

August 26, 2016

**Review of General Fund Revenues
and the Virginia Economy
for Fiscal Year 2016**

**The Interim Economic Outlook and
Revenue Forecast for Fiscal Years 2017
through 2018**

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



Richard D. Brown
Secretary of Finance

Overview...

Fiscal Year 2016 Year-in-Review

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

Updated Outlook for Fiscal Years 2017 and 2018

- May 2016 Economic Outlook
- August 2016 Interim Revenue Forecast
- Revenue Stabilization Fund Balance

Next Steps

- July 2016 General Fund Collections
- Fall Forecasting Process

The U.S. Economy Ran Slightly Behind the Official Forecast In Fiscal Year 2016...

- As measured on a fiscal year basis, real GDP advanced 1.9 percent in FY16.
 - Driven largely by consumer spending which advanced 2.8 percent.
- Wages and Salaries advanced 4.4 percent in FY16 -- in line with expectations.
- The U.S. economy gained 2.8 million jobs in FY16.

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

	FY16 <u>Forecast</u>	FY16 <u>Actual</u>
Real GDP	2.4	1.9
Consumer Spending	3.1	2.8
Employment	1.8	2.0
Personal Income	4.2	4.1
Wages & Salaries	4.0	4.4

Virginia's Employment Growth Accelerated in Fiscal Year 2016 and Outperformed the Forecast...

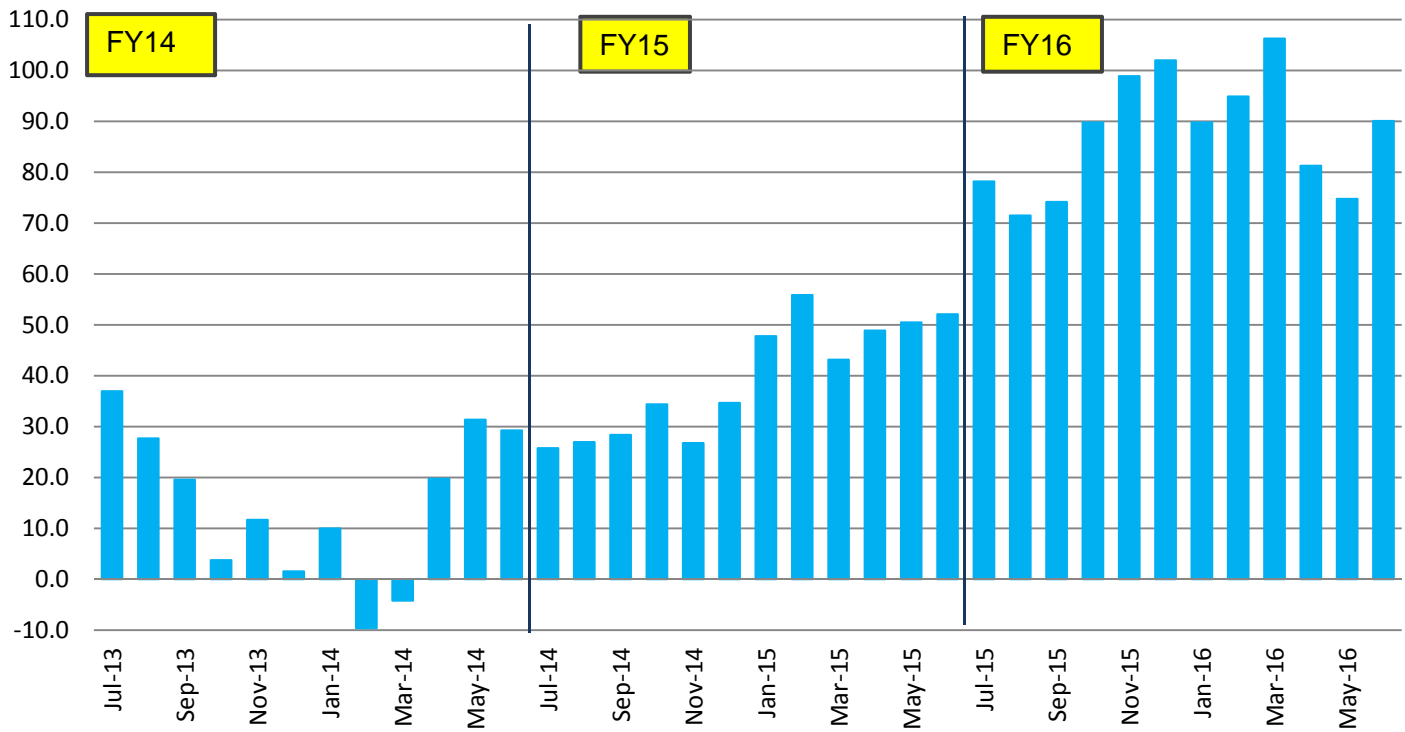
- In Virginia, wages and salaries grew 4.2 percent, higher than the official forecast of 3.9 percent.
- In Virginia, employment grew 2.3 percent, or 86,200 jobs, in FY16. The strongest percentage gains occurred in professional and business services, leisure and hospitality, and health services, while government was virtually flat.

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

	<u>FY16 Forecast</u>	<u>FY16 Actual</u>
Employment	1.5	2.3
Professional/Business	2.7	3.7
Government	0.2	0.2
Personal Income	3.7	4.3
Wages & Salaries	3.9	4.2

Employment Growth has Accelerated Over the Last Fiscal Year...

Commonwealth of Virginia
Year-Over-Year Monthly Job Change
(thousands of jobs)



However, Recent Job Growth Has Been Predominately in Lower Paying Occupations...

Virginia Employment Change and Average Weekly Wage by Major Industry

Industry	Employment	Change From A Year Ago		Average
	2015:Q4	# of Jobs	% Change	Weekly Wage
Total, All Industries	3,797,909	109,880	3.0%	\$1,094
Health Care and Social Assistance	478,994	17,020	3.7%	\$1,012
Professional, Scientific, and Technical Services	413,493	16,468	4.1%	\$2,066
Accommodation and Food Services	336,783	13,615	4.2%	\$367
Administrative and Support and Waste Management	236,129	11,556	5.1%	\$797
Transportation and Warehousing	137,052	8,313	6.5%	\$1,025
Unclassified establishments	12,393	7,578	157.4%	\$937
Construction	197,806	7,151	3.8%	\$1,110
Other Services (except Public Administration)	138,790	6,093	4.6%	\$843
Retail Trade	440,825	5,785	1.3%	\$564
Arts, Entertainment, and Recreation	64,665	5,626	9.5%	\$590
Public Administration	247,058	4,540	1.9%	\$1,411
Manufacturing	244,523	3,032	1.3%	\$1,168
Finance and Insurance	134,097	2,362	1.8%	\$1,676
Real Estate and Rental and Leasing	53,608	1,723	3.3%	\$1,145
Educational Services	364,245	1,420	0.4%	\$846
Agriculture, Forestry, Fishing and Hunting	13,225	630	5.0%	\$680
Wholesale Trade	111,478	361	0.3%	\$1,538
Utilities	18,535	109	0.6%	\$1,607
Mining, Quarrying, and Oil and Gas Extraction	6,387	(807)	-11.2%	\$1,425
Management of Companies and Enterprises	73,310	(1,023)	-1.4%	\$2,087
Information	74,512	(1,672)	-2.2%	\$1,718
% of Job Growth				
Low Wage		52,303	47.6%	\$367 - \$940
Medium Wage		40,972	37.3%	\$941 - \$1,513
High Wage		16,605	15.1%	\$1,514 - \$2,087

Fiscal Year 2016 General Fund Collections Finished \$279.3 Million (-1.5 Percent) Below Forecast...

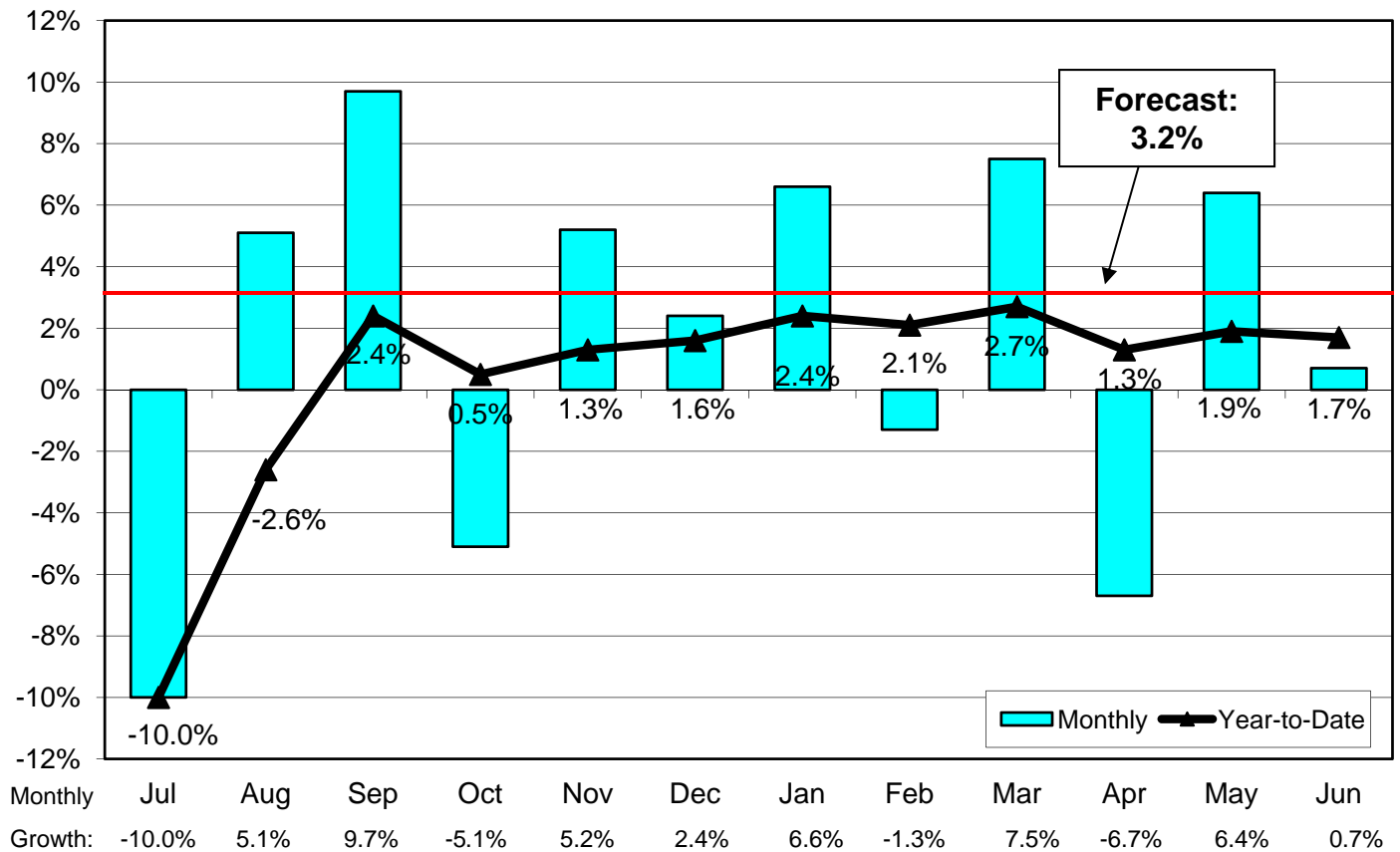
Summary of Fiscal Year 2016 Revenue Collections (millions of dollars)

Major Sources	Forecast	Actual	Dollars	Percent	Forecast	Actual
Withholding	\$11,501.6	\$11,306.3	(\$195.3)	(1.7) %	4.1 %	2.4
Nonwithholding	3,099.0	3,070.1	(28.9)	(0.9)	1.9	0.9
Refunds	(1,777.6)	(1,820.7)	(43.1)	2.4	1.2	3.6
Net Individual	\$12,823.0	\$12,555.6	(\$267.4)	(2.1) %	4.0 %	1.8
Sales	\$3,367.7	\$3,295.9	(\$71.9)	(2.1) %	4.1 %	1.9
Corporate	722.8	764.9	42.1	5.8	(13.1)	(8.0)
Wills (Recordation)	383.0	369.1	(13.9)	(3.6)	10.6	6.6
Insurance	322.7	339.1	16.4	5.1	7.3	12.8
All Other Revenue	689.8	715.5	25.7	3.7	(0.4)	3.3
Total Revenue	\$18,309.0	\$18,040.1	(\$268.9)	(1.5) %	3.2 %	1.7
A.B.C. Profits	\$84.0	\$86.5	\$2.5	3.0	0.8 %	3.8
Sales Tax (0.375%)	366.7	355.5	(11.2)	(3.1)	4.1	0.9
Transfers	121.3	119.6	(1.7)	(1.4)	(38.8)	(39.7)
Total Transfers	\$572.0	\$561.6	(\$10.4)	(1.8)	(9.8) %	(11.4)
TOTAL GENERAL FUND	\$18,881.0	\$18,601.7	(\$279.3)	(1.5)	2.8 %	1.3

- Payroll withholding and sales tax accounted for 73 percent and 27 percent, respectively, of the revenue shortfall.
- All other sources balanced out.

Fiscal Year 2016 Revenues Finished \$268.9 Million (-1.5 Percent) Below Forecast...

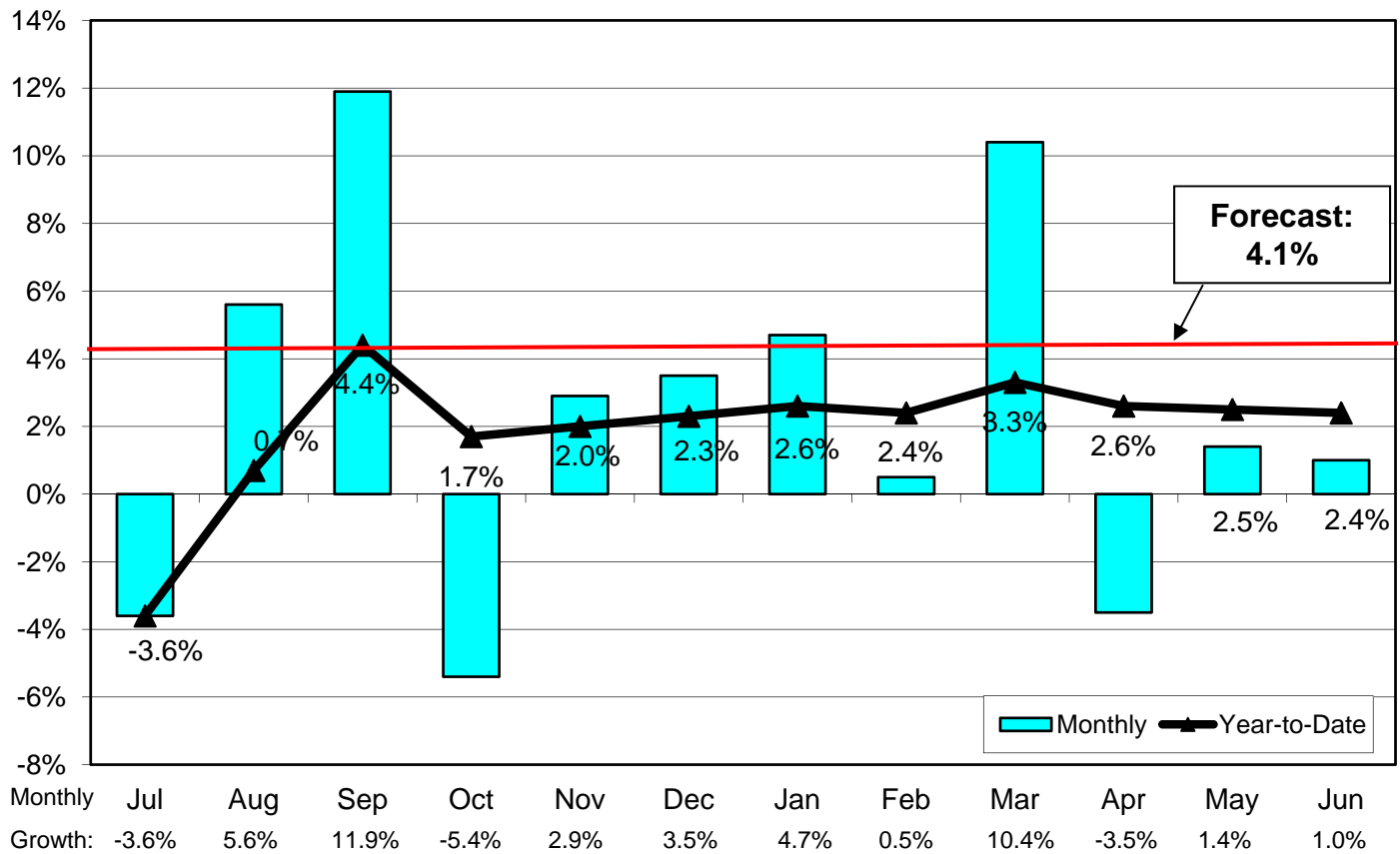
Growth in Total General Fund Revenue Collections
FY16 Monthly and Year-to-Date



- Total general fund revenue collections were short of the forecast by \$268.9 million in FY16, a forecast variance of 1.5 percent.
- Fiscal year 2016 total revenues increased 1.7 percent, behind the annual forecast of 3.2 percent growth.

