

August 15, 2014

**Review of General Fund Revenues
and the Virginia Economy
for Fiscal Year 2014**

**The Interim Economic Outlook and
Revenue Forecast for Fiscal Years 2015
through 2016**

*A presentation to the Senate
Finance, House Appropriations,
and House Finance Committees*



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Secretary of Finance

Overview...

Fiscal Year 2014 Year-in-Review

- Economic Performance
- Actual General Fund Collections
- Actual Commonwealth Transportation Fund Collections
- Financial Results Balance Sheet

Updated Outlook for Fiscal Years 2015 through 2016

- May 2014 Economic Outlook
- August 2014 Interim Revenue Forecast
- Revenue Stabilization Fund Balance

Next Steps

- July 2014 General Fund Collections
- Fall Forecasting Process

The U.S. Economy Performed As Anticipated In Fiscal Year 2014...

- As measured on a fiscal year basis (July through June), real GDP advanced 2.4 percent in FY14.
- Wages and Salaries advanced 3.3 percent in FY14 in line with expectations.
- The U.S. economy gained 2.3 million jobs in FY14.
 - At the end of FY14, national employment slightly exceeded the previous peak that occurred six years ago in FY08.

Summary of Key U.S. Economic Indicators Percent Change Over the Prior Fiscal Year

	FY14 <u>Forecast</u>	FY14 <u>Actual</u>
Real GDP	2.1	2.4
Consumer Spending	2.0	2.4
Employment	1.6	1.7
Personal Income	3.6	3.1
Wages & Salaries	3.2	3.3

However, Due to Federal Budget Cuts, Virginia's Economy Stalled In The Last Half of Fiscal Year 2014...

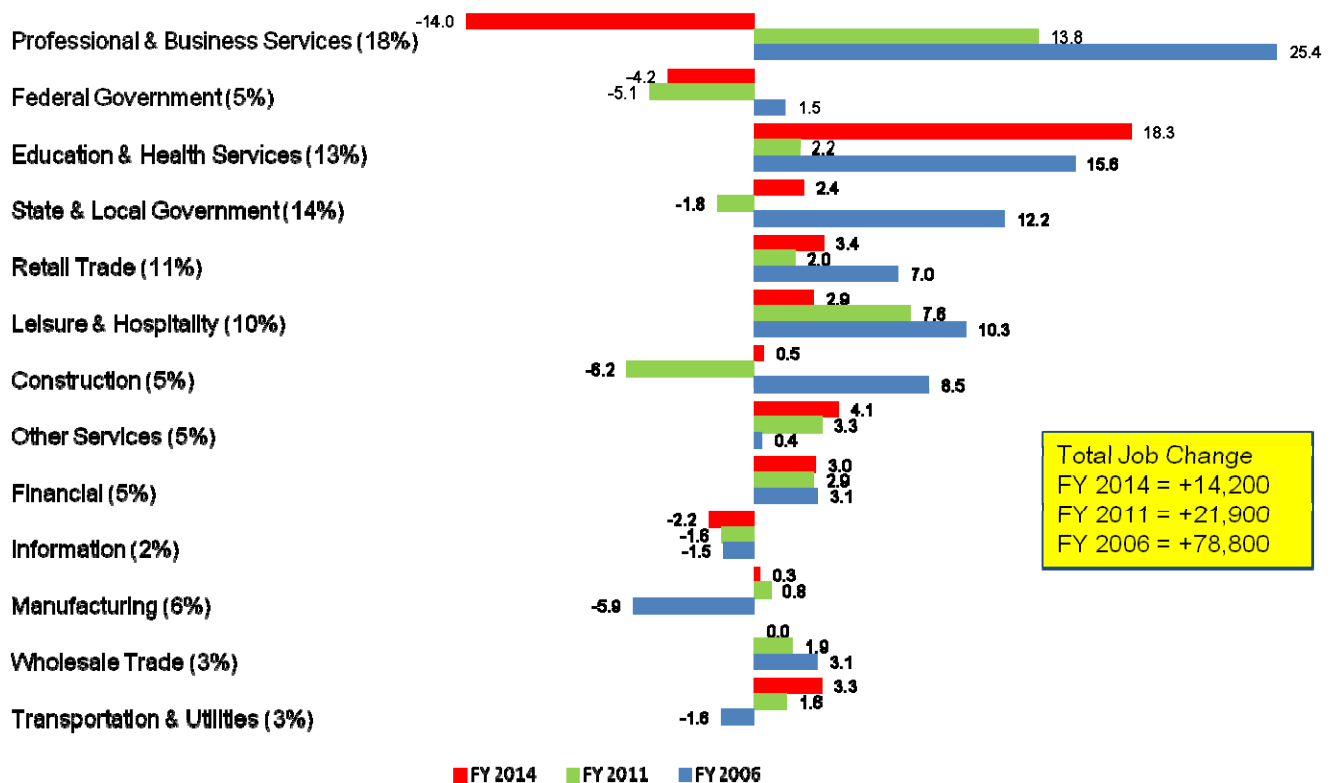
- In Virginia, wages and salaries grew 1.1 percent, significantly lower than the official forecasted rate of 2.6 percent.
- Virginia gained a meager 0.4 percent or 14,600 jobs in FY14. Gains in finance, health services, and leisure and hospitality were largely offset by the drag from professional and business services and government.

Summary of Key Virginia Economic Indicators Percent Change Over the Prior Fiscal Year

	<u>FY14 Forecast</u>	<u>FY14 Actual</u>
Employment	1.0	0.4
Professional/Business	1.0	-1.8
Government	-0.1	0.0
Personal Income	2.9	1.6
Wages & Salaries	2.6	1.1

The Composition of Employment Growth is Changing...

Virginia Job Change by Sector
June over June, Thousands of Jobs



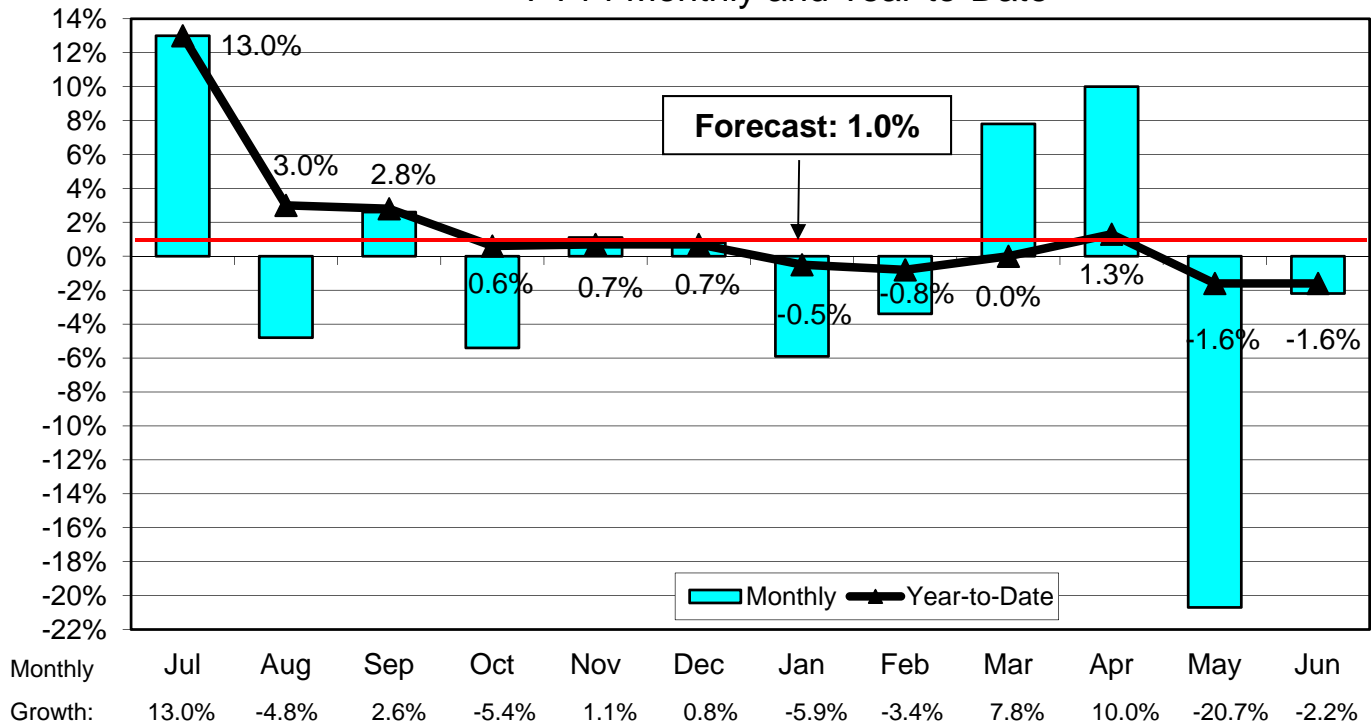
Fiscal Year 2014 Revenues And Transfers Finished \$437.8 Million (2.5 Percent) Below Forecast...

Summary of Fiscal Year 2014 Revenue Collections (millions of dollars)

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>% Growth Over FY13</u>	
			<u>Dollars</u>	<u>Percent</u>	<u>Forecast</u>	<u>Actual</u>
Withholding	\$ 10,550.2	\$ 10,484.2	\$ (66.0)	(0.6) %	2.9 %	2.3 %
Nonwithholding	2,926.0	2,524.9	(401.1)	(13.7)	4.2	(10.1)
Refunds	<u>(1,807.1)</u>	<u>(1,755.8)</u>	51.3	(2.8)	5.1	2.1
Net Individual	11,669.1	11,253.3	(415.8)	(3.6)	2.9	(0.8)
Sales	3,079.4	3,066.5	(12.9)	(0.4)	(4.4)	(4.8)
Corporate	769.9	757.5	(12.4)	(1.6)	(3.4)	(4.9)
Wills (Recordation)	377.5	310.8	(66.7)	(17.7)	0.0	(17.7)
Insurance	289.4	320.4	31.0	10.7	10.4	22.2
All Other Revenue	<u>664.1</u>	<u>702.9</u>	38.8	5.8	(3.5)	2.1
Total Revenues	\$ 16,849.4	\$ 16,411.4	\$ (438.0)	(2.6) %	1.0 %	(1.6) %
ABC Profits	71.6	72.2	0.6	0.8	5.3	6.2
Sales Tax (0.25%)	334.7	334.0	(0.7)	(0.2)	51.2	50.9
Transfers	<u>131.2</u>	<u>131.5</u>	0.3	0.2	(3.0)	(2.7)
Total Transfers	\$ 537.5	\$ 537.7	\$ 0.2	0.0 %	26.6 %	26.6 %
Total General Fund	\$ 17,386.9	\$ 16,949.1	\$ (437.8)	(2.5) %	1.6 %	(0.9) %

The Drop-Off in May Pushed the Fiscal-Year-to-Date Growth Down to Negative Territory...

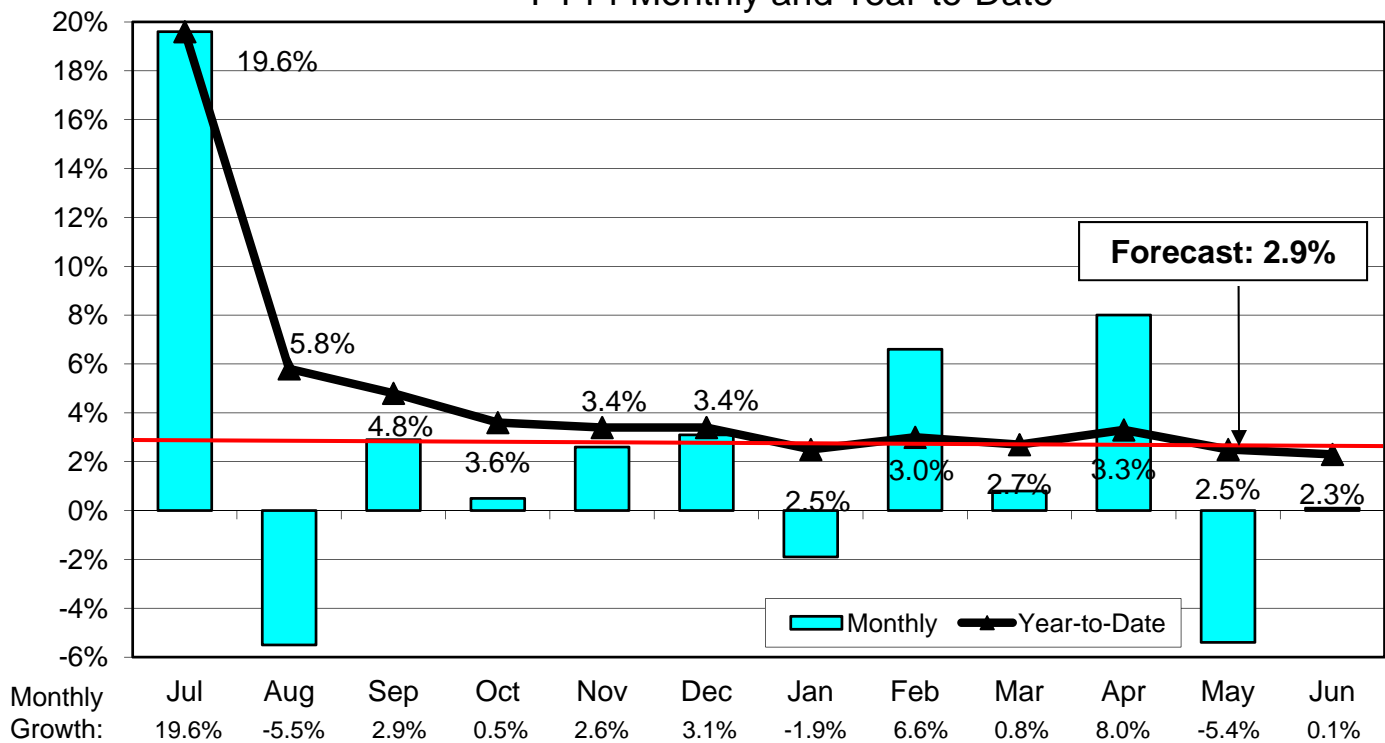
**Growth in Total General Fund Revenue Collections
FY14 Monthly and Year-to-Date**



- Total general fund revenue collections were short of the forecast by \$438.0 million in FY14, a forecast variance of 2.6 percent.
- Total general fund revenue collections fell 1.6 percent, behind the official forecast of 1.0 percent growth.
 - Adjusting for the accelerated sales tax (AST) program, total revenues fell 0.6 percent, behind the economic-base forecast of 2.1 percent growth.

Payroll Withholding Tax Collections Fell Short of The Annual Estimate By \$66.0 Million (-0.6 Percent) In Fiscal Year 2014...

Growth in Withholding TAX Collections
FY14 Monthly and Year-to-Date



- Collections of payroll withholding taxes, 64 percent of total general fund revenues, grew 2.3 percent, trailing the annual estimate of 2.9 percent.
- Slower-than-expected employment and income growth dampened collections in this source.

