Governor McAuliffe's Proposed Amendments to the 2016-2018 Budget

Economic Outlook & Revenue Forecast

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

December 16, 2016



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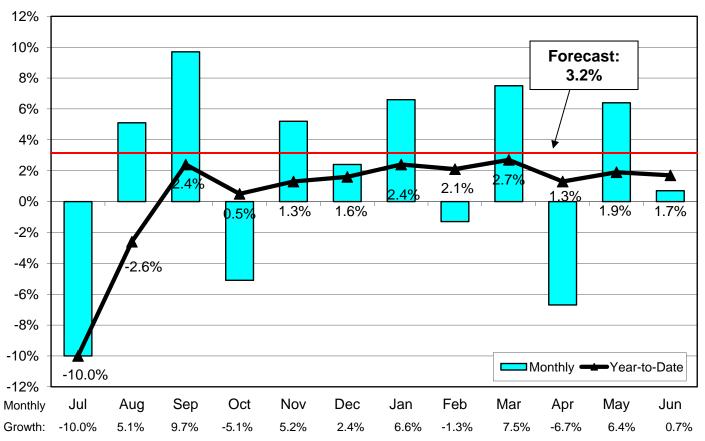
Outline...

- Fiscal Year 2016 Year-in-Review
- August Interim Revenue Forecast
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

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.

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** Percent **Dollars Forecast** Actual Forecast Actual 4.1 % 2.4 Withholding \$11,501.6 \$11,306.3 (1.7) % (\$195.3) 3,070.1 Nonwithholding 3,099.0 (28.9)(0.9)1.9 0.9 Refunds (1,777.6) (1,820.7) 2.4 (43.1)1.2 3.6 \$12,823.0 \$12,555.6 (\$267.4) 4.0 % 1.8 Net Individual (2.1) % 4.1 % Sales \$3,367.7 \$3,295.9 (\$71.9) (2.1)%1.9 42.1 Corporate 722.8 764.9 5.8 (13.1)(8.0)Wills (Recordation) 383.0 369.1 10.6 6.6 (13.9)(3.6)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 (1.5) % **Total Revenue** \$18,309.0 \$18,040.1 (\$268.9) 3.2 % 1.7 A.B.C. Profits \$84.0 \$86.5 \$2.5 3.0 0.8 % 3.8 Sales Tax (0.375%) 4.1 0.9 366.7 355.5 (11.2)(3.1)Transfers (39.7)121.3 (1.7)(1.4)(38.8)119.6

(9.8) %

2.8 %

(11.4)

1.3

(1.8)

(1.5)

 Payroll withholding and sales tax accounted for 73 percent and 27 percent, respectively, of the revenue shortfall.

\$561.6

(\$10.4)

(\$279.3)

All other sources balanced out.

\$572.0

\$18,881.0 \$18,601.7

Total Transfers

TOTAL GENERAL FUND

In Mid-May, the Governor Directed 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).
 - The JABE members endorsed the standard forecast for the U.S. and Virginia, which was conservative and close to the official outlook made last year.
 - However, several GACRE members commented on the need to account for lower-paying jobs going forward.
 - Adjust for withholding model bias, which reduces each fiscal year by \$53.5 million.
- Governor McAuliffe released the interim revenue forecast on August 26, 2016, reducing revenues by \$1.2 billion for fiscal years 2017 and 2018 from the official forecast.
 - When combined with the fiscal year 2016 revenue shortfall, the total budget shortfall is \$1.5 billion.

Recent National Indicators Suggest a Strengthening Economic Expansion...

- Real GDP grew 3.2 percent in the third quarter of 2016, after growing 1.4 percent in the second quarter.
- Payroll employment grew by 178,000 jobs in November.
 Monthly gains have averaged 176,000 over the last three months.
- The unemployment rate fell from 4.9% to 4.6% in November as the labor force contracted.
- In Virginia employment has been growing just under 2.0 percent. Payroll employment grew 1.7 percent in October.
 - Employment increased 2.0 percent Northern Virginia, 0.6 percent in Hampton Roads and 1.9 percent in Richmond-Petersburg.
- The seasonally adjusted unemployment rate in Virginia rose slightly from 4.0 percent to 4.2 percent in October, the same rate as October of last year.
- During the week ending November 26, initial claims for unemployment rose from 251,000 to 268,000. The four-week moving average rose by 500 to 251,500.
- The Conference Board's index of leading indicators rose 0.1 percent in October. The behavior of the index is consistent with a moderate economic expansion.

Recent National Indicators Suggest a Strengthening Economic Expansion (continued)...

- Consumer confidence increased in November, as the Conference Board's index of consumer confidence rose from 100.8 to 107.1.
 - November's reading was the highest since July 2007.
- Conditions in the manufacturing sector strengthened modestly in November as the Institute of Supply Management index rose from 51.9 to 53.2.
- The CPI rose 0.4% in October from the previous month and stands 1.6 percent above October of last year.
 - Core inflation (excluding food and energy prices) rose 0.1 percent and has increased 2.1 percent from October 2015.
- The Federal Reserve announced at its November meeting that it will keep the federal funds rate target at 0.25 to 0.50 percent.

The Fall 2016 Consensus Forecasting Process...

- The Joint Advisory Board of Economists (JABE) met November 9th.
 - Members were presented an October standard and a pessimistic economic outlook to compare with the Interim economic forecast.
 - A majority of JABE members thought the standard forecast was fairly reasonable and confirmed the Interim outlook. Most members also approved a <u>key assumption</u> <u>that Virginia's employment and income growth would</u> mirror the nation.
 - Two members believed Virginia would do better in the short-term, while 3 members thought fiscal year 2018 should be slightly slower given the uncertainty with the federal government budget and sequestration.
- The Governor's Advisory Council on Revenue Estimates (GACRE) met November 28th.
 - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for the FY17-18 biennium.
 - At the GACRE meeting, all business members voted for the standard, but some expressed concern with the timing of federal government spending and its impact on Virginia revenues.
 - Most members of the General Assembly who attended expressed caution.

GACRE Members Concurred with the JABE Recommended Forecast...

- IHS Markit October U.S. standard forecast reflects economic growth similar to the May Interim forecast.
 - As a result, FY17 real GDP is expected to grow 1.7 percent, personal income is expected to grow 3.8 percent, and employment is expected to grow 1.5 percent.

Key Virginia Economic Indicators

May Interim and October Standard Forecasts
Annual Percent Change

			Fiscal Year				
	15	16	17	18			
Employment							
May Interim	1.1	2.4	1.5	1.0			
Oct Standard	1.1	2.4	1.5	1.0			
Personal Income							
May Interim	4.0	4.3	3.8	4.2			
Oct Standard	4.8	4.1	3.9	4.2			
Wages & Salaries							
May Interim	3.2	4.2	4.3	3.9			
Oct Standard	3.2	4.7	4.4	3.9			

 As a result, the October 2016 Virginia Economic Outlook for FY17-18 remains a standard forecast that is consistent with the Interim May forecast and the advice of JABE and GACRE.

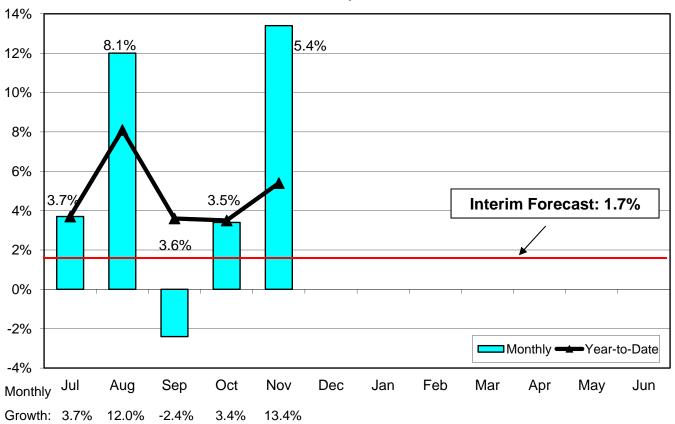
The November GACRE Revenue Forecast...

- The GACRE forecast including current law and policies as reflected in Chapter 780 are assumed throughout. Highlights include:
 - AST rollback is continued consistent with enacted budget assumption.
 - Nonwithholding Collar (16.13%) is applied and limited to 1% of general fund.
 - FY17 Reduce forecast by \$260.0 then add back \$73.0 million to get net collar reduction of -\$187.0 million
 - ➤ FY18 Reduce forecast by \$352.0 million then add back \$160 million to get net collar reduction of -\$192.0 million.
 - Fiscal years 2017 and 2018 payroll withholding model bias adjustment is reduced by 25 percent to \$76.1 million due to current strength in collections.
 - Total revenue is \$233.0 million higher than the Interim forecast over the biennium.
 - FY17 revenue growth was at 2.7 percent as compared to the 1.7 percent growth required to attain the Interim forecast.
 - FY18 revenue growth was at 2.9 percent as compared to the 3.6 percent growth required to attain the Interim forecast.

Total General Fund Revenue Growth Continues to be Above Forecast...

Growth in Total General Fund Revenue Collections

FY17 Monthly and Year-to-Date



- Total general fund revenues increased 13.4 percent in November, driven by additional payroll withholding deposit day.
 - December will have one less deposit day.
- On a year-to-date basis, total revenues increased 5.4 percent, ahead of the interim forecast of 1.7 percent growth.

The December Revenue Forecast (Introduced Budget) Essentially Is the GACRE Forecast...