Payroll Withholding Tax Collections Fell Short of The Annual Estimate By \$195.3 Million (-1.7 Percent) In Fiscal Year 2016...

Growth in Withholding Tax Collections FY16 Monthly and Year-to-Date



- Collections of payroll withholding taxes, 63 percent of total general fund revenues, grew 2.4 percent, trailing the annual estimate of 4.1 percent.

Weakness in Withholding is Due to the Continued Decline in Federal Contractors, and Overall Weak Wage Growth...

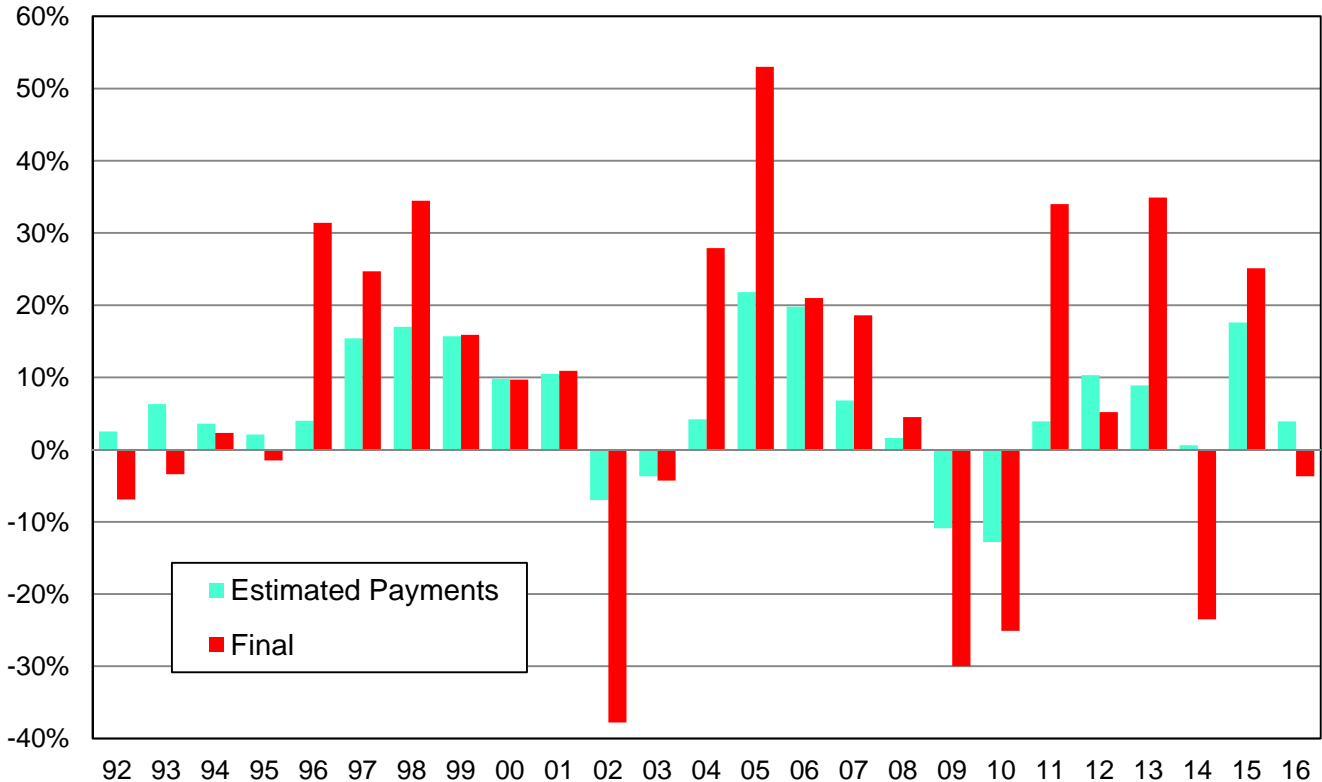
Withholding Tax Collections Fiscal Years 2014 – 2016

Industry (% of Total \$ Amount in FY16)	# of Firms in FY16	Millions of Dollars			Percent Change		
		FY14	FY15	FY16	FY14	FY15	FY16
Public Sector (18%)	100	\$1,888.6	\$1,961.9	\$2,019.7	0.7%	3.9%	2.9%
Education and Health Services (8%)	300	\$772.9	\$805.7	\$854.9	2.0%	4.2%	6.1%
Federal Contractors (4%)	244	\$451.7	\$439.9	\$431.5	-7.1%	-2.6%	-1.9%
Finance (3%)	170	\$306.6	\$325.2	\$344.4	4.0%	6.1%	5.9%
Professional and Business Services (3%)	719	\$288.1	\$297.0	\$316.8	1.2%	3.1%	6.7%
Investment (2%)	224	\$179.0	\$205.2	\$219.7	12.2%	14.6%	7.1%
Manufacturing (1%)	232	\$157.3	\$154.5	\$155.3	10.7%	-1.8%	0.5%
Transportation (1%)	59	\$113.9	\$115.7	\$118.6	4.6%	1.6%	2.5%
Housing (1%)	188	\$81.0	\$85.9	\$98.6	-0.2%	6.1%	14.7%
Other (4%)	681	\$469.4	\$484.0	\$438.4	-1.1%	3.1%	-9.4%
Total Large Payers (44%)	2,917	\$4,708.6	\$4,875.0	\$4,997.8	0.9%	3.5%	2.5%
Total Small Payers (56%)	221,588	\$5,775.6	\$6,169.3	\$6,308.5	3.4%	6.8%	2.3%
Total All	224,505	\$10,484.2	\$11,044.3	\$11,306.3	2.3%	5.3%	2.4%

Note: Dealers making payments in excess of \$100,000.

Individual Income Tax Nonwithholding Collections Were \$28.9 (-0.9 Percent) Below The Annual Estimate In Fiscal Year 2016...

Growth in Estimated and Final Payments, FY92-16
Percent Growth Over the Prior Year



- Collections of nonwithholding, 17 percent of total revenues and one of the most volatile revenue sources, fell short of expectations due to weaker than expected estimated payments.
 - Final payments decreased 3.7 percent compared with the estimate of a 5.4 percent decline.
- The shortfall would have been \$183 million more had the collar to total general fund revenues of 16.14 percent not been applied.

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
FY15	1,523	\$560.2
FY16	1,625	\$511.5

- FY16 payments decreased 9 percent from the FY15 level. FY13 and FY14 payments were affected by federal tax policy changes.
- Note, large payments are payments over \$100,000.

Individual Income Tax Refunds Were Ahead of Expectations In Fiscal Year 2016...

Individual Refunds

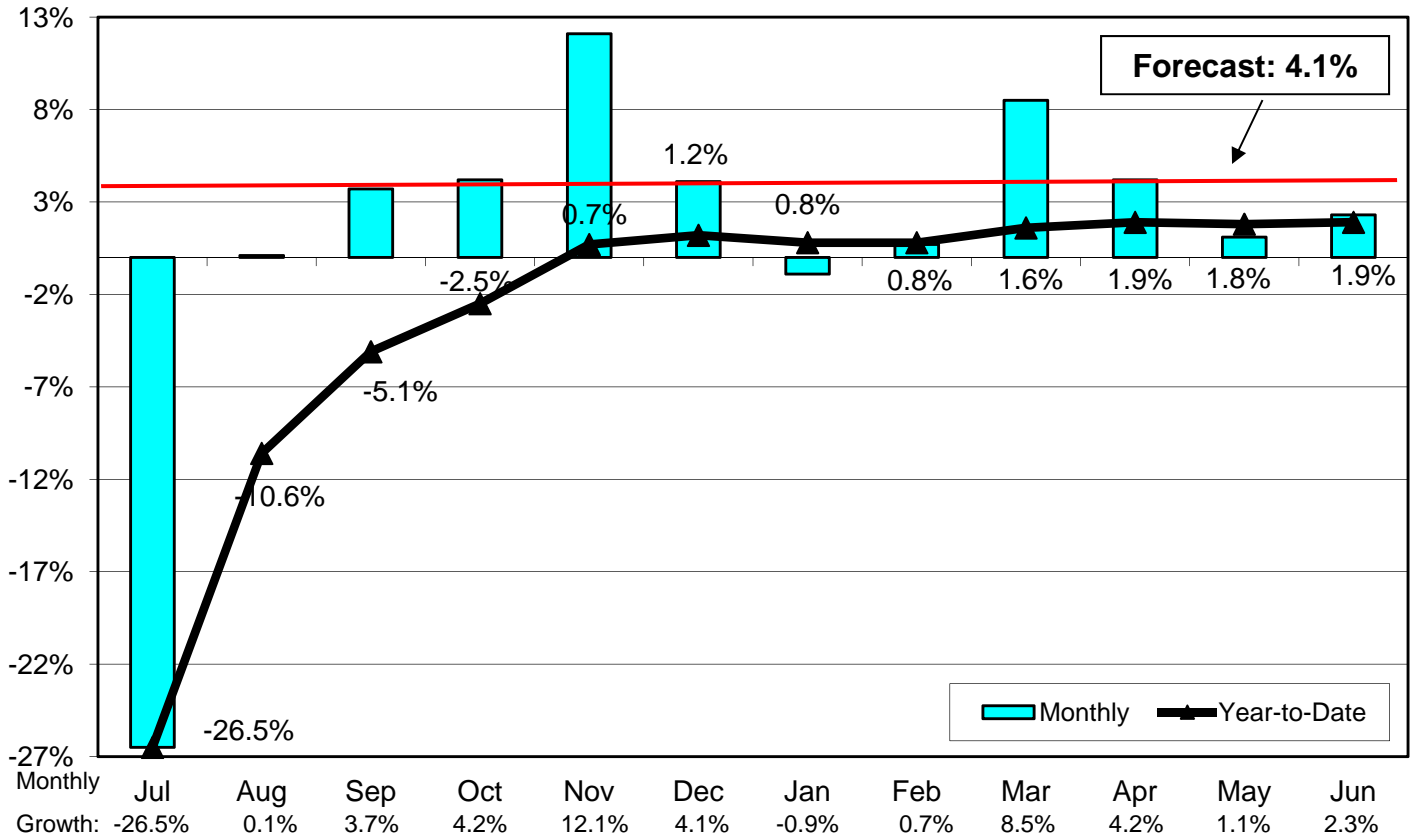
- Individual refunds in FY16 were \$43.1 million ahead of the estimate of a 1.2 percent increase, a 2.4 percent variance.
- During the main filing season that began in January and ended in June, TAX issued 2.6 million refunds, approximately 57,000 more than last year. The average check size was virtually unchanged at \$553.

Net Individual Income Taxes

- Net individual income taxes (i.e., collections of withholding, nonwithholding, and refunds) underperformed the forecast by \$267.4 million, a variance of -2.1 percent.
- Collections grew 1.8 percent in FY16, behind the annual estimate of 4.0 percent growth.

Sales And Use Tax Collections Fell Short Of The Annual Estimate By \$71.9 Million (-2.1 Percent) In Fiscal Year 2016...

Growth in Sales Tax Collections
FY16 Monthly and Year-to-Date



- Adjusting for AST, sales tax collections grew 2.2 percent in fiscal year 2016, trailing the economic-base forecast of a 4.1 percent increase.
- Monthly growth rates were below the annual forecast in 7 out of 12 months as Virginia consumers have shown restraint.

Despite an Improvement in Housing and Supercenters, Broad-based Declines in Sales Tax Collections Occurred in Fiscal Year 2016...

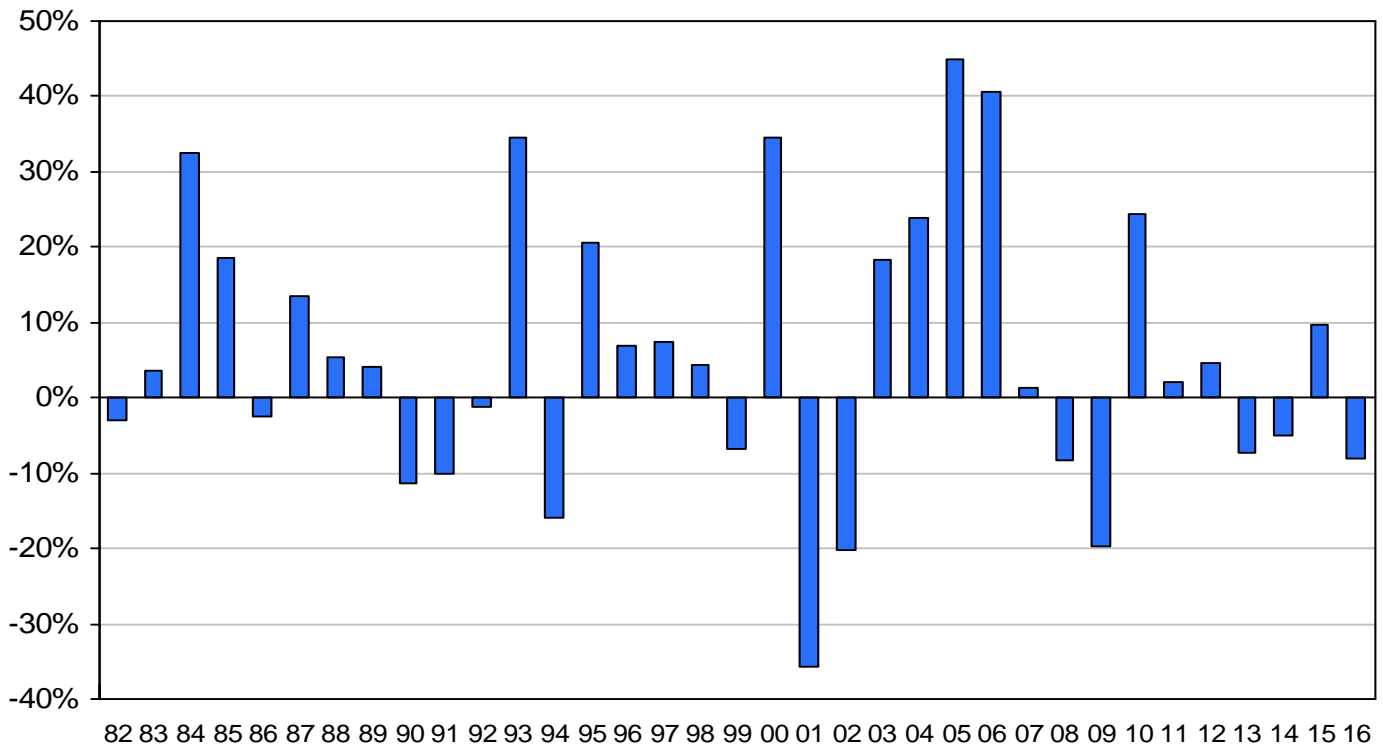
Total Sales Tax Collections Fiscal Years 2014 - 2016

Industry (% of Total \$ Amount)	# of Firms in FY16	Millions of Dollars			Percent Change		
		FY14	FY15	FY16	FY14	FY15	FY16
Housing (15%)	190	\$466.2	\$492.9	\$504.1	4.4%	5.7%	2.3%
Warehouse Clubs/Supercenters (13%)	6	\$398.2	\$413.1	\$425.4	-1.6%	3.7%	3.0%
Department Stores (10%)	133	\$357.8	\$360.3	\$332.7	-0.4%	0.7%	-7.7%
Grocery Stores (9%)	28	\$322.6	\$324.7	\$317.8	0.0%	0.7%	-2.1%
Retail Trade (9%)	142	\$292.0	\$299.2	\$300.6	2.7%	2.5%	0.5%
Restaurants (5%)	106	\$154.6	\$159.5	\$151.8	6.2%	3.2%	-4.8%
Wholesale Trade (2%)	87	\$71.9	\$74.1	\$72.8	5.5%	3.0%	-1.8%
Leisure and Hospitality (2%)	87	\$46.4	\$52.9	\$50.8	10.7%	13.9%	-3.8%
Gasoline Stations (1%)	24	\$45.7	\$48.1	\$45.8	-8.4%	5.4%	-4.9%
Other (4%)	417	\$150.1	\$154.7	\$145.4	-11.4%	3.1%	-6.0%
Total Large Payers (70%)	1,220	\$2,305.4	\$2,379.6	\$2,347.1	0.6%	3.2%	-1.4%
Total	124,879	\$3,211.5	\$3,368.8	\$3,434.0	0.8%	4.9%	1.9%

Note: Dealers making payments in excess of \$100,000.

