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	1,294.2	1,310.1	1,313.6	1,292.0	1,304.2	1,330.8	1,358.4	1,388.5	1,409.9	1,433.9	1,460.5
	% Change	2.4	1.2	0.3	(1.6)	0.9	2.0	2.1	2.2	1.5	1.7	1.9
	Fiscal Year	1,283.2	1,303.3	1,313.8	1,302.2	1,293.4	1,318.6	1,344.1	1,372.6	1,399.8	1,422.8	1,446.0
	% Change	3.3	1.6	0.8	(0.9)	(0.7)	2.0	1.9	2.1	2.0	1.6	1.6
Construction and Mining Thousands, SA	Calendar Year	95.0	87.5	79.3	68.9	67.2	66.8	67.3	70.4	71.8	71.6	73.4
	% Change	2.9	(7.9)	(9.3)	(13.2)	(2.4)	(0.6)	0.7	4.7	1.9	(0.2)	2.5
	Fiscal Year	95.4	91.5	83.5	73.6	67.1	67.1	67.2	68.7	71.1	71.8	72.0
	% Change	7.4	(4.0)	(8.8)	(11.8)	(8.9)	0.1	0.1	2.1	3.6	1.0	0.3
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	208.7	209.3	207.7	197.7	197.5	201.3	203.8	206.9	208.2	209.5	211.5
	% Change	(0.8)	0.3	(0.8)	(4.8)	(0.1)	2.0	1.2	1.5	0.6	0.6	1.0
	Fiscal Year	209.6	208.8	209.4	202.4	196.2	199.8	202.6	205.8	207.0	208.9	210.3
	% Change	0.6	(0.4)	0.3	(3.3)	(3.0)	1.8	1.4	1.6	0.6	0.9	0.7
Financial Activities Thousands, SA	Calendar Year	69.9	68.9	66.5	64.0	64.4	65.1	66.4	69.4	69.0	69.3	69.3
	% Change	1.3	(1.5)	(3.5)	(3.7)	0.6	1.0	2.1	4.5	(0.6)	0.4	0.1
	Fiscal Year	69.8	69.8	67.5	65.0	63.9	64.9	65.6	68.1	69.0	69.3	69.4
	% Change	2.7	(0.0)	(3.2)	(3.7)	(1.7)	1.5	1.1	3.9	1.4	0.4	0.1
Professional and Business Services Thousands, SA	Calendar Year	336.5	347.1	354.6	355.0	363.3	373.6	383.0	385.7	392.4	403.5	411.9
	% Change	4.3	3.1	2.2	0.1	2.4	2.8	2.5	0.7	1.7	2.8	2.1
	Fiscal Year	330.1	342.2	351.3	355.0	357.6	369.1	379.0	384.6	388.0	398.3	407.6
	% Change	4.7	3.7	2.7	1.0	0.7	3.2	2.7	1.5	0.9	2.6	2.4
Education and Health Services Thousands, SA	Calendar Year	116.3	119.9	124.1	128.5	132.5	138.0	142.2	142.4	145.7	148.2	152.8
	% Change	3.0	3.1	3.5	3.6	3.2	4.1	3.0	0.1	2.3	1.7	3.1
	Fiscal Year	114.5	118.2	121.9	126.1	130.8	135.2	140.1	142.3	144.1	146.9	150.2
	% Change	3.7	3.2	3.2	3.4	3.7	3.4	3.6	1.6	1.3	1.9	2.2
Leisure and Hospitality Thousands, SA	Calendar Year	111.9	114.6	117.2	114.6	115.4	119.9	124.7	130.4	129.5	131.8	132.9
	% Change	1.4	2.4	2.3	(2.2)	0.7	3.8	4.1	4.6	(0.7)	1.7	0.9
	Fiscal Year	111.0	113.1	116.4	115.9	114.3	117.9	122.3	128.1	129.6	130.8	132.3
	% Change	1.5	1.9	2.9	(0.4)	(1.4)	3.2	3.7	4.8	1.2	0.9	1.1
Government Thousands, SA	Calendar Year	209.3	214.6	218.6	224.0	229.0	231.0	235.8	241.3	243.0	249.5	255.8
	% Change	3.2	2.6	1.8	2.5	2.3	0.9	2.1	2.4	0.7	2.7	2.5
	Fiscal Year	206.5	212.0	216.4	221.3	227.0	229.7	232.4	240.3	240.7	246.6	252.5
	% Change	3.3	2.6	2.1	2.3	2.6	1.2	1.2	3.4	0.2	2.4	2.4

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Northern Virginia		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	1,294.2	1,310.1	1,313.6	1,292.0	1,304.2	1,330.8	1,358.4	1,387.3	1,392.3	1,399.6	1,414.8
	% Change	2.4	1.2	0.3	(1.6)	0.9	2.0	2.1	2.1	0.4	0.5	1.1
	Fiscal Year	1,283.2	1,303.3	1,313.8	1,302.2	1,293.4	1,318.6	1,344.1	1,372.6	1,392.0	1,396.6	1,404.8
	% Change	3.3	1.6	0.8	(0.9)	(0.7)	2.0	1.9	2.1	1.4	0.3	0.6
Construction and Mining Thousands, SA	Calendar Year	95.0	87.5	79.3	68.9	67.2	66.8	67.3	70.3	68.4	62.5	61.1
	% Change	2.9	(7.9)	(9.3)	(13.2)	(2.4)	(0.6)	0.7	4.6	(2.8)	(8.6)	(2.2)
	Fiscal Year	95.4	91.5	83.5	73.6	67.1	67.1	67.2	68.7	70.0	65.5	60.9
	% Change	7.4	(4.0)	(8.8)	(11.8)	(8.9)	0.1	0.1	2.1	2.0	(6.5)	(7.0)
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	208.7	209.3	207.7	197.7	197.5	201.3	203.8	206.7	205.3	204.8	205.4
	% Change	(0.8)	0.3	(0.8)	(4.8)	(0.1)	2.0	1.2	1.4	(0.7)	(0.2)	0.3
	Fiscal Year	209.6	208.8	209.4	202.4	196.2	199.8	202.6	205.8	205.7	204.9	205.0
	% Change	0.6	(0.4)	0.3	(3.3)	(3.0)	1.8	1.4	1.6	(0.1)	(0.4)	0.0
Financial Activities Thousands, SA	Calendar Year	69.9	68.9	66.5	64.0	64.4	65.1	66.4	68.8	64.6	63.9	62.1
	% Change	1.3	(1.5)	(3.5)	(3.7)	0.6	1.0	2.1	3.5	(6.1)	(1.1)	(2.8)
	Fiscal Year	69.8	69.8	67.5	65.0	63.9	64.9	65.6	68.1	66.0	65.0	62.8
	% Change	2.7	(0.0)	(3.2)	(3.7)	(1.7)	1.5	1.1	3.9	(3.2)	(1.5)	(3.4)
Professional and Business Services Thousands, SA	Calendar Year	336.5	347.1	354.6	355.0	363.3	373.6	383.0	385.5	385.1	389.3	395.2
	% Change	4.3	3.1	2.2	0.1	2.4	2.8	2.5	0.7	(0.1)	1.1	1.5
	Fiscal Year	330.1	342.2	351.3	355.0	357.6	369.1	379.0	384.6	385.4	386.8	391.7
	% Change	4.7	3.7	2.7	1.0	0.7	3.2	2.7	1.5	0.2	0.4	1.3
Education and Health Services Thousands, SA	Calendar Year	116.3	119.9	124.1	128.5	132.5	138.0	142.2	142.3	146.1	149.5	153.3
	% Change	3.0	3.1	3.5	3.6	3.2	4.1	3.0	0.1	2.7	2.3	2.6
	Fiscal Year	114.5	118.2	121.9	126.1	130.8	135.2	140.1	142.3	144.2	148.0	151.2
	% Change	3.7	3.2	3.2	3.4	3.7	3.4	3.6	1.6	1.3	2.6	2.2
Leisure and Hospitality Thousands, SA	Calendar Year	111.9	114.6	117.2	114.6	115.4	119.9	124.7	130.5	130.1	131.7	131.9
	% Change	1.4	2.4	2.3	(2.2)	0.7	3.8	4.1	4.6	(0.3)	1.2	0.1
	Fiscal Year	111.0	113.1	116.4	115.9	114.3	117.9	122.3	128.1	130.0	131.2	131.7
	% Change	1.5	1.9	2.9	(0.4)	(1.4)	3.2	3.7	4.8	1.5	0.9	0.4
Government Thousands, SA	Calendar Year	209.3	214.6	218.6	224.0	229.0	231.0	235.8	241.3	241.2	246.9	254.0
	% Change	3.2	2.6	1.8	2.5	2.3	0.9	2.1	2.3	(0.1)	2.4	2.9
	Fiscal Year	206.5	212.0	216.4	221.3	227.0	229.7	232.4	240.3	240.1	244.0	250.2
	% Change	3.3	2.6	2.1	2.3	2.6	1.2	1.2	3.4	(0.1)	1.6	2.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Hampton Roads		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Nonagricultural Employment Thousands, SA	Calendar Year	630.6	645.6	660.1	677.9	694.0	706.6	720.3	730.5	734.0	737.8	750.0	761.0
	% Change	2.2	2.4	2.2	2.7	2.4	1.8	1.9	1.4	0.5	0.5	1.7	1.5
	Fiscal Year	621.7	639.2	651.6	670.2	684.5	701.4	714.3	725.1	733.2	735.5	743.0	756.0
	% Change	1.4	2.8	1.9	2.9	2.1	2.5	1.8	1.5	1.1	0.3	1.0	1.7
Construction and Mining Thousands, SA	Calendar Year	34.6	37.5	40.6	42.3	42.3	42.9	44.0	46.0	44.7	47.2	48.8	50.0
	% Change	3.0	8.4	8.4	4.1	0.0	1.4	2.6	4.4	(2.8)	5.6	3.4	2.5
	Fiscal Year	33.9	35.9	39.0	41.9	42.1	42.8	43.3	45.1	45.4	45.3	48.3	49.5
	% Change	2.8	5.7	8.9	7.2	0.7	1.7	1.1	4.2	0.7	(0.3)	6.7	2.4
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	121.8	123.5	127.4	129.8	132.6	136.0	138.2	139.5	139.6	136.5	139.5	141.3
	% Change	3.3	1.4	3.2	1.9	2.1	2.6	1.6	1.0	0.1	(2.2)	2.1	1.3
	Fiscal Year	120.0	122.8	124.9	128.9	130.8	134.9	137.0	139.2	139.5	138.4	137.5	140.3
	% Change	2.6	2.3	1.7	3.2	1.5	3.1	1.5	1.6	0.2	(0.8)	(0.6)	2.0
Financial Activities Thousands, SA	Calendar Year	30.6	30.8	31.5	32.3	34.1	36.0	36.5	36.7	36.7	37.6	39.7	39.9
	% Change	5.2	0.4	2.3	2.7	5.7	5.5	1.2	0.6	0.2	2.2	5.6	0.7
	Fiscal Year	29.8	30.9	31.1	32.0	32.9	35.4	36.1	36.7	36.7	37.1	38.6	39.8
	% Change	5.1	3.6	0.8	2.7	3.0	7.4	2.0	1.8	(0.1)	1.1	4.2	3.1
Professional and Business Services Thousands, SA	Calendar Year	70.5	75.7	81.3	86.9	92.6	98.1	98.9	103.0	104.7	104.4	100.3	101.5
	% Change	4.9	7.4	7.4	6.9	6.5	5.9	0.8	4.1	1.6	(0.3)	(3.9)	1.2
	Fiscal Year	68.0	73.5	77.9	84.6	89.3	95.7	99.4	100.1	104.8	104.4	102.0	101.2
	% Change	2.4	8.0	6.1	8.6	5.5	7.2	3.8	0.8	4.6	(0.3)	(2.3)	(0.9)
Education and Health Services Thousands, SA	Calendar Year	62.5	64.0	64.9	66.8	69.0	71.0	72.8	74.2	76.9	78.2	82.1	84.9
	% Change	3.0	2.4	1.4	3.0	3.3	2.8	2.6	1.9	3.7	1.6	5.1	3.3
	Fiscal Year	61.4	63.3	64.3	65.9	68.0	69.9	71.8	73.5	75.6	77.5	80.3	83.3
	% Change	1.8	3.1	1.6	2.4	3.3	2.8	2.6	2.4	2.8	2.6	3.6	3.8
Leisure and Hospitality Thousands, SA	Calendar Year	65.4	67.9	69.5	71.7	72.3	72.9	74.2	76.2	76.5	76.5	79.0	81.9
	% Change	3.5	3.9	2.3	3.2	0.9	0.9	1.7	2.7	0.4	(0.0)	3.2	3.7
	Fiscal Year	64.0	66.9	68.4	70.9	71.8	72.9	73.4	75.4	76.1	76.7	77.4	80.6
	% Change	2.0	4.6	2.2	3.6	1.2	1.5	0.7	2.7	1.0	0.8	0.9	4.1
Government Thousands, SA	Calendar Year	146.7	144.8	142.6	142.6	144.4	144.3	145.8	147.5	149.4	149.4	151.3	151.5
	% Change	(0.3)	(1.3)	(1.5)	0.0	1.2	(0.1)	1.1	1.1	1.3	0.0	1.3	0.1
	Fiscal Year	146.9	145.8	143.8	142.5	143.2	144.4	145.1	146.5	148.6	149.4	150.2	151.4
	% Change	(0.0)	(0.7)	(1.4)	(0.9)	0.5	0.9	0.4	1.0	1.5	0.5	0.5	0.8

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Hampton Roads		History							October Standard Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	767.4	775.4	766.4	740.9	735.2	737.8	743.8	754.3	766.6	780.6	793.2
	% Change	0.8	1.0	(1.2)	(3.3)	(0.8)	0.3	0.8	1.4	1.6	1.8	1.6
	Fiscal Year	765.1	771.4	772.9	754.1	735.5	735.9	740.3	750.1	758.2	774.4	786.6
	% Change	1.2	0.8	0.2	(2.4)	(2.5)	0.1	0.6	1.3	1.1	2.1	1.6
Construction and Mining Thousands, SA	Calendar Year	49.8	48.5	45.3	38.4	36.9	35.2	34.6	36.3	37.4	40.7	44.5
	% Change	(0.3)	(2.6)	(6.6)	(15.3)	(3.9)	(4.7)	(1.7)	5.1	3.1	8.8	9.1
	Fiscal Year	50.2	49.2	47.1	41.9	37.2	36.2	34.6	35.4	36.6	38.9	42.7
	% Change	1.5	(2.2)	(4.1)	(11.2)	(11.2)	(2.5)	(4.5)	2.3	3.5	6.2	9.8
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	142.3	143.6	138.9	129.7	128.9	128.6	128.0	129.9	132.4	133.6	135.0
	% Change	0.7	0.9	(3.3)	(6.6)	(0.6)	(0.3)	(0.4)	1.4	1.9	0.9	1.0
	Fiscal Year	142.1	142.9	142.1	133.9	128.7	129.0	128.2	128.3	131.4	133.1	134.2
	% Change	1.2	0.6	(0.6)	(5.7)	(3.9)	0.2	(0.6)	0.0	2.5	1.3	0.8
Financial Activities Thousands, SA	Calendar Year	40.7	41.5	40.2	37.5	36.4	36.8	37.4	38.8	38.7	38.7	38.4
	% Change	1.9	2.1	(3.3)	(6.7)	(2.8)	1.1	1.4	3.7	(0.2)	(0.0)	(0.6)
	Fiscal Year	40.2	41.4	41.0	39.0	36.6	36.6	37.0	38.3	38.6	38.7	38.6
	% Change	0.9	3.0	(0.9)	(5.0)	(6.2)	0.2	1.0	3.6	0.9	0.1	(0.3)
Professional and Business Services Thousands, SA	Calendar Year	101.9	102.9	104.8	99.7	98.2	98.9	99.3	99.8	102.4	107.6	111.1
	% Change	0.5	0.9	1.9	(4.9)	(1.6)	0.8	0.4	0.5	2.6	5.1	3.3
	Fiscal Year	101.6	102.1	104.2	102.8	98.2	98.7	99.3	99.4	100.4	105.3	109.3
	% Change	0.5	0.5	2.0	(1.3)	(4.5)	0.5	0.7	0.1	1.0	4.9	3.8
Education and Health Services Thousands, SA	Calendar Year	87.3	89.9	91.0	93.1	94.1	97.3	100.1	101.5	103.1	104.4	106.7
	% Change	2.8	3.0	1.2	2.2	1.1	3.4	2.9	1.4	1.6	1.2	2.2
	Fiscal Year	86.2	88.6	90.5	92.2	93.5	95.7	98.7	101.1	102.2	103.8	105.4
	% Change	3.5	2.7	2.2	1.8	1.4	2.4	3.1	2.4	1.2	1.5	1.6
Leisure and Hospitality Thousands, SA	Calendar Year	84.5	85.9	85.9	83.3	83.4	83.4	83.9	85.7	86.5	87.6	88.3
	% Change	3.1	1.7	(0.1)	(3.0)	0.1	(0.0)	0.6	2.2	0.9	1.3	0.8
	Fiscal Year	83.4	85.2	86.5	84.2	83.1	83.5	83.6	85.1	85.6	87.2	87.9
	% Change	3.5	2.2	1.6	(2.8)	(1.3)	0.6	0.1	1.8	0.6	1.8	0.8
Government Thousands, SA	Calendar Year	153.0	155.0	156.8	158.0	159.2	159.5	160.4	160.8	164.4	166.2	166.9
	% Change	1.0	1.4	1.2	0.8	0.7	0.2	0.5	0.3	2.3	1.1	0.4
	Fiscal Year	152.0	154.0	155.8	157.9	158.9	158.7	160.0	161.1	161.9	165.7	166.5
	% Change	0.4	1.3	1.2	1.3	0.6	(0.1)	0.8	0.7	0.5	2.4	0.4