- Improved revenue collections through November would suggest that the GACRE forecast is conservative and inline with the advice of the GACRE members.
- Post-GACRE revenue adjustments were mostly technical in nature.
- Some tax policy changes are proposed by the Governor which primarily affect fiscal year 2018.

The December Revenue Forecast...

Revised General Fund Revenues and Transfers

2016-2018 Biennium (millions of dollars)

(millions	or dollars			_	
		Percent		Percent	_
	FY 2017	Change	FY2018	Change	Total
Revenue:					
Official Est. in Chapter 780, 2016 Acts of	440.000.4	4 00/	440.0004	2.22/	400 = 0 = =
Assembly	\$18,902.4	4.8%	\$19,633.1	3.9%	\$38,535.5
August Revisions	-564.4		-632.7		-1,197.1
Interim Forecast, August 26, 2016	18,338.0		19,000.4	3.6%	37,338.4
GACRE Revisions	181.8		51.2		233.0
GACRE Forecast, November 28, 2016	18,519.8	2.7%	19,051.6	2.9%	37,571.4
Subsequent Technical Adjustments:					
Compliance of Consumer Use Tax	0.0		2.0		2.0
Charge Card Rebate	1.9		1.9		3.8
Fees for offers in compromise, rulings and					
filing status changes	0.0		0.1		0.1
Subtotal	1.9		4.0		5.9
Policy Adjustments/Legislation:					0.0
Tax Amnesty Program	0.0		58.2		58.2
Accelerated Sales Tax to \$2.5/\$4.0 million	35.1		12.8		47.9
Tighten sales tax nexus	0.0		11.1		11.1
\$5 million per return limit on Historic					
Rehab. Tax credit	0.0		9.9		9.9
Retain \$20,000 limit on LPTC for TY2017	0.0		6.1		6.1
Prevent double dipping of tax credits and					
deductions	0.0		2.0		2.0
LPTC transfer fee from 2% to 3%	0.0		1.0		1.0
Notification of payroll system breaches	0.0		0.8		0.8
VOSH Civil Penalities	0.0		0.7		0.7
Dam Safety Clawbacks	0.5		0.0		0.5
License Fees for adult services - DBHDS	0.1		0.2		0.3
Telework Tax Credit Sunset	0.0		0.1		0.1
Subtotal	35.7		102.9		138.6
Total Adjustments to GACRE Forecast	37.6		106.9		144.5
Revenue Forecast in Introduced Budget	18,557.4	2.9%	19,158.5	3.2%	37,715.9
Transfers:	10,557.4	2.370	19,130.3	3.270	37,713.9
Official Est. in Chapter 780, Acts of Assembly	577.7		596.8		1,174.5
ABC Profits	13.0		11.6		24.6
Sales Tax (.375 cents) for K-12	-19.7		-24.6		-44.3
Settlements from OAG	0.0		19.9		19.9
October Budget Reduction Plan	16.3		0.0		16.3
VRS Repayments NGF	12.0		3.5		15.5
Other Transfers	0.6		2.1		2.7
Total Transfer	599.9		609.3	1.6%	1,209.2
Total General Fund Resources	\$19,157.3 12	3.0%	\$19,767.8	3.2%	\$38,925.1

The December Revenue Forecast FY 2017...

Summary of the December General Fund Revenue Forecast

Fiscal Years 2017 (millions of dollars)

			Fisca	l Year 2017		
	As a % of Total				% Growth	Over FY 16
Major Sources	General Fund	Interim	December	Change	Interim	December
Withholding	61.1%	\$11,646.0	\$11,713.3	\$67.3	3.0 %	3.6
Nonwithholding	15.9	3,032.5	3,048.5	16.0	(1.2)	(0.7)
Refunds	(9.6)	(1,894.1)	(1,848.0)	46.1	4.0	1.5
Net Individual	67.4%	\$12,784.4	\$12,913.8	\$129.4	1.8 %	2.9 %
Sales	17.7%	\$3,382.2	\$3,385.8	\$3.6	2.6 %	2.7 %
Corporate	4.1	742.1	794.2	52.1	(3.0)	3.8
Wills (Recordation)	2.1	389.4	398.6	9.2	5.5	8.0
Insurance	1.8	343.5	344.1	0.6	1.3	1.5
All Other Revenue	3.8	696.4	720.9	24.5	(2.7)	0.7
Total Revenue	96.9%	\$18,338.0	\$18,557.4	\$219.4	1.7 %	2.9 %
A.B.C. Profits	0.5	\$84.3	\$97.3	\$13.0	(2.5) %	12.5 %
Sales Tax (0.375%)	1.9	367.2	365.4	(1.8)	3.3	2.8
Transfers	0.7	108.5	137.2	28.7	(9.3)	14.7
Total Transfers	3.1%	\$560.0	\$599.9	\$39.9	(0.3) %	6.8 %
TOTAL GENERAL FUND	100.0%	\$18,898.0	\$19,157.3	\$259.3	1.6 %	3.0 %

 Total general fund resources, including revenues and transfers, are \$259.3 million above the Interim forecast for fiscal year 2017.

The December Revenue Forecast FY 2018...

Summary of the December General Fund Revenue Forecast

Fiscal Years 2018 (millions of dollars)

	Fiscal Year 2018						2016-2018 Biennium			
•				% Gı	rowth	Over FY	'17			
	Interim	December	Change	Interi	<u>m</u>	Decem	ber	Interim	December	Change
Withholding	\$12,037.4	\$12,100.2	\$62.8	3.4	%	3.3	%	\$23,683.4	\$23,813.5	\$130.1
Nonwithholding	3,280.8	3,222.6	(58.2)	8.2		5.7		6,313.3	6,271.1	(42.2)
Refunds	(1,968.2)	(1,942.6)	25.6	3.9		5.1		(3,862.3)	(3,790.6)	71.7
Net Individual	\$13,350.0	\$13,380.2	\$30.2	4.4		3.6		\$26,134.4	\$26,294.0	\$159.6
Sales	\$3,481.4	\$3,445.5	(\$35.9)	2.9		1.8		\$6,863.6	\$6,831.3	(\$32.3)
Corporate	724.0	824.9	100.9	(2.4)		3.9		1,466.1	1,619.1	153.0
Wills (Recordation)	389.4	407.9	18.5	0.0		2.3		778.8	806.5	27.7
Insurance	354.5	364.8	10.3	3.2		6.0		698.0	708.9	10.9
All Other Revenue	701.1	735.2	34.1	0.7		2.0	_	1,397.5	1,456.1	58.6
Total Revenue	\$19,000.4	\$19,158.5	\$158.1	3.6	%	3.2	%	\$37,338.4	\$37,715.9	\$377.5
A.B.C. Profits	\$89.8	\$101.4	\$11.6	6.5	%	4.2	%	\$174.1	\$198.7	\$24.6
Sales Tax (0.375%)	376.8	374.0	(2.8)	2.6		2.4		744.0	739.4	(4.6)
Transfers Per Act	108.6	133.9	25.3	0.1		(2.4)	_	217.1	271.1	54.0
Total Transfers	\$575.2	\$609.3	\$34.1	2.7	%	1.6	%	\$1,135.2	\$1,209.2	\$74.0
TOTAL GENERAL FUND	\$19,575.6	\$19,767.8	\$192.2	3.6	%	3.2	%	\$38,473.6	\$38,925.1	\$451.5

 Total general fund resources, including revenues and transfers, are forecast to be above the Interim forecast by \$192.2 million for fiscal year 2018 and \$451.5 million for the biennium.

The December Revenue Forecast FY 2017 Compared to Chapter 780...

Summary of the December General Fund Revenue Forecast

Fiscal Years 2017 (millions of dollars)

			Fisca	l Year 2017			
	As a % of Total				% Growth	Over FY 16	
Major Sources	General Fund	C. 780	December	Change	C. 780	December	
Withholding	61.1%	\$11,958.6	\$11,713.3	(\$245.3)	5.8 %	3.6	
Nonwithholding	15.9	3,165.6	3,048.5	(117.1)	3.1	(0.7)	
Refunds	(9.6)	(1,894.1)	(1,848.0)	46.1	4.0	1.5	
Net Individual	67.4%	\$13,230.1	\$12,913.8	(\$316.3)	5.4 %	2.9 %	,)
Sales	17.7%	\$3,500.8	\$3,385.8	(\$115.0)	6.2 %	2.7 %	, D
Corporate	4.1	765.2	794.2	29.0	0.0	3.8	
Wills (Recordation)	2.1	389.4	398.6	9.2	5.5	8.0	
Insurance	1.8	335.6	344.1	8.5	(1.0)	1.5	
All Other Revenue	3.8	681.4	720.9	39.5	(4.8)	0.7	_
Total Revenue	96.9%	\$18,902.4	\$18,557.4	(\$345.0)	4.8 %	2.9 %	, D
A.B.C. Profits	0.5	\$84.3	\$97.3	\$13.0	(2.5) %	12.5 %	, D
Sales Tax (0.375%)	1.9	385.1	365.4	(19.7)	8.3	2.8	
Transfers	0.7	108.3	137.2	28.9	(9.4)	14.7	
Total Transfers	3.1%	\$577.7	\$599.9	\$22.2	2.9 %	6.8 %	0
TOTAL GENERAL FUND	100.0%	\$19,480.1	\$19,157.3	(\$322.8)	4.7 %	3.0 %	, 0

 Total general fund resources, including revenues and transfers, are \$322.8 million below Chapter 780 for fiscal year 2017.