Corporate Income Tax Receipts Exceeded The Annual Estimate By \$42.1 Million (5.8 Percent) In Fiscal Year 2016...

Growth in Net Corporate Income Tax Receipts, FY82-16
Percent Growth Over the Prior Year



- Corporate income tax collections, 4 percent of total revenues and one of the most volatile sources, fell 8.0 percent in FY16, ahead of the annual estimate of an 13.1 percent decline.

Gross Corporate Tax Collections Were Down Overall for Large Payers, Especially in Energy, Tobacco, and Professional and Business Services...

Total Gross Corporate Tax Collections Fiscal Years 2014 - 2016

Industry (% of Total \$ Amount)	# of Firms in FY15	Millions of Dollars			Percent Change		
		FY14	FY15	FY16	FY14	FY15	FY16
Housing (7%)	208	\$59.5	\$69.7	\$71.8	-16.5%	17.0%	3.1%
Federal Contractors (7%)	156	\$86.4	\$71.8	\$70.8	22.5%	-16.9%	-1.3%
Professional and Business (6%)	327	\$58.3	\$62.8	\$58.4	-27.3%	7.7%	-6.9%
Energy (6%)	85	\$63.0	\$67.1	\$54.0	-11.2%	6.6%	-19.5%
Manufacturing (6%)	337	\$44.3	\$43.3	\$53.3	-15.7%	-2.3%	23.2%
Tobacco (5%)	11	\$107.4	\$95.8	\$45.5	40.6%	-10.8%	-52.5%
Finance (5%)	107	\$14.0	\$46.4	\$45.3	-43.4%	231.5%	-2.2%
Retail Trade (4%)	67	\$38.1	\$31.9	\$40.2	-11.6%	-16.2%	25.8%
Wholesale Trade (3%)	189	\$46.0	\$43.0	\$32.3	-1.0%	-6.6%	-24.8%
Other (14%)	666	\$173.8	\$146.9	\$136.9	-11.8%	-15.5%	-6.8%
Total Large Payers (63%)	2,153	\$690.8	\$678.6	\$608.7	-5.8%	-1.8%	-10.3%
Total Small Payers (38%)	266,276	\$274.2	\$329.9	\$365.1	0.1%	20.3%	10.7%
Total	268,429	\$965.0	\$1,008.5	\$973.8	-4.2%	4.5%	-3.4%

Note: Companies making payments in excess of \$100,000.

The Performance of Other Revenue Sources Were Mixed Compared to Their Respective Forecasts In Fiscal Year 2016...

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

- Wills, Suits, Deeds, and Contracts (primarily recordation tax collections) finished \$13.9 million behind the annual forecast (-3.6 percent variance).
 - This source grew 6.6 percent as housing transactions have continued to advance.

Insurance Premiums Tax

- Insurance premiums tax collections exceeded the annual estimate by \$16.4 million (5.1 percent variance).
 - Growth in the commercial real estate market and improving home values led to the increase in insurance premiums tax collections.

All Other Revenues

- All Other Revenues finished \$25.7 million ahead of expectations (3.7 percent variance).
 - Much of this gain was due to the alcoholic beverage state tax, penalties, and miscellaneous revenues.

Commonwealth Transportation Fund (CTF) Revenues Finished Fiscal Year 2016 \$2.1 Million Below the Official Estimate...

Summary of Fiscal Year 2016 Revenue Collections Commonwealth Transportation Fund (millions of dollars)

Actual Collections Compared to the Official Forecast for Fiscal Year 2016 (Millions of Dollars)

Revenue Sources	FY2015 Actual	FY2016 Actual	FY2016 Forecast	Percent Change 2015-2016		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	715.1	848.3	873.8	18.6%	22.2%	(25.5)	-2.9%
Road Use Tax	5.7	10.9	7.9	91.2	38.6	3.0	38.0
Vehicle Sales Tax	854.5	918.9	893.8	7.5	4.6	25.1	2.8
Vehicle Licenses	245.1	253.4	244.4	3.4	(0.3)	9.0	3.7
State Sales Tax	994.9	1,000.5	1,006.2	0.6	1.1	-5.7	-0.6
Recordation Tax	42.0	44.2	44.6	5.2	6.2	-0.4	-0.9
Insurance Premiums Tax	150.4	150.3	150.3	(0.1)	(0.1)	0.0	0.0
Int'l Registration Plan	66.0	67.7	66.4	2.6	0.6	1.3	2.0
Interest Earnings	7.5	3.7	13.6	(50.7)	81.3	-9.9	-72.8
Rental Tax	35.9	37.5	37.9	4.5	5.6	-0.4	-1.1
Aviation Fuels Tax	1.8	1.8	1.8	0.0	0.0	0.0	0.0
Miscellaneous	18.3	18.4	17.0	0.5	(7.1)	1.4	8.2
TOTAL	\$3,137.2	\$3,355.6	\$3,357.7	7.0%	7.0%	(\$2.1)	-0.1%

- Total revenue growth was slightly below target with a 0.1 percent forecast variance.
 - Weaker than expected growth in the motor fuels tax was offset by solid growth in 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 2016

(millions of dollars)

Assets

Cash, Cash Equivalents, and Investments	\$ 1,561.2	
Cash, Travel Advances and Amounts Due from Other Funds	0.6	
Total Assets		\$ 1,561.8

Liabilities and Fund Equity

Liabilities:

Payments Awaiting Distribution	77.4	
Deposits Pending Distribution	5.9	
Total Liabilities	\$	83.3

Fund Equity:

Reserved Fund Balance:

Revenue Stabilization Reserve Fund	235.5	
Revenue Stabilization Reserve 2017	605.6	
Lottery Proceeds Fund	8.6	
Water Supply Assistance Grant Fund	5.3	

Total Reserved Fund Balance 855.0

Commitments and Assignments:

Reapp. 2016 Unexpended Bal. for Cap Outlay	141.9	
Central Capital Planning Fund	10.3	
Communication Sales and Use Tax	35.8	
Natural Disaster Sum Sufficient	25.6	
Amt. Required for Mandatory Reapp.	58.5	
Virginia Health Care Fund	44.3	
Virginia Water Quality Improvement Fund	15.8	
Balance Required by Chapter 780	149.9	
Select NGF Balances	141.4	

Total Committed and Assigned Fund Balance 623.5

Total Fund Equity		1,478.5
Total Liabilities and Fund Balance		\$ 1,561.8

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

- The August 2016 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 2016 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 as the appropriate path, although some members thought wages and salaries were too high given the job growth composition.
 - The May JABE standard forecast was presented to the Governor's Advisory Council on Revenue Estimates (GACRE) on August 15, 2016.

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

- Employment is expected to continue to grow, but at a slower rate than in FY16.
- Wage and salary income is expected to approach modestly stronger rates over the forecast horizon.

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

	Fiscal Year			
	15	16	17	18
Employment				
Official (Nov '15)	0.8	1.5	1.3	1.0
May Standard	1.1	2.4	1.5	1.0
Personal Income				
Official (Nov '15)	3.9	3.7	3.8	4.2
May Standard	4.0	4.3	3.8	4.2
Wages & Salaries				
Official (Nov '15)	3.0	3.9	4.3	4.0
May Standard	3.2	4.2	4.3	3.9
Average Wage				
Official (Nov '15)	2.2	2.4	2.9	3.0
May Standard	2.1	1.8	2.7	3.0

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

- At the GACRE meeting, 6 business members voted for the May Standard forecast (the forecast presented), 4 members voted for the May Standard but with a Minus, one member was for a more optimistic outlook, and one for the May Pessimistic forecast.
- Most of the concerns raised by members supporting a May Standard Minus forecast were over the outlook for fiscal year 2018.
- No members commented on removing the collar on nonwithholding.
- Several members commented on the need to account for lower paying jobs going forward.
 - The withholding forecast will increase the *withholding model bias adjustment* from one-half to *a full downward adjustment to account for their recommendations*.
 - *This will reduce each year by an additional \$53.5 million.*
- In August interim revenue forecast, total General Fund revenues have been *reduced by \$1.2 billion for FY17-18 from the official forecast.*

The Official and Interim Standard General Fund Forecasts

(Dollars in Millions)

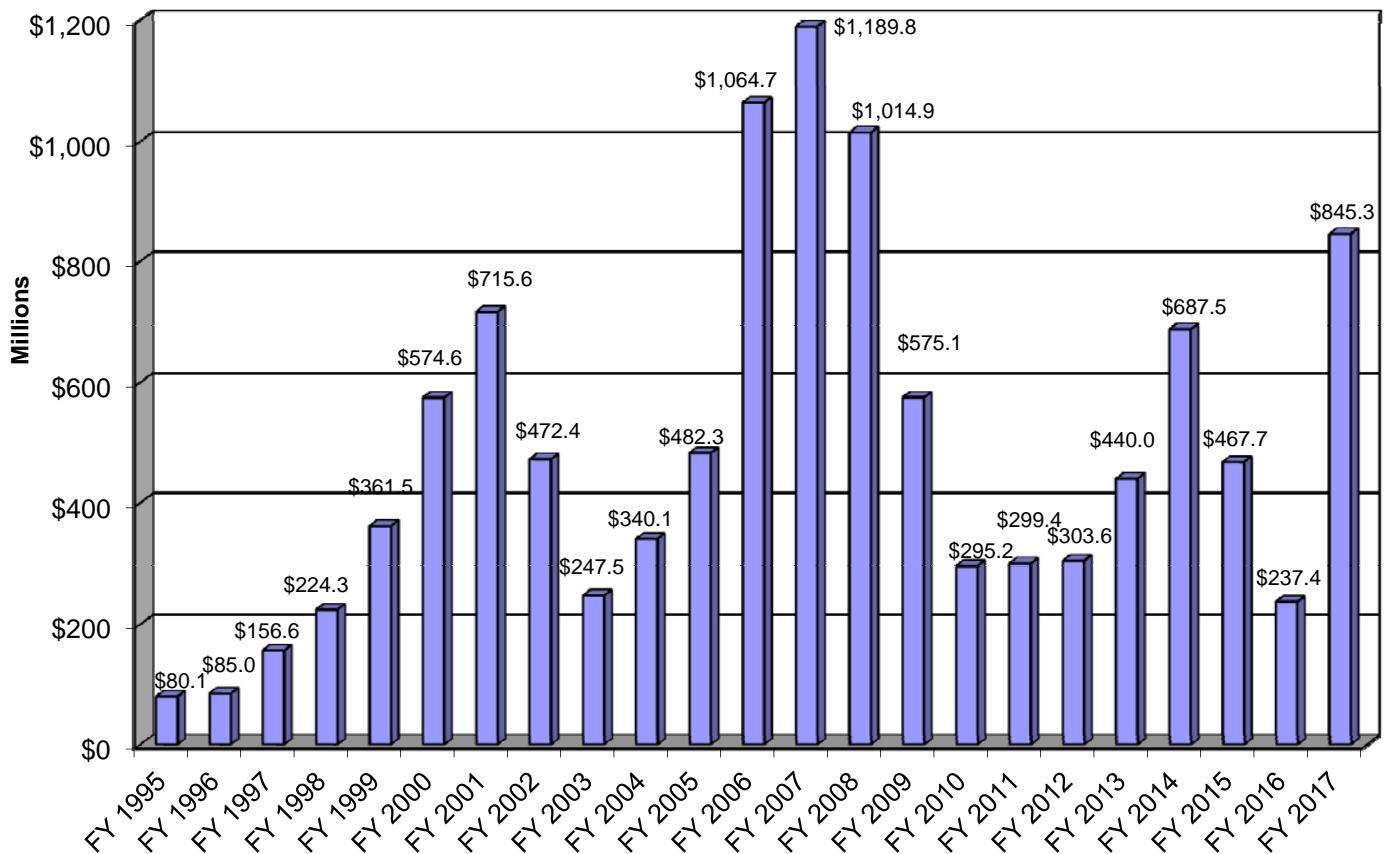
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Major Sources	Fiscal Year 2016		Fiscal Year 2017			% Growth Over FY 16	
	Actual	% Growth	Official	Interim	Change	Official	Interim
Withholding	\$11,306.3	2.4 %	\$11,958.6	\$11,646.0	(\$312.6)	4.0 %	3.0 %
Nonwithholding	3,070.1	0.9	3,165.6	3,032.5	(133.1)	2.1	(1.2)
Refunds	(1,820.7)	3.6	(1,894.1)	(1,894.1)	0.0	6.6	4.0
Net Individual	\$12,555.6	1.8 %	\$13,230.1	\$12,784.4	(\$445.7)	3.2 %	1.8 %
Sales	\$3,295.9	1.9 %	\$3,500.8	\$3,382.2	(\$118.6)	4.0 %	2.6 %
Corporate	764.9	(8.0)	765.2	742.1	(23.1)	5.9	(3.0)
Wills (Recordation)	369.1	6.6	389.4	389.4	0.0	1.7	5.5
Insurance	339.1	12.8	335.6	343.5	7.9	4.0	1.3
All Other Revenue	\$ 715.5	3.3	681.4	696.4	15.0	(1.2)	(2.7)
Total Revenue	\$18,040.1	1.7 %	\$18,902.4	\$18,338.0	(\$564.4)	3.2 %	1.7 %

Major Sources	Fiscal Year 2018			% Growth Over FY17		2016-2018 Biennium		
	Official	Interim	Change	Official	Interim	Official	Interim	Change
Withholding	\$12,410.2	\$12,037.4	(\$372.8)	3.8 %	3.4 %	\$24,368.8	\$23,683.4	(\$685.4)
Nonwithholding	3,393.9	3,280.8	(113.1)	7.2	8.2	6,559.5	6,313.3	(246.2)
Refunds	(1,968.2)	(1,968.2)	0.0	3.9	3.9	(3,862.3)	(3,862.3)	0.0
Net Individual	\$13,835.9	\$13,350.0	(\$485.9)	4.6	4.4	\$27,066.0	\$26,134.4	(\$931.6)
Sales	\$3,635.0	\$3,481.4	(\$153.6)	3.8	2.9	\$7,135.7	\$6,863.6	(\$272.1)
Corporate	736.4	724.0	(12.4)	(3.8)	(2.4)	1,501.6	1,466.1	(35.5)
Wills (Recordation)	389.4	389.4	0.0	0.0	0.0	778.8	778.8	0.0
Insurance	350.3	354.5	4.2	4.4	3.2	685.9	698.0	12.1
All Other Revenue	686.1	701.1	15.0	0.7	0.7	1,367.5	1,397.5	30.0
Total Revenue	\$19,633.1	\$19,000.4	(\$632.7)	3.9 %	3.6 %	\$38,535.5	\$37,338.4	(\$1,197.1)

A Mandatory Deposit of \$605.6 Million Will Be Made to the Revenue Stabilization Fund in FY2017 Substantially Increasing the Size of the Fund to About \$845.0 Million by June 30, 2017...