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Hampton Roads		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	767.4	775.4	766.4	740.9	735.2	737.8	743.8	753.8	756.7	763.6	771.9
	% Change	0.8	1.0	(1.2)	(3.3)	(0.8)	0.3	0.8	1.3	0.4	0.9	1.1
	Fiscal Year	765.1	771.4	772.9	754.1	735.5	735.9	740.3	750.1	754.1	760.4	767.1
	% Change	1.2	0.8	0.2	(2.4)	(2.5)	0.1	0.6	1.3	0.5	0.8	0.9
Construction and Mining Thousands, SA	Calendar Year	49.8	48.5	45.3	38.4	36.9	35.2	34.6	36.3	36.0	36.9	39.4
	% Change	(0.3)	(2.6)	(6.6)	(15.3)	(3.9)	(4.7)	(1.7)	5.0	(0.7)	2.5	6.6
	Fiscal Year	50.2	49.2	47.1	41.9	37.2	36.2	34.6	35.4	36.2	36.2	38.1
	% Change	1.5	(2.2)	(4.1)	(11.2)	(11.2)	(2.5)	(4.5)	2.3	2.2	0.2	5.0
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	142.3	143.6	138.9	129.7	128.9	128.6	128.0	129.8	130.6	130.8	131.2
	% Change	0.7	0.9	(3.3)	(6.6)	(0.6)	(0.3)	(0.4)	1.4	0.7	0.1	0.4
	Fiscal Year	142.1	142.9	142.1	133.9	128.7	129.0	128.2	128.3	130.7	130.7	131.0
	% Change	1.2	0.6	(0.6)	(5.7)	(3.9)	0.2	(0.6)	0.0	1.9	0.0	0.2
Financial Activities Thousands, SA	Calendar Year	40.7	41.5	40.2	37.5	36.4	36.8	37.4	38.6	37.6	37.3	36.7
	% Change	1.9	2.1	(3.3)	(6.7)	(2.8)	1.1	1.4	3.3	(2.6)	(0.7)	(1.8)
	Fiscal Year	40.2	41.4	41.0	39.0	36.6	36.6	37.0	38.3	37.9	37.6	37.0
	% Change	0.9	3.0	(0.9)	(5.0)	(6.2)	0.2	1.0	3.6	(1.1)	(0.7)	(1.8)
Professional and Business Services Thousands, SA	Calendar Year	101.9	102.9	104.8	99.7	98.2	98.9	99.3	99.7	98.9	101.3	104.2
	% Change	0.5	0.9	1.9	(4.9)	(1.6)	0.8	0.4	0.3	(0.8)	2.5	2.8
	Fiscal Year	101.6	102.1	104.2	102.8	98.2	98.7	99.3	99.4	99.1	100.0	102.6
	% Change	0.5	0.5	2.0	(1.3)	(4.5)	0.5	0.7	0.1	(0.3)	0.9	2.6
Education and Health Services Thousands, SA	Calendar Year	87.3	89.9	91.0	93.1	94.1	97.3	100.1	101.5	103.4	105.0	106.9
	% Change	2.8	3.0	1.2	2.2	1.1	3.4	2.9	1.4	1.8	1.6	1.8
	Fiscal Year	86.2	88.6	90.5	92.2	93.5	95.7	98.7	101.1	102.3	104.3	105.9
	% Change	3.5	2.7	2.2	1.8	1.4	2.4	3.1	2.4	1.2	2.0	1.5
Leisure and Hospitality Thousands, SA	Calendar Year	84.5	85.9	85.9	83.3	83.4	83.4	83.9	85.8	86.8	87.5	87.7
	% Change	3.1	1.7	(0.1)	(3.0)	0.1	(0.0)	0.6	2.2	1.2	0.9	0.1
	Fiscal Year	83.4	85.2	86.5	84.2	83.1	83.5	83.6	85.1	85.9	87.4	87.5
	% Change	3.5	2.2	1.6	(2.8)	(1.3)	0.6	0.1	1.8	0.9	1.8	0.2
Government Thousands, SA	Calendar Year	153.0	155.0	156.8	158.0	159.2	159.5	160.4	160.7	161.8	163.3	164.6
	% Change	1.0	1.4	1.2	0.8	0.7	0.2	0.5	0.2	0.6	0.9	0.8
	Fiscal Year	152.0	154.0	155.8	157.9	158.9	158.7	160.0	161.1	160.8	162.6	163.8
	% Change	0.4	1.3	1.2	1.3	0.6	(0.1)	0.8	0.7	(0.2)	1.1	0.8

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Richmond		History											
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Nonagricultural Employment Thousands, SA	Calendar Year	513.9	525.2	535.7	551.4	559.8	573.2	587.3	588.9	586.9	587.9	603.3	615.7
	% Change	3.4	2.2	2.0	2.9	1.5	2.4	2.5	0.3	(0.4)	0.2	2.6	2.0
	Fiscal Year	504.6	521.1	530.3	543.1	555.9	566.1	580.6	590.2	587.4	585.6	595.5	610.4
	% Change	3.0	3.3	1.8	2.4	2.4	1.8	2.5	1.7	(0.5)	(0.3)	1.7	2.5
Construction and Mining Thousands, SA	Calendar Year	30.5	32.2	34.0	36.8	36.7	38.2	40.1	40.6	40.5	40.5	42.2	44.6
	% Change	2.2	5.7	5.3	8.5	(0.3)	3.9	5.1	1.1	(0.3)	0.1	4.2	5.7
	Fiscal Year	29.9	31.3	33.0	35.6	36.7	37.7	39.0	40.7	40.3	40.4	41.0	43.7
	% Change	1.5	4.6	5.7	7.6	3.1	2.8	3.4	4.4	(1.0)	0.3	1.3	6.8
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	98.6	100.9	103.8	106.3	107.3	110.2	112.9	112.2	112.0	112.3	113.2	113.3
	% Change	4.1	2.3	2.9	2.4	0.9	2.6	2.4	(0.6)	(0.2)	0.2	0.8	0.1
	Fiscal Year	96.8	100.0	102.2	105.3	106.6	108.7	111.8	112.9	111.8	112.0	113.2	112.7
	% Change	3.8	3.3	2.3	3.0	1.2	1.9	2.9	1.0	(1.0)	0.2	1.1	(0.5)
Financial Activities Thousands, SA	Calendar Year	37.7	38.2	40.1	40.6	40.3	43.7	45.1	47.0	46.7	46.4	46.9	46.7
	% Change	4.6	1.1	5.1	1.2	(0.8)	8.5	3.3	4.3	(0.8)	(0.6)	1.1	(0.4)
	Fiscal Year	36.9	37.8	39.3	40.7	39.9	42.0	44.5	46.1	47.3	46.1	46.9	46.7
	% Change	3.3	2.6	3.9	3.5	(1.8)	5.1	6.1	3.6	2.5	(2.6)	1.8	(0.3)
Professional and Business Services Thousands, SA	Calendar Year	71.9	75.9	78.5	81.4	87.4	88.5	91.9	89.7	87.7	83.9	88.1	92.9
	% Change	7.1	5.6	3.4	3.8	7.3	1.3	3.8	(2.4)	(2.2)	(4.3)	5.1	5.4
	Fiscal Year	69.4	74.0	77.7	79.3	84.4	88.8	89.8	91.6	88.5	85.2	85.5	90.9
	% Change	5.6	6.7	4.9	2.1	6.4	5.3	1.1	2.0	(3.4)	(3.7)	0.3	6.4
Education and Health Services Thousands, SA	Calendar Year	46.4	47.6	49.2	51.0	50.1	51.7	51.7	53.9	56.7	60.6	65.1	68.5
	% Change	1.1	2.4	3.4	3.6	(1.8)	3.1	0.1	4.3	5.2	6.9	7.4	5.3
	Fiscal Year	46.0	47.0	48.5	50.1	50.9	50.5	51.8	52.4	55.3	58.6	62.9	66.7
	% Change	1.0	2.0	3.2	3.2	1.6	(0.8)	2.6	1.2	5.5	6.0	7.3	6.1
Leisure and Hospitality Thousands, SA	Calendar Year	39.6	41.3	41.2	42.8	43.3	43.3	44.3	45.3	44.6	46.1	48.4	49.4
	% Change	5.5	4.3	(0.2)	3.9	1.3	(0.1)	2.3	2.3	(1.6)	3.5	5.0	2.1
	Fiscal Year	38.4	40.5	41.4	41.7	43.2	43.1	44.0	44.8	44.9	45.0	47.4	48.8
	% Change	4.3	5.3	2.3	0.7	3.6	(0.3)	2.0	1.9	0.3	0.2	5.2	3.0
Government Thousands, SA	Calendar Year	101.7	100.5	99.8	101.5	102.7	104.9	107.5	109.0	110.3	111.5	112.4	113.5
	% Change	3.4	(1.2)	(0.6)	1.6	1.2	2.1	2.5	1.4	1.2	1.1	0.8	1.0
	Fiscal Year	100.2	102.0	99.6	100.4	102.4	103.5	106.0	108.4	109.8	111.1	111.6	113.7
	% Change	4.2	1.7	(2.3)	0.8	2.0	1.1	2.4	2.2	1.3	1.1	0.5	1.9

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Richmond		History						October Standard Forecast				
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	625.3	633.2	630.4	605.5	602.3	610.9	622.1	630.4	638.4	650.2	662.9
	% Change	1.6	1.3	(0.4)	(3.9)	(0.5)	1.4	1.8	1.3	1.3	1.9	2.0
	Fiscal Year	619.5	631.0	632.8	619.9	600.6	605.2	616.7	628.9	632.1	644.1	656.7
	% Change	1.5	1.9	0.3	(2.0)	(3.1)	0.8	1.9	2.0	0.5	1.9	2.0
Construction and Mining Thousands, SA	Calendar Year	45.6	46.5	42.7	35.7	33.7	32.9	33.4	34.9	35.4	37.7	39.7
	% Change	2.1	2.1	(8.2)	(16.3)	(5.6)	(2.5)	1.5	4.8	1.4	6.5	5.1
	Fiscal Year	45.3	46.1	45.3	39.1	34.1	33.4	33.0	34.3	34.8	36.5	39.0
	% Change	3.5	1.8	(1.7)	(13.7)	(12.8)	(2.2)	(1.1)	4.0	1.4	5.0	6.9
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	115.7	118.4	117.4	111.6	110.8	112.9	114.8	118.2	118.8	119.7	121.3
	% Change	2.1	2.3	(0.8)	(5.0)	(0.7)	1.9	1.6	3.0	0.5	0.7	1.4
	Fiscal Year	114.6	117.0	118.3	115.0	110.4	111.6	113.9	116.9	118.4	119.1	120.4
	% Change	1.7	2.1	1.1	(2.8)	(4.0)	1.1	2.0	2.7	1.3	0.6	1.1
Financial Activities Thousands, SA	Calendar Year	46.5	45.8	44.2	43.0	42.6	44.1	46.6	47.1	46.6	46.5	46.3
	% Change	(0.3)	(1.7)	(3.5)	(2.5)	(1.0)	3.6	5.7	1.0	(1.2)	(0.0)	(0.5)
	Fiscal Year	46.7	46.2	44.9	43.7	42.6	43.0	45.5	47.4	46.5	46.6	46.5
	% Change	(0.1)	(1.1)	(2.7)	(2.7)	(2.6)	1.0	5.8	4.3	(1.9)	0.1	(0.2)
Professional and Business Services Thousands, SA	Calendar Year	95.7	99.1	99.5	92.8	93.3	97.0	99.5	100.1	102.2	105.2	108.0
	% Change	3.0	3.6	0.3	(6.7)	0.5	3.9	2.6	0.6	2.1	3.0	2.7
	Fiscal Year	94.2	97.9	100.0	96.3	91.9	95.5	98.0	100.1	101.0	103.5	106.6
	% Change	3.6	3.9	2.1	(3.7)	(4.6)	3.9	2.7	2.1	0.9	2.5	3.0
Education and Health Services Thousands, SA	Calendar Year	71.3	74.0	80.6	83.1	84.8	86.3	88.9	90.9	92.4	93.8	96.3
	% Change	4.1	3.8	8.8	3.2	2.0	1.9	3.0	2.3	1.7	1.5	2.7
	Fiscal Year	69.8	72.4	77.6	82.1	84.3	84.9	87.7	90.5	91.4	93.1	94.9
	% Change	4.6	3.6	7.2	5.8	2.7	0.8	3.2	3.2	1.0	1.8	1.9
Leisure and Hospitality Thousands, SA	Calendar Year	51.6	52.4	52.8	51.9	51.5	53.6	55.9	56.6	57.2	58.5	59.0
	% Change	4.4	1.6	0.8	(1.8)	(0.8)	4.1	4.3	1.3	1.1	2.3	0.9
	Fiscal Year	50.4	52.2	52.8	52.4	51.3	52.2	55.0	56.6	56.3	58.2	58.7
	% Change	3.4	3.5	1.1	(0.6)	(2.1)	1.7	5.4	2.9	(0.6)	3.4	1.0
Government Thousands, SA	Calendar Year	113.5	112.5	111.2	112.6	113.4	113.0	113.0	113.0	115.3	117.6	120.1
	% Change	(0.0)	(0.9)	(1.1)	1.2	0.7	(0.3)	(0.0)	0.0	2.0	2.0	2.1
	Fiscal Year	112.9	113.9	110.8	112.4	113.1	112.9	113.1	113.1	113.8	116.4	118.8
	% Change	(0.7)	0.9	(2.8)	1.5	0.6	(0.1)	0.2	(0.1)	0.6	2.4	2.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT

Richmond		History							Pessimistic Alternative Scenario			
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Nonagricultural Employment Thousands, SA	Calendar Year	625.3	633.2	630.4	605.5	602.3	610.9	622.1	630.0	630.2	634.3	642.9
	% Change	1.6	1.3	(0.4)	(3.9)	(0.5)	1.4	1.8	1.3	0.0	0.6	1.4
	Fiscal Year	619.5	631.0	632.8	619.9	600.6	605.2	616.7	628.9	628.9	631.5	638.3
	% Change	1.5	1.9	0.3	(2.0)	(3.1)	0.8	1.9	2.0	(0.0)	0.4	1.1
Construction and Mining Thousands, SA	Calendar Year	45.6	46.5	42.7	35.7	33.7	32.9	33.4	34.9	34.1	34.0	34.7
	% Change	2.1	2.1	(8.2)	(16.3)	(5.6)	(2.5)	1.5	4.7	(2.5)	(0.0)	2.0
	Fiscal Year	45.3	46.1	45.3	39.1	34.1	33.4	33.0	34.3	34.4	34.0	34.5
	% Change	3.5	1.8	(1.7)	(13.7)	(12.8)	(2.2)	(1.1)	4.0	0.1	(1.1)	1.7
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	115.7	118.4	117.4	111.6	110.8	112.9	114.8	118.1	117.1	116.9	117.6
	% Change	2.1	2.3	(0.8)	(5.0)	(0.7)	1.9	1.6	2.9	(0.9)	(0.2)	0.6
	Fiscal Year	114.6	117.0	118.3	115.0	110.4	111.6	113.9	116.9	117.6	116.7	117.2
	% Change	1.7	2.1	1.1	(2.8)	(4.0)	1.1	2.0	2.7	0.6	(0.8)	0.4
Financial Activities Thousands, SA	Calendar Year	46.5	45.8	44.2	43.0	42.6	44.1	46.6	47.0	45.6	45.3	44.7
	% Change	(0.3)	(1.7)	(3.5)	(2.5)	(1.0)	3.6	5.7	0.7	(3.0)	(0.5)	(1.4)
	Fiscal Year	46.7	46.2	44.9	43.7	42.6	43.0	45.5	47.4	45.8	45.6	45.0
	% Change	(0.1)	(1.1)	(2.7)	(2.7)	(2.6)	1.0	5.8	4.3	(3.4)	(0.5)	(1.3)
Professional and Business Services Thousands, SA	Calendar Year	95.7	99.1	99.5	92.8	93.3	97.0	99.5	100.0	99.6	100.5	102.7
	% Change	3.0	3.6	0.3	(6.7)	0.5	3.9	2.6	0.5	(0.4)	0.9	2.2
	Fiscal Year	94.2	97.9	100.0	96.3	91.9	95.5	98.0	100.1	100.1	99.6	101.5
	% Change	3.6	3.9	2.1	(3.7)	(4.6)	3.9	2.7	2.1	(0.0)	(0.5)	1.9
Education and Health Services Thousands, SA	Calendar Year	71.3	74.0	80.6	83.1	84.8	86.3	88.9	90.9	92.7	94.5	96.6
	% Change	4.1	3.8	8.8	3.2	2.0	1.9	3.0	2.2	2.0	1.9	2.2
	Fiscal Year	69.8	72.4	77.6	82.1	84.3	84.9	87.7	90.5	91.5	93.7	95.4
	% Change	4.6	3.6	7.2	5.8	2.7	0.8	3.2	3.2	1.1	2.4	1.9
Leisure and Hospitality Thousands, SA	Calendar Year	51.6	52.4	52.8	51.9	51.5	53.6	55.9	56.6	57.5	58.5	58.6
	% Change	4.4	1.6	0.8	(1.8)	(0.8)	4.1	4.3	1.4	1.5	1.7	0.2
	Fiscal Year	50.4	52.2	52.8	52.4	51.3	52.2	55.0	56.6	56.4	58.4	58.5
	% Change	3.4	3.5	1.1	(0.6)	(2.1)	1.7	5.4	2.9	(0.3)	3.4	0.2
Government Thousands, SA	Calendar Year	113.5	112.5	111.2	112.6	113.4	113.0	113.0	113.0	114.6	116.7	119.5
	% Change	(0.0)	(0.9)	(1.1)	1.2	0.7	(0.3)	(0.0)	0.0	1.5	1.8	2.4
	Fiscal Year	112.9	113.9	110.8	112.4	113.1	112.9	113.1	113.1	113.5	115.5	118.0
	% Change	(0.7)	0.9	(2.8)	1.5	0.6	(0.1)	0.2	(0.1)	0.4	1.7	2.2

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**APPENDIX B
GENERAL FUND DATA**

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	1999 3	1999 4	2000 1	2000 2	2000 3	2000 4	2001 1	2001 2	2001 3	2001 4	2002 1	2002 2	2002 3
Withholding	1,351.5	1,521.9	1,513.7	1,474.2	1,444.0	1,575.6	1,659.1	1,576.2	1,494.4	1,617.8	1,693.4	1,616.8	1,535.8
Annual % Change	10.2	18.4	5.7	7.8	6.8	3.5	9.6	6.9	3.5	2.7	2.1	2.6	2.8
Nonwithholding	235.3	181.9	304.5	947.9	261.0	127.2	395.6	1,023.1	243.1	139.9	316.6	759.9	236.6
Annual % Change	12.2	83.8	(2.9)	9.5	10.9	(30.1)	29.9	7.9	(6.8)	10.0	(20.0)	(25.7)	(2.7)
Gross Individual Income Tax	1,586.8	1,703.8	1,818.2	2,422.1	1,704.9	1,702.8	2,054.7	2,599.3	1,737.5	1,757.8	2,010.0	2,376.6	1,772.4
Annual % Change	10.5	23.1	4.1	8.5	7.4	(0.1)	13.0	7.3	1.9	3.2	(2.2)	(8.6)	2.0
Individual Refunds	69.7	39.6	322.8	269.8	124.5	56.6	322.9	331.4	175.3	73.1	451.2	471.6	119.6
Annual % Change	23.4	(16.4)	11.8	(15.5)	78.6	42.9	0.0	22.8	40.8	29.1	39.8	42.3	(31.8)
Net Individual Income Tax	1,517.1	1,664.2	1,495.4	2,152.3	1,580.4	1,646.2	1,731.9	2,267.8	1,562.2	1,684.7	1,558.8	1,905.1	1,652.8
Annual % Change	9.9	24.5	2.6	12.5	4.2	(1.1)	15.8	5.4	(1.2)	2.3	(10.0)	(16.0)	5.8
Sales and Use Tax	550.0	555.8	542.4	553.3	573.6	564.0	573.9	561.5	575.0	579.1	551.9	723.8	457.6
Annual % Change	8.2	6.5	5.2	6.6	4.3	1.5	5.8	1.5	0.3	2.7	(3.8)	28.9	(20.4)
Corporate Income Tax	139.0	82.4	52.0	292.5	125.3	27.7	34.0	176.8	77.5	37.9	26.7	148.1	89.8
Annual % Change	36.2	7.0	3.6	53.0	(9.9)	(66.4)	(34.6)	(39.6)	(38.1)	37.0	(21.4)	(16.2)	15.8
Wills, Suits, Deeds, Contracts	38.5	35.9	30.3	41.6	39.1	39.8	36.8	51.8	51.9	54.9	49.4	58.2	65.3
Annual % Change	(4.6)	(11.6)	(14.2)	(0.1)	1.5	11.0	21.7	24.6	32.7	37.8	34.2	12.2	25.8
Insurance Premiums	60.5	43.9	24.7	122.0	65.3	42.3	26.2	134.3	67.4	53.0	30.8	141.5	76.8
Annual % Change	4.8	1.3	7.4	0.9	7.9	(3.6)	6.1	10.1	3.2	25.4	17.6	5.4	13.9
Interest Income	52.6	28.7	40.0	9.9	60.4	37.6	44.9	(9.7)	55.3	21.4	26.1	(2.3)	40.3
Annual % Change	(10.6)	(5.4)	18.5	207.1	14.8	30.8	12.4	(198.0)	(8.4)	(43.0)	(42.0)	(75.8)	(27.1)
Alcoholic Beverage Sales	11.5	27.4	32.1	46.3	11.8	29.0	32.8	49.3	11.6	29.9	34.7	51.3	11.8
Annual % Change	(2.3)	6.3	7.5	7.0	3.4	6.0	2.3	6.5	(1.9)	3.0	5.7	3.9	1.9
All Other Revenues	133.8	138.8	77.4	196.5	90.4	119.9	119.2	220.9	84.4	124.8	110.3	193.6	118.9
Annual % Change	39.0	31.7	(29.1)	9.8	(32.4)	(13.6)	54.1	12.4	(6.6)	4.1	(7.5)	(12.4)	40.8
Total General Fund Revenues	2,503.0	2,577.0	2,294.1	3,414.4	2,546.4	2,506.5	2,599.6	3,452.8	2,485.4	2,585.8	2,388.6	3,219.1	2,513.3
Annual % Change	11.0	18.1	1.8	13.3	1.7	(2.7)	13.3	1.1	(2.4)	3.2	(8.1)	(6.8)	1.1

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2002 4	2003 1	2003 2	2003 3	2003 4	2004 1	2004 2	2004 3	2004 4	2005 1	2005 2	2005 3	2005 4
Withholding	1,667.1	1,706.3	1,658.2	1,606.0	1,801.6	1,861.8	1,769.9	1,768.0	1,905.5	1,992.0	1,847.5	1,897.2	1,996.5
Annual % Change	3.0	0.8	2.6	4.6	8.1	9.1	6.7	10.1	5.8	7.0	4.4	7.3	4.8
Nonwithholding	143.4	288.4	734.3	240.5	160.5	304.4	857.5	286.6	209.9	415.0	1,162.0	349.0	225.7
Annual % Change	2.5	(8.9)	(3.4)	1.6	11.9	5.6	16.8	19.2	30.8	36.3	35.5	21.8	7.5
Gross Individual Income Tax	1,810.4	1,994.7	2,392.6	1,846.5	1,962.0	2,166.2	2,627.4	2,054.7	2,115.5	2,407.0	3,009.5	2,246.3	2,222.2
Annual % Change	3.0	(0.8)	0.7	4.2	8.4	8.6	9.8	11.3	7.8	11.1	14.5	9.3	5.0
Individual Refunds	66.4	518.4	490.0	86.4	72.5	578.8	479.5	87.8	81.1	588.0	477.3	50.5	62.5
Annual % Change	(9.1)	14.9	3.9	(27.8)	9.2	11.7	(2.1)	1.6	11.8	1.6	(0.5)	(42.5)	(22.9)
Net Individual Income Tax	1,744.0	1,476.3	1,902.6	1,760.2	1,889.5	1,587.3	2,147.9	1,966.9	2,034.3	1,819.0	2,532.2	2,195.8	2,159.7
Annual % Change	3.5	(5.3)	(0.1)	6.5	8.3	7.5	12.9	11.7	7.7	14.6	17.9	11.6	6.2
Sales and Use Tax	576.6	564.9	737.0	488.6	620.0	622.9	830.8	524.3	727.0	736.0	958.8	579.3	728.6
Annual % Change	(0.4)	2.3	1.8	6.8	7.5	10.3	12.7	7.3	17.3	18.2	15.4	10.5	0.2
Corporate Income Tax	55.9	16.3	181.4	112.9	38.0	44.3	230.5	122.0	124.9	90.0	279.9	214.7	256.1
Annual % Change	47.3	(39.0)	22.5	25.8	(32.0)	171.7	27.1	8.1	228.4	103.2	21.4	76.0	105.1
Wills, Suits, Deeds, Contracts	74.3	63.7	82.6	93.6	79.5	67.7	99.7	113.8	150.6	141.9	189.8	202.8	170.1
Annual % Change	35.2	28.9	42.0	43.4	7.1	6.3	20.7	21.5	89.3	109.6	90.4	78.3	13.0
Insurance Premiums	59.7	35.2	161.3	79.7	63.1	42.6	165.8	88.0	69.0	38.3	178.3	84.1	72.1
Annual % Change	12.6	14.5	14.0	3.8	5.7	20.9	2.8	10.4	9.3	(10.1)	7.5	(4.4)	4.4
Interest Income	22.8	8.4	10.1	29.8	11.1	13.9	6.6	27.1	22.1	23.8	10.8	44.7	26.0
Annual % Change	6.6	(67.7)	(532.6)	(26.0)	(51.5)	65.3	(35.0)	(9.2)	99.7	71.0	64.5	65.0	17.7
Alcoholic Beverage Sales	31.2	36.4	49.3	12.9	32.9	37.3	55.0	12.6	34.8	38.1	59.0	13.5	36.4
Annual % Change	4.5	4.9	(3.9)	9.1	5.3	2.4	11.6	(2.6)	5.8	2.4	7.2	7.4	4.7
All Other Revenues	125.5	143.3	195.2	146.5	111.8	144.0	251.3	155.2	122.6	118.5	177.9	110.9	111.7
Annual % Change	0.5	29.9	0.8	23.2	(10.9)	0.5	28.7	6.0	9.6	(17.7)	(29.2)	(28.6)	(8.9)
Total General Fund Revenues	2,689.9	2,344.5	3,319.5	2,724.3	2,846.0	2,560.0	3,787.7	3,009.8	3,285.3	3,005.5	4,386.6	3,445.8	3,560.8
Annual % Change	4.0	(1.8)	3.1	8.4	5.8	9.2	14.1	10.5	15.4	17.4	15.8	14.5	8.4

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2006 1	2006 2	2006 3	2006 4	2007 1	2007 2	2007 3	2007 4	2008 1	2008 2	2008 3	2008 4	2009 1
Withholding	2,131.5	2,028.5	1,970.4	2,110.3	2,292.5	2,192.2	2,062.9	2,244.9	2,411.8	2,213.9	2,175.8	2,384.3	2,306.6
Annual % Change	7.0	9.8	3.9	5.7	7.6	8.1	4.7	6.4	5.2	1.0	5.5	6.2	(4.4)
Nonwithholding	483.9	1,435.1	356.4	264.8	512.5	1,648.3	394.1	260.1	556.6	1,650.4	406.5	243.3	458.8
Annual % Change	16.6	23.5	2.1	17.3	5.9	14.9	10.6	(1.8)	8.6	0.1	3.1	(6.5)	(17.6)
Gross Individual Income Tax	2,615.5	3,463.6	2,326.8	2,375.2	2,805.0	3,840.4	2,457.0	2,505.1	2,968.4	3,864.3	2,582.2	2,627.6	2,765.4
Annual % Change	8.7	15.1	3.6	6.9	7.2	10.9	5.6	5.5	5.8	0.6	5.1	4.9	(6.8)
Individual Refunds	638.4	531.2	110.2	109.8	740.4	599.5	83.6	143.9	811.3	641.1	127.2	141.3	873.2
Annual % Change	8.6	11.3	118.3	75.6	16.0	12.9	(24.1)	31.1	9.6	6.9	52.0	(1.8)	7.6
Net Individual Income Tax	1,977.0	2,932.4	2,216.7	2,265.4	2,064.6	3,240.9	2,373.3	2,361.2	2,157.2	3,223.2	2,455.0	2,486.3	1,892.2
Annual % Change	8.7	15.8	1.0	4.9	4.4	10.5	7.1	4.2	4.5	(0.5)	3.4	5.3	(12.3)
Sales and Use Tax	758.5	746.3	762.3	746.9	774.8	765.1	785.8	798.2	723.3	768.3	769.9	729.2	708.8
Annual % Change	3.1	(22.2)	31.6	2.5	2.1	2.5	3.1	6.9	(6.6)	0.4	(2.0)	(8.6)	(2.0)
Corporate Income Tax	116.0	280.3	256.9	186.6	118.7	317.4	217.7	115.4	138.7	336.0	191.4	71.9	71.1
Annual % Change	29.0	0.2	19.7	(27.2)	2.3	13.2	(15.2)	(38.1)	16.9	5.8	(12.1)	(37.7)	(48.7)
Wills, Suits, Deeds, Contracts	149.7	172.1	150.8	143.6	133.9	154.7	130.7	112.6	98.6	114.5	90.3	66.2	68.4
Annual % Change	5.5	(9.3)	(25.7)	(15.6)	(10.5)	(10.1)	(13.3)	(21.6)	(26.4)	(26.0)	(30.9)	(41.2)	(30.6)
Insurance Premiums	36.3	181.3	87.9	61.4	38.0	197.6	101.7	61.5	32.1	201.5	0.0	75.6	(20.2)
Annual % Change	(5.2)	1.7	4.5	(14.8)	4.7	9.0	15.8	0.1	(15.7)	2.0	(100.0)	22.9	(163.0)
Interest Income	39.6	6.1	91.7	42.9	53.8	(12.4)	105.5	66.2	37.5	(19.9)	74.6	25.4	23.3
Annual % Change	66.4	(43.9)	105.0	64.7	35.7	(303.9)	15.1	54.4	(30.3)	60.5	(29.3)	(61.7)	(37.8)
Alcoholic Beverage Sales	40.6	62.4	14.3	38.0	42.1	67.5	13.8	39.6	45.5	70.0	12.8	41.5	47.1
Annual % Change	6.5	5.8	5.5	4.2	3.6	8.2	(3.4)	4.5	8.0	3.6	(7.2)	4.7	3.5
All Other Revenues	148.8	180.2	127.2	111.1	128.6	176.9	113.6	144.0	147.2	152.6	85.8	102.9	103.4
Annual % Change	25.7	1.3	14.7	(0.5)	(13.6)	(1.8)	(10.7)	29.6	14.4	(13.8)	(24.5)	(28.5)	(29.8)
Total General Fund Revenues	3,266.7	4,561.0	3,707.7	3,595.9	3,354.5	4,907.7	3,842.1	3,698.7	3,380.0	4,846.1	3,679.9	3,599.0	2,894.2
Annual % Change	8.7	4.0	7.6	1.0	2.7	7.6	3.6	2.9	0.8	(1.3)	(4.2)	(2.7)	(14.4)