The December Revenue Forecast FY 2018 Compared to Chapter 780...

Summary of the December General Fund Revenue Forecast

Fiscal Years 2018 (millions of dollars)

		Fisc	al Year 2018					201	6-2018 Bienni	um
•				% Gro	owth	Over FY	'17			
	C. 780	December	Change	C. 780	0	Decem	ber_	C. 780	December	Change
Withholding	\$12,410.2	\$12,100.2	(\$310.0)	3.8	%	3.3	%	\$24,368.8	\$23,813.5	(\$555.3)
Nonwithholding	3,393.9	3,222.6	(171.3)	7.2		5.7		6,559.5	6,271.1	(288.4)
Refunds	(1,968.2)	(1,942.6)	25.6	3.9		5.1	_	(3,862.3)	(3,790.6)	71.7
Net Individual	\$13,835.9	\$13,380.2	(\$455.7)	4.6		3.6		\$27,066.0	\$26,294.0	(\$772.0)
Sales	\$3,635.0	\$3,445.5	(\$189.5)	3.8		1.8		\$7,135.7	\$6,831.3	(\$304.4)
Corporate	736.4	824.9	88.5	(3.8)		3.9		1,501.6	1,619.1	117.5
Wills (Recordation)	389.4	407.9	18.5	0.0		2.3		778.8	806.5	27.7
Insurance	350.3	364.8	14.5	4.4		6.0		685.9	708.9	23.1
All Other Revenue	686.1	735.2	49.1	0.7		2.0	_	1,367.5	1,456.1	88.6
Total Revenue	\$19,633.1	\$19,158.5	(\$474.5)	3.9	%	3.2	%	\$38,535.5	\$37,715.9	(\$819.6)
A.B.C. Profits	\$89.8	\$101.4	\$11.6	6.5	%	4.2	%	\$172.7	\$198.7	\$26.0
Sales Tax (0.375%)	398.6	374.0	(24.6)	3.5		2.4		783.3	739.4	(43.9)
Transfers Per Act	108.4	133.9	25.5	0.1		(2.4)		218.5	271.1	52.6
Total Transfers	\$596.8	\$609.3	\$12.5	3.3	%	1.6	%	\$1,174.5	\$1,209.2	\$34.7
TOTAL GENERAL FUND	\$20,229.9	\$19,767.8	(\$462.0)	3.8	%	3.2	%	\$39,710.0	\$38,925.1	(\$784.9)

 Total general fund resources, including revenues and transfers, are forecast to be below Chapter 780 by \$462.0 million for fiscal year 2018 and \$784.9 million for the biennium.

Fiscal Year 2017 Year-to-Date Revenue Collections Through November Are Ahead of Target...

November Year-to-Date Collections and FY 2017 Forecasts

(annual percent change)

Percent Growth over Prior Year

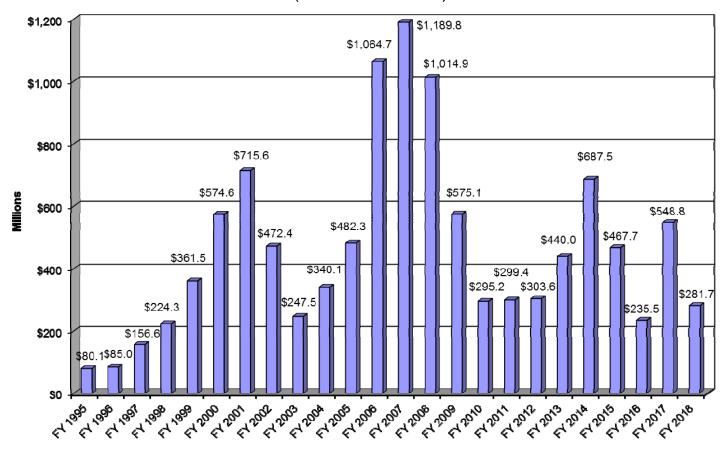
		(5.6)		(= 1) o		2 = 0/
Total	100.0 %	5.4 %	2.9 %	2.5 %	1.4 %	1.9 %
All Other Revenue		(1.3)	0.7	(2.0)	1.8	2.5
Wills (Recordation Insurance) 2.1 1.9	12.9 na	8.0 1.5	4.9 na	4.5 1.5	4.5 12.8
Corporate	4.3	22.9	3.8	19.1	(0.5)	(1.1)
Sales	18.2	(2.5)	2.7	(5.2)	5.8	2.6
Net Individual	69.6	7.0	2.9	4.1	0.3	1.5
Refunds	(10.0)	(7.2)	1.5	(8.7)	2.9	3.9
Nonwithholding	16.4	0.6	(0.7)	1.3	(1.0)	(0.2)
Withholding	63.1 %	7.1 %	3.6 %	3.5 %	1.4 %	2.6 %
Major Source	Revenues	<u>Actual</u>	Estimate	<u>Variance</u>	to Meet Est.	Dec-Jun
	As a % of Total	YTD	Annual		Dec-Jun Req'd	Prior Year
	A = = 0/					

Sales (x AST)	(2.3) %	2.8 %	(5.1) %	6.1 %	2.7 %
Total (x AST)	5.4 %	2.9 %	2.5 %	1.5 %	1.9 %

- Total revenues grew 5.4 percent through November, ahead of the estimate of 2.9 percent.
- About 37.1 percent of the total general fund revenue estimate has been collected through the first 5 months of the fiscal year.

A Mandatory Deposit of \$605.6 Million Will Be Made to the Revenue Stabilization Fund in FY2017 Which, Along With Planned Withdrawals and Projected Interest Earnings, Will Leave a Balance of Approximately \$281.7 in the Fund at the End of the 2017-1018 Biennium...

Revenue Stabilization Fund – June 30 Balance FY1995-2016 Actual and FY2017-2018 Forecast (millions of dollars)



- A withdrawal of \$235.5 million occurred in FY2016.
- The budget plans withdrawals of \$294.7 million in fiscal year 2017 and \$272.5 million in fiscal year 2018
- Following these withdrawals, the balance of the Rainy Day Fund is estimated to be \$281.7 million on June 30, 2018.

Next Steps In The Revenue Forecasting Process...

- The mid-session review will incorporate the latest economic and revenue data.
 - IHS Markit January U.S. economic outlook.
 - Impact of any federal budget agreements.
 - > Holiday retail sales.
 - Key additional revenue data will be available.
 - December 15: Due date for the fourth quarter corporate estimated income tax payment.
 - ➤ January 17: Due date for the fourth quarter individual estimated income tax payment.
 - ➤ Retail sales tax collections reflecting the main holiday shopping season.

APPENDIX

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

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast, FY 2017-2024

Commonwealth Transportation Fund Forecast, FY 2017-2022

Virginia Health Care Fund Forecast, FY 2016-2022

GACRE November Standard Revenue Forecast

GACRE November Pessimistic Revenue Forecast

Growth in General Fund Revenues, FY 1961-2018

Nongeneral Fund Forecast, FY 2017-2022

November 2016 Revenue Report

U.S. Economic Forecasts - Income and Other Indicators

Output, Income, and Spending (% Change)		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	FY20
Real GDP	Interim (May '16) Oct Standard Oct Pessimistic	2.7 2.9	1.9 1.7	2.2 1.7 1.0	2.8 2.3 (0.5)	2.4 2.2 1.8	2.3 2.2 2.8
Total Personal Income	Interim (May '16) Oct Standard Oct Pessimistic	4.7 5.3	4.1 3.7	4.2 3.8 4.0	5.0 4.7 4.0	5.0 5.0 4.6	4.9 4.9 6.0
Wages and Salaries (50%)	Interim (May '16) Oct Standard Oct Pessimistic	5.1 5.3	4.4 4.5	4.8 4.3 4.5	5.1 5.0 4.3	4.7 5.0 4.2	4.7 4.9 5.6
Average Wage	Interim (May '16) Oct Standard Oct Pessimistic	3.0 3.1	2.3 2.5	3.0 2.8 3.2	4.0 4.1 4.9	3.9 4.0 4.1	3.8 3.8 4.2
Real Consumer Spending	Interim (May '16) Oct Standard Oct Pessimistic	3.2 3.4	2.8 2.7	2.8 2.8 2.4	2.7 2.2 0.0	2.5 2.5 1.5	2.4 2.4 2.3
Interest Rates (%)							
3-Month Treasury Bills	Interim (May '16) Oct Standard Oct Pessimistic	0.0 0.0	0.2 0.2	0.8 0.5 0.7	1.9 1.0 0.7	2.7 1.8 0.4	2.8 2.5 0.5
30-Year Treasury Bonds	Interim (May '16) Oct Standard Oct Pessimistic	2.9 2.9	2.8 2.8	3.1 2.5 2.4	3.3 3.0 2.4	4.0 3.5 2.1	4.1 4.0 2.6
Prices (% Change)							
CPI	Interim (May '16) Oct Standard Oct Pessimistic	0.7 0.7	0.6 0.7	1.6 1.9 2.7	2.5 2.5 3.6	2.6 2.5 3.0	2.6 2.6 3.2
GDP Deflator	Interim (May '16) Oct Standard Oct Pessimistic	1.3 1.4	1.1 1.1	1.7 2.0 2.5	2.2 2.3 3.7	2.2 2.1 3.1	2.2 2.1 2.6

The Interim forecast is IHS Markit May 2016 U.S. standard scenario.