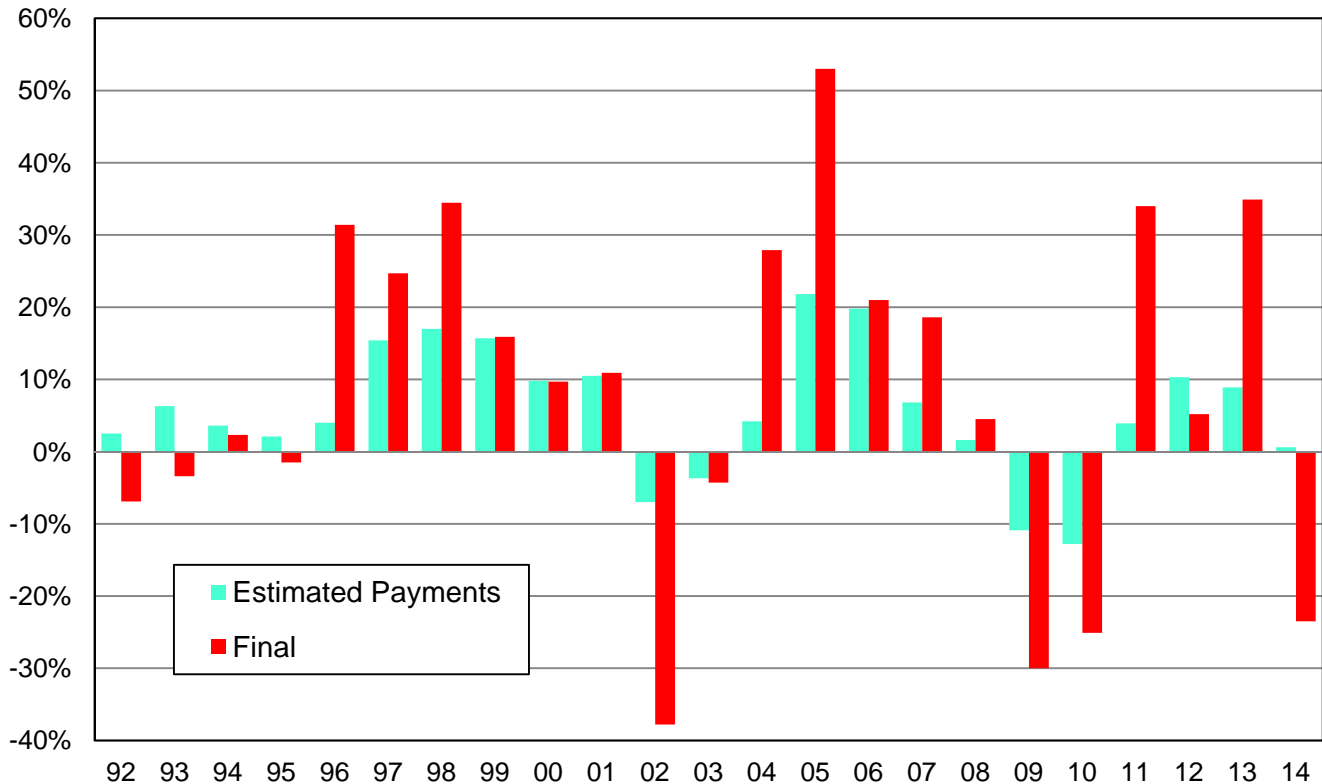
Weak Growth in Withholding Collections Due to Slowdown in Public Sector and Declines in Federal Contractors and Professional and Business Services...

Withholding Tax Collections Fiscal Years 2012 - 2014 Millions of Dollars

Industry (% of Total \$ Amount in FY14)	# of Firms in FY14	Millions of Dollars			Percent Change		
		FY12	FY13	FY14	FY12	FY13	FY14
Public Sector (18%)	93	\$1,831.5	\$1,874.9	\$1,888.6	2.7%	2.4%	0.7%
Education and Health Services (7%)	244	\$750.4	\$757.4	\$772.9	-1.2%	0.9%	2.0%
Federal Contractors (4%)	192	\$495.6	\$482.8	\$451.7	-1.7%	-2.6%	-6.4%
Finance (3%)	134	\$270.3	\$294.7	\$306.6	7.0%	9.0%	4.0%
Professional and Business Services (3%)	538	\$260.5	\$285.5	\$288.1	8.1%	9.6%	0.9%
Investment (2%)	148	\$134.8	\$159.6	\$179.0	3.1%	18.4%	12.2%
Manufacturing (2%)	174	\$135.8	\$141.0	\$157.3	7.2%	3.8%	11.6%
Transportation (1%)	41	\$103.1	\$108.9	\$113.9	0.4%	5.7%	4.6%
Energy (1%)	47	\$96.2	\$84.4	\$86.2	-2.8%	-12.3%	2.2%
Other (4%)	720	\$468.0	\$468.8	\$464.1	-1.8%	0.2%	-1.0%
Total Large Payers (45%)	2,331	\$4,546.1	\$4,658.0	\$4,708.6	1.6%	2.5%	1.1%
Total Small Payers (55%)	242,267	\$5,493.5	\$5,593.3	\$5,775.6	6.5%	1.8%	3.3%
Total All	244,598	\$10,039.7	\$10,251.3	\$10,484.2	4.2%	2.1%	2.3%

Individual Income Tax Nonwithholding Collections Were \$401.1 (13.7 Percent) Below The Annual Estimate In Fiscal Year 2014...

Growth in Estimated and Final Payments, FY92-14
Percent Growth Over the Prior Year



- Collections of nonwithholding, 15 percent of total revenues and one of the most volatile revenue sources, fell short of expectations due to a drop off in final payments and flat estimated payments.
 - Final payments decreased 23.5 percent compared with the estimate no change.
- Taken together, total nonwithholding collections fell 10.1 percent in fiscal year 2014 compared with the annual estimate of 4.2 percent growth.

Individual Payments Reflect Realized Capital Gains and Non-wage Income...

Large Individual Payments

	<u>Number of Payments</u>	<u>Total \$ Amt of Payments</u> (in millions)
FY00	832	\$266.2
FY01	885	\$270.9
FY02	639	\$168.8
FY03	617	\$177.5
FY04	864	\$242.3
FY05	1,320	\$394.8
FY06	1,749	\$523.1
FY07	1,929	\$638.5
FY08	1,858	\$657.9
FY09	1,310	\$483.3
FY10	843	\$263.8
FY11	1,130	\$422.3
FY12	1,173	\$401.6
FY13	1,648	\$575.7
FY14	1,119	\$328.0

- FY13 and FY14 payments are affected by federal tax policy changes; FY14 payments are the lowest since FY10.
- Note, large payments are payments over \$100,000.00

Individual Income Tax Refunds Were Below Expectations In Fiscal Year 2014...

Individual Refunds

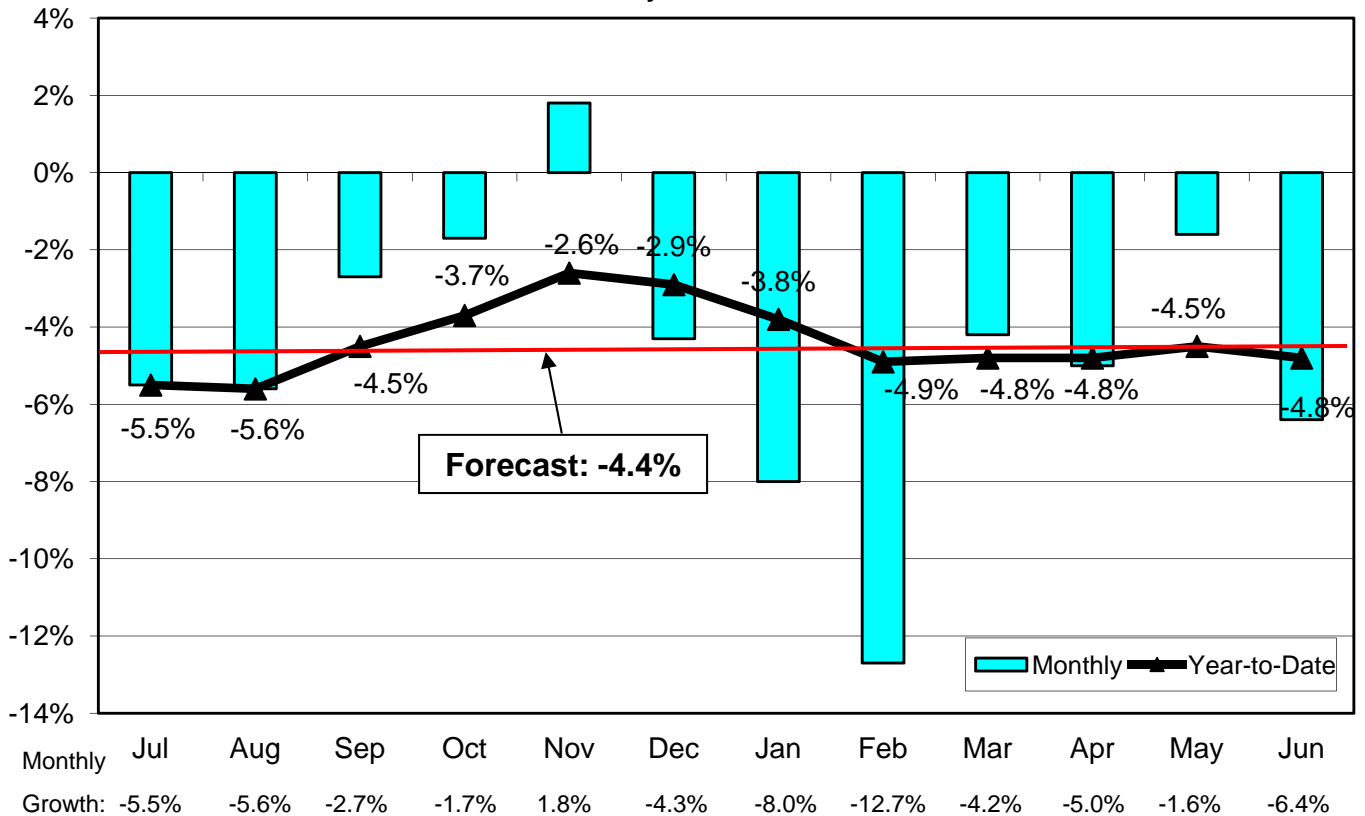
- Individual refunds in FY14 were \$51.3 million below the estimate of a 5.1 percent increase, a -2.8 percent variance.
- During the main filing season that began in January and ended in June, TAX issued 2.6 million refunds, approximately the same amount as last year. The average check size declined 3 percent (\$549 versus \$566).

Net Individual Income Taxes

- Net individual income taxes (i.e., collections of withholding, nonwithholding, and refunds) underperformed the forecast by \$415.8 million, a variance of -3.6 percent.
- Collections fell 0.8 percent from FY14, behind the annual estimate of 2.9 percent growth.

Sales And Use Tax Collections Fell Short Of The Annual Estimate By \$12.9 Million (-0.4 Percent) In Fiscal Year 2014...

Growth in Sales Tax Collections
FY14 Monthly and Year-to-Date



- Adjusting for AST, sales tax collections grew 0.8 percent in fiscal year 2014, trailing the economic-base forecast of a 1.6 percent increase.
- Monthly growth rates were below the annual forecast in 6 out of the 12 months as Virginia consumers have shown restraint in connection with federal government cutbacks.

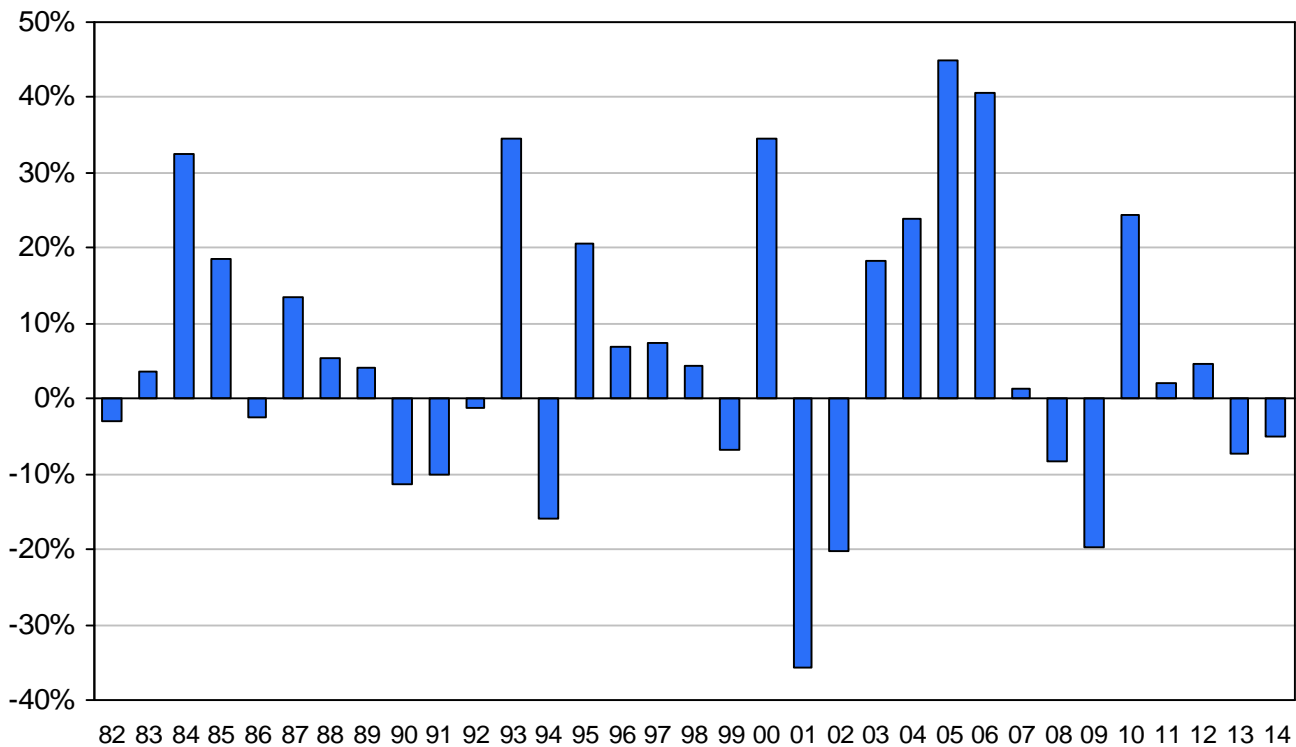
Sales Tax Collections Overall Were Weak, But Fiscal Year 2014 Gains Emerged in Housing, Restaurants, Trade, and Leisure and Hospitality...

Sales Tax Collections Fiscal Years 2012 - 2014 Millions of Dollars

Industry (% of Total \$ Amount)	# of Firms in FY14	Millions of Dollars			Percent Change	
		FY12	FY13	FY14	FY13	FY14
Housing (16%)	177	\$423.4	\$446.5	\$466.2	5.5%	4.4%
Warehouse Clubs/Supercenters (14%)	6	\$390.4	\$404.8	\$398.2	3.7%	-1.6%
Department Stores (12%)	126	\$358.9	\$359.2	\$357.8	0.1%	-0.4%
Grocery Stores (11%)	23	\$309.2	\$322.5	\$322.6	4.3%	0.0%
Retail Trade (10%)	112	\$276.8	\$284.2	\$292.0	2.7%	2.7%
Restaurants (5%)	90	\$139.8	\$145.6	\$154.6	4.1%	6.2%
Wholesale Trade (2%)	78	\$60.8	\$68.2	\$71.9	12.1%	5.5%
Leisure and Hospitality (2%)	63	\$35.7	\$41.9	\$46.4	17.4%	10.7%
Gasoline Stations (2%)	18	\$51.6	\$49.8	\$45.7	-3.5%	-8.4%
Other (5%)	369	\$171.0	\$169.4	\$150.1	-0.9%	-11.4%
Total Large Payers	1,062	\$2,217.6	\$2,292.1	\$2,305.4	3.4%	0.6%
Total	143,598	\$3,123.4	\$3,186.0	\$3,211.5	2.0%	0.8%

Corporate Income Tax Receipts Fell Short Of The Annual Estimate By \$12.4 Million (-1.6 Percent) In Fiscal Year 2014...