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2009 2	2009 3	2009 4	2010 1	2010 2	2010 3	2010 4	2011 1	2011 2	2011 3	2011 4	2012 1	2012 2
Withholding	2,271.5	2,125.0	2,328.6	2,416.4	2,306.1	2,219.1	2,459.9	2,538.5	2,417.6	2,308.0	2,510.9	2,640.7	2,580.0
Annual % Change	2.6	(2.3)	(2.3)	4.8	1.5	4.4	5.6	5.1	4.8	4.0	2.1	4.0	6.7
Nonwithholding	1,201.8	311.3	217.8	373.0	1,004.6	292.9	204.6	435.7	1,245.4	348.0	222.8	468.9	1,318.3
Annual % Change	(27.2)	(23.4)	(10.5)	(18.7)	(16.4)	(5.9)	(6.0)	16.8	24.0	18.8	8.9	7.6	5.9
Gross Individual Income Tax	3,473.3	2,436.3	2,546.4	2,789.4	3,310.7	2,512.0	2,664.5	2,974.2	3,663.0	2,655.9	2,733.7	3,109.6	3,898.3
Annual % Change	(10.1)	(5.6)	(3.1)	0.9	(4.7)	3.1	4.6	6.6	10.6	5.7	2.6	4.6	6.4
Individual Refunds	825.8	150.8	182.3	947.1	714.4	123.1	160.9	888.2	697.1	105.7	132.1	862.9	684.1
Annual % Change	28.8	18.6	29.1	8.5	(13.5)	(18.4)	(11.8)	(6.2)	(2.4)	(14.1)	(17.9)	(2.9)	(1.9)
Net Individual Income Tax	2,647.5	2,285.5	2,364.1	1,842.3	2,596.4	2,388.9	2,503.6	2,086.1	2,965.8	2,550.2	2,601.6	2,246.7	3,214.2
Annual % Change	(17.9)	(6.9)	(4.9)	(2.6)	(1.9)	4.5	5.9	13.2	14.2	6.8	3.9	7.7	8.4
Sales and Use Tax	695.4	724.7	724.0	674.5	959.4	577.9	746.3	719.7	968.5	620.4	772.0	768.1	961.0
Annual % Change	(9.5)	(5.9)	(0.7)	(4.8)	38.0	(20.3)	3.1	6.7	0.9	7.3	3.5	6.7	(0.8)
Corporate Income Tax	313.6	176.3	175.6	56.8	397.8	177.6	160.5	127.8	356.4	191.3	134.4	162.4	371.8
Annual % Change	(6.7)	(7.9)	144.4	(20.2)	26.8	0.7	(8.6)	125.1	(10.4)	7.7	(16.3)	27.1	4.3
Wills, Suits, Deeds, Contracts	89.3	80.5	74.6	60.1	75.0	75.7	77.7	63.3	74.7	78.9	79.8	73.5	89.8
Annual % Change	(22.0)	(10.9)	12.8	(12.2)	(16.0)	(5.9)	4.1	5.4	(0.4)	4.2	2.8	16.1	20.2
Insurance Premiums	199.6	0.0	75.1	(20.3)	207.1	0.0	80.5	(9.4)	210.4	0.0	56.4	(15.2)	211.7
Annual % Change	(0.9)	NA	(0.6)	0.4	3.7	NA	7.2	(53.7)	1.6	NA	(29.9)	62.4	0.6
Interest Income	(19.0)	40.3	26.4	33.3	(5.7)	25.7	21.6	23.8	10.0	29.5	17.0	19.9	10.8
Annual % Change	(4.2)	(45.9)	3.9	42.8	(70.0)	(36.2)	(18.0)	(28.5)	(274.5)	14.5	(21.5)	(16.2)	8.0
Alcoholic Beverage Sales	71.8	12.3	42.2	47.5	73.0	12.8	43.2	48.7	74.3	13.8	45.0	50.6	77.0
Annual % Change	2.7	(4.0)	1.7	1.0	1.7	3.9	2.2	2.5	1.7	7.9	4.2	4.0	3.6
All Other Revenues	143.7	87.4	71.8	97.5	164.1	89.4	81.1	105.7	151.9	89.1	77.2	107.3	140.3
Annual % Change	(5.8)	1.9	(30.2)	(5.7)	14.2	2.4	12.9	8.4	(7.4)	(0.3)	(4.9)	1.6	(7.7)
Total General Fund Revenues	4,142.0	3,407.0	3,553.9	2,791.6	4,467.0	3,348.1	3,714.5	3,165.6	4,812.0	3,573.2	3,783.4	3,413.4	5,076.6
Annual % Change	(14.5)	(7.4)	(1.3)	(3.5)	7.8	(1.7)	4.5	13.4	7.7	6.7	1.9	7.8	5.5

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Withholding	Calendar Year	3,217.7	3,446.5	3,658.7	3,922.3	4,148.0	4,550.9	4,979.1	5,673.3	6,007.5	6,347.5	6,513.0
	% Change	5.9	7.1	6.2	7.2	5.8	9.7	9.4	13.9	5.9	5.7	2.6
	Fiscal Year	3,099.1	3,347.8	3,562.6	3,798.6	4,049.0	4,303.0	4,759.0	5,311.9	5,861.3	6,254.9	6,422.4
	% Change	4.7	8.0	6.4	6.6	6.6	6.3	10.6	11.6	10.3	6.7	2.7
Nonwithholding	Calendar Year	748.1	764.0	772.3	794.6	890.4	1,084.4	1,317.7	1,596.4	1,640.6	1,801.7	1,456.4
	% Change	(3.5)	2.1	1.1	2.9	12.1	21.8	21.5	21.2	2.8	9.8	(19.2)
	Fiscal Year	728.3	751.3	775.3	783.4	878.1	1,041.9	1,284.7	1,487.8	1,669.7	1,806.8	1,459.5
	% Change	(6.1)	3.1	3.2	1.0	12.1	18.6	23.3	15.8	12.2	8.2	(19.2)
Gross Individual Income Tax	Calendar Year	3,965.8	4,210.5	4,431.0	4,716.9	5,038.4	5,635.3	6,296.7	7,269.7	7,648.1	8,149.2	7,969.4
	% Change	4.0	6.2	5.2	6.5	6.8	11.8	11.7	15.5	5.2	6.6	(2.2)
	Fiscal Year	3,827.5	4,099.0	4,338.0	4,581.9	4,927.2	5,344.9	6,043.7	6,799.8	7,530.9	8,061.7	7,881.9
	% Change	2.5	7.1	5.8	5.6	7.5	8.5	13.1	12.5	10.8	7.0	(2.2)
Individual Refunds	Calendar Year	499.9	512.7	530.6	547.4	587.5	628.5	655.2	717.4	773.8	902.6	1,108.8
	% Change	0.3	2.6	3.5	3.2	7.3	7.0	4.2	9.5	7.9	16.6	22.8
	Fiscal Year	506.2	514.3	526.1	553.8	579.1	617.1	638.2	711.9	702.0	835.4	1,171.1
	% Change	1.5	1.6	2.3	5.3	4.6	6.6	3.4	11.5	(1.4)	19.0	40.2
Net Individual Income Tax	Calendar Year	3,465.9	3,697.8	3,900.4	4,169.5	4,451.0	5,006.8	5,641.5	6,552.3	6,874.3	7,246.6	6,860.6
	% Change	4.6	6.7	5.5	6.9	6.8	12.5	12.7	16.1	4.9	5.4	(5.3)
	Fiscal Year	3,321.2	3,584.8	3,811.9	4,028.1	4,348.0	4,727.8	5,405.4	6,087.9	6,828.9	7,226.3	6,710.8
	% Change	2.6	7.9	6.3	5.7	7.9	8.7	14.3	12.6	12.2	5.8	(7.1)
Sales and Use Tax	Calendar Year	1,391.5	1,479.4	1,612.1	1,682.8	1,783.1	1,872.4	1,992.4	2,140.7	2,233.3	2,289.5	2,309.9
	% Change	4.9	6.3	9.0	4.4	6.0	5.0	6.4	7.4	4.3	2.5	0.9
	Fiscal Year	1,348.8	1,441.6	1,539.1	1,657.7	1,722.0	1,826.8	1,919.2	2,065.3	2,201.5	2,273.0	2,429.8
	% Change	0.9	6.9	6.8	7.7	3.9	6.1	5.1	7.6	6.6	3.2	6.9
Corporate Income Tax	Calendar Year	279.6	384.7	323.1	411.8	386.9	448.8	458.1	462.8	497.5	326.2	320.5
	% Change	0.9	37.6	(16.0)	27.4	(6.0)	16.0	2.1	1.0	7.5	(34.4)	(1.8)
	Fiscal Year	275.9	371.5	312.1	376.4	402.3	432.3	450.8	420.4	565.9	363.8	290.2
	% Change	(1.2)	34.6	(16.0)	20.6	6.9	7.4	4.3	(6.7)	34.6	(35.7)	(20.2)
Wills, Suits, Deeds, Contracts	Calendar Year	96.1	110.2	99.0	86.4	99.1	112.5	148.5	151.3	150.8	195.5	247.2
	% Change	30.4	14.7	(10.2)	(12.7)	14.7	13.5	32.0	1.9	(0.3)	29.6	26.4
	Fiscal Year	83.7	99.6	114.9	84.7	95.5	103.4	126.8	157.9	146.3	167.6	214.4
	% Change	16.4	19.0	15.4	(26.3)	12.7	8.3	22.6	24.5	(7.3)	14.6	27.9

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Withholding	Calendar Year	6,772.2	7,305.3	7,733.2	8,240.8	8,792.5	9,185.8	9,031.7	9,401.4	9,523.6	
	% Change	4.0	7.9	5.9	6.6	6.7	4.5	(1.7)	4.1	1.3	
	Fiscal Year	6,567.4	7,039.3	7,513.0	8,053.7	8,565.5	8,933.6	9,138.1	9,176.2	9,635.1	10,039.7
	% Change	2.3	7.2	6.7	7.2	6.4	4.3	2.3	0.4	5.0	4.2
Nonwithholding	Calendar Year	1,423.7	1,658.4	2,151.8	2,540.3	2,815.0	2,856.7	2,189.8	1,875.2	1,937.9	
	% Change	(2.2)	16.5	29.7	18.1	10.8	1.5	(23.3)	(14.4)	3.3	
	Fiscal Year	1,402.7	1,562.8	2,073.5	2,493.8	2,782.0	2,861.2	2,310.4	1,906.8	2,178.6	2,357.9
	% Change	(3.9)	11.4	32.7	20.3	11.6	2.8	(19.2)	(17.5)	14.3	8.2
Gross Individual Income Tax	Calendar Year	8,195.9	8,963.7	9,884.9	10,781.0	11,607.5	12,042.5	11,221.4	11,276.6	11,461.5	
	% Change	2.8	9.4	10.3	9.1	7.7	3.7	(6.8)	0.5	1.6	
	Fiscal Year	7,970.1	8,602.1	9,586.6	10,547.5	11,347.4	11,794.7	11,448.5	11,082.9	11,813.7	12,397.6
	% Change	1.1	7.9	11.4	10.0	7.6	3.9	(2.9)	(3.2)	6.6	4.9
Individual Refunds	Calendar Year	1,167.3	1,227.3	1,178.3	1,389.6	1,567.4	1,720.8	2,032.1	1,945.5	1,886.6	
	% Change	5.3	5.1	(4.0)	17.9	12.8	9.8	18.1	(4.3)	(3.0)	
	Fiscal Year	1,194.4	1,217.2	1,234.2	1,282.6	1,559.8	1,679.9	1,967.4	1,994.7	1,869.3	1,784.7
	% Change	2.0	1.9	1.4	3.9	21.6	7.7	17.1	1.4	(6.3)	(4.5)
Net Individual Income Tax	Calendar Year	7,028.6	7,736.4	8,706.7	9,391.4	10,040.0	10,321.7	9,189.3	9,331.1	9,574.9	
	% Change	2.4	10.1	12.5	7.9	6.9	2.8	(11.0)	1.5	2.6	
	Fiscal Year	6,775.7	7,384.9	8,352.4	9,264.9	9,787.6	10,114.8	9,481.1	9,088.3	9,944.4	10,612.8
	% Change	1.0	9.0	13.1	10.9	5.6	3.3	(6.3)	(4.1)	9.4	6.7
Sales and Use Tax	Calendar Year	2,410.4	2,705.1	3,002.6	3,014.1	3,123.8	2,990.8	2,853.0	2,958.0	3,003.3	
	% Change	4.4	12.2	11.0	0.4	3.6	(4.3)	(4.6)	3.7	1.5	
	Fiscal Year	2,336.0	2,562.3	2,946.1	2,812.7	3,049.1	3,075.5	2,903.4	3,082.5	3,012.4	3,121.5
	% Change	(3.9)	9.7	15.0	(4.5)	8.4	0.9	(5.6)	6.2	(2.3)	3.6
Corporate Income Tax	Calendar Year	348.6	521.7	840.6	839.8	769.3	738.0	736.7	792.7	863.7	
	% Change	8.8	49.7	61.1	(0.1)	(8.4)	(4.1)	(0.2)	7.6	9.0	
	Fiscal Year	343.3	425.7	616.7	867.1	879.6	807.9	648.0	806.5	822.3	859.9
	% Change	18.3	24.0	44.9	40.6	1.4	(8.2)	(19.8)	24.4	2.0	4.6
Wills, Suits, Deeds, Contracts	Calendar Year	319.5	431.7	704.7	616.2	531.9	369.5	312.8	288.5	291.8	
	% Change	29.3	35.1	63.2	(12.6)	(13.7)	(30.5)	(15.3)	(7.8)	1.1	
	Fiscal Year	285.8	340.6	596.1	694.7	582.9	456.3	314.3	290.2	291.5	322.1
	% Change	33.3	19.1	75.0	16.6	(16.1)	(21.7)	(31.1)	(7.7)	0.4	10.5