The Oct Standard forecast is IHS Markit October 2016 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2016 U.S. pessimistic alternative scenario.

U.S. Economic Forecasts - Employment and Labor Markets

Employment and Labor Markets (% Change)		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Nonagricultural Employment	Interim (May '16) Oct Standard Oct Pessimistic	2.1 2.1	2.0 1.9	1.7 1.5 1.2	1.1 0.9 (0.6)	0.8 0.9 0.1	0.8 1.0 1.4
Construction (4%)	Interim (May '16) Oct Standard Oct Pessimistic	5.4 5.4	4.4 4.1	4.9 2.1 1.7	3.6 1.8 (1.0)	2.6 2.3 (1.3)	2.2 2.4 2.4
Manufacturing (9%)	Interim (May '16) Oct Standard Oct Pessimistic	1.6 1.6	0.2 0.3	0.1 (0.3) (0.2)	0.5 0.5 (1.6)	0.5 1.3 (1.2)	0.9 1.6 3.0
Trade, Transportation, and Utilities (19%)	Interim (May '16) Oct Standard Oct Pessimistic	2.1 2.1	1.9 1.8	1.5 1.1 1.0	0.3 0.1 (1.5)	(0.2) 0.2 (0.7)	0.0 0.1 (0.4)
Financial Activities (6%)	Interim (May '16) Oct Standard Oct Pessimistic	1.6 1.6	1.9 1.9	1.1 1.8 1.3	(0.7) (0.3) (2.1)	(0.5) (0.3) 0.1	(0.3) (0.4) 1.1
Professional and Business Services (14%)	Interim (May '16) Oct Standard Oct Pessimistic	3.1 3.1	3.1 3.1	3.7 3.0 1.5	3.9 3.8 (2.0)	1.5 2.6 3.7	1.4 2.1 6.5
Education and Health Services (15%)	Interim (May '16) Oct Standard Oct Pessimistic	2.3 2.3	3.1 3.1	2.4 2.3 2.3	1.1 1.3 1.7	1.1 1.0 0.4	1.1 1.1 0.1
Leisure and Hospitality (10%)	Interim (May '16) Oct Standard Oct Pessimistic	2.9 2.9	3.0 2.9	1.9 2.2 2.5	1.1 0.9 1.1	0.6 0.7 0.0	0.7 0.8 (0.5)
Government (16%)	Interim (May '16) Oct Standard Oct Pessimistic	0.5 0.5	0.5 0.5	0.4 0.5 0.4	0.4 0.1 (0.4)	1.1 0.6 (0.7)	1.3 1.2 1.3
Unemployment Rate (%)	Interim (May '16) Oct Standard Oct Pessimistic	5.7 5.7	5.0 5.0	4.8 4.9 5.0	4.8 4.7 5.8	4.9 4.6 6.1	5.1 4.6 5.7

The Interim forecast is IHS Markit May 2016 U.S. standard scenario.

The Oct Standard forecast is IHS Markit October 2016 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2016 U.S. pessimistic alternative scenario.

Virginia Economic Forecasts - Employment and Labor Markets

Employment and Labor Markets (% Change)		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Nonagricultural Employment	Interim (May '16) Oct Standard Oct Pessimistic	1.1 1.1	2.4 2.4	1.5 1.5 1.3	1.0 1.0 (0.5)	0.9 0.9 0.3	0.9 0.9 1.4
Construction and Mining (5%)	Interim (May '16) Oct Standard Oct Pessimistic	1.7 1.7	2.1 2.1	4.6 4.6 4.2	3.5 3.5 0.6	3.8 3.8 0.0	3.2 3.2 3.2
Manufacturing (6%)	Interim (May '16) Oct Standard Oct Pessimistic	0.5 0.5	0.2 0.2	1.2 1.2 1.3	1.4 1.4 (1.1)	1.1 1.1 (1.8)	1.1 1.1 2.7
Trade, Transportation, and Utilities (17%)	Interim (May '16) Oct Standard Oct Pessimistic	1.0 1.0	2.9 2.9	1.3 1.3 1.2	0.0 0.0 (1.6)	0.3 0.3 (0.5)	0.3 0.3 (0.2)
Financial Activities (5%)	Interim (May '16) Oct Standard Oct Pessimistic	1.3 1.3	2.2 2.2	(0.4) (0.4) (0.9)	(1.6) (1.6) (3.9)	(1.4) (1.4) (1.1)	(0.2) (0.2) 1.9
Professional and Business Services (18%)	Interim (May '16) Oct Standard Oct Pessimistic	1.4 1.4	3.7 3.7	3.5 3.5 2.4	2.3 2.3 (2.2)	1.5 1.5 2.0	1.7 1.7 5.2
Education and Health Services (13%)	Interim (May '16) Oct Standard Oct Pessimistic	1.7 1.7	3.5 3.5	2.0 2.0 2.0	1.3 1.3 1.8	1.6 1.6 0.9	1.4 1.4 0.3
Leisure and Hospitality (10%)	Interim (May '16) Oct Standard Oct Pessimistic	2.0 2.0	4.1 4.1	1.0 1.0 1.3	1.1 1.1 1.3	1.5 1.5 0.9	0.9 0.9 (0.2)
Government (18%)	Interim (May '16) Oct Standard Oct Pessimistic	0.2 0.2	0.2 0.2	0.5 0.5 0.5	0.5 0.5 0.6	0.1 0.1 0.3	0.1 0.1 0.3
Unemployment Rate (%)	Interim (May '16) Oct Standard Oct Pessimistic	4.9 4.9	4.7 4.7	4.3 4.3 4.4	4.0 4.0 4.7	4.0 4.0 5.0	4.0 4.0 4.7

The Interim forecast is based on IHS Markit May 2016 standard forecast and as recommended by JABE members.

The Oct Standard forecast is IHS Markit October 2016 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2016 U.S. pessimistic alternative scenario.

Virginia Economic Forecasts - Income

Income (% Change)		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Personal Income	Interim (May '16) Oct Standard Oct Pessimistic	4.0 4.8	4.3 4.1	3.8 3.9 4.2	4.2 4.2 3.9	4.9 4.9 4.3	4.8 4.8 5.3
Wages and Salaries (52%)	Interim (May '16) Oct Standard Oct Pessimistic	3.2 3.2	4.2 4.7	4.3 4.4 4.6	3.9 3.9 3.5	5.0 4.9 4.6	5.1 5.0 5.5
Average Wage	Interim (May '16) Oct Standard Oct Pessimistic	2.1 2.1	1.8 2.3	2.7 2.8 3.2	3.0 2.9 4.0	4.0 4.0 4.3	4.1 4.1 4.1
Dividends, Interest, and Rent (20%)	Interim (May '16) Oct Standard Oct Pessimistic	3.7 6.4	5.5 2.0	4.3 3.7 3.7	6.3 6.3 3.1	7.3 7.3 3.8	6.0 6.0 8.2
Supplements to Wages and Salaries (12%)	Interim (May '16) Oct Standard Oct Pessimistic	1.9 3.9	3.8 4.6	3.5 3.5 4.0	4.4 4.4 6.0	3.9 3.9 4.6	3.8 3.8 3.0
Proprietor's Income (6%)	Interim (May '16) Oct Standard Oct Pessimistic	7.3 6.1	4.6 5.7	2.1 1.3 0.7	3.7 3.9 2.4	(1.8) (1.7) (0.1)	(0.8) (0.7) 1.1
Net Transfer Payments (6%)	Interim (May '16) Oct Standard Oct Pessimistic	8.1 8.6	2.9 6.9	0.9 4.4 6.2	0.3 0.5 7.2	6.6 6.4 8.0	7.8 7.5 5.1

The Interim forecast is based on IHS Markit May 2016 standard forecast and as recommended by JABE members.

The Oct Standard forecast is IHS Markit October 2016 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2016 U.S. pessimistic alternative scenario.

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

December 16, 2016

•		Interim		December	al Yea		0/ Growth	Over FY 16	
		Forecast		Forecast	(Change	% Growth	_ Decembe	
MAJOR TAX SOURCES									
Corporate Income	\$	742.1	\$	794.2	\$	52.1	(3.0) %	3.8	%
Individual Income Tax:									
Gross		14,678.5		14,761.8		83.3	2.1	2.7	
Withholding		11,646.0		11,713.3		67.3	3.0	3.6	
Nonwithholding		3,032.5		3,048.5		16.0	(1.2)	(0.7)	
Refunds		(1,894.1)		(1,848.0)		<u>46.1</u>	4.0	<u>1.5</u>	
Net		12,784.4		12,913.8		129.4	1.8	2.9	
Insurance Company Premiums		343.5		344.1		0.6	1.3	1.5	
State Sales & Use Tax		3,382.2		3,385.8		3.6	2.6	2.7	
Wills, Suits, Deeds, & Contract Fees	_	389.4	_	398.6	_	9.2	5.5	8.0	
Total Major Tax Sources	\$	17,641.6	\$	17,836.5	\$	194.9	1.8 %	3.0	%
MISCELLANEOUS TAXES AND OTHER F	REV	ENUES							
Alcoholic Beverage State Tax	\$	169.6	\$	181.3	\$	11.7	(3.3) %	3.4	%
Bank Franchise Tax		18.7		18.4		(0.3)	5.1	3.4	
Beer & Beverage Excise Tax		41.8		42.3		0.5	(1.1)	0.1	
Corporate Franchise & Charter Fees		45.6		50.0		4.4	(15.0)	(6.8)	
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	(7.5)	(3.4)	
Estate & Gifts		0.0		0.0		0.0	n/a	n/a	
Institutional Revenues		7.3		6.0		(1.3)	39.0	14.2	
Interest & Rents		55.2		61.8		6.6	4.9 %	17.5	
Licenses & Permits		4.0		4.1		0.1	(3.1) %	(0.6)	
Miscellaneous Taxes and Penalties		233.8		229.5		(4.3)	(2.7) %	(4.5)	
Other Miscellaneous Revenues		28.3		36.8		8.5	(27.0) %	(5.1)	
Public Service GR / Consumption Tax	_	98.9	=	97.8	_	(1.1)	6.8 %	5.6	
Total Misc. Taxes and Other Revenues	\$	696.4	\$	720.9	\$	24.5	(2.7) %	0.7	%
TOTAL GF REVENUES	\$	18,338.0	\$	18,557.4	\$	219.4	1.7 %	2.9	%
TRANSFERS									
A.B.C. Profits	\$	84.3	\$	97.3	\$	13.0	(2.5) %	12.5	%
Sales Tax (0.375%)		367.2		365.4		(1.8)	3.3	2.8	
Transfers Per Appropriations Act		108.5		137.2		28.7	(9.3)	14.7	
Total Transfers	\$	560.0	\$	599.9	\$	39.9	(0.3) %	6.8	%

The December forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE and Governor's amendments.