Growth in Net Corporate Income Tax Receipts, FY82-14
Percent Growth Over the Prior Year



- Corporate income tax collections, 5 percent of total revenues and one of the most volatile sources, fell 4.9 percent in FY14, behind the annual estimate of a 3.4 percent decline.

The Performance of Other Revenue Sources Were Mixed Compared to Their Respective Forecasts In Fiscal Year 2014...

Wills, Suits, Deeds, and Contracts (Recordation Tax)

- Wills, Suits, Deeds, and Contracts (primarily recordation tax collections) finished \$66.7 million behind the annual forecast (-17.7 percent variance).
 - This source fell 17.7 percent as housing transactions have been weak.

Insurance Premiums Tax

- Insurance premiums tax collections exceeded the annual estimate by \$31.0 million (10.7 percent variance).
 - Growth in the commercial real estate market and improving home values led to a rebound in insurance premiums tax collections.

All Other Revenues

- All Other Revenues finished \$38.8 million ahead of expectations (5.8 percent variance).
 - Much of this gain was due to Interest Income, which came in \$24.1 million above forecast.

Commonwealth Transportation Fund (CTF) Revenues Finished Fiscal Year 2014 \$16.7 Million Below the Official Estimate...

Summary of Fiscal Year 2014 Revenue Collections Commonwealth Transportation Fund (millions of dollars)

Revenue Sources	FY2013 Actual	FY2014 Actual	FY2014 Forecast	Percent Change 2013-2014		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	814.8	649.7	\$597.8	-20.3%	-26.6%	\$51.9	8.7%
Road Use Tax	5.1	8.6	7.7	68.6	51.0	0.9	11.7
Vehicle Sales Tax	589.4	788.6	826.1	33.8	40.2	-37.5	-4.5
Vehicle Licenses	245.6	249.3	250.7	1.5	2.1	-1.4	-0.6
State Sales Tax	521.2	822.6	837.8	57.8	60.7	-15.2	-1.8
Recordation Tax	46.3	37.3	45.5	(19.4)	(1.7)	-8.2	-18.0
Priority Transportation Fund	20.0	-	-	na	na	na	na
Insurance Premiums Tax	130.1	130.8	130.8	0.5	0.5	0.0	0.0
Int'l Registration Plan	61.8	59.6	62.3	(3.6)	0.8	-2.7	-4.3
Interest Earnings	9.3	7.2	13.1	(22.6)	40.9	-5.9	-45.0
Rental Tax	33.4	33.3	33.1	(0.3)	(0.9)	0.2	0.6
Aviation Fuels Tax	1.8	2.0	2.0	11.1	11.1	0.0	0.0
Miscellaneous	14.8	17.3	16.1	16.9	8.8	1.2	7.5
TOTAL	\$2,493.6	\$2,806.3	\$2,823.0	12.5%	13.2%	(\$16.7)	-0.6%

- Total revenue growth was below target with a 0.6 percent forecast variance.
 - Relative to the forecast, gains in the motor fuels tax were offset by weaker than expected vehicle sales tax collections.

Given the Revenue Shortfall, All Available Dollars Are Either Reserved, Committed, or Assigned on the Commonwealth's Balance Sheet...

General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2014 (millions of dollars)

Assets

Cash, Cash Equivalents, and Investments	\$ 1,354.1	
Cash, Travel Advances and Amounts Due from Other Funds	1.3	
Total Assets		<u>\$ 1,355.4</u>

Liabilities and Fund Equity

Liabilities:

Deposits Pending Distribution	6.1	
Total Liabilities	\$	6.1

Fund Equity:

Reserved Fund Balance:

Revenue Stabilization Reserve Fund	687.5	
Revenue Stabilization Reserve 2015	243.2	
Lottery Proceeds Fund	4.8	
Water Supply Assistance Grant Fund	8.0	

Total Reserved Fund Balance	943.5	
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Commitments and Assignments:

Reapp. 2014 Unexpended Bal. for Cap Outlay	21.7	
Central Capital Planning Fund	11.0	
Communication Sales and Use Tax	38.9	
Natural Disaster Sum Sufficient	33.3	
Amt. Required for Mandatory Reapp.	57.4	
Federal Action Contingency Trust Fund	4.4	
Select NGF Balances	239.1	

Total Committed and Assigned Fund Balance	405.8	
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Total Fund Equity		<u>1,349.3</u>
Total Liabilities and Fund Balance	\$	<u>1,355.4</u>

The Governor Ordered The Secretary Of Finance In Mid-May To Conduct A Reforecast Of Revenues...

- The August 2014 interim revenue forecast is based on the updated economic outlook for Virginia as approved by the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE) .
 - IHS Economics' May 2014 standard and pessimistic forecasts for the U.S. and the associated outlook for Virginia were presented to the JABE.
 - The majority of the Board considered the standard forecast for Virginia too high, with two members recommending a lower growth alternative and six supporting the standard forecast with downward revisions.
 - Based on JABE members' comments, the May pessimistic forecast for Virginia employment and wages & salaries was a bit too conservative and the recommendation was for a pessimistic scenario.
 - The May JABE and standard alternative forecasts were presented to the Governor's Advisory Council on Revenue Estimates (GACRE) on August 1, 2014.

In the JABE Pessimistic Forecast, Virginia Will Continue to Underperform the National Economy...

- Employment and income growth are not expected to approach modestly stronger rates until FY16, FY15 is forecast to remain subdued.

Key Virginia Economic Indicators Official and JABE Pessimistic Forecast Annual Percent Change

	11	12	13	14	15	16
Employment						
Official (Budget)	1.1	1.2	1.3	1.0	1.5	1.7
JABE Pessimistic				0.4	0.7	1.4
Personal Income						
Official (Budget)	5.1	4.7	3.0	2.9	4.3	4.4
JABE Pessimistic				1.6	3.7	3.8
Wages & Salaries						
Official (Budget)	3.4	2.7	3.0	2.6	4.0	4.2
JABE Pessimistic				1.1	3.2	3.6
Average Wage						
Official (Budget)	2.3	1.5	1.7	1.6	2.5	2.5
JABE Pessimistic				0.8	2.5	2.1

The August Interim Revenue Forecast Incorporates The Recommendations From The GACRE Meeting...

- Based on GACRE comments:
 - Payroll withholding was reduced \$65.0 million in FY15 and \$105.0 million in FY16.
- The August Interim revenue forecast is a blend of the standard outlook and the pessimistic outlook, leaning more towards the pessimistic.

In the August Interim Revenue Forecast, Total General Fund Revenues Have Been Reduced by \$2.0 Billion for FY15-16...

The Official to Interim General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

August 15, 2014

Major Sources	As a % of Total General Fund	Fiscal Year 2015			% Growth Over FY 14	
		Official	Interim	Change	Official	Interim
Withholding	60.1%	\$11,025.6	\$10,770.3	(\$255.3)	4.5 %	2.7
Nonwithholding	17.5	3,209.3	2,685.2	(524.1)	9.7	6.3
Refunds	(10.3)	(1,885.0)	(1,819.0)	66.0	4.3	3.6
Net Individual	67.3%	\$12,349.8	\$11,636.5	(\$713.3)	5.8 %	3.4 %
Sales	17.5%	\$3,211.4	\$3,152.5	(\$58.9)	4.3 %	2.8 %
Corporate	4.5	816.6	738.9	(77.7)	6.1	(2.5)
Wills (Recordation)	2.1	377.5	314.5	(63.0)	0.0	1.2
Insurance	1.6	290.9	344.4	53.5	0.5	7.5
All Other Revenue	3.7	675.6	675.6	0.0	1.7	(3.9)
Total Revenue	96.6%	\$17,721.9	\$16,862.4	(\$859.5)	5.2 %	2.7 %

In the August Interim Revenue Forecast, Total General Fund Revenues Have Been Reduced by \$2.0 Billion for FY15-16...

The Official to Interim General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

August 15, 2014

Major Sources	Fiscal Year 2016				2014-2016 Biennium					
	Official	Interim	Change	% Growth Over FY15		Official	Interim	Change		
Withholding	\$11,504.6	\$11,100.5	(\$404.1)	4.3	%	3.1	%	\$22,530.1	\$21,870.8	(\$659.3)
Nonwithholding	3,401.6	2,747.3	(654.3)	6.0		2.3		6,610.9	5,432.5	(1,178.4)
Refunds	(1,965.0)	(1,884.5)	80.5	4.2		3.6		(3,850.0)	(3,703.5)	146.5
Net Individual	\$12,941.2	\$11,963.3	(\$977.9)	4.8		2.8		\$25,291.0	\$23,599.8	(\$1,691.2)
Sales	\$3,303.5	\$3,265.5	(\$38.0)	2.9		3.6		\$6,515.0	\$6,418.0	(\$97.0)
Corporate	827.7	744.2	(83.5)	1.4		0.7		1,644.3	1,483.1	(161.2)
Wills (Recordation)	377.5	314.5	(63.0)	0.0		0.0		755.0	629.0	(126.0)
Insurance	303.1	330.2	27.1	4.2		(4.1)		594.1	674.6	80.6
All Other Revenue	695.6	695.6	0.0	3.0		3.0		1,371.2	1,371.2	0.0
Total Revenue	\$18,448.6	\$17,313.3	(\$1,135.3)	4.1	%	2.7	%	\$36,170.5	\$34,175.7	(\$1,994.8)

Effect of Revenue Shortfall and Interim Revenue Forecast for 2015-2016 Biennium on Budget...

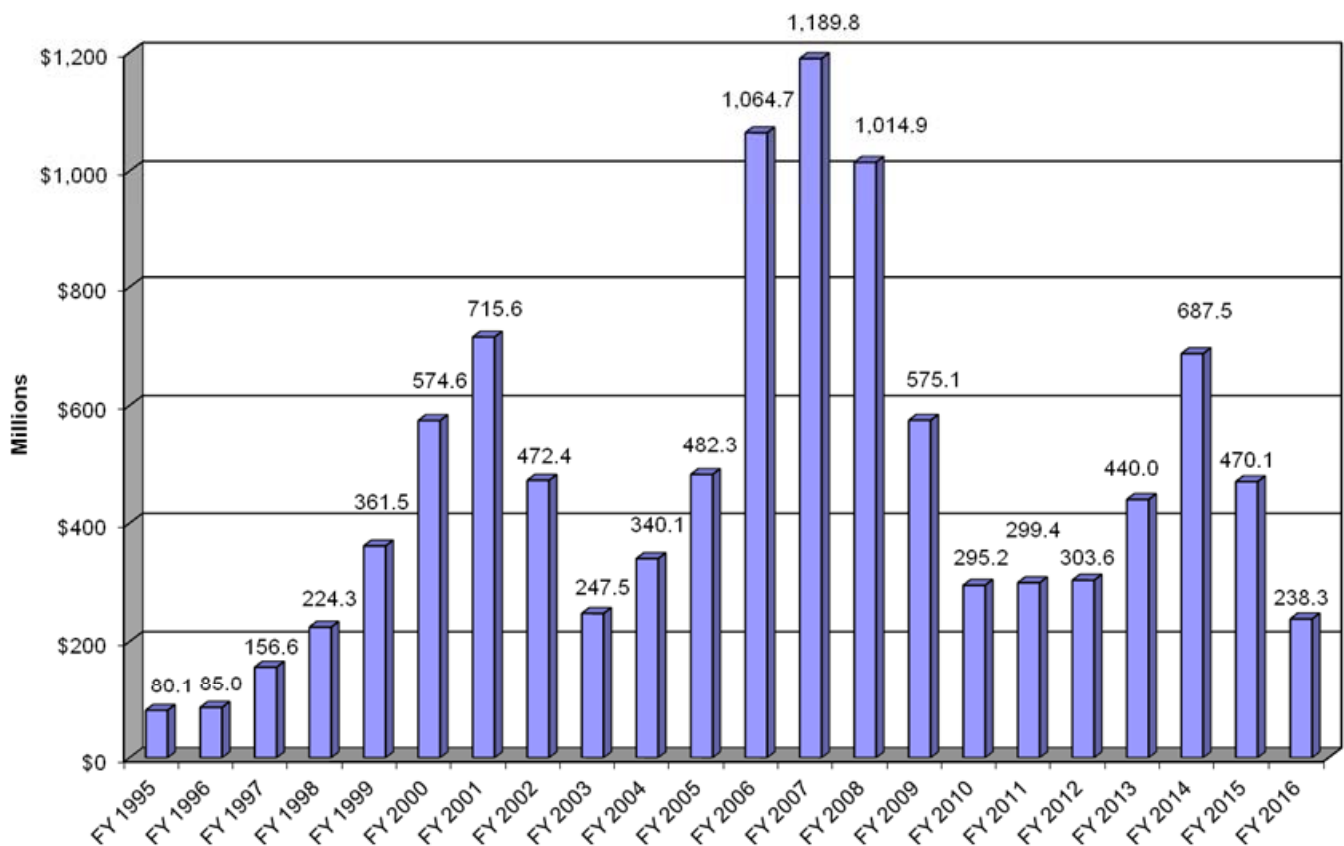
General Fund \$ in Millions

	FY2015	FY2016	Total
Official Budget Revenue Estimates	\$17,721.9	\$18,448.6	\$36,170.5
Interim Revenue Reforecast 8/15	16,862.4	17,313.3	34,175.7
Difference	(859.5)	(1,135.3)	(1,994.8)
Revenue Shortfall FY2014	(437.8)	0.0	(437.8)
Total Shortfall	(1,297.3)	(1,135.3)	(2,432.6)
Appropriated Reserves	481.8	364.3	846.1
Revenue Stabilization Fund Withdrawals	470.0	235.0	705.0
Total Corrective Actions	951.8	599.3	1,551.1
Remaining Shortfall	(\$345.5)	(\$536.0)	(\$881.5)

Assumed Withdrawals from the Revenue Stabilization Fund to Address the Budget Shortfall Will Cause the Size of the Fund to Decline Between the End of FY2014 and FY2016...

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

Revenue Stabilization Fund



- A mandatory deposit of \$243.2 million in fiscal year 2015 is required. The withdrawals in fiscal years 2015 and 2016 are assumed to be \$470.0 and \$235.0 million, respectively.

July 2014 General Fund Revenue Collections Increased 14.1 percent Due to Timing Issues...

Summary of July FY15 Revenue Collections

Percent Growth over Prior Year

<u>Major Source</u>	As a % of Total <u>Revenues</u>	<u>YTD</u> <u>Actual</u>	<u>Annual</u> <u>Estimate</u>	<u>Variance</u>
Withholding	62.2 %	8.9 %	5.2 %	3.7 %
Nonwithholding	18.1	85.4	27.1	58.3
Refunds	(10.6)	(15.7)	7.4	(23.1)
Net Individual	69.7	14.5	9.7	4.8
Sales	18.1	6.4	4.7	1.7
Corporate	4.6	740.2	7.8	732.4
Wills (Recordation)	2.1	(12.2)	21.5	(33.7)
Insurance	1.6	n/a	(9.2)	n/a
All Other Revenue	3.8	12.2	(3.9)	16.1
Total	100.0 %	14.1 %	8.0 %	6.1 %
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Sales (x HB2313 & AST)		(2.3) %	5.5 %	(7.8) %
Total (x HB2313 & AST)		11.9 %	8.2 %	3.7 %

- Withholding collections had one additional deposit day this year.
- Timing delays postponed the collection of some nonwithholding payments and pushed them into July receipts.
- A year-ago, a large corporate income tax refund occurred.