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Insurance Premiums	Calendar Year	175.8	186.6	203.6	212.9	216.6	220.4	243.6	248.3	254.3	280.9	308.7
	% Change	11.2	6.2	9.1	4.6	1.7	1.8	10.5	1.9	2.4	10.5	9.9
	Fiscal Year	174.8	180.3	196.4	208.2	218.0	219.0	237.0	244.9	251.1	268.1	292.7
	% Change	10.9	3.2	8.9	6.0	4.7	0.5	8.2	3.4	2.5	6.8	9.2
Interest Income	Calendar Year	48.6	52.5	61.0	80.1	94.6	116.5	125.0	118.3	147.8	111.9	86.9
	% Change	50.1	7.9	16.1	31.4	18.1	23.1	7.3	(5.4)	24.9	(24.3)	(22.4)
	Fiscal Year	42.4	48.1	53.4	64.5	82.3	114.9	105.8	126.1	131.2	133.2	100.4
	% Change	13.3	13.3	11.1	20.8	27.5	39.7	(7.9)	19.2	4.0	1.5	(24.6)
Alcoholic Beverage Sales	Calendar Year	102.3	101.8	101.5	102.1	103.0	103.8	107.2	111.9	119.2	123.6	129.0
	% Change	0.1	(0.4)	(0.3)	0.5	0.9	0.8	3.2	4.4	6.5	3.7	4.3
	Fiscal Year	102.0	102.5	101.1	101.0	104.4	103.5	105.5	110.6	117.2	123.0	127.5
	% Change	(0.9)	0.5	(1.4)	(0.1)	3.4	(0.9)	1.9	4.8	6.0	4.9	3.6
All Other Revenues	Calendar Year	291.1	323.9	374.0	371.4	397.5	429.8	432.6	560.6	484.2	549.3	548.2
	% Change	8.9	11.3	15.5	(0.7)	7.0	8.1	0.6	29.6	(13.6)	13.5	(0.2)
	Fiscal Year	274.4	305.3	374.4	360.5	383.5	421.5	422.9	489.7	546.4	550.4	513.1
	% Change	9.7	11.3	22.6	(3.7)	6.4	9.9	0.3	15.8	11.6	0.7	(6.8)
Total General Fund Revenues	Calendar Year	5,850.8	6,336.9	6,674.7	7,116.9	7,531.8	8,311.0	9,148.7	10,346.2	10,761.3	11,123.6	10,810.9
	% Change	5.4	8.3	5.3	6.6	5.8	10.3	10.1	13.1	4.0	3.4	(2.8)
	Fiscal Year	5,623.2	6,133.6	6,503.4	6,881.1	7,356.1	7,949.3	8,773.5	9,702.7	10,788.5	11,105.3	10,679.0
	% Change	2.8	9.1	6.0	5.8	6.9	8.1	10.4	10.6	11.2	2.9	(3.8)
ABC Profits	Fiscal Year	23.7	26.8	20.7	19.0	26.0	23.8	20.7	25.5	30.1	28.1	25.4
	% Change	(9.4)	13.0	(22.8)	(8.2)	36.8	(8.5)	(12.9)	23.0	18.2	(6.8)	(9.6)
Transfers per Appropriations Act	Fiscal Year	630.5	377.2	388.0	273.4	443.0	364.2	367.9	371.1	407.4	354.5	702.0
	% Change	0.1	(40.2)	2.9	(29.5)	62.0	(17.8)	1.0	0.9	9.8	(13.0)	98.0

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Insurance Premiums	Calendar Year	339.4	365.4	372.8	366.9	398.8	309.2	254.5	267.3	278.2	
	% Change	9.9	7.7	2.0	(1.6)	8.7	(22.5)	(17.7)	5.0	4.1	
	Fiscal Year	333.0	351.3	373.6	373.8	384.9	396.9	255.0	261.9	281.6	252.9
	% Change	13.8	5.5	6.3	0.1	3.0	3.1	(35.7)	2.7	7.5	(10.2)
Interest Income	Calendar Year	59.5	69.7	105.4	180.2	213.1	117.6	71.0	75.0	65.4	
	% Change	(31.5)	17.3	51.2	71.0	18.2	(44.8)	(39.6)	5.5	(12.7)	
	Fiscal Year	81.7	61.4	83.9	116.5	175.9	189.3	104.2	94.3	81.1	77.2
	% Change	(18.6)	(24.8)	36.6	38.9	51.1	7.6	(44.9)	(9.5)	(14.0)	(4.9)
Alcoholic Beverage Sales	Calendar Year	131.5	139.6	147.0	155.2	163.1	169.8	173.4	176.5	177.7	
	% Change	1.9	6.2	5.3	5.6	5.0	4.1	2.2	1.8	0.7	
	Fiscal Year	128.7	138.0	144.5	153.0	161.8	168.9	173.2	175.1	178.9	186.4
	% Change	1.0	7.2	4.7	5.9	5.8	4.3	2.6	1.1	2.2	4.2
All Other Revenues	Calendar Year	596.8	673.1	518.9	567.4	563.1	488.5	406.3	432.1	440.3	
	% Change	8.9	12.8	(22.9)	9.3	(0.8)	(13.3)	(16.8)	6.4	1.9	
	Fiscal Year	582.9	653.6	574.1	551.6	543.9	557.4	435.7	420.7	428.1	413.9
	% Change	13.6	12.1	(12.2)	(3.9)	(1.4)	2.5	(21.8)	(3.4)	1.8	(3.3)
Total General Fund Revenues	Calendar Year	11,234.2	12,642.8	14,398.7	15,131.3	15,803.1	15,505.0	13,997.0	14,321.2	14,695.2	
	% Change	3.9	12.5	13.9	5.1	4.4	(1.9)	(9.7)	2.3	2.6	
	Fiscal Year	10,867.1	11,917.9	13,687.3	14,834.3	15,565.8	15,767.0	14,315.1	14,219.5	15,040.2	15,846.7
	% Change	1.8	9.7	14.8	8.4	4.9	1.3	(9.2)	(0.7)	5.8	5.4
ABC Profits	Fiscal Year	14.2	16.8	24.9	30.0	27.6	36.1	44.1	50.0	50.5	63.8
	% Change	(44.1)	18.0	48.9	20.4	(8.3)	31.0	22.2	13.4	1.0	26.3
Transfers per Appropriations Act	Fiscal Year	1,028.5	996.0	714.6	835.6	792.7	776.4	362.4	517.2	361.6	437.5
	% Change	46.5	(3.2)	(28.3)	16.9	(5.1)	(2.1)	(53.3)	42.7	(30.1)	21.0

APPENDIX C
MODELS AND METHODOLOGIES

Corporate Income Tax

diffya(corp)

$$= 1.94620 * \text{diffya}(\text{zbva}) + 0.67602 * \text{diffya}(\text{sp500va})$$

(3.46748) (0.98843)

$$+ 2.80297$$

(0.91495)

Sum Sq	5873.3	Std Err	26.5197	LHS Mean	7.9138
R Sq	0.2073	R Bar Sq	0.1882	F 2, 83	10.8557
D.W.(1)	2.0796	D.W.(4)	2.3090		

Quarterly data for 91 periods from 1991Q1 to 2013Q3

diffya	Year-over-year difference function
corp	Gross corporate income tax receipts
zbva	Virginia portion of national pre-tax profits
sp500va	Virginia specific Standard and Poor's 500 stock index

GENERAL FUND METHODOLOGY

Corporate Income Tax, Gross Receipts

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
1998	97Q3	117.5	107.6	10.0	8.5%
	97Q4	110.2	115.8	(5.6)	-5.1%
	98Q1	79.6	70.9	8.7	10.9%
	98Q2	229.5	244.8	(15.4)	-6.7%
	Total	536.7	539.1	(2.3)	-0.4%
1999	98Q3	111.7	116.9	(5.2)	-4.6%
	98Q4	131.6	109.0	22.5	17.1%
	99Q1	76.2	86.5	(10.3)	-13.5%
	99Q2	206.1	236.4	(30.4)	-14.7%
	Total	525.6	548.9	(23.3)	-4.4%
2000	99Q3	153.2	119.4	33.8	22.1%
	99Q4	141.4	141.6	(0.2)	-0.2%
	00Q1	75.1	80.9	(5.8)	-7.8%
	00Q2	251.7	210.1	41.5	16.5%
	Total	621.3	552.0	69.3	11.2%
2001	00Q3	145.1	155.7	(10.6)	-7.3%
	00Q4	102.3	139.4	(37.1)	-36.3%
	01Q1	73.0	74.1	(1.1)	-1.5%
	01Q2	193.3	251.0	(57.8)	-29.9%
	Total	513.7	620.3	(106.6)	-20.8%
2002	01Q3	100.2	139.9	(39.7)	-39.6%
	01Q4	117.7	97.6	20.2	17.1%
	02Q1	83.8	71.4	12.4	14.8%
	02Q2	171.8	193.3	(21.6)	-12.6%
	Total	473.4	502.2	(28.7)	-6.1%
2003	02Q3	117.7	106.9	10.8	9.2%
	02Q4	124.2	131.0	(6.9)	-5.5%
	03Q1	68.5	95.1	(26.6)	-38.9%
	03Q2	202.0	181.9	20.2	10.0%
	Total	512.4	514.9	(2.5)	-0.5%
2004	03Q3	135.8	131.3	4.5	3.3%
	03Q4	124.9	138.4	(13.5)	-10.8%
	04Q1	82.5	89.9	(7.4)	-8.9%
	04Q2	252.5	224.8	27.8	11.0%
	Total	595.7	584.3	11.4	1.9%
2005	04Q3	140.9	157.2	(16.3)	-11.6%
	04Q4	190.2	142.2	48.0	25.2%
	05Q1	109.7	108.9	0.8	0.7%
	05Q2	305.3	277.2	28.0	9.2%
	Total	746.1	685.6	60.5	8.1%

Corporate Income Tax, Gross Receipts

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2006	05Q3	219.0	166.1	52.9	24.1%
	05Q4	262.8	220.1	42.7	16.3%
	06Q1	136.7	125.8	10.9	8.0%
	06Q2	368.3	323.1	45.2	12.3%
	Total	986.8	835.0	151.7	15.4%
2007	06Q3	283.8	234.9	49.0	17.2%
	06Q4	225.4	269.6	(44.2)	-19.6%
	07Q1	164.8	136.6	28.1	17.1%
	07Q2	356.2	370.5	(14.3)	-4.0%
	Total	1,030.2	1,011.6	18.6	1.8%
2008	07Q3	244.3	278.8	(34.5)	-14.1%
	07Q4	165.0	223.2	(58.2)	-35.3%
	08Q1	197.4	153.9	43.5	22.0%
	08Q2	361.7	341.3	20.4	5.6%
	Total	968.4	997.2	(28.8)	-3.0%
2009	08Q3	220.0	229.4	(9.4)	-4.3%
	08Q4	201.5	111.3	90.1	44.7%
	09Q1	113.6	174.8	(61.1)	-53.8%
	09Q2	339.2	345.8	(6.6)	-1.9%
	Total	874.3	861.3	13.0	1.5%
2010	09Q3	203.7	222.3	(18.6)	-9.1%
	09Q4	249.8	254.5	(4.7)	-1.9%
	10Q1	129.0	152.1	(23.0)	-17.9%
	10Q2	379.4	370.0	9.4	2.5%
	Total	961.9	998.9	(36.9)	-3.8%
2011	10Q3	227.0	226.1	0.9	0.4%
	10Q4	238.3	262.5	(24.2)	-10.1%
	11Q1	161.8	133.3	28.4	17.6%
	11Q2	390.4	387.8	2.7	0.7%
	Total	1,017.5	1,009.7	7.8	0.8%
2012	11Q3	241.8	228.4	13.4	5.5%
	11Q4	224.1	242.4	(18.3)	-8.2%
	12Q1	184.9	185.4	(0.4)	-0.2%
	12Q2	397.9	409.6	(11.6)	-2.9%
	Total	1,048.8	1,065.7	(17.0)	-1.6%
2013	12Q3	224.8	267.2	(42.4)	-18.9%
	12Q4	273.1	245.9	27.2	9.9%
	13Q1	134.1	190.0	(55.9)	-41.7%
	13Q2	375.1	407.7	(32.6)	-8.7%
	Total	1,007.1	1,110.9	(103.7)	-10.3%

GENERAL FUND METHODOLOGY

Individual Income Tax - Withholding

diffya(with)

$$= 0.01081 * \text{diffya}(\text{ywstran}) + 128.495 * \text{q994} + 2.81506$$

(9.6284) (3.75534) (0.31562)

Sum Sq	93039.4	Std Err	34.5371	LHS Mean	85.3922
R Sq	0.5484	R Bar Sq	0.5310	F 3, 78	31.5669
D.W.(1)	1.8427	D.W.(4)	1.9612		

Quarterly data for 87 periods from 1991Q1 to 2013Q3

diffya	Year-over-year difference function
with	Withholding tax receipts
ywstran	Virginia income from wages and salaries and transfer payments
q994	1 in 1994Q4; 0 in all other quarters

GENERAL FUND METHODOLOGY

Individual Income Tax - Withholding

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
1998	97Q3	1,090.0	1,047.8	42.1	3.9%
	97Q4	1,202.0	1,165.9	36.1	3.0%
	98Q1	1,260.8	1,233.1	27.7	2.2%
	98Q2	1,206.2	1,189.0	17.2	1.4%
	Total	4,759.0	4,635.9	123.1	2.6%
1999	98Q3	1,226.7	1,174.3	52.3	4.3%
	98Q4	1,285.4	1,289.9	(4.6)	-0.4%
	99Q1	1,432.4	1,380.4	52.0	3.6%
	99Q2	1,367.4	1,285.8	81.7	6.0%
	Total	5,311.9	5,130.5	181.5	3.4%
2000	99Q3	1,351.5	1,306.0	45.5	3.4%
	99Q4	1,521.9	1,507.6	14.3	0.9%
	00Q1	1,513.7	1,517.6	(3.9)	-0.3%
	00Q2	1,474.2	1,491.8	(17.6)	-1.2%
	Total	5,861.3	5,822.9	38.3	0.7%
2001	00Q3	1,444.0	1,487.3	(43.3)	-3.0%
	00Q4	1,575.6	1,640.7	(65.0)	-4.1%
	01Q1	1,659.1	1,638.3	20.8	1.3%
	01Q2	1,576.2	1,594.5	(18.3)	-1.2%
	Total	6,254.9	6,360.7	(105.8)	-1.7%
2002	01Q3	1,494.4	1,509.4	(15.0)	-1.0%
	01Q4	1,617.8	1,653.6	(35.8)	-2.2%
	02Q1	1,693.4	1,676.7	16.7	1.0%
	02Q2	1,616.8	1,592.6	24.1	1.5%
	Total	6,422.4	6,432.3	(9.9)	-0.2%
2003	02Q3	1,535.8	1,560.3	(24.6)	-1.6%
	02Q4	1,667.1	1,661.1	6.0	0.4%
	03Q1	1,706.3	1,755.2	(48.9)	-2.9%
	03Q2	1,658.2	1,687.7	(29.4)	-1.8%
	Total	6,567.4	6,664.3	(96.9)	-1.5%
2004	03Q3	1,606.0	1,627.2	(21.2)	-1.3%
	03Q4	1,801.6	1,790.4	11.2	0.6%
	04Q1	1,861.8	1,835.2	26.6	1.4%
	04Q2	1,769.9	1,779.8	(9.9)	-0.6%
	Total	7,039.3	7,032.7	6.6	0.1%
2005	04Q3	1,768.0	1,730.7	37.4	2.1%
	04Q4	1,905.5	1,922.3	(16.8)	-0.9%
	05Q1	1,992.0	1,976.6	15.4	0.8%
	05Q2	1,847.5	1,903.1	(55.6)	-3.0%
	Total	7,513.0	7,532.6	(19.6)	-0.3%