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 Interim to December General Fund Forecast for Fiscal Year 2018 (Dollars in Millions)

December 16, 2016

				Fis	cal Ye	ar 2018				2	2016-2	2018 Bienniuı	m	
		Interim		December	,	Shanna.		Over FY 17		Interim		December		Change
		Forecast	_	Forecast		Change	Interim	December	_	Forecast		Forecast		Change
MAJOR TAX SOURCES														
Corporate Income	\$	724.0	\$	824.9	\$	100.9	(2.4) %	3.9 %	\$	1,466.1	\$	1,619.1	\$	153.0
Individual Income Tax:														
Gross		15,318.2		15,322.8		4.6	4.4	3.8		29,996.7		30,084.6		87.9
Withholding		12,037.4		12,100.2		62.8	3.4	3.3		23,683.4		23,813.5		130.1
Nonwithholding		3,280.8		3,222.6		(58.2)	8.2	5.7		6,313.3		6,271.1		(42.2)
Refunds		(1,968.2)		(1,942.6)		<u>25.6</u>	<u>3.9</u>	<u>5.1</u>		(3,862.3)		(3,790.6)		<u>71.7</u>
Net		13,350.0		13,380.2		30.2	4.4	3.6		26,134.4		26,294.0		159.6
Insurance Company Premiums		354.5		364.8		10.3	3.2	6.0		698.0		708.9		10.9
State Sales & Use Tax		3,481.4		3,445.5		(35.9)	2.9	1.8		6,863.6		6,831.3		(32.3)
Wills, Suits, Deeds, & Contract Fees		389.4	_	407.9		18.5	0.0	2.3	_	778.8	_	806.5	_	27.7
Total Major Tax Sources	\$	18,299.3	\$	18,423.3	\$	124.0	3.7 %	3.3 %	\$	35,940.9	\$	36,259.8	\$	318.9
MISCELLANEOUS TAXES AND OTHER	RE	VENUES												
Alcoholic Beverage State Tax	\$	173.2	\$	187.9	\$	14.7	2.1 %	3.6 %	\$	342.8	\$	369.2	\$	26.4
Bank Franchise Tax		18.7		18.4		(0.3)	0.0	0.0		37.4		36.8		(0.6)
Beer & Beverage Excise Tax		41.8		42.3		0.5	0.0	0.0		83.6		84.6		1.0
Corporate Franchise & Charter Fees		45.6		50.0		4.4	0.0	0.0		91.2		100.0		8.8
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	0.0	0.0		(13.6)		(14.2)		(0.6)
Estate & Gifts		0.0		0.0		0.0	n/a	n/a		0.0		0.0		n/a
Institutional Revenues		7.3		6.0		(1.3)	0.0	0.0		14.6		12.0		(2.6)
Interest & Rents		55.2		61.8		6.6	0.0	0.0		110.4		123.6		13.2
Licenses & Permits		4.0		4.1		0.1	0.0	0.0		8.0		8.2		0.2
Miscellaneous Taxes and Penalties		234.7		237.4		2.7	0.4	3.4		468.5		466.9		(1.6)
Other Miscellaneous Revenues		28.5		36.6		8.1	0.7	(0.5)		56.8		73.4		16.6
Public Service GR / Consumption Tax	_	98.9	_	97.8	_	(1.1)	0.0	0.0	_	197.8	_	195.6	_	(2.2)
Total Misc. Taxes and Other Revenues	\$	701.1	\$	735.2	\$	34.1	0.7 %	2.0 %	\$	1,397.5	\$	1,456.1	\$	58.6
TOTAL GF REVENUES	\$	19,000.4	\$	19,158.5	\$	158.1	3.6 %	3.2 %	\$	37,338.4	\$	37,715.9	\$	377.5
TRANSFERS														
A.B.C. Profits	\$	89.8	\$	101.4	\$	11.6	6.5 %	4.2 %	\$	174.1	\$	198.7	\$	24.6
Sales Tax (0.375%)	•	376.8	~	374.0	Ψ	(2.8)	2.6	2.4	Ψ	744.0	~	739.4	Ψ	(4.6)
Transfers Per Appropriations Act		108.6		133.9		25.3	0.1	(2.4)		217.1		271.1		54.0
Total Transfers	\$	575.2	\$	609.3	\$	34.1	2.7 %	1.6 %	\$	1,135.2	\$	1,209.2	\$	74.0
										•		•		
TOTAL GENERAL FUND	\$_	19,575.6	\$_	19,767.8	\$_	192.2	<u>3.6</u> %	3.2 %	\$	38,473.6	\$_	38,925.1	\$_	451.5

The December forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE and Governor's amendments.

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 December General Fund Forecast for Fiscal Years 2019-2020 (Dollars in Millions)

December 16, 2016

		Fiscal Ye	ar 2019		Fiscal Ye	ear 2020		2018-2020	Biennium
	_	December Forecast	% Growth Over FY 18		December Forecast	% Growth Over FY 19		December Forecast	% Growth Over 16-18
MAJOR TAX SOURCES									
Corporate Income	\$	812.1	(1.6) %	\$	813.5	0.2 %	\$	1,625.6	0.4 %
Individual Income Tax:									
Gross		16,025.9	4.6		16,796.1	4.8		32,822.0	9.1
Withholding		12,569.5	3.9		13,098.3	4.2		25,667.8	7.8
Nonwithholding		3,456.4	7.3		3,697.8	7.0		7,154.2	14.1
Refunds		(2,060.3)	6.1		(2,171.1)	<u>5.4</u>		(4,231.4)	<u>11.6</u>
Net		13,965.6	4.4		14,625.0	4.7		28,590.6	8.7
Insurance Company Premiums		381.8	4.7		400.9	5.0		782.7	10.4
State Sales & Use Tax		3,525.2	2.3		3,598.6	2.1		7,123.8	4.3
Wills, Suits, Deeds, & Contract Fees	_	385.7	(5.4)	_	363.4	(5.8)	_	749.1	(7.1)
Total Major Tax Sources	\$	19,070.4	3.5 %	\$	19,801.4	3.8 %	\$	38,871.8	7.2 %
MISCELLANEOUS TAXES AND OTHER REVE	NUES								
Alcoholic Beverage State Tax	\$	194.8	3.7 %	\$	201.9	3.6 %	\$	396.7	7.4 %
Bank Franchise Tax		18.4	0.0		18.4	0.0		36.8	0.0
Beer & Beverage Excise Tax		42.3	0.0		42.3	0.0		84.6	0.0
Corporate Franchise & Charter Fees		50.0	0.0		50.0	0.0		100.0	0.0
Excess & Other Fees from Officers		(7.1)	0.0		(7.1)	0.0		(14.2)	0.0
Estate & Gifts		0.0	n/a		0.0	n/a		0.0	n/a
Institutional Revenues		6.0	0.0		6.0	0.0		12.0	0.0
Interest & Rents		61.8	0.0		61.8	0.0		123.6	0.0
Licenses & Permits		4.1	0.0		4.1	0.0		8.2	0.0
Miscellaneous Taxes and Penalties		237.4	0.0		237.4	0.0		474.8	1.7
Other Miscellaneous Revenues		36.6	0.0		36.6	0.0		73.2	(0.3)
Public Service GR / Consumption Tax	_	97.8	0.0	_	97.8	0.0	_	195.6	0.0
Total Misc. Taxes and Other Revenues	\$	742.1	0.9 %	\$	749.2	1.0 %	\$	1,491.3	2.4 %
TOTAL GF REVENUES	\$	19,812.5	3.4 %	\$	20,550.6	3.7 %	\$	40,363.1	7.0 %
TRANSFERS									
A.B.C. Profits	\$	93.6	(7.7) %	\$	102.4	9.4 %	\$	196.0	(1.4) %
Sales Tax (0.375%)		383.3	2.5		392.8	2.5		776.1	5.0
Transfers Per Appropriations Act		110.5	(17.5)		110.5	0.0		221.0	(18.5)
Total Transfers	\$	587.4	(3.6) %	\$	605.7	3.1 %	\$	1,193.1	(1.3) %
TOTAL GENERAL FUND	\$	20,399.9	3.2 %	\$	21,156.3	3.7 %	¢	41,556.2	6.8 %

The December forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE and Governor's amendments.