Revenue Stabilization Fund – June 30 Balance
 FY1995-2015 Actual and FY2016-2017 Forecast
 (millions of dollars)



- A deposit of \$243.2 million and a withdrawal of \$467.7 million occurred in FY2015.
- Another withdrawal of \$235.5 million occurred in FY2016.
- A mandatory deposit of \$605.6 million is required in year 2017 based on actual general fund revenue collections for FY2015.

July 2016 General Fund Revenue Collections Increased 3.7 Percent ...

Summary of July FY17 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	63.3 %	1.4 %	5.8 %	(4.4) %
Nonwithholding	16.7	16.4	3.1	13.3
Refunds	<u>(10.0)</u>	<u>(15.4)</u>	<u>4.0</u>	<u>(19.4)</u>
Net Individual	70.0	3.2	5.4	(2.2)
Sales	18.5	6.1	6.2	(0.1)
Corporate	4.0	46.3	0.0	46.3
Wills (Recordation)	2.1	1.2	5.5	(4.3)
Insurance	1.8	na	(1.0)	na
All Other Revenue	3.6	3.9	(4.8)	8.7
Total	100.0 %	3.7 %	4.8 %	(1.1) %

Sales (x AST)	5.8 %	4.8 %	1.0 %
Total (x AST)	3.6 %	4.5 %	(0.9) %

- Withholding collections had two less deposit days this month.
- Mail delivery delays postponed the collection of some June nonwithholding payments and pushed them into July receipts.

The August Revenue Reforecast Will Be Addressed By Budget Actions And Further Revenue Review Before December...

- Budget actions will be identified and implemented to start to address the reduction in fiscal year 2017 prior to the introduction of the amended budget in December.
- Recommendations for fiscal year 2018 budget actions will be in the amended budget bill submitted in December.
- Significant data/analyses used in the revenue 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 and individual refunds from extension returns normally peak.
 - Review economic projections (JABE).
 - November – corporate refunds from extension returns normally peak.
 - Review of revenue forecast for fiscal years 2017, 2018, 2019, and 2020 (GACRE).

Appendix

Fiscal Year 2016 General Fund Collections: Actual and Official Forecast

Official and Interim General Fund Forecast for Fiscal Years 2017 and 2018

Official and August Update - Commonwealth Transportation Fund Forecast for Fiscal Years 2017 and 2018

Growth in Total General Fund Revenues, Fiscal Years 1961 to 2018

June 2016 Revenue Report

July 2016 Revenue Report

Note:

The [General Fund Preliminary Annual Report](http://www.doa.virginia.gov) 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).

Table 3.1
Fiscal Year 2016 General Fund Collections: Actual and Official Forecast
(Dollars in Millions)

	Fiscal Year 2015		Official Forecast	Fiscal Year 2016			% Growth Over FY 15	
	Actual	% Growth		Actual	Forecast Dollars	Variance Percent	Official	Actual
MAJOR TAX SOURCES								
Corporate Income	\$ 831.9	9.8 %	\$ 722.8	\$ 764.9	\$ 42.1	5.8 %	(13.1) %	(8.0) %
Individual Income Tax:								
Gross	14,086.0	8.3	14,600.6	14,376.4	(224.2)	(1.5)	3.7	2.1
Withholding	11,044.3	5.3	11,501.6	11,306.3	(195.3)	(1.7)	4.1	2.4
Nonwithholding	3,041.6	20.5	3,099.0	3,070.1	(28.9)	(0.9)	1.9	0.9
Refunds	<u>(1,757.3)</u>	<u>0.1</u>	<u>(1,777.6)</u>	<u>(1,820.7)</u>	<u>(43.1)</u>	<u>2.4</u>	<u>1.2</u>	<u>3.6</u>
Net	12,328.7	9.6	12,823.0	12,555.6	(267.4)	(2.1)	4.0	1.8
Insurance Company Premiums	300.6	(6.2)	322.7	339.1	16.4	5.1	7.3	12.8
State Sales & Use Tax	3,235.4	5.5	3,367.7	3,295.9	(71.9)	(2.1)	4.1	1.9
Wills, Suits, Deeds, & Contract Fees	<u>346.3</u>	<u>11.4</u>	<u>383.0</u>	<u>369.1</u>	<u>(13.9)</u>	<u>(3.6)</u>	<u>10.6</u>	<u>6.6</u>
Total Major Tax Sources	\$ 17,043.0	8.5 %	\$ 17,619.2	\$ 17,324.6	\$ (294.6)	(1.7) %	3.4 %	1.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 166.0	5.4 %	\$ 166.1	\$ 175.3	\$ 9.2	5.5 %	0.1 %	5.6 %
Bank Franchise Tax	19.0	(15.6)	20.7	17.8	(2.9)	(14.0)	8.8	(6.5)
Beer & Beverage Excise Tax	41.9	0.1	41.8	42.3	0.5	1.1	(0.1)	1.0
Corporate Franchise & Charter Fees	48.6	(3.3)	48.6	53.6	5.0	10.4	0.1	10.4
Excess & Other Fees from Officers	(6.8)	4.9	(6.8)	(7.4)	(0.6)	8.1	(0.3)	(8.5)
Estate & Gifts	0.1	(50.0)	0.0	0.2	0.2	n/a	(100.0)	126.5
Institutional Revenues	7.4	30.6	7.3	5.3	(2.0)	(28.1)	(1.0)	(28.8)
Interest & Rents	49.0	(34.1)	46.3	52.6	6.3	13.6	(5.6)	7.3
Licenses & Permits	4.1	0.7	4.0	4.1	0.1	3.2	(1.5)	1.6
Miscellaneous Taxes and Penalties	232.2	4.4	232.0	240.3	8.3	3.6	(0.1)	3.5
Other Miscellaneous Revenues	32.8	(1.6)	30.9	38.8	7.9	25.5	(5.7)	18.3
Public Service GR / Consumption Tax	<u>98.5</u>	<u>0.4</u>	<u>98.9</u>	<u>92.6</u>	<u>(6.3)</u>	<u>(6.4)</u>	<u>0.4</u>	<u>(6.0)</u>
Total Misc. Taxes and Other Revenues	\$ 692.7	(1.5) %	\$ 689.8	\$ 715.5	\$ 25.7	3.7 %	(0.4) %	3.3 %
TOTAL GF REVENUES	\$ 17,735.6	8.1 %	\$ 18,309.0	\$ 18,040.1	\$ (268.9)	(1.5) %	3.2 %	1.7 %
TRANSFERS								
A.B.C. Profits	\$ 83.3	30.6 %	\$ 84.0	\$ 86.5	\$ 2.5	3.0 %	0.8 %	3.8 %
Sales Tax (0.25%)	352.4	64.6	366.7	355.5	(11.2)	(3.1)	4.1	0.9
Transfers Per Appropriations Act	<u>198.2</u>	<u>25.9</u>	<u>121.3</u>	<u>119.6</u>	<u>(1.7)</u>	<u>(1.4)</u>	<u>(38.8)</u>	<u>(39.7)</u>
Total Transfers	\$ 633.9	26.5 %	\$ 572.0	\$ 561.6	\$ (10.4)	(1.8) %	(9.8) %	(11.4) %
TOTAL GENERAL FUND	\$ 18,369.5	8.6 %	\$ 18,881.0	\$ 18,601.7	\$ (279.3)	(1.5) %	2.8 %	1.3 %

The Official forecast is based on the November 2015 IHS Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2016 General Assembly - Chapters 732 and 780.

The Official to Interim General Fund Forecast for Fiscal Year 2017
(Dollars in Millions)

August 26, 2016

	Fiscal Year 2017				
	Official	Interim	Change	% Growth Over FY 16	
	Forecast	Forecast		Official	Interim
MAJOR TAX SOURCES					
Corporate Income	\$ 765.2	\$ 742.1	\$ (23.1)	5.9 %	(3.0) %
Individual Income Tax:					
Gross	15,124.2	14,678.5	(445.7)	3.6	2.1
Withholding	11,958.6	11,646.0	(312.6)	4.0	3.0
Nonwithholding	3,165.6	3,032.5	(133.1)	2.1	(1.2)
Refunds	<u>(1,894.1)</u>	<u>(1,894.1)</u>	0.0	<u>6.6</u>	<u>4.0</u>
Net	13,230.1	12,784.4	(445.7)	3.2	1.8
Insurance Company Premiums	335.6	343.5	7.9	4.0	1.3
State Sales & Use Tax	3,500.8	3,382.2	(118.6)	4.0	2.6
Wills, Suits, Deeds, & Contract Fees	<u>389.4</u>	<u>389.4</u>	0.0	1.7	5.5
Total Major Tax Sources	\$ 18,221.0	\$ 17,641.6	\$ (579.4)	3.4 %	1.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 169.6	\$ 169.6	\$ 0.0	2.1 %	(3.3) %
Bank Franchise Tax	18.7	18.7	0.0	(9.7)	5.1
Beer & Beverage Excise Tax	41.8	41.8	0.0	0.0	(1.1)
Corporate Franchise & Charter Fees	45.6	45.6	0.0	(6.2)	(15.0)
Excess & Other Fees from Officers	(6.8)	(6.8)	0.0	0.0	(7.5)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	7.3	7.3	0.0	0.0	39.0
Interest & Rents	40.2	55.2	15.0	(13.2) %	4.9
Licenses & Permits	4.0	4.0	0.0	0.0 %	(3.1)
Miscellaneous Taxes and Penalties	233.8	233.8	0.0	0.8 %	(2.7)
Other Miscellaneous Revenues	28.3	28.3	0.0	(8.4) %	(27.0)
Public Service GR / Consumption Tax	<u>98.9</u>	<u>98.9</u>	0.0	0.0 %	6.8
Total Misc. Taxes and Other Revenues	\$ 681.4	\$ 696.4	\$ 15.0	(1.2) %	(2.7) %
TOTAL GF REVENUES	\$ 18,902.4	\$ 18,338.0	\$ (564.4)	3.2 %	1.7 %
TRANSFERS					
A.B.C. Profits	\$ 83.6	\$ 83.6	\$ 0.0	(0.5) %	(3.4) %
Sales Tax (0.375%)	384.9	384.9	0.0	5.0	8.3
Transfers Per Appropriations Act	<u>109.2</u>	<u>109.2</u>	0.0	(10.0)	(8.7)
Total Transfers	\$ 577.7	\$ 577.7	\$ 0.0	1.0 %	2.9 %
TOTAL GENERAL FUND	\$ 19,480.1	\$ 18,915.7	\$ (564.4)	3.2 %	1.7 %

The Official forecast is based on the November 2015 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2016 General Assembly Session. Chapters 732 and 780.

The Interim forecast is based on the May 2016 IHS Economics US Standard outlook and includes recommendations from GACRE. The forecast also includes a collar in individual nonwithholding to one percent of total revenues as contained in Chapter 780 and a withholding model bias adjustment.

The Official and Interim General Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

August 26, 2016

	Fiscal Year 2018					2016-2018 Biennium		
	Official Forecast	Interim Forecast	Change	% Growth Over FY 17 Official Interim		Official Forecast	Interim Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 736.4	\$ 724.0	\$ (12.4)	(3.8) %	(2.4) %	\$ 1,501.6	\$ 1,466.1	\$ (35.5)
Individual Income Tax:								
Gross	15,804.1	15,318.2	(485.9)	4.5	4.4	30,928.3	29,996.7	(931.6)
Withholding	12,410.2	12,037.4	(372.8)	3.8	3.4	24,368.8	23,683.4	(685.4)
Nonwithholding	3,393.9	3,280.8	(113.1)	7.2	8.2	6,559.5	6,313.3	(246.2)
Refunds	<u>(1,968.2)</u>	<u>(1,968.2)</u>	<u>0.0</u>	<u>3.9</u>	<u>3.9</u>	<u>(3,862.3)</u>	<u>(3,862.3)</u>	<u>0.0</u>
Net	13,835.9	13,350.0	(485.9)	4.6	4.4	27,066.0	26,134.4	(931.6)
Insurance Company Premiums	350.3	354.5	4.2	4.4	3.2	685.9	698.0	12.1
State Sales & Use Tax	3,635.0	3,481.4	(153.6)	3.8	2.9	7,135.7	6,863.6	(272.1)
Wills, Suits, Deeds, & Contract Fees	<u>389.4</u>	<u>389.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>778.8</u>	<u>778.8</u>	<u>0.0</u>
Total Major Tax Sources	\$ 18,947.0	\$ 18,299.3	\$ (647.7)	4.0 %	3.7 %	\$ 37,168.0	\$ 35,940.9	\$ (1,227.1)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 173.2	\$ 173.2	\$ 0.0	2.1 %	2.1 %	\$ 342.8	\$ 342.8	\$ 0.0
Bank Franchise Tax	18.7	18.7	0.0	0.0	0.0	37.4	37.4	0.0
Beer & Beverage Excise Tax	41.8	41.8	0.0	0.0	0.0	83.6	83.6	0.0
Corporate Franchise & Charter Fees	45.6	45.6	0.0	0.0	0.0	91.2	91.2	0.0
Excess & Other Fees from Officers	(6.8)	(6.8)	0.0	0.0	0.0	(13.6)	(13.6)	0.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	7.3	7.3	0.0	0.0	0.0	14.6	14.6	0.0
Interest & Rents	40.2	55.2	15.0	0.0	0.0	80.4	110.4	30.0
Licenses & Permits	4.0	4.0	0.0	0.0	0.0	8.0	8.0	0.0
Miscellaneous Taxes and Penalties	234.7	234.7	0.0	0.4	0.4	468.5	468.5	0.0
Other Miscellaneous Revenues	28.5	28.5	0.0	0.7	0.7	56.8	56.8	0.0
Public Service GR / Consumption Tax	<u>98.9</u>	<u>98.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>197.8</u>	<u>197.8</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 686.1	\$ 701.1	\$ 15.0	0.7 %	0.7 %	\$ 1,367.5	\$ 1,397.5	\$ 30.0
TOTAL GF REVENUES	\$ 19,633.1	\$ 19,000.4	\$ (632.7)	3.9 %	3.6 %	\$ 38,535.5	\$ 37,338.4	\$ (1,197.1)
TRANSFERS								
A.B.C. Profits	\$ 89.1	\$ 89.1	\$ 0.0	6.6 %	6.6 %	\$ 172.7	\$ 172.7	\$ 0.0
Sales Tax (0.375%)	398.4	398.4	0.0	3.5	3.5	783.3	783.3	0.0
Transfers Per Appropriations Act	<u>109.3</u>	<u>109.3</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>218.5</u>	<u>218.5</u>	<u>0.0</u>
Total Transfers	\$ 596.8	\$ 596.8	\$ 0.0	3.3 %	3.3 %	\$ 1,174.5	\$ 1,174.5	\$ 0.0
TOTAL GENERAL FUND	\$ 20,229.9	\$ 19,597.2	\$ (632.7)	3.8 %	3.6 %	\$ 39,710.0	\$ 38,512.9	\$ (1,197.1)

The Official forecast is based on the November 2015 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2016 General Assembly Session. Chapters 732 and 780.

The Interim forecast is based on the May 2016 IHS Economics US Standard outlook and includes recommendations from GACRE. The forecast also includes a collar in individual nonwithholding to one percent of total revenues as contained in Chapter 780 and a withholding model bias adjustment.