The August Revenue Reforecast Will Be Addressed By Budget Reductions And Further Reviewed Before December...

- Budget actions will be identified and implemented to address the reduction in the fiscal year's 2015 and 2016 forecast.
 - Prepare and review of agency-developed reduction plans.
 - Implement agency budget reductions to address the shortfall in the current fiscal year.
 - Make recommendations in the 2015 amended budget bill for additional items that require General Assembly approval.

- Significant revenue elements used in the fall forecasting process will be available over the next few months and will be incorporated in the fall forecasting process.
 - September – individual, corporate, and insurance estimated payments due.
 - October – Retailer corporate estimated payments due.
 - Review economic projections (JABE).
 - November – corporate refunds from extension returns normally peak.
 - Review of revenue forecast for fiscal years 2015, 2016, 2017, and 2018 (GACRE).

Appendix

Fiscal Year 2014 General Fund Collections: Actual and Official Forecast

Official and Interim General Fund Forecast for Fiscal Years 2015 and 2016

Official and August Update - Commonwealth Transportation Fund Forecast for Fiscal Years 2015 and 2016

Growth in Total General Fund Revenues, Fiscal Years 1961 to 2016

June 2014 Revenue Report

July 2014 Revenue Report

Note:

The General Fund Preliminary Annual Report, August 15, 2014 is available at the Department of Accounts web site (www.doa.virginia.gov).

This presentation is available at the Secretary of Finance web site (www.finance.virginia.gov).

Fiscal Year 2014 General Fund Collections: Actual and Official Forecast
(Dollars in Millions)

	Fiscal Year 2013		Official Forecast	Fiscal Year 2014				
	Actual	% Growth		Actual	Forecast Dollars	Variance Percent	% Growth Over FY 13 Official Actual	
MAJOR TAX SOURCES								
Corporate Income	\$ 796.7	(7.3) %	\$ 769.9	\$ 757.5	\$ (12.4)	(1.6) %	(3.4) %	(4.9) %
Individual Income Tax:								
Gross	13,059.0	5.3	13,476.2	13,009.2	(467.0)	(3.5)	3.2	(0.4)
Withholding	10,251.3	2.1	10,550.2	10,484.2	(66.0)	(0.6)	2.9	2.3
Nonwithholding	2,807.7	19.1	2,926.0	2,524.9	(401.1)	(13.7)	4.2	(10.1)
Refunds	<u>(1,719.1)</u>	<u>(3.7)</u>	<u>(1,807.1)</u>	<u>(1,755.8)</u>	<u>51.3</u>	<u>(2.8)</u>	<u>5.1</u>	<u>2.1</u>
Net	11,340.0	6.9	11,669.1	11,253.3	(415.8)	(3.6)	2.9	(0.8)
Insurance Company Premiums	262.2	3.7	289.4	320.4	31.0	10.7	10.4	22.2
State Sales & Use Tax	3,219.8	3.1	3,079.4	3,066.5	(12.9)	(0.4)	(4.4)	(4.8)
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>17.2</u>	<u>377.5</u>	<u>310.8</u>	<u>(66.7)</u>	<u>(17.7)</u>	<u>0.0</u>	<u>(17.7)</u>
Total Major Tax Sources	\$ 15,996.2	5.5 %	\$ 16,185.3	\$ 15,708.5	\$ (476.8)	(2.9) %	1.2 %	(1.8) %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 152.9	6.6 %	\$ 154.5	\$ 157.4	\$ 2.9	1.9 %	1.1 %	3.0 %
Bank Franchise Tax	20.4	8.3	20.0	22.5	2.5	12.7	(2.2)	10.3
Beer & Beverage Excise Tax	42.3	(1.6)	42.3	41.8	(0.5)	(1.1)	(0.0)	(1.2)
Corporate Franchise & Charter Fees	47.1	11.3	47.9	50.2	2.3	4.8	1.7	6.6
Excess & Other Fees from Officers	(10.8)	(24.6)	(9.4)	(7.1)	2.3	(24.2)	13.0	34.0
Estate & Gifts	(0.3)	(189.9)	0.0	0.2	0.2	n/a	(100.0)	(173.1)
Institutional Revenues	5.7	(2.5)	5.6	5.6	0.0	0.8	(1.7)	(0.9)
Interest & Rents	67.8	(12.5)	50.3	74.4	24.1	47.9	(25.9)	9.7
Licenses & Permits	4.2	(1.6)	4.3	4.0	(0.3)	(6.3)	3.0	(3.4)
Miscellaneous Taxes and Penalties	224.2	0.4	218.4	222.3	3.9	1.8	(2.6)	(0.8)
Other Miscellaneous Revenues	38.7	17.9	32.5	33.3	0.8	2.5	(15.9)	(13.8)
Public Service GR / Consumption Tax	<u>96.2</u>	<u>1.9</u>	<u>97.7</u>	<u>98.2</u>	<u>0.5</u>	<u>0.5</u>	<u>1.5</u>	<u>2.0</u>
Total Misc. Taxes and Other Revenues	\$ 688.4	1.6 %	\$ 664.1	\$ 702.9	\$ 38.8	5.8 %	(3.5) %	2.1 %
TOTAL GF REVENUES	\$ 16,684.6	5.3 %	\$ 16,849.4	\$ 16,411.4	\$ (438.0)	(2.6) %	1.0 %	(1.6) %
TRANSFERS								
A.B.C. Profits	\$ 68.0	6.6 %	\$ 71.6	\$ 72.2	\$ 0.6	0.8 %	5.3 %	6.2 %
Sales Tax (0.25%)	221.4	3.4	334.7	334.0	(0.7)	(0.2)	51.2	50.9
Transfers Per Appropriations Act	<u>135.2</u>	<u>(18.5)</u>	<u>131.2</u>	<u>131.5</u>	<u>0.3</u>	<u>0.2</u>	<u>(3.0)</u>	<u>(2.7)</u>
Total Transfers	\$ 424.6	(15.3) %	\$ 537.5	\$ 537.7	\$ 0.2	0.0 %	26.6 %	26.6 %
TOTAL GENERAL FUND	\$ 17,109.2	4.7 %	\$ 17,386.9	\$ 16,949.1	\$ (437.8)	(2.5) %	1.6 %	(0.9) %

The Official forecast is based on the November 2013 IHS Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 1.

The Official and Interim General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

August 15, 2014

	Fiscal Year 2015				
	Official Forecast	Interim Forecast	Change	% Growth Over FY 14	
				Official	Interim
MAJOR TAX SOURCES					
Corporate Income	\$ 816.6	\$ 738.9	\$ (77.7)	6.1 %	(2.5) %
Individual Income Tax:					
Gross	14,234.8	13,455.5	(779.3)	5.6	3.4
Withholding	11,025.6	10,770.3	(255.3)	4.5	2.7
Nonwithholding	3,209.3	2,685.2	(524.1)	9.7	6.3
Refunds	<u>(1,885.0)</u>	<u>(1,819.0)</u>	<u>66.0</u>	<u>4.3</u>	<u>3.6</u>
Net	12,349.8	11,636.5	(713.3)	5.8	3.4
Insurance Company Premiums	290.9	344.4	53.5	0.5	7.5
State Sales & Use Tax	3,211.4	3,152.5	(58.9)	4.3	2.8
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>314.5</u>	<u>(63.0)</u>	<u>0.0</u>	<u>1.2</u>
Total Major Tax Sources	\$ 17,046.3	\$ 16,186.8	\$ (859.5)	5.3 %	3.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 156.5	\$ 0.0	1.3 %	(0.6) %
Bank Franchise Tax	20.0	20.0	0.0	0.0	(11.3)
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.1
Corporate Franchise & Charter Fees	47.9	47.9	0.0	0.0	(4.6)
Excess & Other Fees from Officers	(9.4)	(9.4)	0.0	0.0	31.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.6	0.0	0.0	(0.8)
Interest & Rents	60.4	60.4	0.0	20.1 %	(18.8)
Licenses & Permits	4.3	4.3	0.0	0.0 %	6.7
Miscellaneous Taxes and Penalties	218.9	218.9	0.0	0.2 %	(1.5)
Other Miscellaneous Revenues	31.4	31.4	0.0	(3.4) %	(5.8)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>97.7</u>	<u>0.0</u>	<u>0.0 %</u>	<u>(0.5)</u>
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 675.6	\$ 0.0	1.7 %	(3.9) %
TOTAL GF REVENUES	\$ 17,721.9	\$ 16,862.4	\$ (859.5)	5.2 %	2.7 %
TRANSFERS					
A.B.C. Profits	\$ 74.8	\$ 74.8	\$ 0.0	4.5 %	3.6 %
Sales Tax (0.25%)	348.9	348.9	0.0	4.2	4.5
Transfers Per Appropriations Act	<u>192.5</u>	<u>192.5</u>	<u>0.0</u>	<u>46.7</u>	<u>46.4</u>
Total Transfers	\$ 616.2	\$ 616.2	\$ 0.0	14.6 %	14.6 %
TOTAL GENERAL FUND	\$ 18,338.1	\$ 17,478.6	\$ (859.5)	5.5 %	3.1 %

The Interim forecast is based on the May 2014 Global Insight Standard Outlook and the corresponding Virginia state forecast and includes the Joint Advisory Board of Economists and Governor's Advisory Council on Revenue Estimates recommendations.

The Official forecast is based on the November 2013 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

The Official to Interim General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

August 15, 2014

	Fiscal Year 2016					2014-2016 Biennium		
	Official Forecast	Interim Forecast	Change	% Growth Over FY 15 Official	% Growth Over FY 15 Interim	Official Forecast	Interim Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 827.7	\$ 744.2	\$ (83.5)	1.4 %	0.7 %	\$ 1,644.3	\$ 1,483.1	\$ (161.2)
Individual Income Tax:								
Gross	14,906.2	13,847.8	(1,058.4)	4.7	2.9	29,141.0	27,303.3	(1,837.7)
Withholding	11,504.6	11,100.5	(404.1)	4.3	3.1	22,530.1	21,870.8	(659.3)
Nonwithholding	3,401.6	2,747.3	(654.3)	6.0	2.3	6,610.9	5,432.5	(1,178.4)
Refunds	<u>(1,965.0)</u>	<u>(1,884.5)</u>	<u>80.5</u>	<u>4.2</u>	<u>3.6</u>	<u>(3,850.0)</u>	<u>(3,703.5)</u>	<u>146.5</u>
Net	12,941.2	11,963.3	(977.9)	4.8	2.8	25,291.0	23,599.8	(1,691.2)
Insurance Company Premiums	303.1	330.2	27.1	4.2	(4.1)	594.1	674.6	80.6
State Sales & Use Tax	3,303.5	3,265.5	(38.0)	2.9	3.6	6,515.0	6,418.0	(97.0)
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>314.5</u>	<u>(63.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>755.0</u>	<u>629.0</u>	<u>(126.0)</u>
Total Major Tax Sources	\$ 17,753.0	\$ 16,617.7	\$ (1,135.3)	4.1 %	2.7 %	\$ 34,799.3	\$ 32,804.5	\$ (1,994.8)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 0.0	1.7 %	1.7 %	\$ 315.7	\$ 315.7	\$ 0.0
Bank Franchise Tax	20.0	20.0	0.0	0.0	0.0	40.0	40.0	0.0
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	0.0	84.6	84.6	0.0
Corporate Franchise & Charter Fees	47.9	47.9	0.0	0.0	0.0	95.8	95.8	0.0
Excess & Other Fees from Officers	(9.4)	(9.4)	0.0	0.0	0.0	(18.8)	(18.8)	0.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	5.6	5.6	0.0	0.0	0.0	11.2	11.2	0.0
Interest & Rents	65.4	65.4	0.0	8.3	8.3	125.8	125.8	0.0
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0
Miscellaneous Taxes and Penalties	220.3	220.3	0.0	0.6	0.6	439.2	439.2	0.0
Other Miscellaneous Revenues	42.3	42.3	0.0	34.7	34.7	73.7	73.7	0.0
Public Service GR / Consumption Tax	<u>97.7</u>	<u>97.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>195.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 695.6	\$ 0.0	3.0 %	3.0 %	\$ 1,371.2	\$ 1,371.2	\$ 0.0
TOTAL GF REVENUES	\$ 18,448.6	\$ 17,313.3	\$ (1,135.3)	4.1 %	2.7 %	\$ 36,170.5	\$ 34,175.7	\$ (1,994.8)
TRANSFERS								
A.B.C. Profits	\$ 78.2	\$ 78.2	\$ 0.0	4.5 %	4.5 %	\$ 153.0	\$ 153.0	\$ 0.0
Sales Tax (0.375%)	361.1	361.1	0.0	3.5	3.5	710.0	710.0	0.0
Transfers Per Appropriations Act	<u>84.8</u>	<u>84.8</u>	<u>0.0</u>	<u>(55.9)</u>	<u>(55.9)</u>	<u>277.3</u>	<u>277.3</u>	<u>0.0</u>
Total Transfers	\$ 524.1	\$ 524.1	\$ 0.0	(14.9) %	(14.9) %	\$ 1,140.3	\$ 1,140.3	\$ 0.0
TOTAL GENERAL FUND	\$ 18,972.7	\$ 17,837.4	\$ (1,135.3)	3.5 %	2.1 %	\$ 37,310.8	\$ 35,316.0	\$ (1,994.8)

The Interim forecast is based on the May 2014 Global Insight Standard Outlook and the corresponding Virginia state forecast and includes the Joint Advisory Board of Economists and Governor's Advisory Council on Revenue Estimates recommendations.