(Dollars in Millions)

	F 	iscal Year 2021	F	iscal Year 2022	F	iscal Year 2023	F	iscal Year 2024
MAJOR TAX SOURCES								
Corporate Income	\$	841.0	\$	862.8	\$	883.7	\$	905.1
Individual Income Tax:								
Gross		17,616.0		18,426.2		19,222.1		20,053.2
Withholding		13,657.2		14,231.8		14,815.0		15,422.2
Nonwithholding		3,958.8		4,194.4		4,407.0		4,631.0
Refunds		(2,286.7)		(2,406.8)		(2,503.7)		(2,604.4
Net		15,329.3		16,019.4		16,718.4		17,448.8
Insurance Company Premiums		417.6		434.1		454.1		454.6
State Sales & Use Tax		3,675.9		3,752.9		3,831.4		3,911.5
Wills, Suits, Deeds, & Contract Fees	_	363.4	_	363.4	_	363.4	_	363.4
Total Major Tax Sources	\$	20,627.2	\$	21,432.6	\$	22,251.0	\$	23,083.3
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$	201.9	\$	201.9	\$	201.9	\$	201.9
Bank Franchise Tax		18.4		18.4		18.4		18.4
Beer & Beverage Excise Tax		42.3		42.3		42.3		42.3
Corporate Franchise & Charter Fees		50.0		50.0		50.0		50.0
Excess & Other Fees from Officers		(7.1)		(7.1)		(7.1)		(7.1
Estate & Gifts		0.0		0.0		0.0		0.0
Institutional Revenues		6.0		6.0		6.0		6.0
Interest & Rents		61.8		61.8		61.8		61.8
Licenses & Permits		4.1		4.1		4.1		4.1
Miscellaneous Taxes and Penalties		237.4		237.4		237.4		237.4
Other Miscellaneous Revenues		36.6		36.6		36.6		36.6
Public Service GR / Consumption Tax	_	97.8	_	97.8	_	97.8	_	97.8
Total Misc. Taxes and Other Revenues	\$	749.2	\$	749.2	\$	749.2	\$	749.2
TOTAL GF REVENUES	\$	21,376.4	\$	22,181.8	\$	23,000.2	\$	23,832.
TRANSFERS								
A.B.C. Profits	\$	102.4	\$	102.4	\$	102.4	\$	102.4
Sales Tax (0.375%)		402.9		412.8		422.9		433.2
Transfers Per Appropriations Act		110.5		110.5		110.5		110.5
Total Transfers	\$	615.8	\$	625.7	\$	635.8	\$	646.1
TOTAL GENERAL FUND	\$_	21,992.2	\$_	22,807.5	\$_	23,636.0	\$_	24,478.6
\$ Change From Previous Year	\$	835.8	\$	815.3	\$	828.5	\$	842.7
TOTAL BIENNIUM GENERAL FUND			\$	44,799.7			\$	48,114.6
\$ Change From Previous Biennium			\$	3,243.4			\$	3,315.0
% Growth From Previous Biennium			φ	3,243.4 7.8			φ	3,315.0 7.4

(Dollars in Millions)

	FY 21 % Growth Over FY 20	FY 22 % Growth Over FY 21	FY 23 % Growth Over FY 22	FY 24 % Growth Over FY 23
MAJOR TAX SOURCES				
Corporate Income	3.4 %	2.6 %	2.4 %	2.4 %
Individual Income Tax:				
Gross	4.9	4.6	4.3	4.3
Withholding	4.3	4.2	4.1	4.1
Nonwithholding	7.1	6.0	5.1	5.1
Refunds	<u>5.3</u>	<u>5.3</u>	<u>4.0</u>	<u>4.0</u>
Net	4.8	4.5	4.4	4.4
Insurance Company Premiums	4.2	4.0	4.6	0.1
State Sales & Use Tax	2.1	2.1	2.1	2.1
Wills, Suits, Deeds, & Contract Fees	0.0	0.0	0.0	0.0
Total Major Tax Sources	4.2 %	3.9 %	3.8 %	3.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	0.0	0.0	0.0	0.0
Total Misc. Taxes and Other Revenues	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	4.0 %	3.8 %	3.7 %	3.6 %
FRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.6	2.5	2.4	2.4
Transfers Per Appropriations Act	0.0	0.0	0.0	0.0
Total Transfers	1.7 %	1.6 %	1.6 %	1.6 %
TOTAL GENERAL FUND	4.0 %	3.7 %	3.6 %	3.6 %

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

December 16, 2016

	Fiscal Y	ear 2016	_				Fi	scal Year 20	017	
			_	Official		December			% Growth ov	
<u>-</u> -	Actual	% Growth	-	Forecast		Forecast	-	Change	Official	December
lighway Maintenance & Operating Fu	nd									
Motor Fuels Tax \$	684.8	18.8 %	\$	716.8	\$	691.8	\$	(25.0)	4.7 %	1.0
Road Tax	2.9	(261.1)		(0.2)		3.0		3.2	(106.9)	3.4
Motor Vehicle Sales And Use Tax	691.0	8.2		696.9		705.0		8.1	0.9	2.0
Motor Vehicle License Fees	231.8	3.8		224.8		231.6		6.8	(3.0)	(0.1)
Retail Sales and Use Tax	276.8	(0.4)		293.9		286.8		(7.1)	6.2	3.6
International Registration Plan	67.7	2.6		61.7		68.1		6.4	(8.9)	0.6
Recordation Tax	14.7	5.0		0.0		0.0		0.0	n/a	n/a
Miscellaneous	18.4	0.5		17.0		17.3		0.3	(7.6)	(6.0)
Total State Taxes and Fees \$	1,988.1	9.7 %	\$	2,010.9	\$	2,003.6	\$	(7.3)	1.1 %	0.8
ransportation Trust Fund										
Motor Fuels Tax \$	163.5	17.9 %	\$	170.1	\$	164.2	\$	(5.9)	4.0 %	0.4
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		233.0		2.7	1.1	2.2
Motor Vehicle License Fees	21.6	(0.9)		22.0		21.4		(0.6)	1.9	(1.2)
Retail Sales and Use Tax	723.7	0.9		756.0		736.3		(19.7)	4.5	1.7
Recordation Tax	29.5	5.4		45.4		47.2		1.8	53.9	60.1
Interest Earnings	3.7	(50.7)		12.1		3.3		(8.8)	227.0	(10.8)
Rental Tax	37.5	4.5		39.6		38.5		(1.1)	5.6	2.7
Aviation Fuels Tax	1.8	0.0		2.0		1.8		(0.2)	11.1	0.0
Total State Taxes and Fees \$	1,367.5	3.2 %	\$		\$		\$	(24.7)	5.4 %	3.6
otal HMOF And TTF										
Motor Fuels Tax \$	848.3	18.6 %	\$	886.9	\$	856.0	\$	(30.9)	4.6 %	0.9
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		11.1		3.2	(27.5)	1.8
Motor Vehicle Sales and Use Tax	918.9	7.5		927.2		938.0		10.8	0.9	2.1
Motor Vehicle License Fees	253.4	3.4		246.8		253.0		6.1	(2.6)	(0.2)
International Registration Plan	67.7	2.6		61.7		68.1		6.4	(8.9)	0.6
Retail Sales and Use Tax	1,000.5	0.6		1,049.9		1,023.1		(26.8)	4.9	2.3
Recordation Tax (3 cents)	44.2	5.2		45.4		47.2		1.8	2.7	6.9
Interest Earnings	3.7	(50.7)		12.1		3.3		(8.8)	227.0	(10.8)
Rental Tax	37.5	4.5		39.6		38.5		(1.1)	5.6	2.7
Aviation Fuels Tax	1.8	0.0		2.0		1.8		(0.2)	11.1	0.0
Miscellaneous	18.4	0.5	_	17.0		17.3	_	0.3	(7.6)	(6.0)
otal State Taxes and Fees \$	3,355.6	7.0 %	\$	3,452.5	\$	3,420.5	\$	(32.0)	2.9 %	1.9
= ransfers 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	n/a	n/a
otal Transportation Fund \$	3,355.6	6.2			\$			(32.0)		

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 December forecast is based on the October 2016 IHS Economics US Standard outlook.