The Official and August Commonwealth Transportation Fund Forecast for Fiscal Year 2017
(Dollars in Millions)

August 26, 2016

	Fiscal Year 2016		Fiscal Year 2017				
	Actual	% Growth	Official Forecast	August Forecast	Change	% Growth over FY 16 Official August	
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 684.8	18.8 %	\$ 716.8	\$ 716.8	\$ 0.0	4.7 %	4.7 %
Road Tax	2.9	(261.1)	(0.2)	(0.2)	0.0	(106.9)	(106.9)
Motor Vehicle Sales And Use Tax	691.0	8.2	696.9	696.9	0.0	0.9	0.9
Motor Vehicle License Fees	231.8	3.8	224.8	224.8	0.0	(3.0)	(3.0)
Retail Sales and Use Tax	276.8	(0.4)	293.9	286.0	(7.9)	6.2	3.3
International Registration Plan	67.7	2.6	61.7	61.7	0.0	(8.9)	(8.9)
Recordation Tax	14.7	5.0	0.0	0.0	0.0	n/a	n/a
Miscellaneous	18.4	0.5	17.0	17.0	0.0	(7.6)	(7.6)
Total State Taxes and Fees	\$ 1,988.1	9.7 %	\$ 2,010.9	\$ 2,003.0	\$ (7.9)	1.1 %	0.7 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 163.5	17.9 %	\$ 170.1	\$ 170.1	\$ 0.0	4.0 %	4.0 %
Insurance Premiums Tax (1/3)	150.3	(0.1)	156.0	163.1	7.1	3.8	8.5
Road Tax	8.0	6.7	8.1	8.1	0.0	1.3	1.3
Motor Vehicle Sales And Use Tax	227.9	5.6	230.3	230.3	0.0	1.1	1.1
Motor Vehicle License Fees	21.6	(0.9)	22.0	22.0	0.0	1.9	1.9
Retail Sales and Use Tax	723.7	0.9	756.0	731.7	(24.3)	4.5	1.1
Recordation Tax	29.5	5.4	45.4	45.4	0.0	53.9	53.9
Interest Earnings	3.7	(50.7)	12.1	12.1	0.0	227.0	227.0
Rental Tax	37.5	4.5	39.6	39.6	0.0	5.6	5.6
Aviation Fuels Tax	1.8	0.0	2.0	2.0	0.0	11.1	11.1
Total State Taxes and Fees	\$ 1,367.5	3.2 %	\$ 1,441.6	\$ 1,424.4	\$ (17.2)	5.4 %	4.2 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 848.3	18.6 %	\$ 886.9	\$ 886.9	\$ 0.0	4.6 %	4.6 %
Insurance Premiums Tax (1/3)	150.3	(0.1)	156.0	163.1	7.1	3.8	8.5
Road Tax	10.9	91.2	7.9	7.9	0.0	(27.5)	(27.5)
Motor Vehicle Sales and Use Tax	918.9	7.5	927.2	927.2	0.0	0.9	0.9
Motor Vehicle License Fees	253.4	3.4	246.8	246.8	0.0	(2.6)	(2.6)
International Registration Plan	67.7	2.6	61.7	61.7	0.0	(8.9)	(8.9)
Retail Sales and Use Tax	1,000.5	0.6	1,049.9	1,017.7	(32.2)	4.9	1.7
Recordation Tax (3 cents)	44.2	5.2	45.4	45.4	0.0	2.7	2.7
Interest Earnings	3.7	(50.7)	12.1	12.1	0.0	227.0	227.0
Rental Tax	37.5	4.5	39.6	39.6	0.0	5.6	5.6
Aviation Fuels Tax	1.8	0.0	2.0	2.0	0.0	11.1	11.1
Miscellaneous	18.4	0.5	17.0	17.0	0.0	(7.6)	(7.6)
Total State Taxes and Fees	\$ 3,355.6	7.0 %	\$ 3,452.5	\$ 3,427.4	\$ (25.1)	2.9 %	2.1 %
Transfers per the Appropriations Act							
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	n/a	\$ 0.0	\$ 0.0	\$ 0.0	n/a	n/a %
Total Transportation Fund	\$ 3,355.6	6.2	\$ 3,452.5	\$ 3,427.4	\$ (25.1)	2.9 %	2.1 %

The Official forecast is based on the November 2015 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2016 session of the General Assembly.

The Interim forecast is based on the May 2016 IHS Economics US Standard outlook and includes recommendations from GACRE.

The Official and August Commonwealth Transportation Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

August 26, 2016

	Fiscal Year 2018					
	Official Forecast	August Forecast	Change	% Growth over FY 17		
				Official	August	
Highway Maintenance & Operating Fund						
Motor Fuels Tax	\$ 722.9	\$ 722.9	\$ 0.0	0.9 %	0.9 %	
Road Tax	(0.3)	(0.3)	0.0	50.0	*	
Motor Vehicle Sales And Use Tax	707.1	707.1	0.0	1.5	1.5	
Motor Vehicle License Fees	224.5	224.5	0.0	(0.1)	(0.1)	
Retail Sales and Use Tax	304.2	293.7	(10.5)	3.5	2.7	
International Registration Plan	62.8	62.8	0.0	1.8	1.8	
Recordation Tax	0.0	0.0	0.0	n/a	n/a	
Miscellaneous	17.0	17.0	0.0	0.0	0.0	
Total State Taxes and Fees (HMOF)	\$ 2,038.2	\$ 2,027.7	\$ (10.5)	1.4 %	1.2 %	
Transportation Trust Fund						
Motor Fuels Tax	\$ 171.7	\$ 171.7	\$ 0.0	0.9 %	0.9 %	
Insurance Premiums Tax (1/3)	162.2	162.2	0.0	4.0	(0.6)	
Road Tax	8.1	8.1	0.0	0.0	0.0	
Motor Vehicle Sales And Use Tax	233.6	233.6	0.0	1.4	1.4	
Motor Vehicle License Fees	22.0	22.0	0.0	0.0	0.0	
Retail Sales and Use Tax	784.5	745.0	(39.5)	3.8	1.8	
Recordation Tax	45.4	45.4	0.0	0.0	0.0	
Interest Earnings	17.9	17.9	0.0	47.9	47.9	
Rental Tax	41.3	41.3	0.0	4.3	4.3	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Total State Taxes and Fees (TTF)	\$ 1,488.7	\$ 1,449.2	\$ (39.5)	3.3 %	1.7 %	
Total HMOF And TTF						
Motor Fuels Tax	\$ 894.6	\$ 894.6	\$ 0.0	0.9 %	0.9 %	
Insurance Premiums Tax (1/3)	162.2	162.2	0.0	4.0	(0.6)	
Road Tax	7.8	7.8	0.0	(1.3)	(1.3)	
Motor Vehicle Sales and Use Tax	940.7	940.7	0.0	1.5	1.5	
Motor Vehicle License Fees	246.5	246.5	0.0	(0.1)	(0.1)	
International Registration Plan	62.8	62.8	0.0	1.8	1.8	
Retail Sales and Use Tax	1,088.7	1,038.7	(50.0)	3.7	2.1	
Recordation Tax (3 cents)	45.4	45.4	0.0	0.0	0.0	
Interest Earnings	17.9	17.9	0.0	47.9	47.9	
Rental Tax	41.3	41.3	0.0	4.3	4.3	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Miscellaneous	17.0	17.0	0.0	0.0	0.0	
Total State Taxes and Fees	\$ 3,526.9	\$ 3,476.9	\$ (50.0)	2.2 %	1.4 %	
Transfers per the Appropriations Act						
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a	
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %	
Total Transportation Fund	\$ 3,526.9	\$ 3,476.9	\$ (50.0)	2.2 %	1.4 %	

The Official forecast is based on the November 2015 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2016 session of the General Assembly.

The Interim forecast is based on the May 2016 IHS Economics US Standard outlook and includes recommendations from GACRE.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2018

(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	-	90	5,494,884,000	0.3%
62	242,144,567	4.8%	91	5,471,879,000	-0.4%
63	286,304,265	18.2%	92	5,623,213,000	2.8%
64	298,033,919	4.1%	93	6,133,637,000	9.1%
65	323,213,412	8.4%	94	6,503,368,000	6.0%
66	365,129,776	13.0%	95	6,881,145,000	5.8%
67	414,755,644	13.6%	96	7,356,110,000	6.9%
68	533,597,744	28.7%	97	7,949,327,000	8.1%
69	706,254,374	32.4%	98	8,773,520,000	10.4%
70	743,721,322	5.3%	99	9,702,747,000	10.6%
71	807,954,651	8.6%	00	10,788,482,000	11.2%
72	922,653,686	14.2%	01	11,105,275,000	2.9%
73	1,054,469,443	14.3%	02	10,678,954,000	-3.8%
74	1,168,562,871	10.8%	03	10,867,149,000	1.8%
75	1,303,178,893	11.5%	04	11,917,867,000	9.7%
76	1,428,421,157	9.6%	05	13,687,252,000	14.8%
77	1,636,301,819	14.6%	06	14,834,298,000	8.4%
78	1,923,085,084	17.5%	07	15,565,827,000	4.9%
79	2,115,211,522	10.0%	08	15,766,951,000	1.3%
80	2,344,928,934	10.9%	09	14,315,060,000	-9.2%
81	2,579,663,941	10.0%	10	14,219,477,000	-0.7%
82	2,796,458,741	8.4%	11	15,040,200,000	5.8%
83	2,975,687,935	6.4%	12	15,846,665,000	5.4%
84	3,397,710,261	14.2%	13	16,684,600,000	5.3%
85	3,790,816,000	11.6%	14	16,411,400,000	-1.6%
86	4,131,778,000	9.0%	15	17,735,600,000	8.1%
87	4,590,434,000	11.1%	16	18,040,100,000	1.7%
88	5,054,382,000	10.1%	17*	18,338,000,000	1.7%
89	5,478,912,000	8.4%	18*	19,000,400,000	3.6%

* August 26, 2016 Interim Forecast (Excludes Transfers)

FY 2016 Revised Estimate
Per Chapter 732

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2016 Estimate	As a % of Gen Fund Rev	FY 2016	June FY 2015	% Change	FY 2016	FY 2015	% Change	% Annual Growth Req By Est
Revenue									
Individual Income Tax:									
Withholding	\$11,501,600	62.82	\$972,282	\$962,884	1.0	\$11,306,317	\$11,044,333	2.4	4.1
Tax Dues/Estimated Payments	3,099,000	16.93	308,572	332,081	(7.1)	3,070,050	3,041,628	0.9	1.9
Gross Individual Income Tax	\$14,600,600	79.75	\$1,280,854	\$1,294,965	(1.1)	\$14,376,367	\$14,085,961	2.1	3.7
Individual and Fiduciary Income (Refunds)	(1,777,600)	(9.71)	(63,175)	(66,549)	(5.1)	(1,820,742)	(1,757,287)	3.6	1.2
Net Individual Income Tax	\$12,823,000	70.04	\$1,217,679	\$1,228,416	(0.9)	\$12,555,625	\$12,328,674	1.8	4.0
Sales and Use Tax	\$3,367,700	18.39	\$481,714	\$470,827	2.3	\$3,295,853	\$3,235,444	1.9	4.1
Corporations Income Tax	722,800	3.95	157,301	168,953	(6.9)	764,948	831,907	(8.0)	(13.1)
Wills, Suits, Deeds, Contracts	383,000	2.09	39,377	38,172	3.2	369,083	346,297	6.6	10.6
Insurance Premiums	322,700	1.76	118,177	103,959	13.7	339,081	300,641	12.8	7.3
Interest Income (a)	46,000	0.25	100	(1,223)	108.2	52,151	48,684	7.1	(5.5)
Alcoholic Beverage Sales (b)	207,900	1.14	43,771	41,209	6.2	217,593	207,801	4.7	0.0
All Other Revenues	435,900	2.38	99,036	91,274	8.5	445,799	436,188	2.2	(0.1)
Total General Fund Revenues	\$18,309,000	100.00	\$2,157,155	\$2,141,587	0.7	\$18,040,133	\$17,735,636	1.7	3.2

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

(a) Interest was allocated in accordance with Section 3-3.03 of Chapter 732, 2016 Virginia Acts of Assembly.

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

FY 2016 Revised Estimate
Per Chapter 732

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

Revenue	(1) FY 2016 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2016	(4) June FY 2015	(5) Change %	(6) FY 2016	(7) Year-To-Date FY 2015	(8) Change %	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$11,501,600	62.82	\$972,282	\$962,884	1.0	\$11,306,317	\$11,044,333	2.4	4.1
Tax Dues/Estimated Payments	3,099,000	16.93	308,572	332,081	(7.1)	3,070,050	3,041,628	0.9	1.9
Gross Individual Income Tax	\$14,600,600	79.75	\$1,280,854	\$1,294,965	(1.1)	\$14,376,367	\$14,085,961	2.1	3.7
Individ and Fiduc Income (Refunds)	(1,777,600)	(9.71)	(63,175)	(66,549)	(5.1)	(1,820,742)	(1,757,287)	3.6	1.2
Net Individual Income Tax	\$12,823,000	70.04	\$1,217,679	\$1,228,416	(0.9)	\$12,555,625	\$12,328,674	1.8	4.0
Sales and Use Tax	3,367,700	18.39	481,714	470,827	2.3	3,295,853	3,235,444	1.9	4.1
Corporations Income	722,800	3.95	157,301	168,953	(6.9)	764,948	831,907	(8.0)	(13.1)
Public Service Corporations	98,900	0.54	11,444	13,879	(17.5)	92,586	98,537	(6.0)	0.4
Insurance Premiums	322,700	1.76	118,177	103,959	13.7	339,081	300,641	12.8	7.3
Alcoholic Beverage Excise	166,100	0.91	40,000	37,300	7.2	175,317	165,951	5.6	0.1
Beer and Beverage Excise	41,800	0.23	3,771	3,909	(3.5)	42,276	41,850	1.0	(0.1)
Wills, Suits, Deeds, Contracts	383,000	2.09	39,377	38,172	3.2	369,083	346,297	6.6	10.6
Inheritance, Gift, and Estate	0	0.00	32	32	0.0	222	98	126.5	(100.0)
Bank Franchise	20,700	0.11	12,107	14,669	(17.5)	17,795	19,022	(6.5)	8.8
Other Taxes	7,000	0.04	1,734	2,051	(15.5)	14,111	11,228	25.7	(37.7)
Total Taxes	\$17,953,700	98.06	\$2,083,336	\$2,082,167	0.1	\$17,666,897	\$17,379,649	1.7	3.3
Rights and Privileges:									
Licenses and Permits	\$4,000	0.02	\$421	\$428	(1.6)	\$4,126	\$4,060	1.6	(1.5)
Corp. Franchise and Charters	48,600	0.27	36,727	31,883	15.2	53,642	48,567	10.4	0.1
Fees for Misc. Privileges & Services	11,300	0.06	1,669	1,772	(5.8)	10,961	11,522	(4.9)	(1.9)
Total Rights and Privileges	\$63,900	0.35	\$38,817	\$34,083	13.9	\$68,729	\$64,149	7.1	(0.4)
Other Revenues:									
Sales of Property & Commodities	\$1,200	0.01	\$0	\$0	-	\$1,221	\$449	171.9	167.3
Assessmts & Rcpts for Support of Special Svcs	400	0.00	140	55	154.5	406	458	(11.4)	(12.7)
Institutional Revenue	7,300	0.04	16	496	(96.8)	5,252	7,372	(28.8)	(1.0)
Interest (a)	46,000	0.25	100	(1,223)	108.2	52,151	48,684	7.1	(5.5)
Dividends and Rent	300	0.00	(21)	(6)	(250.0)	453	348	30.2	(13.8)
Fines, Forfeitures & Fees	225,000	1.23	18,705	18,742	(0.2)	226,189	220,957	2.4	1.8
Other Revenue	10,000	0.06	15,939	7,188	121.7	18,822	12,661	48.7	(21.0)
Excess Fees	(6,800)	(0.04)	(643)	(723)	11.1	(7,352)	(6,778)	(8.5)	(0.3)
Private Donations, Gifts & Cont.	0	0.00	2	(7)	128.6	9	12	(25.0)	(100.0)
Cities, Counties, and Towns	8,000	0.04	764	815	(6.3)	7,356	7,675	(4.2)	4.2
Total Other Revenues	\$291,400	1.59	\$35,002	\$25,337	38.1	\$304,507	\$291,838	4.3	(0.2)
Total General Fund Revenues	\$18,309,000	100.00	\$2,157,155	\$2,141,587	0.7	\$18,040,133	\$17,735,636	1.7	3.2

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

(a) Interest was allocated in accordance with Section 3-3.03 of Chapter 732, 2016 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

	FY 2016		June		Year-To-Date		% Annual Growth Required By Estimate
	Estimate (a)	FY 2016 (b)	FY 2015	Change %	FY 2016 (b)	FY 2015	
Lottery Collections							
Total Lottery Sales	\$1,902,079	\$161,886	\$150,894	7.3	\$2,006,898	\$1,843,876	8.8
Other Income	1,000	61	19	221.1	988	1,181	(16.3)
Total Income	<u>\$1,903,079</u>	<u>\$161,947</u>	<u>\$150,913</u>	<u>7.3</u>	<u>\$2,007,886</u>	<u>\$1,845,057</u>	<u>8.8</u>
Less:							
Prize Expenses	\$1,154,840	\$103,564	\$94,944	9.1	\$1,208,353	\$1,120,543	7.8
Retailer Commissions	107,361	8,930	8,473	5.4	112,675	103,917	8.4
Operating Expenses	106,177	8,742	9,809	(10.9)	98,671	91,093	8.3
Total Expenses	<u>\$1,368,378</u>	<u>\$121,236</u>	<u>\$113,226</u>	<u>7.1</u>	<u>\$1,419,699</u>	<u>\$1,315,553</u>	<u>7.9</u>
Net Proceeds from Operations							
Net Lottery Ticket Profits	\$534,701	\$40,711	\$37,687	8.0	\$588,187	\$529,504	11.1
Prior Year Residual Profit Transfer	4,255	0	0	-	4,255	28,051	(84.8)
Available to Lottery Proceeds Fund (c)	<u>\$538,956</u>	<u>\$40,711</u>	<u>\$37,687</u>	<u>8.0</u>	<u>\$592,442</u>	<u>\$557,555</u>	<u>6.3</u>

(a) Estimate established by Chapter 732, 2016 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$4,255,031 was made on August 18, 2015, and is included in the total revenue estimate.