The Official forecast is based on the November 2013 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

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

August 1, 2014

	Fiscal Year 2014		Fiscal Year 2015				
	Actual	% Growth	Official Forecast	August Forecast	Change	% Growth over FY 14 Official	August
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 527.3	(25.6) %	\$ 573.0	\$ 573.0	\$ 0.0	8.7 %	8.7 %
Road Tax	0.5	(119.2)	(0.1)	0.5	0.6	(120.0)	*
Motor Vehicle Sales And Use Tax	581.2	50.0	653.5	620.7	(32.8)	12.4	6.8
Motor Vehicle License Fees	227.6	1.7	232.8	222.3	(10.5)	2.3	(2.3)
Retail Sales and Use Tax	191.3	n/a	270.5	267.5	(3.0)	41.4	39.8
International Registration Plan	59.6	(3.6)	63.5	62.3	(1.2)	6.5	4.5
Recordation Tax (1 cent)	12.5	(18.8)	15.0	12.7	(2.3)	20.0	1.6
Miscellaneous	17.3	16.9	16.1	16.1	0.0	(6.9)	(6.9)
Total State Taxes and Fees	\$ 1,617.3	14.7 %	\$ 1,824.3	\$ 1,775.1	\$ (49.2)	12.8 %	9.8 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 122.4	(2.6) %	\$ 136.0	\$ 136.0	\$ 0.0	11.1 %	11.1 %
Insurance Premiums Tax (1/3)	130.8	0.5	140.1	150.4	10.3	7.1	15.0
Road Tax	8.0	3.9	7.8	7.7	(0.1)	(2.5)	(3.8)
Motor Vehicle Sales And Use Tax	207.4	2.8	222.1	214.4	(7.7)	7.1	3.4
Motor Vehicle License Fees	21.7	0.0	22.4	21.9	(0.5)	3.2	0.9
Retail Sales and Use Tax	631.3	21.1	666.1	660.7	(5.4)	5.5	4.7
Recordation Tax (2 cents)	24.9	(19.4)	30.5	25.2	(5.3)	22.5	1.2
Interest Earnings	7.2	(22.6)	10.5	10.0	(0.5)	45.8	38.9
Rental Tax	33.3	(0.3)	34.0	33.1	(0.9)	2.1	(0.6)
Aviation Fuels Tax	2.0	11.1	2.0	2.0	0.0	0.0	0.0
Total State Taxes and Fees	\$ 1,189.0	9.7 %	\$ 1,271.5	\$ 1,261.4	\$ (10.1)	6.9 %	6.1 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 649.7	(22.2) %	\$ 709.0	\$ 709.0	\$ 0.0	9.1 %	9.1 %
Insurance Premiums Tax (1/3)	130.8	0.5	140.1	150.4	10.3	7.1	15.0
Road Tax	8.5	66.7	7.7	8.2	0.5	(9.4)	(3.5)
Motor Vehicle Sales and Use Tax	788.6	33.8	875.6	835.1	(40.5)	11.0	5.9
Motor Vehicle License Fees	249.3	1.5	255.2	244.2	(11.0)	2.4	(2.0)
International Registration Plan	59.6	(3.6)	63.5	62.3	(1.2)	6.5	4.5
Retail Sales and Use Tax	822.6	57.8	936.6	928.2	(8.4)	13.9	12.8
Recordation Tax (3 cents)	37.4	(19.2)	45.5	37.9	(7.6)	21.7	1.3
Interest Earnings	7.2	(22.6)	10.5	10.0	(0.5)	45.8	38.9
Rental Tax	33.3	(0.3)	34.0	33.1	(0.9)	2.1	(0.6)
Aviation Fuels Tax	2.0	11.1	2.0	2.0	0.0	0.0	0.0
Miscellaneous	17.3	16.9	16.1	16.1	0.0	(6.9)	(6.9)
Total State Taxes and Fees	\$ 2,806.3	12.5 %	\$ 3,095.8	\$ 3,036.5	\$ (59.3)	10.3 %	8.2 %
Transfers per the Appropriations Act							
Retail Sales Tax - AST (TTF)	21.7	3.8	18.8	23.3	4.5	(13.4)	7.4
Total Transfers	\$ 21.7	3.8	\$ 18.8	\$ 23.3	\$ 4.5	(13.4)	7.4 %
Total Transportation Fund	\$ 2,828.0	12.5	\$ 3,114.6	\$ 3,059.8	\$ (54.8)	10.1 %	8.2 %

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

The August forecast is based on the JABE Pessimistic outlook and the corresponding Virginia state forecast developed by the Department of Taxation for retail sales and recordation taxes. Other sources are updates based on FY14 actuals.

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 increases by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

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

August 1, 2014

	Fiscal Year 2016			% Growth over FY 15	
	Official Forecast	August Forecast	Change	Official	August
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 672.4	\$ 672.4	\$ 0.0	17.3 %	17.3 %
Road Tax	(0.3)	0.5	0.8	200.0	*
Motor Vehicle Sales And Use Tax	675.7	660.4	(15.3)	3.4	6.4
Motor Vehicle License Fees	234.6	225.5	(9.1)	0.8	1.4
Retail Sales and Use Tax	279.9	276.3	(3.6)	3.5	3.3
International Registration Plan	62.7	63.5	0.8	(1.3)	1.9
Recordation Tax (1 cent)	15.0	12.7	(2.3)	0.0	0.0
Miscellaneous	16.1	16.1	0.0	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 1,956.1	\$ 1,927.4	\$ (28.7)	7.2 %	8.6 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 159.6	\$ 159.6	\$ 0.0	17.4 %	17.4 %
Insurance Premiums Tax (1/3)	143.7	157.4	13.7	2.6	4.7
Road Tax	8.1	7.8	(0.3)	3.8	1.3
Motor Vehicle Sales And Use Tax	225.9	222.1	(3.8)	1.7	3.6
Motor Vehicle License Fees	22.5	22.4	(0.1)	0.4	2.3
Retail Sales and Use Tax	685.5	675.5	(10.0)	2.9	2.2
Recordation Tax (2 cents)	30.5	25.2	(5.3)	0.0	0.0
Interest Earnings	10.9	10.0	(0.9)	3.8	0.0
Rental Tax	35.1	34.0	(1.1)	3.2	2.7
Aviation Fuels Tax	2.1	2.0	(0.1)	5.0	0.0
Total State Taxes and Fees (TTF)	\$ 1,323.9	\$ 1,316.0	\$ (7.9)	4.1 %	4.3 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 832.0	\$ 832.0	\$ 0.0	17.3 %	17.3 %
Insurance Premiums Tax (1/3)	143.7	157.4	13.7	2.6	4.7
Road Tax	7.8	8.3	0.5	1.3	1.2
Motor Vehicle Sales and Use Tax	901.6	882.5	(19.1)	3.0	5.7
Motor Vehicle License Fees	257.1	247.9	(9.2)	0.7	1.5
International Registration Plan	62.7	63.5	0.8	(1.3)	1.9
Retail Sales and Use Tax	965.4	951.8	(13.6)	3.1	2.5
Recordation Tax (3 cents)	45.5	37.9	(7.6)	0.0	0.0
Interest Earnings	10.9	10.0	(0.9)	3.8	0.0
Rental Tax	35.1	34.0	(1.1)	3.2	2.7
Aviation Fuels Tax	2.1	2.0	(0.1)	5.0	0.0
Miscellaneous	16.1	16.1	0.0	0.0	0.0
Total State Taxes and Fees	\$ 3,280.0	\$ 3,243.4	\$ (36.6)	5.9 %	6.8 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	16.2	24.1	7.9	(13.8)	3.4
Total Transfers	\$ 16.2	\$ 24.1	\$ 7.9	(13.8) %	3.4 %
Total Transportation Fund	\$ 3,296.2	\$ 3,267.5	\$ (28.7)	5.8 %	6.8 %

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

The August forecast is based on the JABE Pessimistic outlook and the corresponding Virginia state forecast developed by the Department of Taxation for retail sales and recordation taxes. Other sources are updates based on FY14 actuals.

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 increases by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

Growth in Total General Fund Revenues
Fiscal Year 1961 - Fiscal Year 2016
(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	89	5,478,912,000	8.4%
62	242,144,567	4.8%	90	5,494,884,000	0.3%
63	286,304,265	18.2%	91	5,471,879,000	-0.4%
64	298,033,919	4.1%	92	5,623,213,000	2.8%
65	323,213,412	8.4%	93	6,133,637,000	9.1%
66	365,129,776	13.0%	94	6,503,368,000	6.0%
67	414,755,644	13.6%	95	6,881,145,000	5.8%
68	533,597,744	28.7%	96	7,356,110,000	6.9%
69	706,254,374	32.4%	97	7,949,327,000	8.1%
70	743,721,322	5.3%	98	8,773,520,000	10.4%
71	807,954,651	8.6%	99	9,702,747,000	10.6%
72	922,653,686	14.2%	00	10,788,482,000	11.2%
73	1,054,469,443	14.3%	01	11,105,275,000	2.9%
74	1,168,562,871	10.8%	02	10,678,954,000	-3.8%
75	1,303,178,893	11.5%	03	10,867,149,000	1.8%
76	1,428,421,157	9.6%	04	11,917,867,000	9.7%
77	1,636,301,819	14.6%	05	13,687,252,000	14.8%
78	1,923,085,084	17.5%	06	14,834,298,000	8.4%
79	2,115,211,522	10.0%	07	15,565,827,000	4.9%
80	2,344,928,934	10.9%	08	15,766,951,000	1.3%
81	2,579,663,941	10.0%	09	14,315,060,000	-9.2%
82	2,796,458,741	8.4%	10	14,219,477,000	-0.7%
83	2,975,687,935	6.4%	11	15,040,200,000	5.8%
84	3,397,710,261	14.2%	12	15,846,665,000	5.4%
85	3,790,816,000	11.6%	13	16,684,600,000	5.3%
86	4,131,778,000	9.0%	14	16,411,415,000	-1.6%
87	4,590,434,000	11.1%	15*	16,862,400,000	2.7%
88	5,054,382,000	10.1%	16*	17,313,300,000	2.7%

* August 15, 2014 Interim Forecast (Excludes Transfers)

FY 2014 Revised Estimate
Per Chapter 1

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2014 Estimate	As a % of Gen Fund Rev	FY 2014	June FY 2013	% Change	FY 2014	FY 2013	% Change	% Annual Growth Req By Est
							Year-To-Date		
Revenue									
Individual Income Tax:									
Withholding	\$10,550,200	62.61	\$848,439	\$847,802	0.1	\$10,484,214	\$10,251,325	2.3	2.9
Tax Dues/Estimated Payments	2,926,000	17.37	258,538	281,005	(8.0)	2,524,942	2,807,691	(10.1)	4.2
Gross Individual Income Tax	\$13,476,200	79.98	\$1,106,977	\$1,128,807	(1.9)	\$13,009,156	\$13,059,016	(0.4)	3.2
Individual and Fiduciary Income (Refunds)	(1,807,100)	(10.72)	(67,116)	(67,400)	(0.4)	(1,755,808)	(1,719,051)	2.1	5.1
Net Individual Income Tax	\$11,669,100	69.26	\$1,039,861	\$1,061,407	(2.0)	\$11,253,348	\$11,339,965	(0.8)	2.9
Sales and Use Tax	\$3,079,400	18.27	\$405,579	\$433,244	(6.4)	\$3,066,456	\$3,219,798	(4.8)	(4.4)
Corporations Income Tax	769,900	4.56	169,033	178,375	(5.2)	757,491	796,728	(4.9)	(3.4)
Wills, Suits, Deeds, Contracts	377,500	2.24	30,345	37,117	(18.2)	310,763	377,461	(17.7)	0.0
Insurance Premiums	289,400	1.72	108,763	96,978	12.2	320,421	262,242	22.2	10.4
Interest Income (a)	50,000	0.30	436	(516)	184.5	74,086	67,503	9.8	(25.9)
Alcoholic Beverage Sales (b)	196,800	1.17	39,020	38,226	2.1	199,226	195,192	2.1	0.8
All Other Revenues	417,300	2.48	91,694	82,105	11.7	429,624	425,721	0.9	(2.0)
Total General Fund Revenues	\$16,849,400	100.00	\$1,884,731	\$1,926,936	(2.2)	\$16,411,415	\$16,684,610	(1.6)	1.0

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

(a) Interest was allocated in accordance with Section 3-3.03 of Chapter 1, 2014 Virginia Acts of Assembly.
(b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2014 Revised Estimate
Per Chapter 1

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2013 and 2014

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2014 Estimate	As a % of Total Gen Fund Rev	FY 2014	June FY 2013	% Change	FY 2014	FY 2013	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$10,550,200	62.61	\$8,48,439	\$847,802	0.1	\$10,484,214	\$10,251,325	2.3	2.9
Tax Dues/Estimated Payments	2,926,000	17.37	258,538	281,005	(8.0)	2,524,942	2,807,691	(10.1)	4.2
Gross Individual Income Tax	\$13,476,200	79.98	\$1,106,977	\$1,128,807	(1.9)	\$13,009,156	\$13,059,016	(0.4)	3.2
Individ and Fiduc Income (Refunds)	(1,807,100)	(10.72)	(67,116)	(67,400)	(0.4)	(1,755,808)	(1,719,051)	2.1	5.1
Net Individual Income Tax	\$11,669,100	69.26	\$1,039,861	\$1,061,407	(2.0)	\$11,253,348	\$11,339,965	(0.8)	2.9
Sales and Use Tax	3,079,400	18.27	405,579	433,244	(6.4)	3,066,456	3,219,798	(4.8)	(4.4)
Corporations Income	769,900	4.56	169,033	178,375	(5.2)	757,491	796,728	(4.9)	(3.4)
Public Service Corporations	97,700	0.58	13,217	8,997	46.9	98,156	96,222	2.0	1.5
Insurance Premiums	289,400	1.72	108,763	96,978	12.2	320,421	262,242	22.2	10.4
Alcoholic Beverage Excise	154,500	0.92	35,100	34,100	2.9	157,406	152,879	3.0	1.1
Beer and Beverage Excise	42,300	0.25	3,920	4,126	(5.0)	41,820	42,313	(1.2)	0.0
Wills, Suits, Deeds, Contracts	377,500	2.24	30,345	37,117	(18.2)	310,763	377,461	(17.7)	0.0
Inheritance, Gift, and Estate	0	0.00	55	27	103.7	196	(268)	173.1	100.0
Bank Franchise	20,000	0.12	14,364	14,482	(0.7)	22,539	20,443	10.3	(2.2)
Other Taxes	(700)	0.00	1,756	1,121	56.6	6,474	(525)	#	(33.3)
Total Taxes	\$16,499,100	97.92	\$1,821,993	\$1,869,954	(2.6)	\$16,035,070	\$16,307,258	(1.7)	1.2
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$400	\$449	(10.9)	\$4,031	\$4,174	(3.4)	3.0
Corp. Franchise and Charters	47,900	0.28	33,105	30,717	7.8	50,223	47,094	6.6	1.7
Fees for Misc. Privileges & Services	10,800	0.06	1,665	1,805	(7.8)	11,289	10,890	3.7	(0.8)
Total Rights and Privileges	\$63,000	0.37	\$35,170	\$32,971	6.7	\$65,543	\$62,158	5.4	1.4
Other Revenues:									
Sales of Property & Commodities	\$100	0.00	\$156	\$56	178.6	\$2,839	\$56	#	78.6
Assessmts & Rcpts for Support of Special Svcs	400	0.00	19	10	90.0	448	325	37.8	23.1
Institutional Revenue	5,600	0.03	373	312	19.6	5,643	5,696	(0.9)	(1.7)
Interest (a)	50,000	0.30	436	(516)	184.5	74,086	67,503	9.8	(25.9)
Dividends and Rent	300	0.00	12	53	(77.4)	315	343	(8.2)	(12.5)
Fines, Forfeitures & Fees	219,100	1.30	18,379	18,299	0.4	215,855	224,684	(3.9)	(2.5)
Other Revenue	13,400	0.08	7,911	6,061	30.5	10,452	19,455	(46.3)	(31.1)
Excess Fees	(9,400)	(0.06)	(479)	(995)	51.9	(7,127)	(10,799)	34.0	13.0
Private Donations, Gifts & Cont.	0	0.00	2	0	-	5	1	400.0	(100.0)
Cities, Counties, and Towns	7,800	0.06	759	731	3.8	8,286	7,930	4.5	(1.6)
Total Other Revenues	\$287,300	1.71	\$27,568	\$24,011	14.8	\$310,802	\$315,194	(1.4)	(8.8)
Total General Fund Revenues	\$16,849,400	100.00	\$1,884,731	\$1,926,936	(2.2)	\$16,411,415	\$16,684,610	(1.6)	1.0

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

(a) Interest was allocated in accordance with Section 3-3.03 of Chapter 1, 2014 Virginia Acts of Assembly.