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

December 16, 2016

						Fiscal Year 201	8	
	_	Official Forecast		December Forecast		Change	% Grow	th over FY 17 December
Highway Maintenance & Operating Fund	_		-					
Motor Fuels Tax	\$	722.9	\$	699.0	\$	(23.9)	0.9 %	1.0 %
Road Tax		(0.3)		2.7		3.0	50.0	(10.0)
Motor Vehicle Sales And Use Tax		707.1		712.1		5.0	1.5	1.0
Motor Vehicle License Fees		224.5		233.5		9.0	(0.1)	0.8
Retail Sales and Use Tax		304.2		291.7		(12.5)	3.5	1.7
International Registration Plan		62.8		64.0		1.2	1.8	(6.0)
Recordation Tax		0.0		0.0		0.0	n/a	n/a
Miscellaneous	_	17.0	_	17.3	_	0.3	0.0	0.0
Total State Taxes and Fees (HMOF)	\$	2,038.2	\$	2,020.3	\$	(17.9)	1.4 %	0.8 %
Transportation Trust Fund								
Motor Fuels Tax	\$	171.7	\$	166.0	\$	(5.7)	0.9 %	1.1 %
Insurance Premiums Tax (1/3)		162.2		169.1		6.9	4.0	3.7
Road Tax		8.1		8.0		(0.1)	0.0	(1.2)
Motor Vehicle Sales And Use Tax		233.6		235.2		1.6	1.4	0.9
Motor Vehicle License Fees		22.0		21.9		(0.1)	0.0	2.6
Retail Sales and Use Tax		784.5		753.5		(31.0)	3.8	2.3
Recordation Tax		45.4		48.4		3.0	0.0	2.4
Interest Earnings		17.9		2.3		(15.6)	47.9	(30.3)
Rental Tax		41.3		39.6		(1.7)	4.3	2.9
Aviation Fuels Tax	_	2.0	_	1.8		(0.2)	0.0	0.0
Total State Taxes and Fees (TTF)	\$	1,488.7	\$	1,445.8	\$	(42.9)	3.3 %	2.0 %
Total HMOF And TTF								
Motor Fuels Tax	\$	894.6	\$	865.0	\$	(29.6)	0.9 %	1.1 %
Insurance Premiums Tax (1/3)		162.2		169.1		6.9	4.0	3.7
Road Tax		7.8		10.7		2.9	(1.3)	(3.6)
Motor Vehicle Sales and Use Tax		940.7		947.3		6.6	1.5	1.0
Motor Vehicle License Fees		246.5		255.4		8.9	(0.1)	1.0
International Registration Plan		62.8		64.0		1.2	1.8	(6.0)
Retail Sales and Use Tax		1,088.7		1,045.2		(43.5)	3.7	2.2
Recordation Tax (3 cents)		45.4		48.4		3.0	0.0	2.4
Interest Earnings		17.9		2.3		(15.6)	47.9	(30.3)
Rental Tax		41.3		39.6		(1.7)	4.3	2.9
Aviation Fuels Tax		2.0		1.8		(0.2)	0.0	0.0
Miscellaneous	_	17.0	-	17.3		0.3	0.0	0.0
Total State Taxes and Fees	\$ _	3,526.9	\$	3,466.1	\$	(60.8)	2.2 %	1.3 %
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	%	
Total Transportation Fund	\$	3,526.9	\$	3,466.1	\$	(60.8)	2.2 %	1.3 %

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 December forecast is based on the October 2016 IHS Economics US Standard outlook.

The December Commonwealth Transportation Fund Forecast for Fiscal Years 2019 through 2022 (Dollars in Millions)

December 16, 2016

				F1	I V 00:	40.	l		<u> </u>	
		FY 19	%	FY 20	1 Years 20'	19 t	hrough 2022 FY 21	%	FY 22	%
		Forecast	Growth	Forecast	Growth		Forecast	Growth	Forecast	Growth
Highway Maintenance & Operating Fun	d									
Motor Fuels Tax	\$	705.9	1.0	\$ 710.6	0.7	\$	717.8	1.0 \$	725.6	1.1
Road Tax		2.7	0.0	2.7	0.0		2.7	0.0	2.7	0.0
Motor Vehicle Sales And Use Tax		725.5	1.9	730.7	0.7		735.6	0.7	737.6	0.3
Motor Vehicle License Fees		233.5	0.0	233.9	0.2		235.2	0.6	235.4	0.1
Retail Sales and Use Tax		297.7	2.1	304.0	2.1		310.6	2.2	317.1	2.1
International Registration Plan		65.2	1.9	65.6	0.6		65.3	(0.5)	65.6	0.5
Recordation Tax		0.0	n/a	0.0	n/a		0.0	n/a ´	0.0	n/a
Miscellaneous		17.3	0.0	17.3	0.0		17.3	0.0	17.3	0.0
Total State Taxes and Fees (HMOF)	\$	2,047.8	1.4	\$ 2,064.8	0.8%	\$	2,084.5	1.0% \$	2,101.3	0.8%
Transportation Trust Fund										
Motor Fuels Tax		167.6	1.0	168.7	0.7		170.5	1.1	172.4	1.1
Insurance Premiums Tax (1/3)		174.7	3.3	183.3	4.9		192.5	5.0	201.2	4.5
Road Tax		8.0	0.0	8.0	0.0		8.1	1.3	8.1	0.0
Motor Vehicle Sales And Use Tax		239.5	1.8	241.1	0.7		242.7	0.7	243.3	0.2
Motor Vehicle License Fees		22.0	0.5	22.0	0.0		22.3	1.4	22.0	(1.3)
Retail Sales and Use Tax		767.3	1.8	783.3	2.1		800.4	2.2	817.2	2.1
Recordation Tax		45.7	(5.5)	43.1	(5.8)		43.1	0.0	43.1	0.0
Interest Earnings		2.3	0.0	2.3	0.0		2.3	0.0	2.3	0.0
Rental Tax		41.2	4.0	42.9	4.1		42.9	0.0	42.9	0.0
Aviation Fuels Tax		1.9	5.6	2.0	5.3		2.0	0.0	2.0	0.0
Total State Taxes and Fees (TTF)	\$	1,470.2	1.7	\$ 1,496.7	1.8%	\$	1,526.8	2.0% \$	1,554.5	1.8%
Total HMOF And TTF										
Motor Fuels Tax		873.5	1.0	879.3	0.7		888.3	1.0	898.0	1.1
Insurance Premiums Tax (1/3)		174.7	3.3	183.3	4.9		192.5	5.0	201.2	4.5
Road Tax		10.7	0.0	10.7	0.0		10.8	0.9	10.8	0.0
Motor Vehicle Sales and Use Tax		965.0	1.9	971.8	0.7		978.3	0.7	980.9	0.3
Motor Vehicle License Fees		255.5	0.0	255.9	0.2		257.5	0.6	257.4	(0.0)
International Registration Plan		65.2	1.9	65.6	0.6		65.3	(0.5)	65.6	0.5
Retail Sales and Use Tax		1,065.0	1.9	1,087.3	2.1		1,111.0	2.2	1,134.3	2.1
Recordation Tax (3 cents)		45.7	(5.5)	43.1	(5.8)		43.1	0.0	43.1	0.0
Interest Earnings		2.3	0.0	2.3	0.0		2.3	0.0	2.3	0.0
Rental Tax		41.2	4.0	42.9	4.1		42.9	0.0	42.9	0.0
Aviation Fuels Tax		1.9	5.6	2.0	5.3		2.0	0.0	2.0	0.0
Miscellaneous		17.3	0.0	17.3	0.0		17.3	0.0	17.3	0.0
Total State Taxes and Fees	\$	3,518.0	1.5	\$ 3,561.5	1.2%	\$	3,611.3	1.4% \$	3,655.8	1.2%
Transfers per the Appropriations Act										
Retail Sales Tax - AST (TTF)		0.0	n/a	0.0	n/a		0.0	n/a	0.0	n/a
Total Transfers	\$	-	n/a	\$ -	n/a	\$	-	n/a \$	-	n/a
Total Transportation Fund	\$	3,518.0	1.5	\$ 3,561.5	1.2%	\$	3,611.3	1.4% \$	3,655.8	1.2%

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 December forecast is based on the October 2016 IHS Economics US Standard outlook.

Virginia Health Care Fund Forecast

\$ in millions

December 16, 2016

	Actual									
	FY2013 FY	FY2014	FY2015		FY2016 FY2017	FY2018	FY2019	FY2019 FY2020	FY2021	FY2022
Master Settlement Agreement	74.0	48.9	48.5	47.7	48.0	48.0	48.0	48.0	48.0	48.0
Tobacco Taxes:										
Total Cigarette Taxes	169.5	161.6	159.9	159.3	157.7	156.1	154.5	153.0	151.5	149.9
Other Tobacco Products	18.7	19.1	19.1	19.5	19.9	20.4	20.9	21.4	22.0	22.5
Total Tobacco Taxes	188.2	180.7	179.0	178.7	177.6	176.5	175.4	174.4	173.4	172.5
Medicaid Recoveries:										
Regular Recoveries	9.02	58.8	49.0	78.8	45.9	46.5	46.5	46.5	46.5	46.5
Pharmacy Rebates (Prior Year)	100.7	76.3	70.5	106.1	84.0	87.2	87.2	87.2	87.2	87.2
Total Recoveries	171.3	135.1	119.5	184.9	129.9	133.7	133.7	133.7	133.7	133.7
TOTAL FUND	433.5	364.7	347.0	411.3	355.5	358.2	357.1	356.1	355.1	354.2

(Presented to the Governor's Advisory Council on Revenue Estimates) The Interim to November Standard General Fund Forecast for Fiscal Year 2017 (Dollars in Millions)