GENERAL FUND METHODOLOGY

Individual Income Tax - Withholding

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2006	05Q3	1,897.2	1,886.3	10.9	0.6%
	05Q4	1,996.5	2,016.8	(20.3)	-1.0%
	06Q1	2,131.5	2,132.5	(1.0)	0.0%
	06Q2	2,028.5	1,975.7	52.7	2.6%
	Total	8,053.7	8,011.4	42.3	0.5%
2007	06Q3	1,970.4	1,999.6	(29.2)	-1.5%
	06Q4	2,110.3	2,117.7	(7.3)	-0.3%
	07Q1	2,292.5	2,260.8	31.7	1.4%
	07Q2	2,192.2	2,137.5	54.7	2.5%
	Total	8,565.5	8,515.6	49.9	0.6%
2008	07Q3	2,062.9	2,099.0	(36.1)	-1.8%
	07Q4	2,244.9	2,228.9	16.0	0.7%
	08Q1	2,411.8	2,369.1	42.7	1.8%
	08Q2	2,213.9	2,295.3	(81.4)	-3.7%
	Total	8,933.6	8,992.4	(58.9)	-0.7%
2009	08Q3	2,175.8	2,152.4	23.3	1.1%
	08Q4	2,304.3	2,305.1	(0.8)	0.0%
	09Q1	2,386.6	2,424.4	(37.8)	-1.6%
	09Q2	2,271.5	2,263.1	8.4	0.4%
	Total	9,138.1	9,145.0	(6.9)	-0.1%
2010	09Q3	2,125.0	2,208.0	(82.9)	-3.9%
	09Q4	2,328.6	2,347.7	(19.1)	-0.8%
	10Q1	2,416.4	2,471.2	(54.8)	-2.3%
	10Q2	2,306.1	2,333.3	(27.2)	-1.2%
	Total	9,176.2	9,360.2	(184.1)	-2.0%
2011	10Q3	2,219.1	2,242.7	(23.6)	-1.1%
	10Q4	2,459.9	2,430.8	29.1	1.2%
	11Q1	2,538.5	2,567.4	(28.9)	-1.1%
	11Q2	2,417.6	2,424.9	(7.3)	-0.3%
	Total	9,635.1	9,665.8	(30.8)	-0.3%
2012	11Q3	2,308.0	2,316.5	(8.5)	-0.4%
	11Q4	2,511.0	2,551.9	(40.9)	-1.6%
	12Q1	2,640.7	2,602.7	38.0	1.4%
	12Q2	2,580.0	2,497.4	82.7	3.2%
	Total	10,039.8	9,968.5	71.2	0.7%
2013	12Q3	2,308.0	2,316.5	(8.5)	-0.4%
	12Q4	2,511.0	2,551.9	(40.9)	-1.6%
	13Q1	2,640.7	2,602.7	38.0	1.4%
	13Q2	2,580.0	2,497.4	82.7	3.2%
	Total	10,039.8	9,968.5	71.2	0.7%

Individual Income Tax – Estimated Payments

diffya(ep)

$$= 0.05100 * \text{diffya}(\text{sp500}) + 0.00959 * \text{diffya}(\text{ywpptva})$$

$$\quad \quad \quad (3.14973) \quad \quad \quad (4.30174)$$

$$+ 0.00390 * \text{diffya}(\text{yrdirva}) - 4.76578$$

$$\quad \quad \quad (4.26968) \quad \quad \quad (1.58156)$$

Sum Sq	49536.6	Std Err	24.7298	LHS Mean	10.8072
R Sq	0.5161	R Bar Sq	0.4922	F 4, 81	21.5947
D.W.(1)	1.9101	D.W.(4)	1.8168		

Quarterly data for 91 periods from 1991Q1 to 2013Q3

diffya	Year-over-year difference function
ep	Estimated payments
ywpptva	Virginia total proprietor's income
yrdirva	Virginia dividends, interest, and rental income
sp500	Standard and Poor's 500 stock index

GENERAL FUND METHODOLOGY

Individual Income Tax - Estimated Payments

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
1998	97Q3	164.6	163.4	1.2	0.7%
	97Q4	80.5	87.9	-7.4	-9.2%
	98Q1	223.1	227.5	-4.4	-2.0%
	98Q2	308.0	281.0	27.0	8.8%
	Total	776.2	759.9	16.4	2.1%
1999	98Q3	187.3	185.3	2.0	1.1%
	98Q4	98.0	98.3	-0.4	-0.4%
	99Q1	279.8	237.0	42.8	15.3%
	99Q2	333.4	318.6	14.8	4.4%
	Total	898.5	839.2	59.3	6.6%
2000	99Q3	205.2	200.1	5.1	2.5%
	99Q4	128.7	116.8	11.9	9.3%
	00Q1	283.1	305.4	-22.3	-7.9%
	00Q2	368.3	359.1	9.1	2.5%
	Total	985.3	981.5	3.8	0.4%
2001	00Q3	252.5	232.0	20.5	8.1%
	00Q4	117.0	141.6	-24.6	-21.0%
	01Q1	361.7	319.0	42.8	11.8%
	01Q2	358.6	394.2	-35.5	-9.9%
	Total	1,089.9	1,086.8	3.1	0.3%
2002	01Q3	241.2	267.0	-25.8	-10.7%
	01Q4	133.4	133.2	0.2	0.2%
	02Q1	298.2	347.9	-49.7	-16.7%
	02Q2	340.9	344.3	-3.5	-1.0%
	Total	1,013.6	1,092.4	-78.8	-7.8%
2003	02Q3	228.1	221.9	6.2	2.7%
	02Q4	144.0	122.0	22.1	15.3%
	03Q1	275.9	287.6	-11.8	-4.3%
	03Q2	328.1	340.1	-12.0	-3.7%
	Total	976.2	971.6	4.6	0.5%
2004	03Q3	222.7	245.5	-22.8	-10.2%
	03Q4	166.1	164.6	1.5	0.9%
	04Q1	269.2	301.3	-32.0	-11.9%
	04Q2	359.4	346.0	13.4	3.7%
	Total	1,017.4	1,057.4	-39.9	-3.9%
2005	04Q3	260.4	233.1	27.4	10.5%
	04Q4	205.6	184.8	20.8	10.1%
	05Q1	345.7	282.2	63.5	18.4%
	05Q2	427.4	381.2	46.2	10.8%
	Total	1,239.1	1,081.2	157.9	12.7%

GENERAL FUND METHODOLOGY

Individual Income Tax - Estimated Payments

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2006	05Q3	328.0	293.8	34.2	10.4%
	05Q4	235.9	237.8	-1.9	-0.8%
	06Q1	408.8	389.2	19.6	4.8%
	06Q2	511.8	471.7	40.1	7.8%
	Total	1,484.4	1,392.4	92.0	6.2%
2007	06Q3	327.4	369.1	-41.7	-12.7%
	06Q4	279.6	274.8	4.8	1.7%
	07Q1	460.8	436.6	24.2	5.3%
	07Q2	517.3	549.2	-31.9	-6.2%
	Total	1,585.1	1,629.6	-44.6	-2.8%
2008	07Q3	344.2	362.7	-18.6	-5.4%
	07Q4	260.9	302.8	-42.0	-16.1%
	08Q1	491.4	470.0	21.4	4.4%
	08Q2	514.5	506.9	7.7	1.5%
	Total	1,611.0	1,642.4	-31.5	-2.0%
2009	08Q3	374.4	323.2	51.2	13.7%
	08Q4	201.6	207.0	-5.4	-2.7%
	09Q1	412.2	418.8	-6.7	-1.6%
	09Q2	447.4	436.2	11.2	2.5%
	Total	1,435.6	1,385.3	50.3	3.5%
2010	09Q3	281.6	303.7	-22.1	-7.9%
	09Q4	173.4	168.9	4.5	2.6%
	10Q1	352.3	412.1	-59.8	-17.0%
	10Q2	444.6	459.1	-14.5	-3.3%
	Total	1,251.8	1,343.8	-91.9	-7.3%
2011	10Q3	254.8	292.8	-38.1	-14.9%
	10Q4	204.8	198.8	6.1	3.0%
	11Q1	351.3	397.5	-46.2	-13.2%
	11Q2	490.4	495.7	-5.3	-1.1%
	Total	1,301.3	1,384.8	-83.5	-6.4%
2012	11Q3	315.5	304.7	10.8	3.4%
	11Q4	226.7	241.8	-15.1	-6.7%
	12Q1	370.3	376.7	-6.4	-1.7%
	12Q2	522.6	511.0	11.6	2.2%
	Total	1,435.1	1,434.2	1.0	0.1%
2013	12Q3	299.0	339.7	-40.7	-13.6%
	12Q4	178.2	267.5	-89.3	-50.1%
	13Q1	492.6	391.4	101.2	20.5%
	13Q2	593.0	555.5	37.5	6.3%
	Total	1,562.8	1,554.1	8.7	0.6%

GENERAL FUND METHODOLOGY

Individual Income Tax – Final Payments

pch(fp)

$$= 1.158130 * \text{pch}(\text{cysp500}) + 2.39039$$

(5.0852) (0.60508)

Sum Sq	3728.66	Std Err	15.2657	LHS Mean	10.6809
R Sq	0.6176	R Bar Sq	0.5937	F 1 16	25.8421
D.W.(1)	1.0896	D.W.(4)	1.6459		

Annual data for 19 periods from 1994 to 2012

pch	Percent change function
fp	Final payments
sp500	Standard and Poor's 500 stock index, calendar year

**Individual Income Tax - Final Payments
Percent Growth**

Fiscal <u>Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>
1995	(1.5)	4.9	(6.4)
1996	31.4	31.6	(0.2)
1997	24.7	21.2	3.5
1998	34.5	29.3	5.2
1999	15.9	26.0	(10.1)
2000	9.7	20.7	(11.0)
2001	10.9	(1.6)	12.5
2002	(37.8)	(3.7)	(34.1)
2003	(4.3)	(11.5)	7.1
2004	27.9	25.8	2.1
2005	53.0	12.8	40.2
2006	21.0	8.3	12.7
2007	18.6	16.2	2.3
2008	4.5	8.7	(4.2)
2009	(30.0)	(22.8)	(7.3)
2010	(25.1)	23.6	(48.7)
2011	34.0	15.6	18.4
2012	5.2	6.0	(0.9)
2013	34.9	16.1	18.8

GENERAL FUND METHODOLOGY

State Sales Tax

diff(sales)

$$= 0.00179 * \text{diff}(\text{yrpicva}) + 20.7478 * \text{qd3} - 5.26508$$

(2.62636) (4.08921) (1.82565)

Sum Sq	28439.9	Std Err	18.4003	LHS Mean	5.3055
R Sq	0.2558	R Bar Sq	0.2292	F 3, 84	9.6252
D.W.(1)	2.2443	D.W.(4)	1.2819		

Quarterly data for 92 periods from 1990Q3 to 2013Q3

diff	Quarter-over-quarter difference function
sales	Sales tax receipts
yrpicva	Virginia personal income
qd3	Quarterly dummy variable for quarter 3

**State Sales Tax
(Adjusted for AST)**

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
1998	97Q3	478.6	475.7	2.9	0.6%
	97Q4	478.6	480.7	(2.1)	-0.4%
	98Q1	483.5	478.4	5.1	1.1%
	98Q2	478.5	482.5	(4.0)	-0.8%
	Total	1,919.2	1,917.3	2.0	0.1%
1999	98Q3	508.3	500.7	7.6	1.5%
	98Q4	522.1	503.7	18.3	3.5%
	99Q1	515.6	519.3	(3.6)	-0.7%
	99Q2	519.3	515.0	4.3	0.8%
	Total	2,065.3	2,038.7	26.6	1.3%
2000	99Q3	550.0	535.8	14.2	2.6%
	99Q4	555.8	549.1	6.7	1.2%
	00Q1	542.4	558.2	(15.8)	-2.9%
	00Q2	553.3	553.2	0.1	0.0%
	Total	2,201.5	2,196.4	5.2	0.2%
2001	00Q3	573.6	570.0	3.5	0.6%
	00Q4	564.0	572.8	(8.8)	-1.6%
	01Q1	573.9	579.9	(6.0)	-1.0%
	01Q2	561.5	575.3	(13.9)	-2.5%
	Total	2,273.0	2,298.0	(25.1)	-1.1%
2002	01Q3	575.0	577.3	(2.3)	-0.4%
	01Q4	579.1	572.1	7.0	1.2%
	02Q1	551.9	577.7	(25.8)	-4.7%
	02Q2	574.4	563.1	11.3	2.0%
	Total	2,280.4	2,290.2	(9.7)	-0.4%
2003	02Q3	585.6	582.8	2.8	0.5%
	02Q4	576.6	585.3	(8.8)	-1.5%
	03Q1	564.9	583.5	(18.6)	-3.3%
	03Q2	574.3	573.3	0.9	0.2%
	Total	2,301.3	2,325.0	(23.7)	-1.0%
2004	03Q3	627.7	591.3	36.4	5.8%
	03Q4	620.0	616.3	3.7	0.6%
	04Q1	622.9	627.7	(4.9)	-0.8%
	04Q2	663.3	623.3	40.0	6.0%
	Total	2,533.9	2,458.7	75.3	3.0%
2005	04Q3	667.9	667.1	0.8	0.1%
	04Q4	679.7	679.9	(0.2)	0.0%
	05Q1	687.4	678.8	8.6	1.2%
	05Q2	725.5	689.0	36.5	5.0%
	Total	2,760.5	2,714.8	45.7	1.7%

GENERAL FUND METHODOLOGY

State Sales Tax (Adjusted for AST)

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2006	05Q3	718.3	733.5	(15.1)	-2.1%
	05Q4	721.8	732.0	(10.2)	-1.4%
	06Q1	754.9	731.9	23.0	3.0%
	06Q2	733.0	745.2	(12.2)	-1.7%
	Total	2,928.0	2,942.5	(14.5)	-0.5%
2007	06Q3	756.1	759.3	(3.1)	-0.4%
	06Q4	739.4	755.5	(16.0)	-2.2%
	07Q1	769.3	755.1	14.1	1.8%
	07Q2	752.1	761.7	(9.6)	-1.3%
	Total	3,016.9	3,031.5	(14.6)	-0.5%
2008	07Q3	782.6	778.2	4.5	0.6%
	07Q4	794.4	775.4	19.0	2.4%
	08Q1	720.0	792.0	(72.0)	-10.0%
	08Q2	761.5	753.1	8.4	1.1%
	Total	3,058.5	3,098.6	(40.1)	-1.3%
2009	08Q3	768.8	760.1	8.7	1.1%
	08Q4	728.5	767.1	(38.5)	-5.3%
	09Q1	710.2	730.2	(20.0)	-2.8%
	09Q2	693.5	712.8	(19.3)	-2.8%
	Total	2,901.0	2,970.1	(69.1)	-2.4%
2010	09Q3	724.9	714.3	10.6	1.5%
	09Q4	723.2	716.1	7.1	1.0%
	10Q1	678.4	722.2	(43.9)	-6.5%
	10Q2	731.7	701.1	30.6	4.2%
	Total	2,858.1	2,853.7	4.4	0.2%
2011	10Q3	760.2	730.1	30.1	4.0%
	10Q4	746.3	755.8	(9.6)	-1.3%
	11Q1	719.7	765.8	(46.1)	-6.4%
	11Q2	777.5	737.3	40.2	5.2%
	Total	3,003.7	2,989.0	14.7	0.5%
2012	11Q3	774.3	774.5	(0.3)	0.0%
	11Q4	772.0	780.1	(8.1)	-1.0%
	12Q1	768.1	776.1	(8.1)	-1.1%
	12Q2	809.0	770.6	38.4	4.8%
	Total	3,123.4	3,101.3	22.0	0.7%
2013	12Q3	807.1	808.4	(1.3)	-0.2%
	12Q4	777.1	823.9	(46.8)	-6.0%
	13Q1	787.0	782.1	4.9	0.6%
	13Q2	814.7	779.9	34.8	4.3%
	Total	3,185.9	3,194.2	(8.3)	-0.3%

Recordation Taxes

diff(rec)

$$= 0.00013 * \text{diff}(\text{refimort}) + 0.28292 * \text{diff}(\text{medhome}) -$$

(3.41651) (3.25800)

$$5.06262 * \text{diff}(\text{rtbond30y.1}) - 3.56074 * \text{qd1} + 11.2259 * \text{qd2}$$

(3.17075) (3.00108) (9.7814)

$$- 2.35544$$

(-3.46365)

Sum Sq	1626.25	Std Err	4.4264	LHS Mean	0.4183
R Sq	0.7027	R Bar Sq	0.6848	F 5, 83	39.2438
D.W.(1)	2.3990	D.W.(4)	1.0542		

Quarterly data for 94 periods from 1990Q2 to 2013Q3

diff	Quarter-over-quarter difference function
rec	Recordation tax receipts
refimort	Mortgage refinancing originations
medhome	Median home prices
rtbond30y.1	Yield on 30-year treasury bond, lagged one quarter
qd1, qd2	Quarterly dummy variables for quarters 1 and 2