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

(c) Transfers to the Lottery Proceeds Fund occurred based on Chapter 732, 2016 Acts of Assembly, and totaled \$538,955,547. Additional amounts available to the Lottery Proceeds Fund will be transferred in FY 2017, after the audit is complete in mid-August. Chapter 780, 2016 Acts of Assembly (2017-2018 Appropriation Act) already anticipates \$20,295,920 in residual FY 2016 profits; the residual transfer above this amount will be reflected in the revised forecast.

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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Estimate	
			FY 2016	FY 2015	FY 2016	FY 2015		% Change
Motor Fuel Taxes	\$883,500	19.21	\$135,277	\$144,173	\$860,798	\$722,534	19.1	22.3
Priority Transportation Fund (PTF)	150,346	3.27	0	0	150,346	150,397	0.0	0.0
Motor Vehicle Sales and Use Tax	931,700	20.26	88,457	86,979	956,480	890,442	7.4	4.6
State Sales and Use Tax	1,006,200	21.88	145,606	142,365	1,000,563	994,855	0.6	1.1
Motor Vehicle License Fees	244,400	5.31	24,835	24,336	253,399	245,122	3.4	(0.3)
International Registration Plan	66,400	1.44	5,961	6,026	67,716	66,036	2.5	0.6
Recordation Tax	44,600	0.96	4,362	4,663	44,199	42,001	5.2	6.2
Interest Earnings	13,600	0.30	857	1,563	3,699	7,533	(50.9)	80.5
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,811	1,572	18,431	18,320	0.6	(7.2)
Total State Taxes and Fees	\$3,357,746	73.00	\$407,166	\$411,677	\$3,355,631	\$3,137,240	7.0	7.0

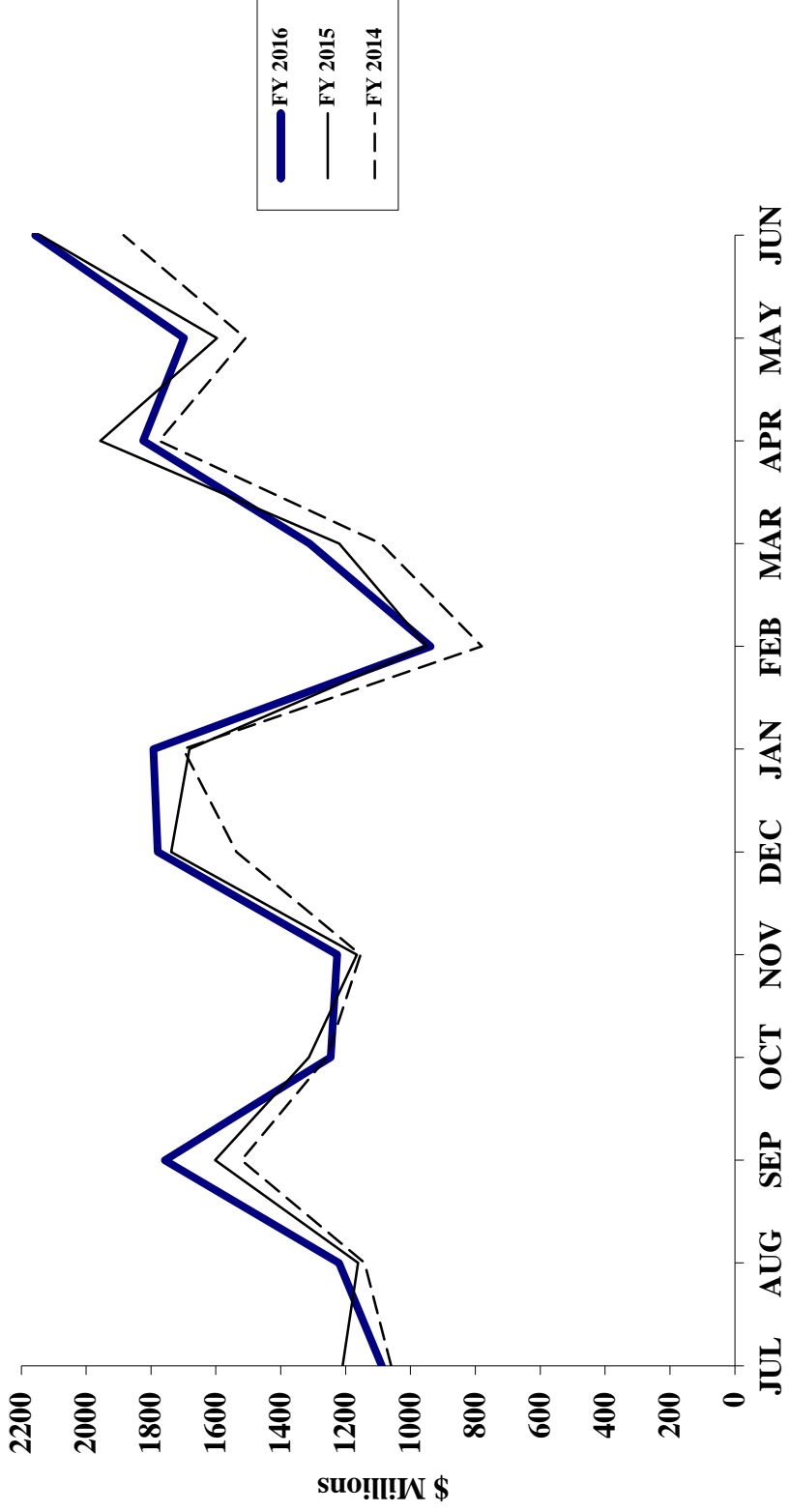
Percentage is greater than or equal to 1,000%.

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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Est
			FY 2016	FY 2015	FY 2016	FY 2015	
HIGHWAY MAINTENANCE AND OPERATING FUND:							
Motor Fuel Taxes (Includes Road Tax)	\$705,900	15.35	\$105,848	\$116,965	\$687,559	\$574,545	19.7
Motor Vehicle Sales and Use Tax	669,000	14.55	63,887	63,164	691,022	638,577	8.2
State Sales and Use Tax	280,100	6.09	40,407	39,728	276,849	277,880	(0.4)
Motor Vehicle License Fees	222,700	4.84	22,905	22,174	231,838	223,334	3.8
International Registration Plan	66,400	1.44	5,961	6,026	67,716	66,036	2.5
Recordation Tax (1 cent)	14,900	0.32	1,454	1,554	14,733	14,000	5.2
Misc. Taxes, Fees, and Revenues	17,000	0.37	1,811	1,572	18,431	18,320	0.6
Total State Taxes and Fees	\$1,976,000	42.96	\$242,273	\$251,183	\$1,988,148	\$1,812,692	9.7
Other Revenues:							
Federal Grants and Contracts	\$0	0.00	\$4,021	\$4,088	\$39,635	\$31,021	27.8
Miscellaneous Revenues	14,595	0.32	4,156	2,464	26,903	29,203	(7.9)
Transfer (to) / from Transportation Trust Fund	122,489	2.66	42,489	84,579	89,189	164,579	(45.8)
Total Highway Maintenance and Operating Fund	\$2,113,084	45.94	\$292,939	\$342,314	\$2,143,875	\$2,037,495	5.2
TRANSPORTATION TRUST FUND:							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$177,600	3.86	\$29,429	\$27,208	\$173,239	\$147,989	17.1
PTF Insurance Premiums Tax	150,346	3.27	0	0	150,346	150,397	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	262,700	5.71	24,570	23,815	265,458	251,865	5.4
State Sales and Use Tax	726,100	15.79	105,199	102,637	723,714	716,975	0.9
Motor Vehicle License Fees	21,700	0.47	1,930	2,162	21,561	21,788	(1.0)
Recordation Tax (2 cents)	29,700	0.64	2,908	3,109	29,466	28,001	5.2
Interest Earnings	13,600	0.30	857	1,563	3,699	7,533	(50.9)
Total State Taxes and Fees	\$1,381,746	30.04	\$164,893	\$160,494	\$1,367,483	\$1,324,548	3.2
Other Revenues:							
Federal Grants and Contracts	\$968,328	21.05	\$41,404	\$68,067	\$1,123,780	\$1,271,926	(11.6)
Receipts from Cities/Countries	237,187	5.15	30,106	16,054	125,983	132,187	(4.7)
Toll Revenues (Includes Route 28)	16,045	0.35	1,119	1,164	18,733	18,254	2.6
Miscellaneous Revenues	5,832	0.13	13,001	4,114	38,009	28,335	34.1
Total Other Revenues	\$1,227,392	26.68	\$85,630	\$89,399	\$1,306,505	\$1,450,702	(9.9)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$122,489)	(2.66)	(\$42,489)	(\$84,579)	(\$89,189)	(\$164,579)	45.8
Total Transportation Trust Fund	\$2,486,649	54.06	\$208,034	\$165,314	\$2,584,799	\$2,610,671	(1.0)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,599,733	100.00	\$500,973	\$507,628	\$4,728,674	\$4,648,166	1.7

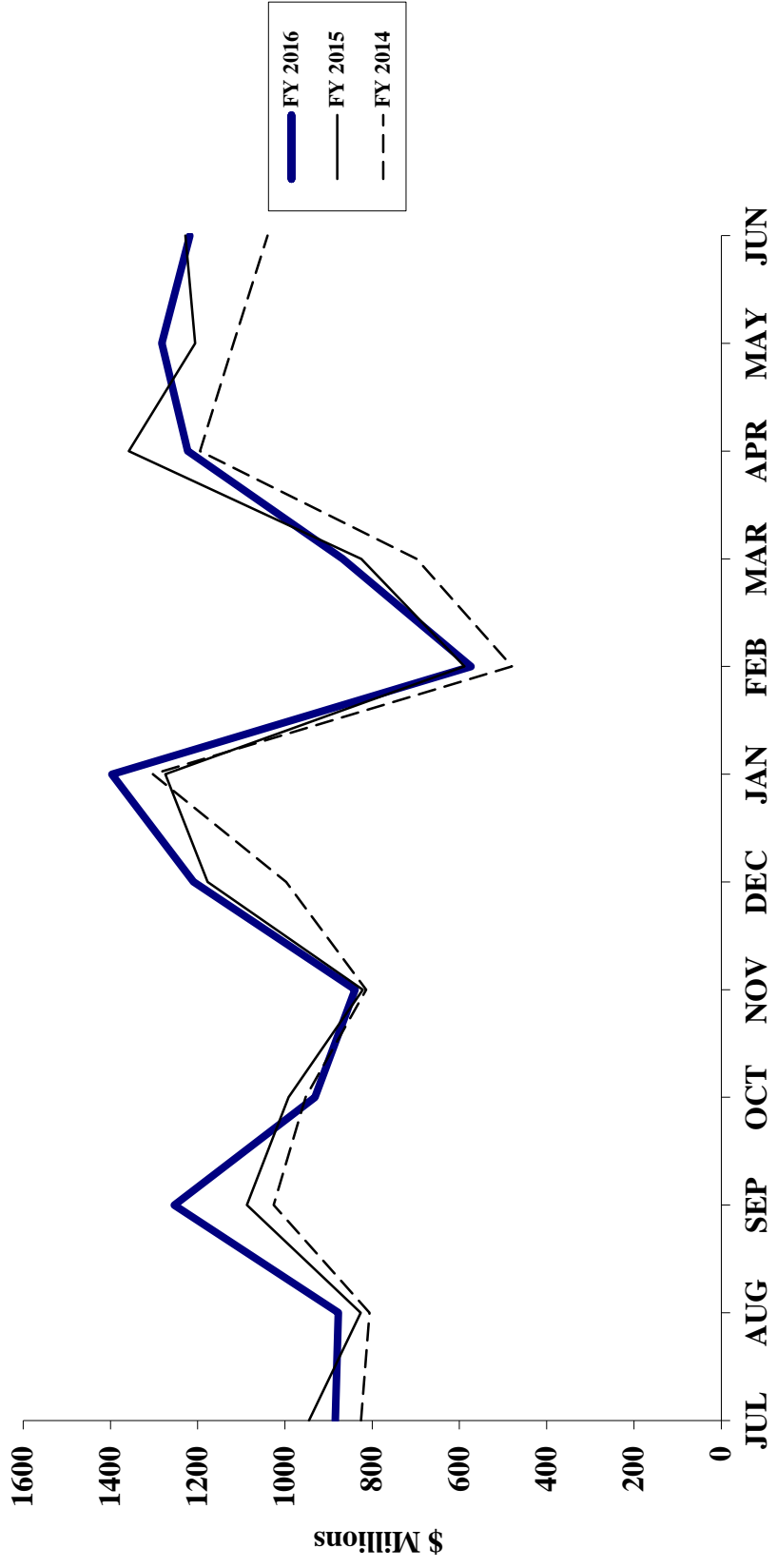
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