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

	FY 2014		June		Year-To-Date		% Annual Growth Required By Estimate	
	Estimate	(a)	FY 2014	(b)	FY 2013	(b)		FY 2013
Lottery Collections								
Total Lottery Sales	\$1,744,200		\$149,170		\$138,575		\$1,689,299	7.2
Other Income	1,500		19		85		1,522	(3.8)
Total Income	<u>\$1,745,700</u>		<u>\$149,189</u>		<u>\$138,660</u>		<u>\$1,690,821</u>	<u>7.2</u>
Less:								
Prize Expenses	\$1,044,158		\$119,276		\$116,352		\$1,047,324	6.0
Retailer Commissions	99,362		8,231		7,604		94,900	7.0
Operating Expenses	91,679		10,476		8,085		84,268	6.5
Total Expenses	<u>\$1,235,199</u>		<u>\$137,983</u>		<u>\$132,041</u>		<u>\$1,226,492</u>	<u>6.1</u>
Net Proceeds from Operations								
Net Lottery Ticket Profits	\$510,501		\$11,206		\$6,619		\$464,329	9.9
Prior Year Residual Profit Transfer	22,199		0		0		22,971	(3.4)
Available to Lottery Proceeds Fund	<u>\$532,700</u>		<u>\$11,206</u>		<u>\$6,619</u>		<u>\$487,300</u>	<u>9.3</u>

(a) Estimate established by Chapter 1, 2014 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$22,199,087 was made on August 20, 2013, and is included in the total revenue estimate.

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

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

Revenue	FY 2014 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Estimate
			FY 2014	FY 2013	FY 2014	FY 2013	
Motor Fuel Taxes (b)	\$607,500	15.24	\$108,376	\$132,235	\$660,256	\$841,789	(21.6)
Priority Transportation Fund (PTF) (b)	130,800	3.28	0	0	130,769	130,064	0.5
Motor Vehicle Sales and Use Tax	859,200	21.55	77,901	55,058	821,937	622,749	32.0
State Sales and Use Tax (a)	837,800	21.01	77,729	46,373	822,560	521,180	57.8
Motor Vehicle License Fees	250,700	6.29	22,220	21,143	249,333	245,611	1.5
International Registration Plan	62,300	1.56	5,656	5,655	59,647	61,774	(3.4)
Recordation Tax	45,500	1.15	3,615	4,558	37,340	46,336	(19.4)
Interest Earnings	13,100	0.33	1,576	1,807	7,159	9,284	(22.9)
Misc. Taxes, Fees, and Revenues	16,100	0.40	1,415	976	17,320	14,815	16.9
Total State Taxes and Fees	\$2,823,000	70.81	\$298,488	\$267,805	\$2,806,321	\$2,493,602	12.5

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

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

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

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

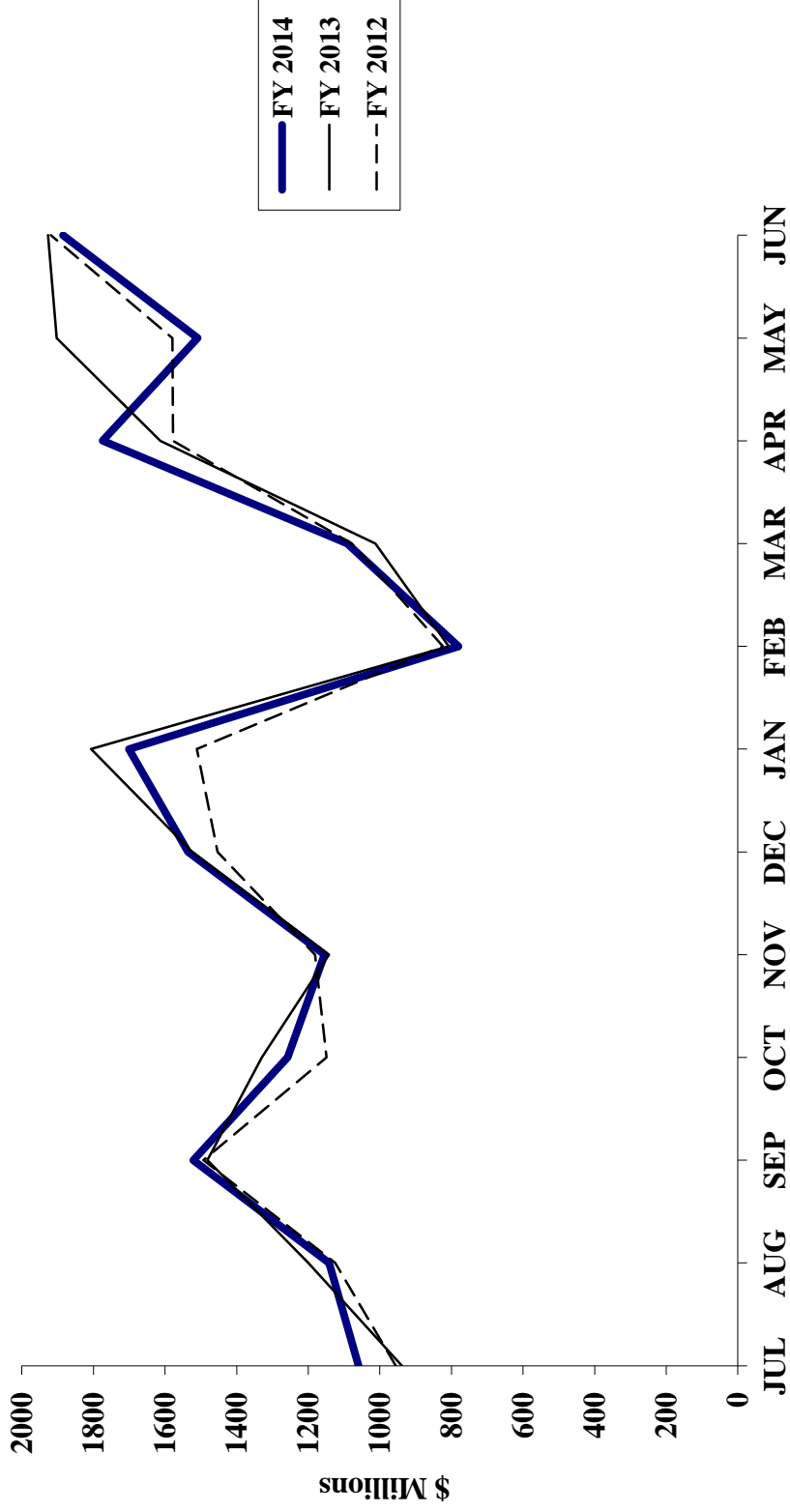
Revenue	FY 2014 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Est
			FY 2014	FY 2013	FY 2014	FY 2013	
				% Change		% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:							
Motor Fuel Taxes (Includes Road Tax)	\$485,100	12.17	\$87,004	\$111,079	(21.7)	\$706,506	(31.3)
Motor Vehicle Sales and Use Tax	611,700	15.34	52,500	35,980	45.9	387,503	57.9
State Sales and Use Tax (a)	199,500	5.00	18,548	0	-	0	-
Motor Vehicle License Fees	228,800	5.74	20,226	19,396	4.3	223,946	2.2
International Registration Plan	62,300	1.56	5,656	5,655	0.0	61,774	0.9
Recordation Tax (1 cent)	15,000	0.39	1,205	1,519	(20.7)	15,445	(2.9)
Misc. Taxes, Fees, and Revenues	16,100	0.40	1,415	976	45.0	14,815	8.7
Total State Taxes and Fees	\$1,618,500	40.60	\$186,554	\$174,605	6.8	\$1,617,282	14.7
Other Revenues:							
Federal Grants and Contracts	\$0	0.00	\$1,268	\$2,399	(47.1)	\$24,535	(100.0)
Miscellaneous Revenues	18,658	0.47	3,045	854	256.6	20,511	11.5
Transfer (to) / from Transportation Trust Fund	313,942	7.87	3,578	88,551	(96.0)	317,520	(10.4)
Total Highway Maintenance and Operating Fund	\$1,951,100	48.94	\$194,445	\$266,409	(27.0)	\$1,981,351	10.0
TRANSPORTATION TRUST FUND:							
Motor Fuel Taxes							
(Includes Aviation & Road Taxes) (b)	\$122,400	3.07	\$21,372	\$21,156	1.0	\$135,283	(9.5)
PTF Insurance Premiums Tax	130,800	3.28	0	0	-	130,064	0.6
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	247,500	6.21	25,401	19,078	33.1	235,246	5.2
State Sales and Use Tax	638,300	16.01	59,181	46,373	27.6	631,343	22.5
Motor Vehicle License Fees	21,900	0.55	1,994	1,747	14.1	21,704	1.1
Recordation Tax (2 cents)	30,500	0.76	2,410	3,039	(20.7)	24,884	(1.3)
Interest Earnings	13,100	0.33	1,576	1,807	(12.8)	9,284	41.1
Total State Taxes and Fees	\$1,204,500	30.21	\$111,934	\$93,200	20.1	\$1,083,613	11.2
Other Revenues:							
Federal Grants and Contracts	\$929,928	23.33	\$73,967	\$63,870	15.8	\$1,244,619	(28.8)
Receipts from Cities/Counties	178,614	4.48	14,330	7,870	82.1	81,476	208.5
Toll Revenues (Includes Route 28)	16,768	0.42	920	919	0.1	17,730	0.5
Miscellaneous Revenues	19,854	0.49	7,231	3,023	139.2	30,027	(35.9)
Total Other Revenues	\$1,145,164	28.72	\$96,448	\$75,682	27.4	\$1,373,852	(3.9)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$313,942)	(7.87)	(\$3,578)	(\$88,551)	96.0	(\$317,520)	10.4
Total Transportation Trust Fund	\$2,035,722	51.06	\$204,804	\$80,331	155.0	\$2,245,371	3.9
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,986,822	100.00	\$399,249	\$346,740	15.1	\$4,226,722	6.6

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

(a) This line item was added to the Fiscal Year 2014 Revenue Forecast. Since there were no collections for this line item during Fiscal Year 2013, the Monthly and Year-To-Date % Change columns do not provide comparable data.

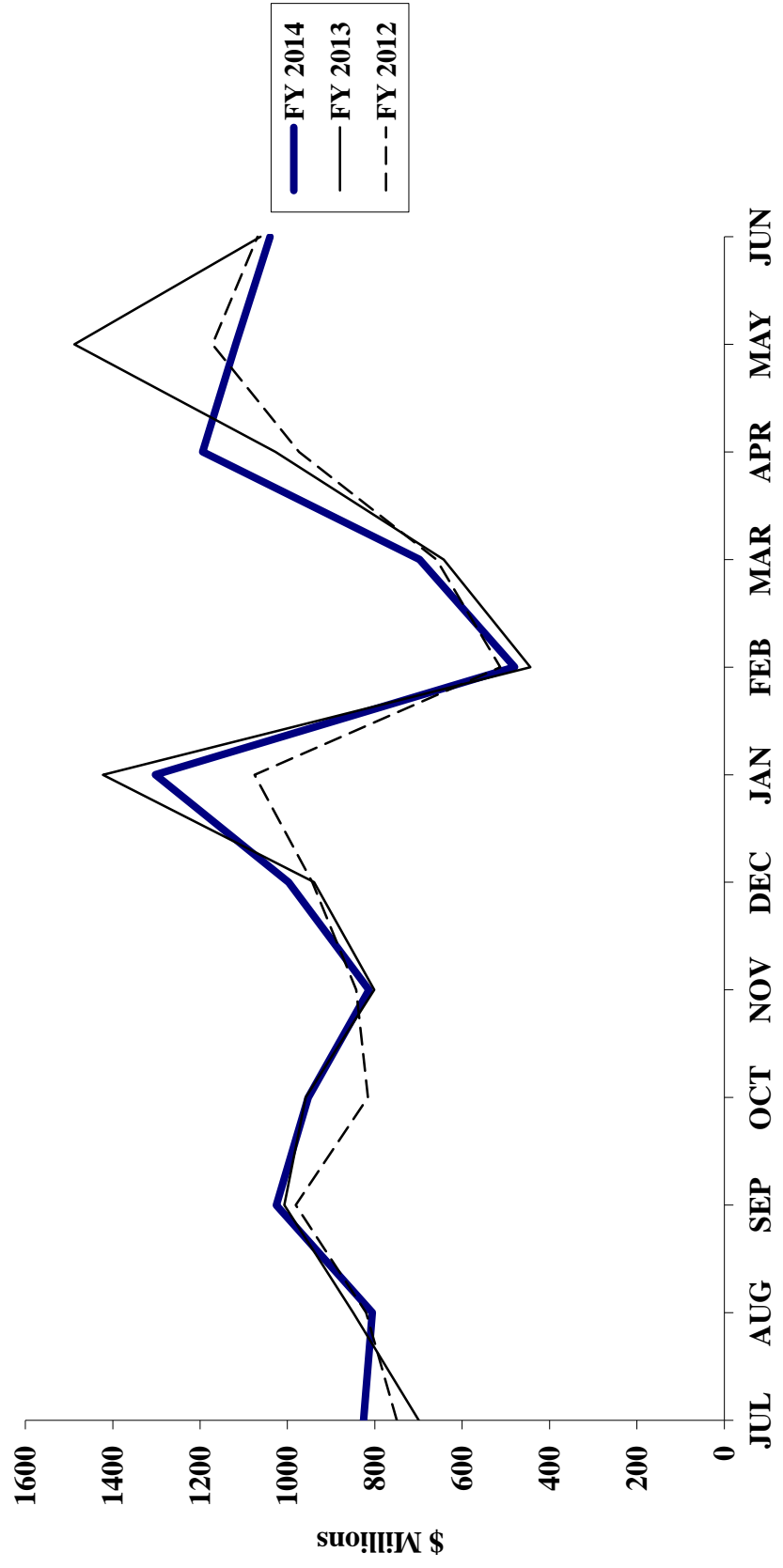
(b) The "PTF Motor Fuels" line item was removed from the Transportation Trust Fund Revenue Forecast. The amount previously reported in "PTF Motor Fuels" was reclassified to "Motor Fuel Taxes (Includes Aviation & Roads Taxes)." In order to provide comparable data, the Fiscal Year 2013 monthly and year-to-date amounts were likewise reclassified.