GENERAL FUND METHODOLOGY

Recordation Taxes

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
1998	97Q3	23.1	22.2	0.9	3.9%
	97Q4	27.5	22.9	4.5	16.5%
	98Q1	24.8	25.3	(0.5)	-2.0%
	98Q2	33.4	36.4	(3.0)	-9.0%
	Total	108.7	106.8	1.9	1.8%
1999	98Q3	34.9	31.9	3.0	8.7%
	98Q4	35.4	33.9	1.5	4.4%
	99Q1	29.8	30.9	(1.1)	-3.7%
	99Q2	35.7	38.7	(3.0)	-8.4%
	Total	135.8	135.3	0.5	0.4%
2000	99Q3	32.7	29.7	2.9	9.0%
	99Q4	29.9	28.6	1.3	4.4%
	00Q1	25.8	22.9	2.8	11.0%
	00Q2	35.2	34.7	0.4	1.3%
	Total	123.5	115.9	7.5	6.1%
2001	00Q3	32.9	35.4	(2.5)	-7.6%
	00Q4	33.9	32.0	1.9	5.5%
	01Q1	31.5	33.1	(1.5)	-4.9%
	01Q2	45.1	42.5	2.6	5.8%
	Total	143.3	142.9	0.5	0.3%
2002	01Q3	45.0	42.1	2.9	6.5%
	01Q4	48.5	47.3	1.3	2.6%
	02Q1	43.5	44.3	(0.8)	-1.9%
	02Q2	50.0	50.5	(0.5)	-1.0%
	Total	187.1	184.2	2.9	1.5%
2003	02Q3	56.6	52.3	4.2	7.5%
	02Q4	65.8	61.2	4.5	6.9%
	03Q1	56.6	61.4	(4.8)	-8.5%
	03Q2	73.1	71.1	2.0	2.7%
	Total	252.1	246.1	6.0	2.4%
2004	03Q3	83.0	73.1	9.9	11.9%
	03Q4	69.1	70.9	(1.7)	-2.5%
	04Q1	58.8	67.8	(9.0)	-15.4%
	04Q2	86.1	74.0	12.1	14.0%
	Total	296.9	285.8	11.1	3.7%
2005	04Q3	81.1	82.4	(1.3)	-1.6%
	04Q4	80.7	83.8	(3.1)	-3.8%
	05Q1	76.1	81.0	(4.9)	-6.4%
	05Q2	102.0	90.4	11.6	11.4%
	Total	340.0	337.6	2.4	0.7%

GENERAL FUND METHODOLOGY

Recordation Taxes

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2006	05Q3	109.3	105.9	3.4	3.1%
	05Q4	91.6	107.7	(16.0)	-17.5%
	06Q1	80.2	83.5	(3.3)	-4.1%
	06Q2	92.4	88.3	4.1	4.4%
	Total	373.5	385.3	(11.8)	-3.2%
2007	06Q3	80.8	86.9	(6.1)	-7.5%
	06Q4	77.6	79.7	(2.1)	-2.7%
	07Q1	71.9	75.2	(3.3)	-4.7%
	07Q2	83.0	78.8	4.3	5.2%
	Total	313.3	320.5	(7.2)	-2.3%
2008	07Q3	69.7	78.1	(8.4)	-12.0%
	07Q4	60.3	63.6	(3.2)	-5.4%
	08Q1	52.5	55.1	(2.5)	-4.8%
	08Q2	60.9	57.3	3.5	5.8%
	Total	243.5	254.1	(10.6)	-4.4%
2009	08Q3	52.5	50.8	1.7	3.2%
	08Q4	38.5	47.7	(9.2)	-23.8%
	09Q1	41.1	38.8	2.3	5.6%
	09Q2	53.2	54.9	(1.7)	-3.2%
	Total	185.3	192.2	(6.9)	-3.7%
2010	09Q3	47.9	46.4	1.6	3.3%
	09Q4	44.2	45.2	(1.0)	-2.3%
	10Q1	35.2	36.5	(1.3)	-3.7%
	10Q2	44.3	43.2	1.1	2.5%
	Total	171.6	171.3	0.3	0.2%
2011	10Q3	44.8	47.3	(2.5)	-5.5%
	10Q4	46.6	45.7	0.8	1.8%
	11Q1	37.4	31.8	5.6	14.9%
	11Q2	44.2	45.2	(1.0)	-2.3%
	Total	173.0	170.1	2.9	1.7%
2012	11Q3	47.1	45.2	1.8	3.9%
	11Q4	48.3	47.8	0.5	1.0%
	12Q1	44.3	47.1	(2.7)	-6.2%
	12Q2	54.0	54.5	(0.5)	-1.0%
	Total	193.6	194.6	(1.0)	-0.5%
2013	12Q3	54.7	53.0	1.7	3.1%
	12Q4	55.9	54.7	1.2	2.2%
	13Q1	55.2	46.9	8.2	14.9%
	13Q2	72.9	64.9	8.0	11.0%
	Total	238.7	219.5	19.2	8.0%

Motor Fuels Tax

Gas

$$\begin{aligned}
 &= -150.911 * \text{movavg}(3, \text{pdccengas}/\text{pdcce}) \\
 &\quad (3.46748) \\
 &+ 0.00190 * \text{movavg}(3, \text{cyrpicva}) + 95.0521 * \text{season}_2 \\
 &\quad (9.8174) \quad (5.21813) \\
 &+ 64.2399 * \text{season}_3 + 55.9801 * \text{season}_4 + 445.152 \\
 &\quad (3.52713) \quad (3.07417) \quad (13.7673)
 \end{aligned}$$

Sum Sq	327904	Std Err	61.7482	LHS Mean	900.276
R Sq	0.7134	R Bar Sq	0.6968	F 5, 86	42.8222
D.W.(1)	2.6851	D.W.(4)	0.5787		

Diesel

$$\begin{aligned}
 &= 0.03483 * \text{gnp96} - 44.1619 * \text{movavg}(3, \text{ppirpp}) - 150.004 \\
 &\quad (18.8194) \quad (9.02593) \quad (8.10349)
 \end{aligned}$$

Sum Sq	41708.9	Std Err	21.6481	LHS Mean	232.411
R Sq	0.8497	R Bar Sq	0.8463	F 2, 89	251.531
D.W.(1)	1.9858	D.W.(4)	0.6554		

GAS	Taxable gallons of gasoline
PDCCENGAS	Gasoline and oil implicit price deflator
PDCCE	Consumer expenditures implicit price deflator
CYRPICVA	Virginia real personal income
SEASON_2	Dummy variable second quarter
SEASON_3	Dummy variable third quarter
SEASON_4	Dummy variable fourth quarter
DIESEL	Taxable gallons of diesel
GDP96	Real gross domestic product
PPIRPP	PPI, refined petroleum products

NON-GENERAL FUND METHODOLOGY

Gasoline Consumption

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	1,018.0	974.3	43.7	4.3%
	03Q4	990.7	962.2	28.5	2.9%
	04Q1	938.6	909.1	29.5	3.1%
	04Q2	1,009.0	987.6	21.3	2.1%
	Total	3,956.2	3,833.3	122.9	3.1%
2005	04Q3	1,016.9	986.4	30.6	3.0%
	04Q4	990.2	965.0	25.2	2.5%
	05Q1	939.1	914.3	24.8	2.6%
	05Q2	992.0	994.6	(2.6)	-0.3%
	Total	3,938.3	3,860.3	78.0	2.0%
2006	05Q3	1,057.2	989.8	67.3	6.4%
	05Q4	956.3	963.1	(6.8)	-0.7%
	06Q1	945.1	909.5	35.7	3.8%
	06Q2	987.0	992.6	(5.6)	-0.6%
	Total	3,945.6	3,855.0	90.6	2.3%
2007	06Q3	1,042.9	994.7	48.3	4.6%
	06Q4	981.0	980.0	1.0	0.1%
	07Q1	960.3	937.0	23.3	2.4%
	07Q2	1,026.9	1,020.6	6.3	0.6%
	Total	4,011.1	3,932.2	78.9	2.0%
2008	07Q3	1,057.1	1,016.3	40.8	3.9%
	07Q4	1,006.3	985.0	21.3	2.1%
	08Q1	944.4	926.9	17.5	1.8%
	08Q2	945.5	994.4	(48.9)	-5.2%
	Total	3,953.3	3,922.6	30.8	0.8%
2009	08Q3	1,037.1	980.1	57.0	5.5%
	08Q4	986.9	974.2	12.8	1.3%
	09Q1	937.4	945.5	(8.1)	-0.9%
	09Q2	992.5	1,051.6	(59.1)	-6.0%
	Total	3,953.9	3,951.3	2.6	0.1%
2010	09Q3	1,010.7	1,031.1	(20.4)	-2.0%
	09Q4	935.7	1,007.1	(71.3)	-7.6%
	10Q1	955.3	937.7	17.6	1.8%
	10Q2	1,082.9	1,035.1	47.8	4.4%
	Total	3,984.6	4,010.9	(26.4)	-0.7%
2011	10Q3	841.3	1,009.8	(168.5)	-20.0%
	10Q4	1,021.0	1,002.4	18.6	1.8%
	11Q1	927.3	940.8	(13.5)	-1.5%
	11Q2	1,144.6	1,026.7	117.9	10.3%
	Total	3,934.3	3,979.7	(45.4)	-1.2%
2012	11Q3	802.7	992.2	(189.5)	-23.6%
	11Q4	944.3	981.3	(37.0)	-3.9%
	12Q1	901.8	927.6	(25.7)	-2.9%
	12Q2	1,246.4	1,027.4	219.0	17.6%
	Total	3,895.3	3,928.5	(33.2)	-0.9%
2013	12Q3	706.8	998.7	(291.9)	-41.3%
	12Q4	1,022.5	995.0	27.5	2.7%
	13Q1	904.7	938.5	(33.8)	-3.7%
	13Q2	1,153.5	1,042.1	111.4	9.7%
	Total	3,787.5	3,974.3	(186.8)	-4.9%

NON-GENERAL FUND METHODOLOGY

Diesel Fuel Consumption

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	285.8	275.2	10.7	3.7%
	03Q4	276.1	282.5	(6.3)	-2.3%
	04Q1	274.4	283.6	(9.2)	-3.4%
	04Q2	294.3	283.2	11.2	3.8%
	Total	1,130.7	1,124.4	6.3	0.6%
2005	04Q3	304.2	284.1	20.1	6.6%
	04Q4	301.7	283.1	18.6	6.2%
	05Q1	281.9	285.5	(3.6)	-1.3%
	05Q2	301.3	283.2	18.1	6.0%
	Total	1,189.1	1,135.9	53.2	4.5%
2006	05Q3	313.8	282.3	31.5	10.0%
	05Q4	290.1	277.3	12.8	4.4%
	06Q1	282.6	278.7	3.9	1.4%
	06Q2	302.6	276.5	26.2	8.7%
	Total	1,189.1	1,114.8	74.3	6.3%
2007	06Q3	286.3	274.6	11.6	4.1%
	06Q4	310.3	279.6	30.8	9.9%
	07Q1	288.7	283.1	5.6	2.0%
	07Q2	318.0	286.3	31.7	10.0%
	Total	1,203.3	1,123.6	79.7	6.6%
2008	07Q3	305.0	287.3	17.6	5.8%
	07Q4	286.7	283.7	3.0	1.0%
	08Q1	272.2	272.9	(0.7)	-0.3%
	08Q2	262.1	262.4	(0.3)	-0.1%
	Total	1,125.9	1,106.3	19.6	1.7%
2009	08Q3	290.3	247.9	42.4	14.6%
	08Q4	264.6	244.6	19.9	7.5%
	09Q1	231.6	258.5	(26.8)	-11.6%
	09Q2	247.9	278.7	(30.8)	-12.4%
	Total	1,034.3	1,029.6	4.7	0.5%
2010	09Q3	252.3	281.1	(28.8)	-11.4%
	09Q4	232.3	277.7	(45.4)	-19.6%
	10Q1	249.6	273.9	(24.3)	-9.7%
	10Q2	278.3	275.6	2.7	1.0%
	Total	1,012.5	1,108.3	(95.8)	-9.5%
2011	10Q3	217.2	277.8	(60.6)	-27.9%
	10Q4	259.2	278.0	(18.8)	-7.2%
	11Q1	237.6	270.8	(33.3)	-14.0%
	11Q2	299.8	260.7	39.2	13.1%
	Total	1,013.8	1,087.3	(73.5)	-7.2%
2012	11Q3	184.8	251.0	(66.2)	-35.8%
	11Q4	257.0	253.2	3.8	1.5%
	12Q1	235.3	251.8	(16.6)	-7.1%
	12Q2	321.3	256.0	65.4	20.3%
	Total	998.3	1,012.0	(13.7)	-1.4%
2013	12Q3	191.6	263.1	(71.5)	-37.3%
	12Q4	261.7	264.1	(2.4)	-0.9%
	13Q1	240.4	263.6	(23.2)	-9.6%
	13Q2	323.7	270.8	52.9	16.3%
	Total	1,017.5	1,061.7	(44.2)	-4.3%

NON-GENERAL FUND METHODOLOGY

Motor Vehicle Sales and Use Tax

log(ttcarsq)

$$\begin{aligned} &= 1.19779 * \text{dlogya}(\text{pdcgdp}) \\ &\quad (0.74175) \\ &+ 1.12291 * \text{movavg}(2, \text{dlogya}(\text{xtnemva}.4)) \\ &\quad (2.42767) \\ &+ 0.00001 * \text{diffya}(\text{yrpicva}) + 0.09982 * \text{season}_2 \\ &\quad (5.23333) \quad (4.45111) \\ &+ 0.08995 * \text{season}_3 - 0.10437 * \text{season}_4 + 5.74487 \\ &\quad (3.96528) \quad (4.60039) \quad (192.396) \end{aligned}$$

Sum Sq	0.4212	Std Err	0.0735	LHS Mean	5.9143
R Sq	0.6788	R Bar Sq	0.6541	F 6, 78	27.4708
D.W.(1)	0.4826	D.W.(4)	1.0027		

Newcar

$$\begin{aligned} &= 0.00686 * \text{suvlv} - 0.00282 * \text{rmcblv} + 0.01701 * \text{season}_2 \\ &\quad (23.4642) \quad (7.53795) \quad (10.1219) \\ &+ 0.01994 * \text{season}_3 - 0.00151 * \text{season}_4 + 0.00086 \\ &\quad (11.8557) \quad (0.89633) \quad (0.16259) \end{aligned}$$

Sum Sq	0.0028	Std Err	0.0057	LHS Mean	0.089
R Sq	0.9102	R Bar Sq	0.9050	F 5, 86	174.34
D.W.(1)	0.7727	D.W.(4)	0.8681		

TTCARSQ	Total taxable titles
PDIGDP	GDP price deflator
XTNEMVA	Virginia non-agricultural employment
YRPIVA	Virginia real personal income
SEASON_2	Dummy variable second quarter
SEASON_3	Dummy variable third quarter
SEASON_4	Dummy variable fourth quarter
NEWCAR	New taxable titles
SUVLV	U.S. new light vehicle sales
RMCLV	Rate on commercial bank loans for new vehicles

NON-GENERAL FUND METHODOLOGY

New Taxable Titles (in thousands)