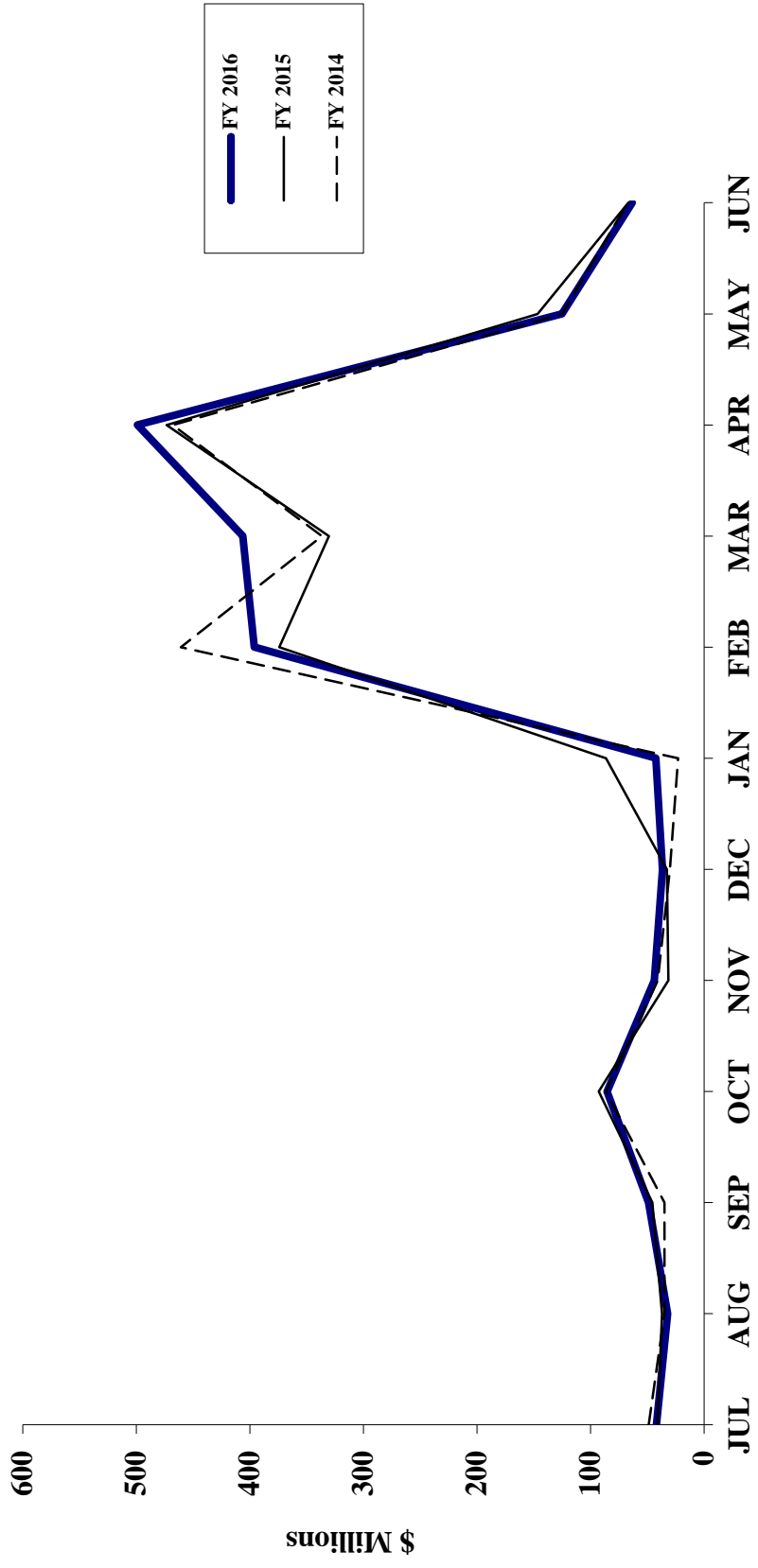
FY 2014 Actual = \$16,411.4 Million
FY 2015 Actual = \$17,735.6 Million
FY 2016 Actual = \$18,040.1 Million

Net Individual Income Tax



FY 2014 Actual = \$11,253.3 Million
FY 2015 Actual = \$12,328.7 Million
FY 2016 Actual = \$12,555.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2014 Actual = \$1,755.8 Million
FY 2015 Actual = \$1,757.3 Million
FY 2016 Actual = \$1,820.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
Monthly Average Balances and Rates
For the Fiscal Year 2016
(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	Yield	
July, 2015	\$4,451.3	0.29%	\$1,216.6	5.34%	\$5,667.9	1.37%	0.30%	
August	\$3,908.8	0.33%	\$1,218.7	-0.73%	\$5,127.5	0.08%	0.38%	
September	\$4,137.0	0.34%	\$1,222.2	7.56%	\$5,359.2	1.99%	0.37%	
October	\$4,325.3	0.36%	\$1,225.5	-0.73%	\$5,550.8	0.12%	0.26%	
November	\$4,100.0	0.39%	\$1,224.3	-1.05%	\$5,324.3	0.06%	0.48%	
December	\$3,916.6	0.44%	\$1,222.1	-3.25%	\$5,138.7	-0.44%	0.65%	
January, 2016	\$4,352.9	0.50%	\$1,227.0	13.22%	\$5,579.9	3.30%	0.54%	
February	\$4,446.7	0.58%	\$1,236.3	5.48%	\$5,663.0	1.65%	0.53%	
March	\$3,943.0	0.61%	\$1,243.3	8.22%	\$5,186.3	2.43%	0.66%	
April	\$3,695.2	0.64%	\$1,249.6	4.10%	\$4,944.8	1.51%	0.56%	
May	\$4,313.1	0.62%	\$1,251.7	-0.13%	\$5,564.8	0.45%	0.59%	
June	\$4,371.2	0.66%	\$1,259.5	14.92%	\$5,630.7	3.85%	0.55%	
Year-to-Date Average	\$4,163.4	0.48%	\$1,233.1	4.41%	\$5,396.5	1.38%	0.49%	

• 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 2016**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$467,717,444	\$0	\$0	\$0	\$467,717,444
August	\$467,717,444	\$0	\$0	\$0	\$467,717,444
September	\$467,717,444	\$0	\$0	\$0	\$467,717,444
October	\$467,717,444	\$0	\$0	\$962,634	\$468,680,078
November	\$468,680,078	\$0	\$0	\$0	\$468,680,078
December	\$468,680,078	\$0	\$0	\$0	\$468,680,078
January	\$468,680,078	\$0	\$0	\$789,966	\$469,470,044
February	\$469,470,044	\$0	\$0	\$0	\$469,470,044
March	\$469,470,044	\$0	\$0	\$0	\$469,470,044
April	\$469,470,044	\$0	\$0	\$783,709	\$470,253,753
May	\$470,253,753	\$0	\$0	\$0	\$470,253,753
June	\$470,253,753	\$0	(\$235,485,176) (B)	\$716,599	\$235,485,176

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

(B) A withdrawal of \$235,485,176 was made as required by Item 262 D.5 of Chapter 665, 2015 VA Acts of Assembly.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2016 and 2017
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2017 Estimate	As a % of Gen Fund Rev	FY 2017	July FY 2016	% Change	FY 2017	FY 2016	% Change	% Annual Growth Req By Est
Revenue									
Individual Income Tax:									
Withholding	\$11,958,600	63.26	\$884,244	\$871,710	1.4	\$884,244	\$871,710	1.4	5.8
Tax Dues/Estimated Payments	3,165,600	16.75	63,594	54,638	16.4	63,594	54,638	16.4	3.1
Gross Individual Income Tax	\$15,124,200	80.01	\$947,838	\$926,348	2.3	\$947,838	\$926,348	2.3	5.2
Individual and Fiduciary Income (Refunds)	(1,894,100)	(10.02)	(35,390)	(41,839)	(15.4)	(35,390)	(41,839)	(15.4)	4.0
Net Individual Income Tax	\$13,230,100	69.99	\$912,448	\$884,509	3.2	\$912,448	\$884,509	3.2	5.4
Sales and Use Tax	\$3,500,800	18.52	\$132,488	\$124,838	6.1	\$132,488	\$124,838	6.1	6.2
Corporations Income Tax	765,200	4.05	7,189	4,915	46.3	7,189	4,915	46.3	0.0
Wills, Suits, Deeds, Contracts	389,400	2.06	36,712	36,261	1.2	36,712	36,261	1.2	5.5
Insurance Premiums	335,600	1.78	0	0	-	0	0	-	(1.0)
Interest Income (a)	39,900	0.21	8,384	5,999	39.8	8,384	5,999	39.8	(23.5)
Alcoholic Beverage Sales (b)	211,400	1.12	6,591	4,096	60.9	6,591	4,096	60.9	(2.8)
All Other Revenues	430,000	2.27	24,283	27,695	(12.3)	24,283	27,695	(12.3)	(3.5)
Total General Fund Revenues	\$18,902,400	100.00	\$1,128,095	\$1,088,313	3.7	\$1,128,095	\$1,088,313	3.7	4.8

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

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

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

FY 2017 Estimate
Per Chapter 780

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2016 and 2017
(Dollars in Thousands)

Revenue	(1) FY 2017 Estimate	(2) As a % of Total Gen Fund Rev	(3)	(4) July FY 2016	(5) Change %	(6) FY 2017	(7) Year-To-Date FY 2016	(8) Change %	(9) Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$11,958,600	63.26	\$884,244	\$871,710	1.4	\$884,244	\$871,710	1.4	5.8
Tax Dues/Estimated Payments	3,165,600	16.75	63,594	54,638	16.4	63,594	54,638	16.4	3.1
Gross Individual Income Tax	\$15,124,200	80.01	\$947,838	\$926,348	2.3	\$947,838	\$926,348	2.3	5.2
Individ and Fiduc Income (Refunds)	(1,894,100)	(10.02)	(35,390)	(41,839)	(15.4)	(35,390)	(41,839)	(15.4)	4.0
Net Individual Income Tax	\$13,230,100	69.99	\$912,448	\$884,509	3.2	\$912,448	\$884,509	3.2	5.4
Sales and Use Tax	3,500,800	18.52	132,488	124,838	6.1	132,488	124,838	6.1	6.2
Corporations Income	765,200	4.05	7,189	4,915	46.3	7,189	4,915	46.3	0.0
Public Service Corporations	98,900	0.52	6,336	6,489	(2.4)	6,336	6,489	(2.4)	6.8
Insurance Premiums	335,600	1.78	0	0	-	0	0	-	(1.0)
Alcoholic Beverage Excise	169,600	0.90	2,361	0	-	2,361	0	-	(3.3)
Beer and Beverage Excise	41,800	0.22	4,230	4,096	3.3	4,230	4,096	3.3	(1.1)
Wills, Suits, Deeds, Contracts	389,400	2.06	36,712	36,261	1.2	36,712	36,261	1.2	5.5
Inheritance, Gift, and Estate	0	0.00	194	0	-	194	0	-	(100.0)
Bank Franchise	18,700	0.10	9	8	12.5	9	8	12.5	5.1
Other Taxes	7,800	0.04	(1,364)	(52)	#	(1,364)	(52)	#	(44.7)
Total Taxes	\$18,557,900	98.18	\$1,100,603	\$1,061,064	3.7	\$1,100,603	\$1,061,064	3.7	5.0
Rights and Privileges:									
Licenses and Permits	\$4,000	0.02	\$193	\$226	(14.6)	\$193	\$226	(14.6)	(3.1)
Corp. Franchise and Charters	45,600	0.24	538	570	(5.6)	538	570	(5.6)	(15.0)
Fees for Misc. Privileges & Services	11,300	0.06	573	623	(8.0)	573	623	(8.0)	3.1
Total Rights and Privileges	\$60,900	0.32	\$1,304	\$1,419	(8.1)	\$1,304	\$1,419	(8.1)	(11.4)
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	3	25	(88.0)	3	25	(88.0)	(1.5)
Institutional Revenue	7,300	0.04	173	701	(75.3)	173	701	(75.3)	39.0
Interest (a)	39,900	0.21	8,384	5,999	39.8	8,384	5,999	39.8	(23.5)
Dividends and Rent	300	0.00	37	51	(27.5)	37	51	(27.5)	(33.8)
Fines, Forfeitures & Fees	225,900	1.20	17,264	19,304	(10.6)	17,264	19,304	(10.6)	(0.1)
Other Revenue	8,600	0.05	277	362	(23.5)	277	362	(23.5)	(54.3)
Excess Fees	(6,800)	(0.04)	(771)	(914)	15.6	(771)	(914)	15.6	7.5
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	8,000	0.04	821	302	171.9	821	302	171.9	8.8
Total Other Revenues	\$283,600	1.50	\$26,188	\$25,830	1.4	\$26,188	\$25,830	1.4	(6.9)
Total General Fund Revenues	\$18,902,400	100.00	\$1,128,095	\$1,088,313	3.7	\$1,128,095	\$1,088,313	3.7	4.8

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

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

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2016 and 2017
(Dollars in Thousands)

	FY 2017 Estimate (a)	July		Year-To-Date		% Annual Growth Required By Estimate
		FY 2017 (b)	FY 2016	FY 2017	FY 2016	
Lottery Collections						
Total Lottery Sales	\$1,957,100	\$169,400	\$151,699	\$169,400	\$151,699	11.7 (2.5)
Other Income	1,000	37	42	37	42	(11.9) 1.2
Total Income	\$1,958,100	\$169,437	\$151,741	\$169,437	\$151,741	11.7 (2.5)
Less:						
Prize Expenses	\$1,198,420	\$95,064	\$87,545	\$95,064	\$87,545	8.6 (0.8)
Retailer Commissions	110,813	9,507	8,855	9,507	8,855	7.4 (1.7)
Operating Expenses	107,636	7,011	7,185	7,011	7,185	(2.4) 9.1
Total Expenses	\$1,416,869	\$111,582	\$103,585	\$111,582	\$103,585	7.7 (0.2)
Net Proceeds from Operations						
Net Lottery Ticket Profits	\$541,231	\$57,855	\$48,156	\$57,855	\$48,156	20.1 1.2
Prior Year Residual Profit Transfer	20,296	0	0	0	0	- -
Available to Lottery Proceeds Fund	\$561,527	\$57,855	\$48,156	\$57,855	\$48,156	20.1 4.2

(a) FY 2017 estimate established by Chapter 780, 2016 Acts of Assembly (2017-2018 Appropriation Act). The actual Prior Year Residual Profit Transfer will be reflected after the final APA audit is complete and the full transfer is made in August. The FY 2017 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2017 sales and profits, as well as the definite residual transfer from FY 2016. The figure shown here as the Prior Year Residual Profit Transfer reflects the anticipated residual transfer already included in the FY 2017 estimate reflected in Chapter 780.

(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 2016 and 2017
(Dollars in Thousands)

Revenue	FY 2017 Estimate	As a % of Total Fund	July		Year-To-Date		% Change	% Annual Growth Required By Estimate	
			FY 2017	FY 2016	FY 2017	FY 2016			
Motor Fuel Taxes	\$896,800	18.70	\$10,421	\$10,886	\$10,421	\$10,886	(4.3)	(4.3)	4.2
Priority Transportation Fund (PTF)	163,142	3.40	3,371	3,448	3,371	3,448	(2.2)	(2.2)	8.5
Motor Vehicle Sales and Use Tax	966,800	20.15	81,302	86,565	81,302	86,565	(6.1)	(6.1)	1.1
State Sales and Use Tax	1,049,900	21.88	40,039	38,602	40,039	38,602	3.7	3.7	4.9
Motor Vehicle License Fees	246,800	5.15	21,154	23,155	21,154	23,155	(8.6)	(8.6)	(2.6)
International Registration Plan	61,700	1.29	4,572	5,488	4,572	5,488	(16.7)	(16.7)	(8.9)
Recordation Tax	45,400	0.95	4,779	4,314	4,779	4,314	10.8	10.8	2.7
Interest Earnings	12,100	0.25	8	0	8	0	-	-	227.1
Misc. Taxes, Fees, and Revenues	17,000	0.34	906	1,357	906	1,357	(33.2)	(33.2)	(7.8)
Total State Taxes and Fees	\$3,459,642	72.11	\$166,552	\$173,815	\$166,552	\$173,815	(4.2)	(4.2)	3.1