Total General Fund Revenues



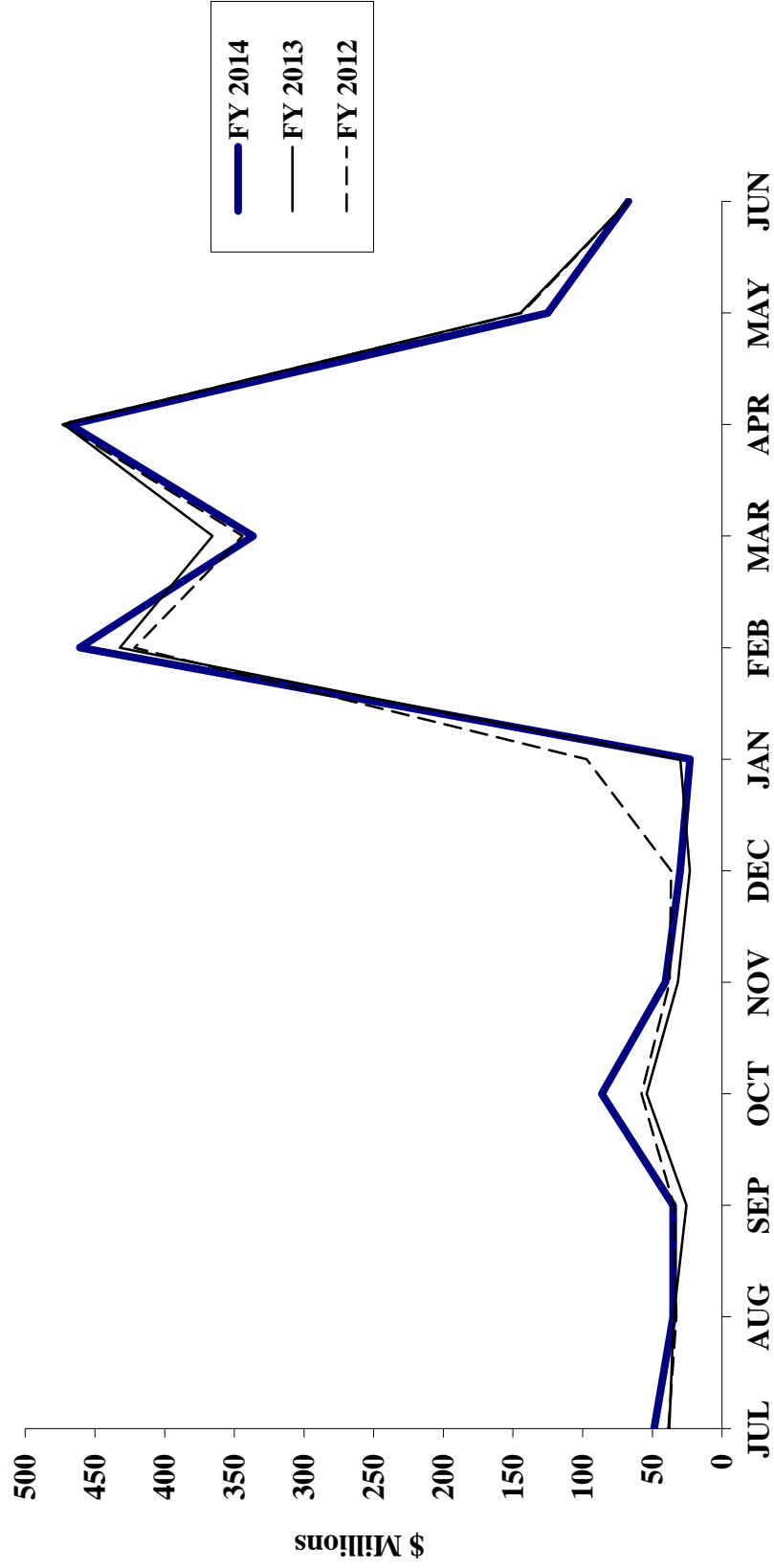
FY 2012 Actual = \$15,846.7 Million
FY 2013 Actual = \$16,684.6 Million
FY 2014 Actual = \$16,411.4 Million

Net Individual Income Tax



FY 2012 Actual = \$10,612.8 Million
FY 2013 Actual = \$11,340.0 Million
FY 2014 Actual = \$11,253.3 Million

Individual and Fiduciary Income Tax Refunds



FY 2012 Actual = \$1,784.7 Million
FY 2013 Actual = \$1,719.1 Million
FY 2014 Actual = \$1,755.8 Million

DEPARTMENT OF THE TREASURY

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

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2013	\$4,340.0	0.23%	\$1,157.6	2.22%	\$5,497.6	0.65%	0.12%
August	\$3,872.1	0.25%	\$1,156.3	-4.33%	\$5,028.4	-0.80%	0.13%
September	\$4,217.5	0.25%	\$1,158.0	8.23%	\$5,375.5	1.97%	0.12%
October	\$4,601.1	0.24%	\$1,165.3	7.17%	\$5,766.4	1.64%	0.12%
November	\$4,167.9	0.25%	\$1,168.4	-0.26%	\$5,336.3	0.14%	0.12%
December	\$4,028.8	0.25%	\$1,165.8	-4.96%	\$5,194.6	-0.92%	0.13%
January, 2014	\$4,439.3	0.23%	\$1,169.5	12.92%	\$5,608.8	2.88%	0.12%
February	\$4,453.0	0.25%	\$1,178.0	4.96%	\$5,631.0	1.24%	0.12%
March	\$4,081.1	0.25%	\$1,179.4	-1.81%	\$5,260.5	-0.21%	0.13%
April	\$3,906.9	0.51% ²	\$1,181.8	6.94%	\$5,088.7	2.00% ²	0.11%
May	\$4,287.6	0.22%	\$1,189.8	9.74%	\$5,477.4	2.29%	0.10%
June	\$4,248.1	0.26%	\$1,195.1	0.63%	\$5,443.2	0.34%	0.10%
Year-to-Date Average	\$4,220.3	0.26%	\$1,172.1	3.45%	\$5,392.4	0.96%	0.12%

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

¹ Federal Reserve Bank H.15 Release.

² The Primary Liquidity Yield of 0.51% reflects a recovery from the sale of 2 OTTI Morgan Stanley ABS Capital I assets in the securities lending portfolio. Without the recovery, the Primary Liquidity Yield was 0.25% and the Composition Rate was 1.80%.

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

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$439,971,765	\$0	\$0	\$0	\$439,971,765
August	\$439,971,765	\$0	\$0	\$0	\$439,971,765
September	\$439,971,765	\$0	\$0	\$0	\$439,971,765
October	\$439,971,765	\$0	\$0	\$865,753	\$440,837,518
November	\$440,837,518	\$0	\$0	\$0	\$440,837,518
December	\$440,837,518	\$0	\$0	\$0	\$440,837,518
January	\$440,837,518	\$0	\$0	\$611,764	\$441,449,282
February	\$441,449,282	\$0	\$0	\$0	\$441,449,282
March	\$441,449,282	\$0	\$0	\$0	\$441,449,282
April	\$441,449,282	\$0	\$0	\$758,424	\$442,207,706
May	\$442,207,706	\$0	\$0	\$0	\$442,207,706
June	\$442,207,706	\$244,645,117	\$0	\$677,281	\$687,530,104

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

FY 2015 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2015 Estimate	As a % of Gen Fund Rev	FY 2015	July FY 2014	% Change	FY 2015	FY 2014	% Change	% Annual Growth Req By Est
Revenue									
Individual Income Tax:									
Withholding	\$11,025,600	62.21	\$904,045	\$830,108	8.9	\$904,045	\$830,108	8.9	5.2
Tax Dues/Estimated Payments	3,209,300	18.11	82,005	44,225	85.4	82,005	44,225	85.4	27.1
Gross Individual Income Tax	\$14,234,900	80.32	\$986,050	\$874,333	12.8	\$986,050	\$874,333	12.8	9.4
Individual and Fiduciary Income (Refunds)	(1,885,000)	(10.63)	(41,009)	(48,665)	(15.7)	(41,009)	(48,665)	(15.7)	7.4
Net Individual Income Tax	\$12,349,900	69.69	\$945,041	\$825,668	14.5	\$945,041	\$825,668	14.5	9.7
Sales and Use Tax	\$3,211,400	18.12	\$169,815	\$159,549	6.4	\$169,815	\$159,549	6.4	4.7
Corporations Income Tax	816,600	4.61	22,029	2,622	740.2	22,029	2,622	740.2	7.8
Wills, Suits, Deeds, Contracts	377,500	2.13	31,491	35,880	(12.2)	31,491	35,880	(12.2)	21.5
Insurance Premiums	290,900	1.64	0	0	-	0	0	-	(9.2)
Interest Income (a)	60,100	0.34	6,325	5,937	6.5	6,325	5,937	6.5	(18.9)
Alcoholic Beverage Sales (b)	198,800	1.12	6,796	3,706	83.4	6,796	3,706	83.4	(0.2)
All Other Revenues	416,700	2.35	27,425	26,489	3.5	27,425	26,489	3.5	(3.0)
Total General Fund Revenues	\$17,721,900	100.00	\$1,208,922	\$1,059,851	14.1	\$1,208,922	\$1,059,851	14.1	8.0

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 2, 2014 Virginia Acts of Assembly.
(b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2015 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

Revenue	(1) FY 2015 Estimate	(2) As a % of Total Gen Fund Rev	(3)	(4) July FY 2014	(5) Change %	(6) FY 2015	(7) Year-To-Date FY 2014	(8) Change %	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$11,025,600	62.21	\$904,045	\$830,108	8.9	\$904,045	\$830,108	8.9	5.2
Tax Dues/Estimated Payments	3,209,300	18.11	82,005	44,225	85.4	82,005	44,225	85.4	27.1
Gross Individual Income Tax	\$14,234,900	80.32	\$986,050	\$874,333	12.8	\$986,050	\$874,333	12.8	9.4
Individ and Fiduc Income (Refunds)	(1,885,000)	(10.63)	(41,009)	(48,665)	(15.7)	(41,009)	(48,665)	(15.7)	7.4
Net Individual Income Tax	\$12,349,900	69.69	\$945,041	\$825,668	14.5	\$945,041	\$825,668	14.5	9.7
Sales and Use Tax	3,211,400	18.12	169,815	159,549	6.4	169,815	159,549	6.4	4.7
Corporations Income	816,600	4.61	22,029	2,622	740.2	22,029	2,622	740.2	7.8
Public Service Corporations	97,700	0.55	6,247	6,046	3.3	6,247	6,046	3.3	(0.5)
Insurance Premiums	290,900	1.64	0	0	-	0	0	-	(9.2)
Alcoholic Beverage Excise	156,500	0.88	2,722	0	-	2,722	0	-	(0.6)
Beer and Beverage Excise	42,300	0.24	4,074	3,706	9.9	4,074	3,706	9.9	1.1
Wills, Suits, Deeds, Contracts	377,500	2.13	31,491	35,880	(12.2)	31,491	35,880	(12.2)	21.5
Inheritance, Gift, and Estate	0	0.00	25	0	-	25	0	-	(100.0)
Bank Franchise	20,000	0.11	0	9	(100.0)	0	9	(100.0)	(11.3)
Other Taxes	(200)	0.00	1,224	249	391.6	1,224	249	391.6	(103.1)
Total Taxes	\$17,362,600	97.97	\$1,182,668	\$1,033,729	14.4	\$1,182,668	\$1,033,729	14.4	8.3
Rights and Privileges:									
Licenses and Permits	\$4,300	0.02	\$212	\$194	9.3	\$212	\$194	9.3	6.7
Corp. Franchise and Charters	47,900	0.28	539	560	(3.8)	539	560	(3.8)	(4.6)
Fees for Misc. Privileges & Services	10,800	0.06	579	631	(8.2)	579	631	(8.2)	(4.3)
Total Rights and Privileges	\$63,000	0.36	\$1,330	\$1,385	(4.0)	\$1,330	\$1,385	(4.0)	(3.9)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$0	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	37	4	825.0	37	4	825.0	(10.7)
Institutional Revenue	5,600	0.03	389	576	(32.5)	389	576	(32.5)	(0.8)
Interest (a)	60,100	0.34	6,325	5,937	6.5	6,325	5,937	6.5	(18.9)
Dividends and Rent	300	0.00	34	47	(27.7)	34	47	(27.7)	(4.8)
Fines, Forfeitures & Fees	219,100	1.24	17,879	18,393	(2.8)	17,879	18,393	(2.8)	1.5
Other Revenue	12,400	0.07	505	262	92.7	505	262	92.7	18.6
Excess Fees	(9,400)	(0.05)	(582)	(914)	36.3	(582)	(914)	36.3	(31.9)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	7,800	0.04	337	432	(22.0)	337	432	(22.0)	(5.9)
Total Other Revenues	\$296,300	1.67	\$24,924	\$24,737	0.8	\$24,924	\$24,737	0.8	(4.7)
Total General Fund Revenues	\$17,721,900	100.00	\$1,208,922	\$1,059,851	14.1	\$1,208,922	\$1,059,851	14.1	8.0

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 2, 2014 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

	July			Year-To-Date			% Annual Growth Required
	(a)	(b)	Change	(a)	(b)	Change	
	FY 2015 Estimate	FY 2014	%	FY 2015	FY 2014	%	By Estimate
Lottery Collections							
Total Lottery Sales	\$1,892,566	\$138,968	3.6	\$144,014	\$138,968	3.6	4.5
Other Income	1,750	110	(59.1)	45	110	(59.1)	19.5
Total Income	\$1,894,316	\$139,078	3.6	\$144,059	\$139,078	3.6	4.5
Less:							
Prize Expenses	\$1,160,720	\$76,995	9.6	\$84,403	\$76,995	9.6	7.2
Retailer Commissions	108,610	7,604	7.3	8,160	7,604	7.3	7.0
Operating Expenses	99,986	6,898	(7.0)	6,415	6,898	(7.0)	11.4
Total Expenses	\$1,369,316	\$91,497	8.2	\$98,978	\$91,497	8.2	7.5
Net Proceeds from Operations							
Net Lottery Ticket Profits	\$525,000	\$47,581	(5.3)	\$45,081	\$47,581	(5.3)	2.8
Prior Year Residual Profit Transfer	0	0	-	0	0	-	-
Available to Lottery Proceeds Fund	\$525,000	\$47,581	(5.3)	\$45,081	\$47,581	(5.3)	(1.4)

(a) Estimate established by Chapter 2, 2014 Virginia Acts of Assembly, and includes some assumptions for an expected residual profit transfer.

Prior Year Residual Profit Transfer will be reflected after the final APA audit is complete and the transfer is made in August.

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

(c) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year.

Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections

For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	July		Year-To-Date		% Change	% Change	% Annual Growth Required By Estimate
			FY 2015	FY 2014	FY 2015	FY 2014			
Motor Fuel Taxes	\$718,700	16.91	\$1,397	\$8,928	\$1,397	\$8,928	(84.4)	(84.4)	8.9
Priority Transportation Fund (PTF)	150,400	3.54	3,206	2,740	3,206	2,740	17.0	17.0	15.0
Motor Vehicle Sales and Use Tax	909,600	21.40	79,411	64,586	79,411	64,586	23.0	23.0	10.7
State Sales and Use Tax	936,600	22.04	62,894	29,268	62,894	29,268	114.9	114.9	13.9
Motor Vehicle License Fees	247,900	5.84	21,975	22,161	21,975	22,161	(0.8)	(0.8)	(0.6)
International Registration Plan	63,500	1.49	5,305	4,144	5,305	4,144	28.0	28.0	6.5
Recordation Tax	45,500	1.07	3,755	4,386	3,755	4,386	(14.4)	(14.4)	21.9
Interest Earnings	10,500	0.25	0	0	0	0	-	-	46.7
Misc. Taxes, Fees, and Revenues	16,100	0.38	1,824	1,688	1,824	1,688	8.1	8.1	(7.0)
Total State Taxes and Fees	\$3,098,800	72.92	\$179,767	\$137,901	\$179,767	\$137,901	30.4	30.4	10.4

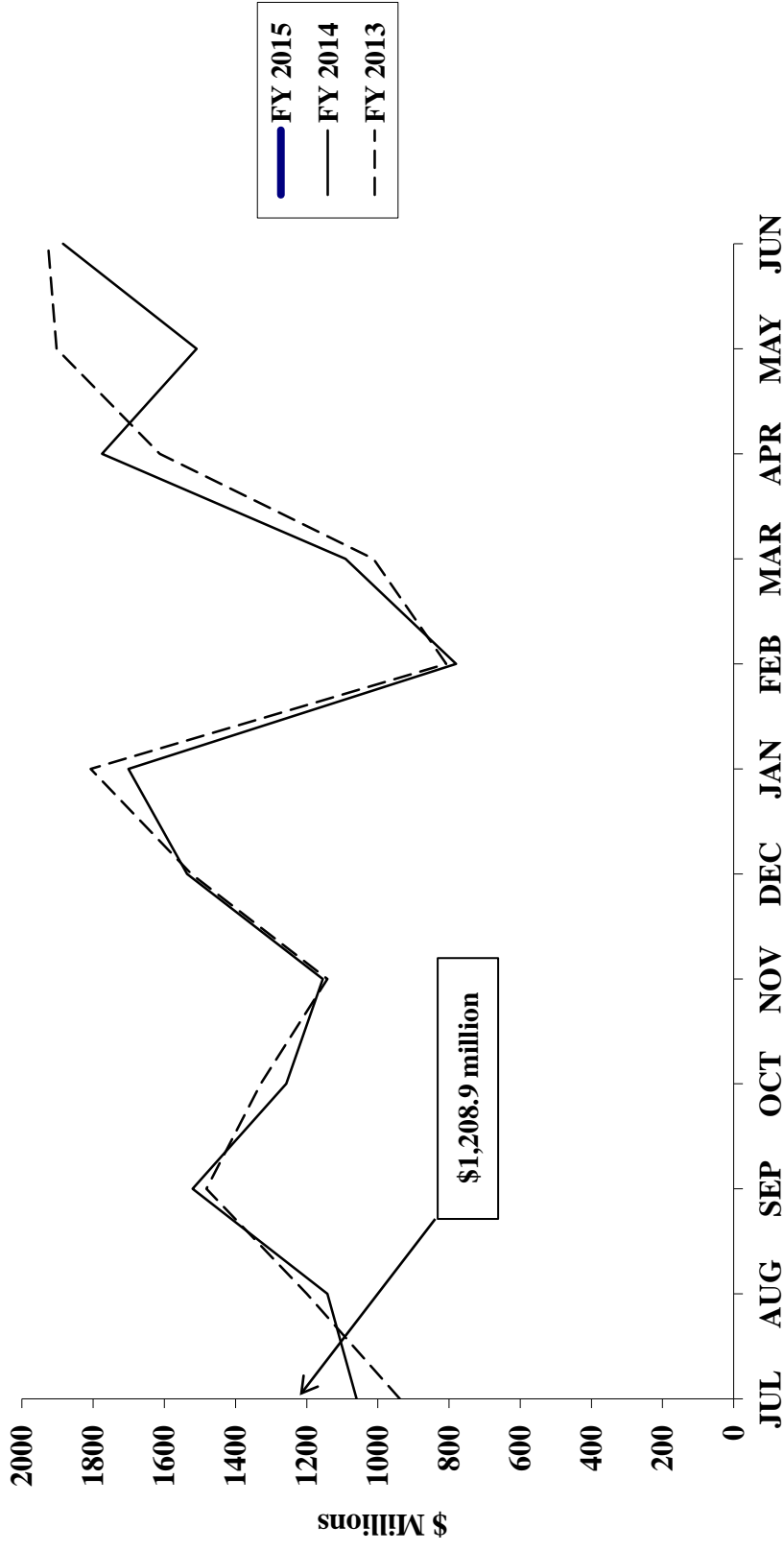
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	July		Year-To-Date		% Annual Growth Required By Est
			FY 2015	FY 2014	FY 2015	FY 2014	
HIGHWAY MAINTENANCE AND OPERATING FUND:							
Motor Fuel Taxes (Includes Road Tax)	\$572,900	13.48	(\$689)	\$8,495	(\$689)	\$8,495	8.5
Motor Vehicle Sales and Use Tax	653,500	15.38	57,655	46,429	57,655	46,429	12.4
State Sales and Use Tax	270,500	6.37	20,290	2,258	20,290	2,258	41.5
Motor Vehicle License Fees	225,500	5.31	19,949	20,312	19,949	20,312	(0.9)
International Registration Plan	63,500	1.49	5,305	4,144	5,305	4,144	6.5
Recordation Tax (1 cent)	15,000	0.35	1,252	1,462	1,252	1,462	20.4
Misc. Taxes, Fees, and Revenues	16,100	0.38	1,824	1,688	1,824	1,688	(7.0)
Total State Taxes and Fees	\$1,817,000	42.76	\$105,586	\$84,788	\$105,586	\$84,788	12.3
Other Revenues:							
Federal Grants and Contracts	\$0	0.00	\$2,461	\$1,546	\$2,461	\$1,546	(100.0)
Miscellaneous Revenues	8,878	0.21	945	783	945	783	(56.7)
Transfer (to) / from Transportation Trust Fund	193,012	4.54	0	0	0	0	(39.2)
Total Highway Maintenance and Operating Fund	\$2,018,890	47.51	\$108,992	\$87,117	\$108,992	\$87,117	1.9
TRANSPORTATION TRUST FUND:							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$145,800	3.43	\$2,086	\$433	\$2,086	\$433	10.1
PTF Insurance Premiums Tax	150,400	3.54	3,206	2,740	3,206	2,740	15.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	256,100	6.02	21,756	18,157	21,756	18,157	6.4
State Sales and Use Tax	666,100	15.67	42,604	27,010	42,604	27,010	5.5
Motor Vehicle License Fees	22,400	0.53	2,026	1,849	2,026	1,849	3.2
Recordation Tax (2 cents)	30,500	0.72	2,503	2,924	2,503	2,924	22.6
Interest Earnings	10,500	0.25	0	0	0	0	46.7
Total State Taxes and Fees	\$1,281,800	30.16	\$74,181	\$53,113	\$74,181	\$53,113	7.8
Other Revenues:							
Federal Grants and Contracts	\$902,510	21.24	\$337,131	\$233,403	\$337,131	\$233,403	(27.5)
Receipts from Cities/Counties	203,616	4.79	2,898	15,284	2,898	15,284	149.9
Toll Revenues (Includes Route 28)	16,000	0.37	883	825	883	825	(9.8)
Miscellaneous Revenues	19,936	0.47	1,197	1,085	1,197	1,085	(33.6)
Total Other Revenues	\$1,142,062	26.87	\$342,109	\$250,597	\$342,109	\$250,597	(16.9)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$193,012)	(4.54)	\$0	\$0	\$0	\$0	39.2
Total Transportation Trust Fund	\$2,230,850	52.49	\$416,290	\$303,710	\$416,290	\$303,710	(0.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,249,740	100.00	\$525,282	\$390,827	\$525,282	\$390,827	0.5

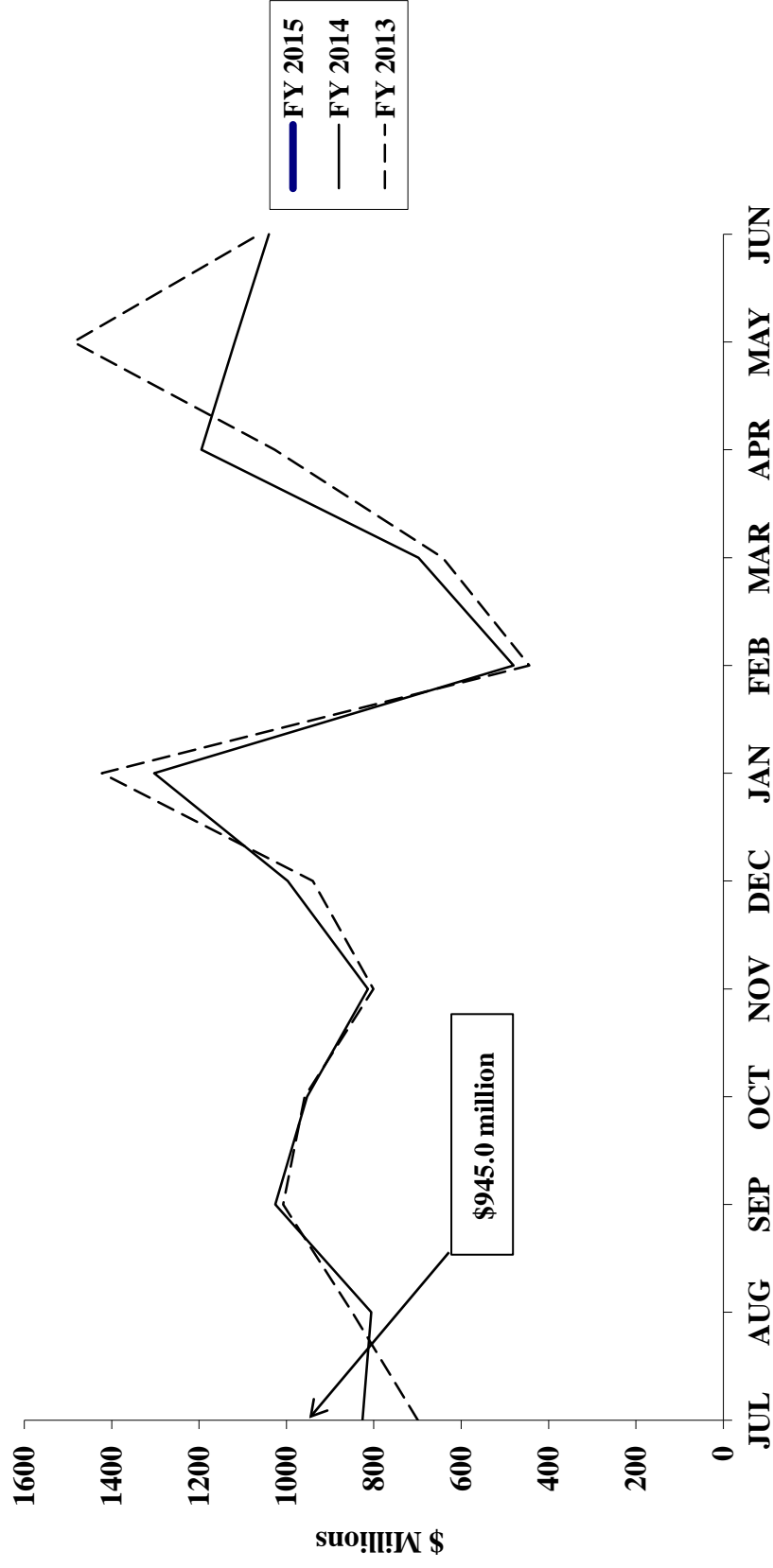
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



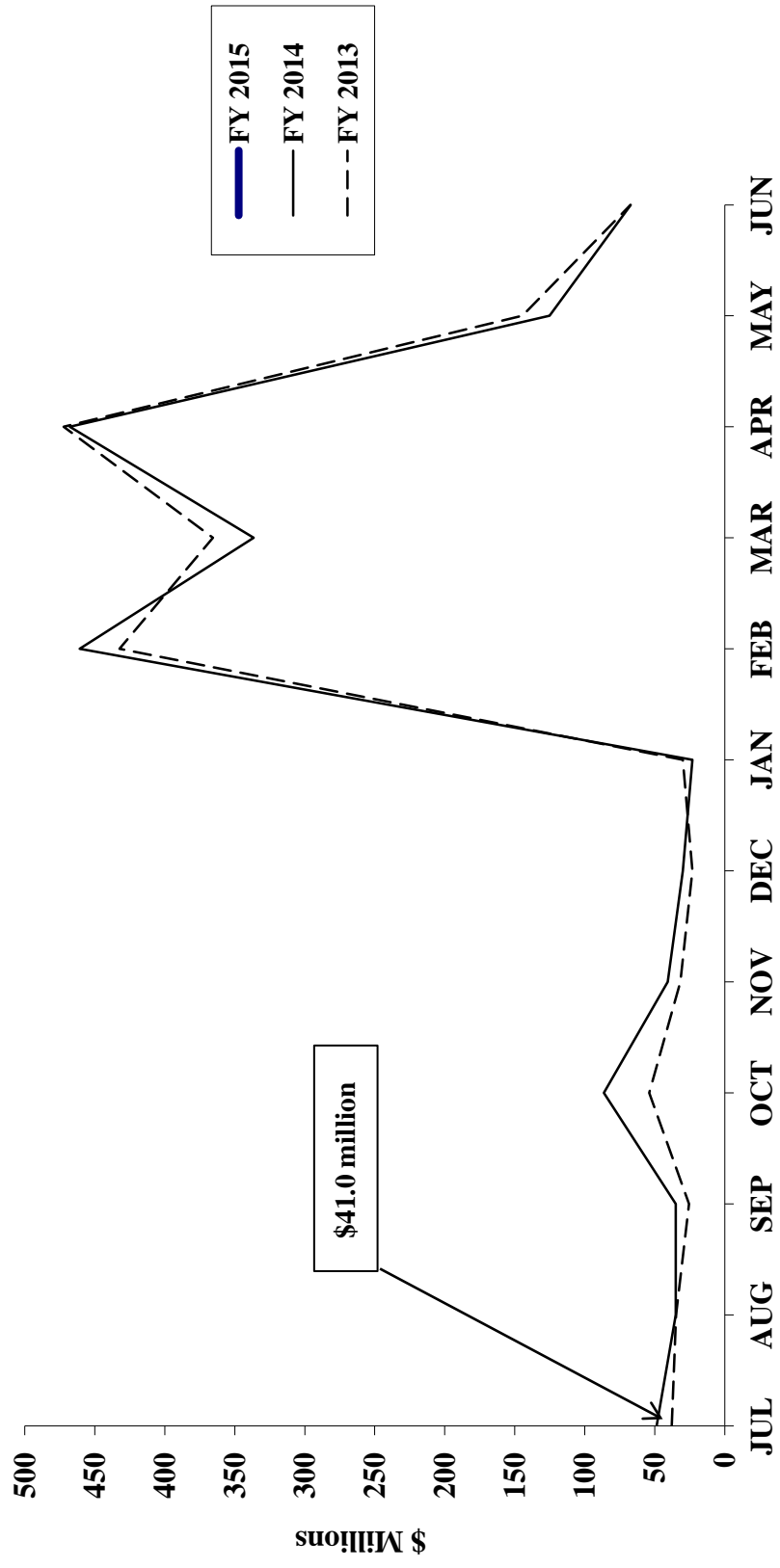
FY 2013 Actual = \$16,684.6 Million
FY 2014 Actual = \$16,411.4 Million
FY 2015 Estimate = \$17,721.9 Million

Net Individual Income Tax



FY 2013 Actual = \$11,340.0 Million
FY 2014 Actual = \$11,253.3 Million
FY 2015 Estimate = \$12,349.9 Million

Individual and Fiduciary Income Tax Refunds



FY 2013 Actual = \$1,719.1 Million
FY 2014 Actual = \$1,755.8 Million
FY 2015 Estimate = \$1,885.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2015
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2014	\$4,274.2	0.22%	\$1,194.4	-1.73%	\$5,468.6	-0.21%	0.11%
August							
September							
October							
November							
December							
January, 2015							
February							
March							
April							
May							
June							
Year-to-Date Average	\$4,274.2	0.22%	\$1,194.4	-1.73%	\$5,468.6	-0.21%	0.11%

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

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2015**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$687,530,104	\$0	\$0	\$0	\$687,530,104
August					
September					
October					
November					
December					
January					
February					
March					
April					
May					
June					

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