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	127.8	122.0	5.8	4.5%
	03Q4	105.6	97.1	8.5	8.1%
	04Q1	103.8	97.4	6.4	6.2%
	04Q2	123.0	116.6	6.4	5.2%
	Total	460.2	433.0	27.2	5.9%
2005	04Q3	126.9	121.4	5.5	4.3%
	04Q4	103.0	100.5	2.5	2.4%
	05Q1	98.8	96.6	2.2	2.2%
	05Q2	122.0	119.8	2.2	1.8%
	Total	450.6	438.2	12.3	2.7%
2006	05Q3	140.2	126.0	14.2	10.1%
	05Q4	89.0	88.4	0.6	0.7%
	06Q1	97.9	96.3	1.6	1.6%
	06Q2	117.5	110.2	7.4	6.3%
	Total	444.6	420.9	23.8	5.3%
2007	06Q3	120.2	112.6	7.6	6.4%
	06Q4	92.0	90.0	2.1	2.2%
	07Q1	92.3	91.8	0.5	0.6%
	07Q2	119.4	107.4	11.9	10.0%
	Total	423.9	401.8	22.2	5.2%
2008	07Q3	109.3	109.1	0.2	0.2%
	07Q4	85.7	88.5	(2.8)	-3.3%
	08Q1	83.4	86.2	(2.8)	-3.3%
	08Q2	99.1	98.2	0.8	0.8%
	Total	377.4	382.0	(4.6)	-1.2%
2009	08Q3	91.8	92.2	(0.4)	-0.5%
	08Q4	57.2	52.0	5.2	9.1%
	09Q1	55.8	48.0	7.7	13.9%
	09Q2	68.8	67.6	1.2	1.7%
	Total	273.5	259.9	13.7	5.0%
2010	09Q3	87.9	84.2	3.7	4.2%
	09Q4	55.7	56.7	(1.0)	-1.8%
	10Q1	59.9	59.8	0.1	0.1%
	10Q2	81.5	81.0	0.5	0.7%
	Total	284.9	281.6	3.3	1.2%
2011	10Q3	79.9	85.7	(5.8)	-7.2%
	10Q4	67.2	69.6	(2.4)	-3.6%
	11Q1	76.0	75.7	0.2	0.3%
	11Q2	85.8	87.9	(2.0)	-2.4%
	Total	308.9	318.9	(10.0)	-3.2%
2012	11Q3	83.2	91.8	(8.7)	-10.4%
	11Q4	74.8	77.9	(3.1)	-4.2%
	12Q1	81.6	85.2	(3.5)	-4.3%
	12Q2	95.4	103.0	(7.6)	-7.9%
	Total	335.0	357.9	(22.9)	-6.8%
2013	12Q3	94.8	106.1	(11.3)	-11.9%
	12Q4	81.6	88.1	(6.6)	-8.1%
	13Q1	86.8	92.3	(5.5)	-6.4%
	13Q2	99.1	112.4	(13.2)	-13.4%
	Total	362.2	398.8	(36.6)	-10.1%

NON-GENERAL FUND METHODOLOGY

Used Taxable Titles (in thousands)

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	325.2	269.2	56.0	17.2%
	03Q4	289.6	239.6	50.0	17.3%
	04Q1	317.9	273.1	44.8	14.1%
	04Q2	332.9	297.5	35.4	10.6%
	Total	1,265.6	1,079.4	186.2	14.7%
2005	04Q3	329.3	292.8	36.5	11.1%
	04Q4	288.0	248.3	39.6	13.8%
	05Q1	314.3	289.6	24.7	7.9%
	05Q2	332.8	315.0	17.8	5.3%
	Total	1,264.4	1,145.7	118.6	9.4%
2006	05Q3	335.8	311.8	24.0	7.2%
	05Q4	272.0	269.9	2.1	0.8%
	06Q1	307.0	310.7	(3.7)	-1.2%
	06Q2	320.8	339.6	(18.8)	-5.9%
	Total	1,235.6	1,232.0	3.5	0.3%
2007	06Q3	311.6	324.1	(12.5)	-4.0%
	06Q4	269.9	266.5	3.4	1.2%
	07Q1	299.5	302.0	(2.5)	-0.8%
	07Q2	323.4	324.3	(1.0)	-0.3%
	Total	1,204.3	1,216.9	(12.6)	-1.0%
2008	07Q3	303.9	314.8	(10.9)	-3.6%
	07Q4	254.1	260.6	(6.6)	-2.6%
	08Q1	285.3	289.2	(3.9)	-1.4%
	08Q2	297.4	320.9	(23.5)	-7.9%
	Total	1,140.7	1,185.5	(44.9)	-3.9%
2009	08Q3	278.0	314.5	(36.4)	-13.1%
	08Q4	212.2	267.7	(55.5)	-26.2%
	09Q1	255.8	263.5	(7.7)	-3.0%
	09Q2	271.2	264.4	6.7	2.5%
	Total	1,017.2	1,110.1	(92.9)	-9.1%
2010	09Q3	277.1	238.2	38.8	14.0%
	09Q4	219.5	219.5	(0.0)	0.0%
	10Q1	266.5	267.1	(0.6)	-0.2%
	10Q2	294.8	293.5	1.3	0.4%
	Total	1,057.9	1,018.4	39.5	3.7%
2011	10Q3	289.2	299.1	(9.8)	-3.4%
	10Q4	237.9	253.5	(15.6)	-6.6%
	11Q1	289.1	288.5	0.6	0.2%
	11Q2	289.8	318.6	(28.7)	-9.9%
	Total	1,106.0	1,159.7	(53.6)	-4.8%
2012	11Q3	278.8	318.3	(39.5)	-14.2%
	11Q4	237.4	258.3	(20.9)	-8.8%
	12Q1	296.0	273.5	22.5	7.6%
	12Q2	285.8	295.1	(9.3)	-3.3%
	Total	1,098.0	1,145.2	(47.2)	-4.3%
2013	12Q3	282.8	279.7	3.1	1.1%
	12Q4	236.1	256.0	(19.9)	-8.4%
	13Q1	280.8	254.3	26.4	9.4%
	13Q2	305.5	276.2	29.3	9.6%
	Total	1,105.1	1,066.2	38.9	3.5%

Motor Vehicle License Revenues

Vehreg1

$$= 0.83331 * \text{vehreg1}[-4] + 0.35346 * \text{vehreg2}[-8]$$

(14.9642) (2.23077)

$$+ 52951.0 * \text{origvttf} + 129962$$

(1.74039) (2.48777)

Sum Sq	3E+11	Std Err	58982.0	LHS Mean	1207827
R Sq	0.8456	R Bar Sq	0.8402	F 3, 86	157.000
D.W.(1)	1.8107	D.W.(4)	2.1725		

Vehreg2

$$= 0.93879 * (\text{vehreg2.8} * \text{renew}) + 5687.71 * \text{qd2} + 55818.3$$

(16.8450) (1.00626) (5.49893)

Sum Sq	52708.7	Std Err	22885.2	LHS Mean	226669
R Sq	0.7779	R Bar Sq	0.7728	F 2, 87	152.371
D.W.(1)	0.8955	D.W.(4)	1.4213		

VEHREG1	One year registrations
VEHREG2	Two year registrations
RENEW2	Percent of two year renewals who maintain the two year interval
QD2	Dummy variable second quarter

NON-GENERAL FUND METHODOLOGY

One Year Registrations

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	1,377,265	1,439,136	(61,871)	-4.5%
	03Q4	1,182,994	1,130,879	52,115	4.4%
	04Q1	1,298,254	1,183,560	114,694	8.8%
	04Q2	1,439,911	1,423,353	16,558	1.1%
	Total	5,298,424	5,176,928	121,496	2.3%
2005	04Q3	1,367,213	1,370,916	(3,703)	-0.3%
	04Q4	1,133,817	1,183,738	(49,921)	-4.4%
	05Q1	1,273,050	1,285,294	(12,244)	-1.0%
	05Q2	1,475,608	1,425,529	50,079	3.4%
	Total	5,249,688	5,265,477	(15,789)	-0.3%
2006	05Q3	1,453,834	1,362,180	91,654	6.3%
	05Q4	1,131,645	1,155,159	(23,514)	-2.1%
	06Q1	1,282,905	1,279,530	3,375	0.3%
	06Q2	1,411,435	1,451,847	(40,412)	-2.9%
	Total	5,279,819	5,248,717	31,102	0.6%
2007	06Q3	1,412,785	1,433,129	(20,344)	-1.4%
	06Q4	1,153,708	1,149,002	4,706	0.4%
	07Q1	1,280,834	1,285,605	(4,771)	-0.4%
	07Q2	1,411,435	1,410,534	901	0.1%
	Total	5,258,762	5,278,270	(19,508)	-0.4%
2008	07Q3	1,400,808	1,419,686	(18,878)	-1.3%
	07Q4	1,231,785	1,177,363	54,422	4.4%
	08Q1	1,312,356	1,294,023	18,333	1.4%
	08Q2	1,391,387	1,412,636	(21,249)	-1.5%
	Total	5,336,336	5,303,708	32,628	0.6%
2009	08Q3	1,388,357	1,411,180	(22,823)	-1.6%
	08Q4	1,081,591	1,247,568	(165,977)	-15.3%
	09Q1	1,291,207	1,326,324	(35,117)	-2.7%
	09Q2	1,419,707	1,396,295	23,412	1.6%
	Total	5,180,862	5,381,367	(200,505)	-3.9%
2010	09Q3	1,305,233	1,391,923	(86,690)	-6.6%
	09Q4	1,067,307	1,122,334	(55,027)	-5.2%
	10Q1	1,237,929	1,297,221	(59,292)	-4.8%
	10Q2	1,351,826	1,416,731	(64,905)	-4.8%
	Total	4,962,295	5,228,208	(265,913)	-5.4%
2011	10Q3	1,366,974	1,340,717	26,257	1.9%
	10Q4	1,093,333	1,112,075	(18,742)	-1.7%
	11Q1	1,266,415	1,272,872	(6,457)	-0.5%
	11Q2	1,320,047	1,378,993	(58,946)	-4.5%
	Total	5,046,769	5,104,657	(57,888)	-1.1%
2012	11Q3	1,320,807	1,343,458	(22,651)	-1.7%
	11Q4	1,054,684	1,102,854	(48,170)	-4.6%
	12Q1	1,235,555	1,254,906	(19,351)	-1.6%
	12Q2	1,251,833	1,306,972	(55,139)	-4.4%
	Total	4,862,879	5,008,191	(145,312)	-3.0%
2013	12Q3	1,330,752	1,338,621	(7,869)	-0.6%
	12Q4	1,059,221	1,093,676	(34,455)	-3.3%
	13Q1	1,207,727	1,256,640	(48,913)	-4.0%
	13Q2	1,370,117	1,275,071	95,046	6.9%
	Total	4,967,817	4,964,008	3,809	0.1%

NON-GENERAL FUND METHODOLOGY

Two Year Registrations

	<u>Fiscal Year</u>	<u>Actual</u>	<u>Fitted</u>	<u>Residual</u>	<u>% Residual</u>
2004	03Q3	250,876	243,757	7,119	2.8%
	03Q4	213,274	206,095	7,179	3.4%
	04Q1	237,659	234,248	3,411	1.4%
	04Q2	253,820	227,835	25,985	10.2%
	Total	955,629	911,934	43,695	4.6%
2005	04Q3	251,646	257,228	(5,582)	-2.2%
	04Q4	203,444	205,643	(2,199)	-1.1%
	05Q1	233,271	219,255	14,016	6.0%
	05Q2	278,458	269,038	9,420	3.4%
	Total	966,819	951,164	15,655	1.6%
2006	05Q3	296,499	256,257	40,242	13.6%
	05Q4	226,698	226,231	467	0.2%
	06Q1	255,918	245,703	10,215	4.0%
	06Q2	283,167	264,067	19,100	6.7%
	Total	1,062,282	992,257	70,025	6.6%
2007	06Q3	299,315	256,872	42,443	14.2%
	06Q4	241,409	218,381	23,028	9.5%
	07Q1	270,725	242,199	28,526	10.5%
	07Q2	283,167	283,741	(574)	-0.2%
	Total	1,094,616	1,001,192	93,424	8.5%
2008	07Q3	278,906	292,688	(13,782)	-4.9%
	07Q4	235,108	236,950	(1,842)	-0.8%
	08Q1	244,137	260,283	(16,146)	-6.6%
	08Q2	277,234	287,501	(10,267)	-3.7%
	Total	1,035,385	1,077,422	(42,037)	-4.1%
2009	08Q3	315,988	294,937	21,051	6.7%
	08Q4	238,209	248,697	(10,488)	-4.4%
	09Q1	286,888	272,107	14,781	5.2%
	09Q2	316,656	287,501	29,155	9.2%
	Total	1,157,741	1,103,242	54,499	4.7%
2010	09Q3	291,583	278,640	12,943	4.4%
	09Q4	234,243	243,666	(9,423)	-4.0%
	10Q1	271,991	250,876	21,115	7.8%
	10Q2	313,186	282,763	30,423	9.7%
	Total	1,111,003	1,055,944	55,059	5.0%
2011	10Q3	321,766	308,251	13,515	4.2%
	10Q4	252,349	246,142	6,207	2.5%
	11Q1	288,078	285,014	3,064	1.1%
	11Q2	301,728	314,243	(12,515)	-4.1%
	Total	1,163,921	1,153,649	10,272	0.9%
2012	11Q3	298,282	276,690	21,592	7.2%
	11Q4	234,104	234,178	(74)	0.0%
	12Q1	286,257	260,905	25,352	8.9%
	12Q2	296,383	295,826	557	0.2%
	Total	1,115,026	1,067,599	47,427	4.3%
2013	12Q3	329,923	299,694	30,229	9.2%
	12Q4	252,382	247,355	5,027	2.0%
	13Q1	285,852	274,996	10,856	3.8%
	13Q2	328,063	291,671	36,392	11.1%
	Total	1,196,220	1,113,717	82,503	6.9%

NON-GENERAL FUND METHODOLOGY

ABC Revenue Estimating Methodology

Distilled spirit sales are a function of the price of product and quantity sold. Both are forecasted using separate models with quarterly data from 1981 through the present. The price of distilled spirits is a function of the cost of product and the appropriate state and federal taxes and mark-ups. Sales estimates serve as the basis for the development of pro forma profit and loss statements. Sales performance can be significantly influenced by changes in consumer behavior (primarily during the holiday period) and severe weather that are both impossible to accurately forecast. Expenses are estimated based on anticipated budget requirements during the forecasting period. Variations in anticipated expenses are often the source of forecasting error, particularly in the later years of the forecast.

Average Price of Distilled Spirits

The average sales price per gallon of distilled spirits sold was calculated for each quarter. This was adjusted to account for changes in mark-up, state taxes, and the Federal Excise Tax on distilled spirits. The resulting base price was forecasted using an ARIMA model that was found to fit the data better than previous regression-based forecasting methods.

Statistical Results:

Mean Squared Error = .04

$R^2 = 98.1\%$

Quantity of Liquor Demanded

Again, a variety of modeling techniques and data were evaluated to forecast the demand for distilled spirits. The Winter's Multiplicative exponential smoothing method provided the best fit for the data.

Statistical Results:

Mean Squared Error = .001

$R^2 = 98.7\%$

THE UNEMPLOYMENT INSURANCE TRUST FUND

Equation Specifications for Taxable Wages:

$$(TAX_x/TOT_x) = f(TBAAW_x, MTWB, QI_x)$$

The proportion of taxable wages (TAX) to total wages (TOT) in a given quarter is linearly related to the ratio of the maximum taxable wage base to the average annual wage (TBAAW), the maximum taxable wage base (MTWB), and the rate of insured unemployment (QI).

There are four equations—one for each quarter. The ratios derived by the equations are applied to the projections for total wages to produce taxable wages. Total wages are derived by multiplying covered employment by the average quarterly wage.

Projected tax rates are then applied to taxable wages to obtain projections for tax contributions.

The following pages give specifications for the quarterly equations currently used in the model. There are 12 observations used in the equations, the years 2000 to 2011 inclusive.

First Quarter

The first quarter regression equation, with t statistics in brackets, is:

$$(TAX_1/TOT_1) = 0.189 + 1.855 (TBAAW_1)$$

[19.286] [36.163]

The summary statistics are:

Adjusted R ²	0.992
MSE	1.716 x 10 ⁻⁵

Second Quarter

The second quarter regression equation, with t statistics in brackets, is:

$$(TAX_2/TOT_2) = -0.059 + 1.187 (TBAAW_2) - 0.004 (QI_2)$$

[-5.518] [25.127] [-2.703]

The summary statistics are:

NON-GENERAL FUND METHODOLOGY

Adjusted R² 0.987
MSE 1.168 x 10⁻⁵

Third Quarter

The third quarter regression equation, with t statistics in brackets, is:

$$(TAX_3/TOT_3) = -0.007 + 0.626 (TBAAW_3) - 0.007 (QI_3)$$

[-0.815] [16.474] [-4.379]

The summary statistics are:

Adjusted R² 0.974
MSE 8.625 x 10⁻⁶

Fourth Quarter

The fourth quarter regression equation, with t statistics in brackets, is:

$$(TAX_4/TOT_4) = -0.013 + 0.562 (TBAAW_4) - 0.007 (QI_4)$$

[-2.303] [26.487] [-7.019]

The summary statistics are:

Adjusted R² 0.990
MSE 2.131 x 10⁻⁶