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

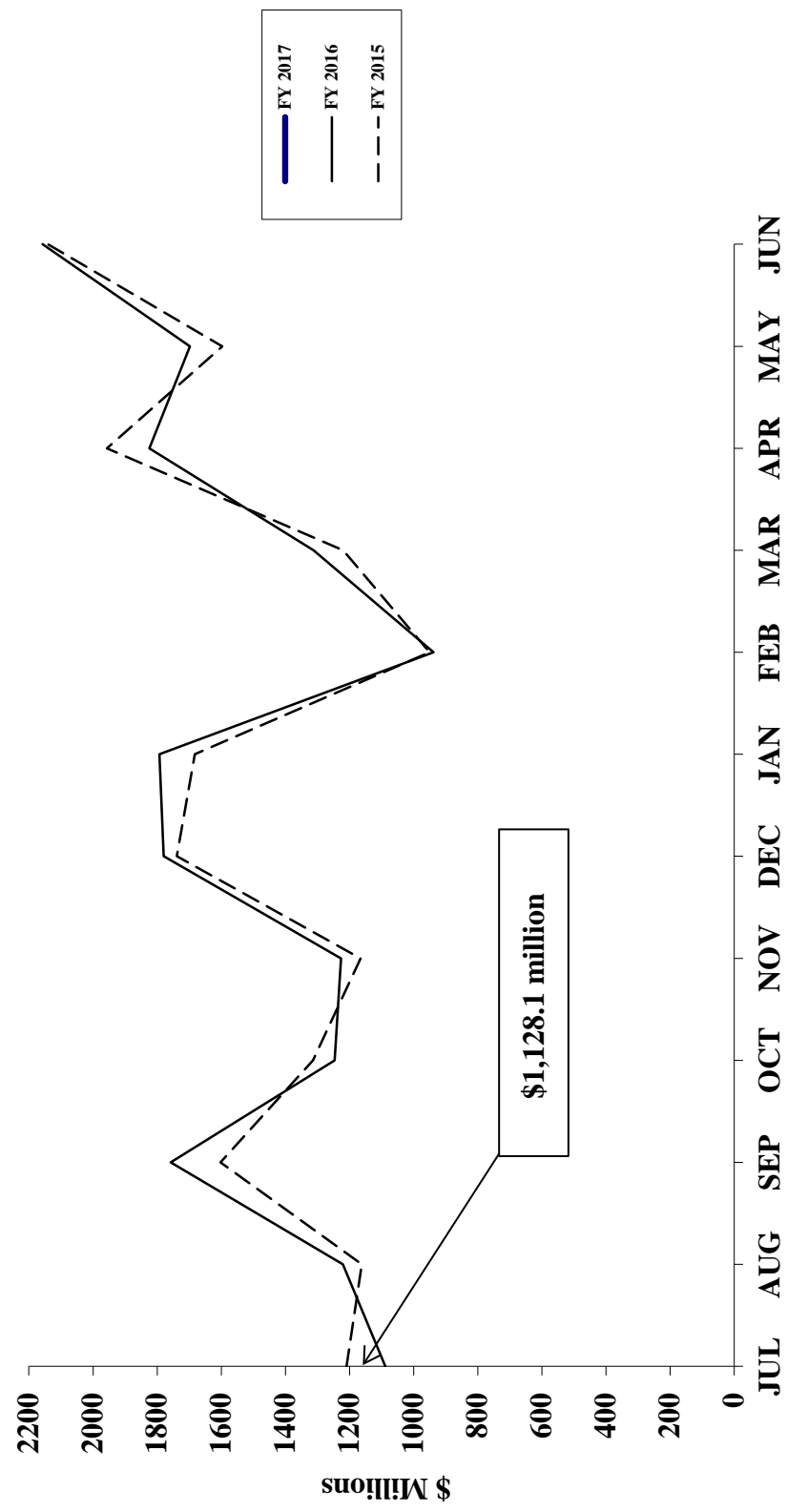
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2016 and 2017
(Dollars in Thousands)

Revenue AND OPERATING FUND:	FY 2017 Estimate	As a % of Total Fund	July		Year-To-Date		% Change	% Annual Growth Required By Est
			FY 2017	FY 2016	FY 2017	FY 2016		
HIGHWAY MAINTENANCE								
Motor Fuel Taxes (Includes Road Tax)	\$716,600	14.94	\$10,266	\$8,596	\$10,266	\$8,596	19.4	4.2
Motor Vehicle Sales and Use Tax	696,900	14.52	58,166	62,780	58,166	62,780	(7.3)	0.9
State Sales and Use Tax	293,900	6.13	11,257	11,220	11,257	11,220	0.3	6.2
Motor Vehicle License Fees	224,800	4.69	19,314	21,168	19,314	21,168	(8.8)	(3.0)
International Registration Plan	61,700	1.29	4,572	5,488	4,572	5,488	(16.7)	(8.9)
Recordation Tax (1 cent) (a)	0	0.00	0	1,438	0	1,438	-	-
Misc. Taxes, Fees, and Revenues	17,000	0.34	906	1,357	906	1,357	(33.2)	(7.8)
Total State Taxes and Fees	\$2,010,900	41.91	\$104,481	\$112,047	\$104,481	\$112,047	(6.8)	1.1
Other Revenues:								
Federal Grants and Contracts	\$0	0.00	\$2,258	\$2,501	\$2,258	\$2,501	(9.7)	(100.0)
Miscellaneous Revenues	18,044	0.38	1,003	988	1,003	988	1.5	(32.9)
Transfer (to) / from Transportation Trust Fund	102,896	2.14	0	0	0	0	-	15.4
Total Highway Maintenance and Operating Fund	\$2,131,840	44.43	\$107,742	\$115,536	\$107,742	\$115,536	(6.7)	(0.6)
TRANSPORTATION TRUST FUND:								
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$180,200	3.76	\$155	\$2,290	\$155	\$2,290	(93.2)	4.0
PTF Insurance Premiums Tax	163,142	3.40	3,371	3,448	3,371	3,448	(2.2)	8.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	269,900	5.63	23,136	23,785	23,136	23,785	(2.7)	1.7
State Sales and Use Tax	756,000	15.75	28,782	27,382	28,782	27,382	5.1	4.5
Motor Vehicle License Fees	22,000	0.46	1,840	1,987	1,840	1,987	(7.4)	2.0
Recordation Tax (a)	45,400	0.95	4,779	2,876	4,779	2,876	-	-
Interest Earnings	12,100	0.25	8	0	8	0	-	227.1
Total State Taxes and Fees	\$1,448,742	30.20	\$62,071	\$61,768	\$62,071	\$61,768	0.5	5.9
Other Revenues:								
Federal Grants and Contracts	\$1,096,844	22.86	\$281,109	\$380,383	\$281,109	\$380,383	(26.1)	(2.4)
Receipts from Cities/Counties	200,869	4.18	13,584	2,701	13,584	2,701	402.9	59.4
Toll Revenues (Includes Route 28)	16,100	0.34	869	879	869	879	(1.1)	(14.1)
Miscellaneous Revenues	6,245	0.13	1,679	769	1,679	769	118.3	(83.6)
Total Other Revenues	\$1,320,058	27.51	\$297,241	\$384,732	\$297,241	\$384,732	(22.7)	1.0
Transfer (to) / from Highway Maintenance and Operating Fund	(\$102,896)	(2.14)	\$0	\$0	\$0	\$0	-	(15.4)
Total Transportation Trust Fund	\$2,665,904	55.57	\$359,312	\$446,500	\$359,312	\$446,500	(19.5)	3.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,797,744	100.00	\$467,054	\$562,036	\$467,054	\$562,036	(16.9)	1.5

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

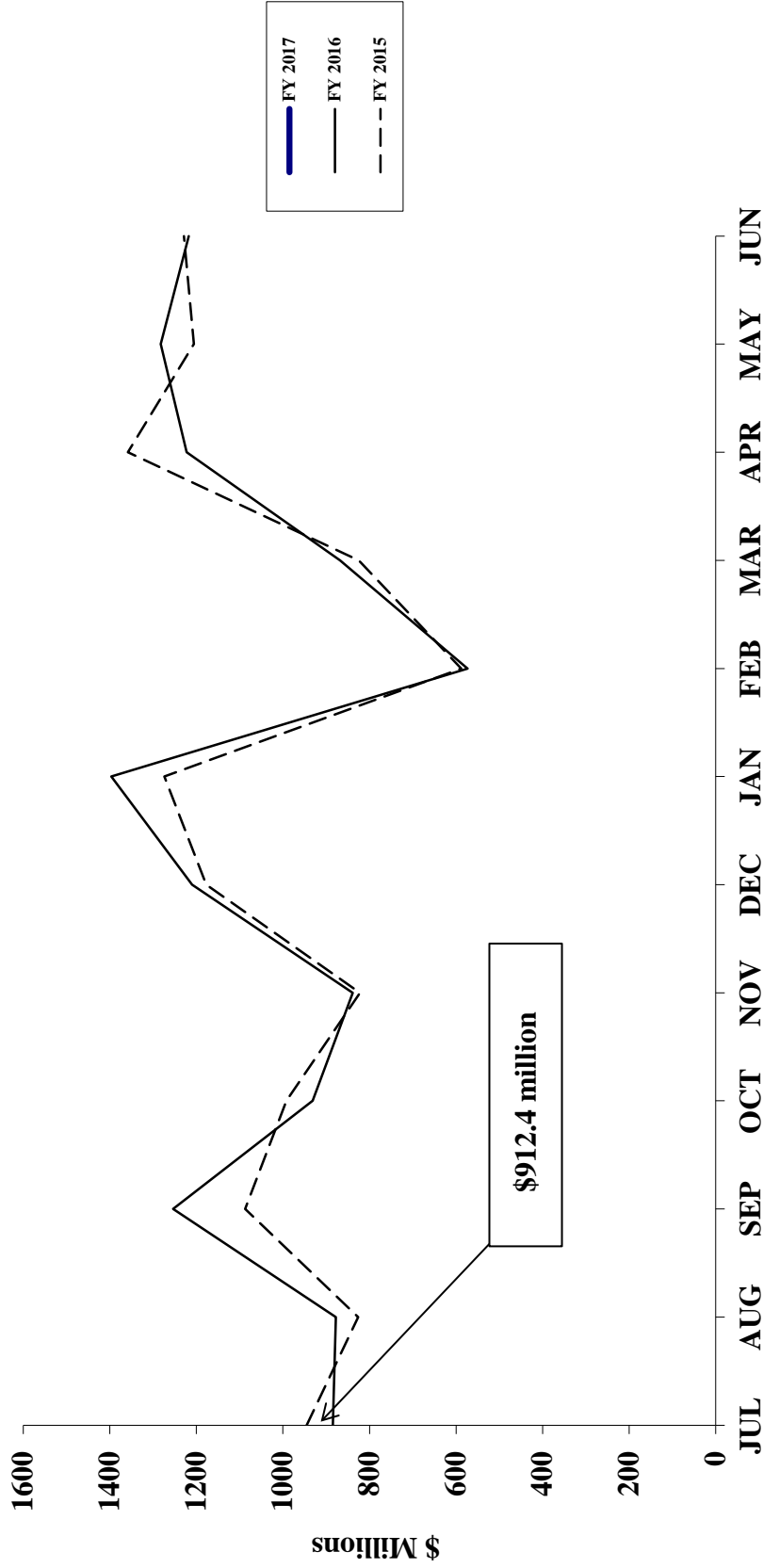
(a) Pursuant to Code of Virginia, §58.1-815.4, \$0.03 of specific recordation taxes are deposited to components of the Transportation Trust Fund effective July 1, 2016. Accordingly, the "Recordation Tax (1 cent)" line item was removed from the Highway Maintenance and Operating Fund FY 2017 Revenue Forecast. All FY 2017 Recordation Taxes are included in the Transportation Trust Fund Revenue Forecast in the "Recordation Tax" line item. Since there will be no collections for the "Recordation Tax (1 cent)" line item for the Highway Maintenance and Operating Fund during FY 2017, the Monthly and Year-To-Date % Change and % Annual Growth Required by Est. columns for the Recordation Tax lines are not provided.

Total General Fund Revenues



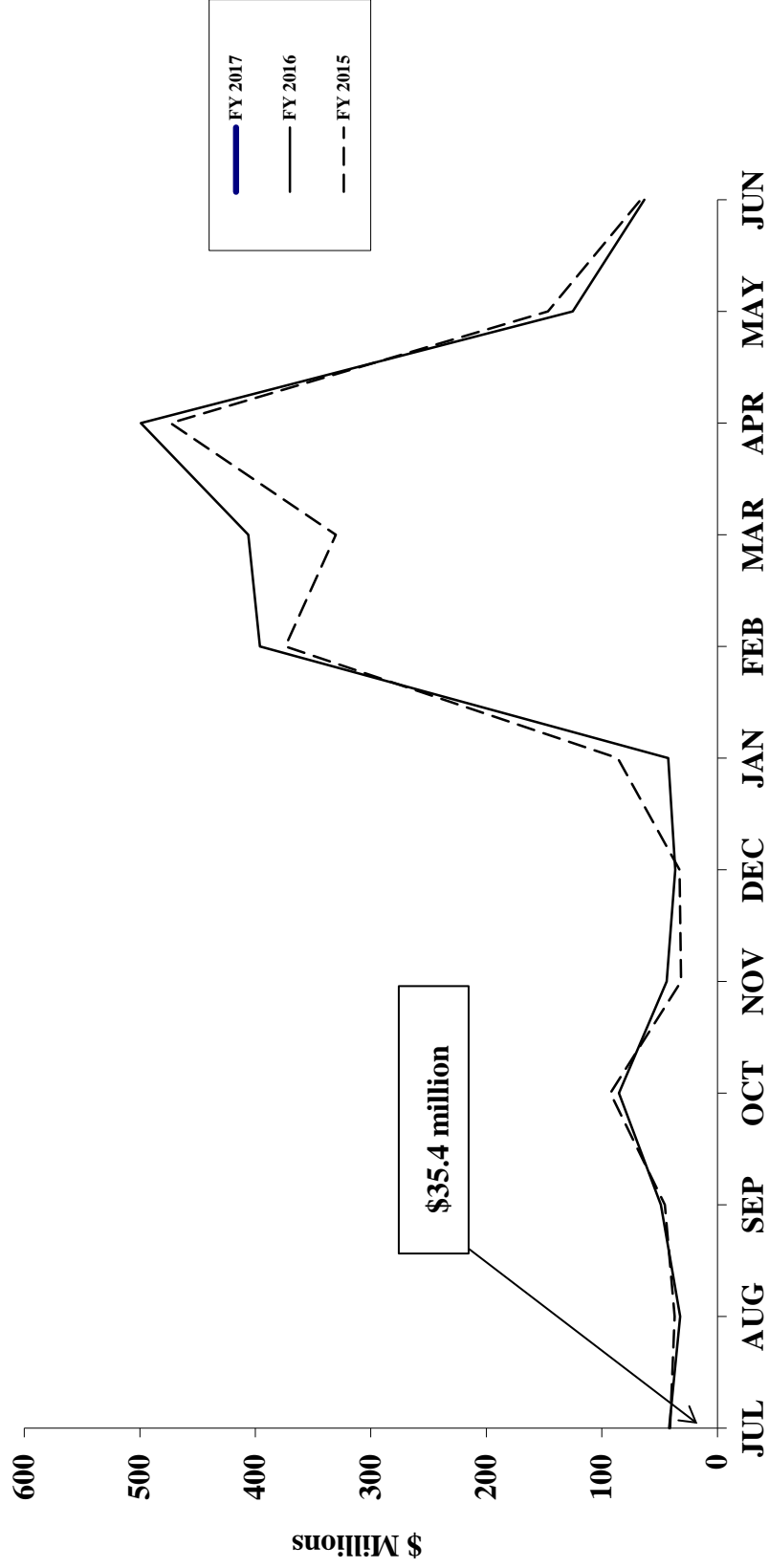
FY 2015 Actual = \$17,735.6 Million
FY 2016 Actual = \$18,040.1 Million
FY 2017 Estimate = \$18,902.4 Million

Net Individual Income Tax



FY 2015 Actual = \$12,328.7 Million
FY 2016 Actual = \$12,555.6 Million
FY 2017 Estimate = \$13,230.1 Million

Individual and Fiduciary Income Tax Refunds



FY 2015 Actual = \$1,757.3 Million
FY 2016 Actual = \$1,820.7 Million
FY 2017 Estimate = \$1,894.1 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2017
 (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, 2016	\$4,183.5	0.69%	\$1,269.5	4.46%	\$5,453.0	1.57%	0.51%
August							
September							
October							
November							
December							
January, 2017							
February							
March							
April							
May							
June							
Year-to-Date Average	\$4,183.5	0.69%	\$1,269.5	4.46%	\$5,453.0	1.57%	0.51%

• 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 2017

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$235,485,176	\$0	\$0	\$0	\$235,485,176
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.