November 17, 2016

				Fisca	al Yea	r 2017		
	_	Interim		November				Over FY 16
		Forecast		Forecast		Change	Interim	November
MAJOR TAX SOURCES								
Corporate Income	\$	742.1	\$	794.2	\$	52.1	(3.0) %	3.8 %
Individual Income Tax:								
Gross		14,678.5		14,761.8		83.3	2.1	2.7
Withholding		11,646.0		11,713.3		67.3	3.0	3.6
Nonwithholding		3,032.5		3,048.5		16.0	(1.2)	(0.7)
Refunds		(1,894.1)		(1,848.0)		<u>46.1</u>	<u>4.0</u>	<u>1.5</u>
Net		12,784.4		12,913.8		129.4	1.8	2.9
Insurance Company Premiums		343.5		344.1		0.6	1.3	1.5
State Sales & Use Tax		3,382.2		3,350.7		(31.5)	2.6	1.7
Wills, Suits, Deeds, & Contract Fees	_	389.4	_	398.6	_	9.2	5.5	8.0
Total Major Tax Sources	\$	17,641.6	\$	17,801.4	\$	159.8	1.8 %	2.8 %
MISCELLANEOUS TAXES AND OTHER	REV	ENUES						
Alcoholic Beverage State Tax	\$	169.6	\$	181.3	\$	11.7	(3.3) %	3.4 %
Bank Franchise Tax		18.7		18.4		(0.3)	5.1	3.4
Beer & Beverage Excise Tax		41.8		42.3		0.5	(1.1)	0.1
Corporate Franchise & Charter Fees		45.6		50.0		4.4	(15.0)	(6.8)
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	(7.5)	(3.4)
Estate & Gifts		0.0		0.0		0.0	n/a	n/a
Institutional Revenues		7.3		6.0		(1.3)	39.0	14.2
Interest & Rents		55.2		61.8		6.6	4.9 %	17.5
Licenses & Permits		4.0		4.1		0.1	(3.1) %	(0.6)
Miscellaneous Taxes and Penalties		233.8		229.4		(4.4)	(2.7) %	(4.5)
Other Miscellaneous Revenues		28.3		34.4		6.1	(27.0) %	(11.3)
Public Service GR / Consumption Tax	_	98.9	_	97.8	_	(1.1)	6.8 %	5.6
Total Misc. Taxes and Other Revenues	\$	696.4	\$	718.4	\$	22.0	(2.7) %	0.4 %
TOTAL GF REVENUES	\$	18,338.0	\$	18,519.8	\$	181.8	1.7 %	2.7 %
TRANSFERS								
A.B.C. Profits	\$	84.3	\$	97.3	\$	13.0	(2.5) %	12.5 %
Sales Tax (0.375%)	Ψ	367.2	~	365.4	Ψ	(1.8)	3.3	2.8
Transfers Per Appropriations Act		108.5		109.2		0.7	(9.3)	(8.7)
Total Transfers	\$	560.0	\$	571.9	\$	11.9	(0.3) %	1.8 %
TOTAL CENERAL FUND	•	40.000.0	•	40 004 7	•	400.7	40.00	00.00
TOTAL GENERAL FUND	\$ _	18,898.0	\$_	19,091.7	\$_	193.7	1.6 %	2.6 %

The November forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same poicy assumptions in Chapter 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.

(Presented to the Governor's Advisory Council on Revenue Estimates) The Interim to Novmeber Standard General Fund Forecast for Fiscal Year 2018 (Dollars in Millions)

November 17, 2016

				Fis	cal Ye	ar 2018				2	2016-2	2018 Bienniu	m	
		Interim Forecast		lovember Forecast	_	Change	% Growth Interim	Over FY 17 November		Interim Forecast		November Forecast	_	hange
		Orecasi	_	ruiecasi		nange	IIILEIIIII	November		Forecasi	_	roiecasi		nange
MAJOR TAX SOURCES														
Corporate Income	\$	724.0	\$	796.0	\$	72.0	(2.4) %	0.2 %	\$	1,466.1	\$	1,590.2	\$	124.1
Individual Income Tax:														
Gross		15,318.2		15,296.6		(21.6)	4.4	3.6		29,996.7		30,058.4		61.7
Withholding		12,037.4		12,093.1		55.7	3.4	3.2		23,683.4		23,806.4		123.0
Nonwithholding		3,280.8		3,203.5		(77.3)	8.2	5.1		6,313.3		6,252.0		(61.3)
Refunds		(1,968.2)		(1,952.5)		<u>15.7</u>	<u>3.9</u>	<u>5.7</u>		(3,862.3)		(3,800.5)		<u>61.8</u>
Net		13,350.0		13,344.1		(5.9)	4.4	3.3		26,134.4		26,257.9		123.5
Insurance Company Premiums		354.5		354.9		0.4	3.2	3.1		698.0		699.0		1.0
State Sales & Use Tax		3,481.4		3,416.4		(65.0)	2.9	2.0		6,863.6		6,767.1		(96.5)
Wills, Suits, Deeds, & Contract Fees	_	389.4	_	407.9		18.5	0.0	2.3	_	778.8	_	806.5	_	27.7
Total Major Tax Sources	\$	18,299.3	\$	18,319.3	\$	20.0	3.7 %	2.9 %	\$	35,940.9	\$	36,120.7	\$	179.8
MISCELLANEOUS TAXES AND OTHER	RE	VENUES												
Alcoholic Beverage State Tax	\$	173.2	\$	187.9	\$	14.7	2.1 %	3.6 %	\$	342.8	\$	369.2	\$	26.4
Bank Franchise Tax		18.7		18.4		(0.3)	0.0	0.0		37.4		36.8		(0.6)
Beer & Beverage Excise Tax		41.8		42.3		0.5	0.0	0.0		83.6		84.6		1.0
Corporate Franchise & Charter Fees		45.6		50.0		4.4	0.0	0.0		91.2		100.0		8.8
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	0.0	0.0		(13.6)		(14.2)		(0.6)
Estate & Gifts		0.0		0.0		0.0	n/a	n/a		0.0		0.0		n/a
Institutional Revenues		7.3		6.0		(1.3)	0.0	0.0		14.6		12.0		(2.6)
Interest & Rents		55.2		61.8		6.6	0.0	0.0		110.4		123.6		13.2
Licenses & Permits		4.0		4.1		0.1	0.0	0.0		8.0		8.2		0.2
Miscellaneous Taxes and Penalties		234.7		236.4		1.7	0.4	3.1		468.5		465.8		(2.7)
Other Miscellaneous Revenues		28.5		34.7		6.2	0.7	0.9		56.8		69.1		12.3
Public Service GR / Consumption Tax		98.9		97.8		(1.1)	0.0	0.0	_	197.8	_	195.6		(2.2)
Total Misc. Taxes and Other Revenues	\$	701.1	\$	732.3	\$	31.2	0.7 %	1.9 %	\$	1,397.5	\$	1,450.7	\$	53.2
TOTAL GF REVENUES	\$	19,000.4	\$	19,051.6	\$	51.2	3.6 %	2.9 %	\$	37,338.4	\$	37,571.4	\$	233.0
TRANSFERS														
A.B.C. Profits	\$	89.8	\$	101.4	\$	11.6	6.5 %	4.2 %	\$	174.1	\$	198.7	\$	24.6
Sales Tax (0.375%)		376.8	•	371.6	•	(5.2)	2.6	1.7	•	744.0	•	737.0	-	(7.0)
Transfers Per Appropriations Act		108.6		109.3		0.7	0.1	0.1		217.1		218.5		1.4
Total Transfers	\$	575.2	\$	582.3	\$	7.1	2.7 %	1.8 %	\$	1,135.2	\$	1,154.2	\$	19.0
TOTAL GENERAL FUND	\$	19,575.6	¢	19,633.9	\$	58.3	3.6 %	2.8 %	\$	38,473.6	\$	38,725.6	\$	252.0
TO THE GENERAL FUND	Ψ=	19,575.0	Ψ=	13,033.3	۳	30.3	/ ₀	2.0 /0	Ψ.	30,473.0	Ψ_	30,723.0	Ψ =	£3£.U

The November forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same poicy assumptions in Chapter 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.

(Presented to the Governor's Advisory Council on Revenue Estimates) The Interim to November Pessimistic General Fund Forecast for Fiscal Year 2017 (Dollars in Millions)

November 17, 2016

		Interim		Nov Pess	al Year	2017	% Growth	Over FY 16
		Forecast		Forecast	C	hange	Interim	Nov Pess
MAJOR TAX SOURCES								
Corporate Income	\$	742.1	\$	791.2	\$	49.1	(3.0) %	3.4 %
Individual Income Tax:								
Gross		14,678.5		14,641.6		(36.9)	2.1	1.8
Withholding		11,646.0		11,663.6		17.6	3.0	3.2
Nonwithholding		3,032.5		2,978.0		(54.5)	(1.2)	(3.0)
Refunds		(1,894.1)		(1,866.6)		27.5	<u>4.0</u>	2.5
Net		12,784.4		12,775.0		(9.4)	1.8	1.7
Insurance Company Premiums		343.5		344.1		0.6	1.3	1.5
State Sales & Use Tax		3,382.2		3,289.3		(92.9)	2.6	(0.2)
Wills, Suits, Deeds, & Contract Fees	_	389.4	_	384.8		(4.6)	5.5	4.3
Total Major Tax Sources	\$	17,641.6	\$	17,584.4	\$	(57.2)	1.8 %	1.5 %
MISCELLANEOUS TAXES AND OTHER	REV	ENUES						
Alcoholic Beverage State Tax	\$	169.6	\$	181.3	\$	11.7	(3.3) %	3.4 %
Bank Franchise Tax		18.7		18.4		(0.3)	5.1	3.4
Beer & Beverage Excise Tax		41.8		42.3		0.5	(1.1)	0.1
Corporate Franchise & Charter Fees		45.6		50.0		4.4	(15.0)	(6.8)
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	(7.5)	(3.4)
Estate & Gifts		0.0		0.0		0.0	n/a	n/a
Institutional Revenues		7.3		6.0		(1.3)	39.0	14.2
Interest & Rents		55.2		61.8		6.6	4.9 %	17.5
Licenses & Permits		4.0		4.1		0.1	(3.1) %	(0.6)
Miscellaneous Taxes and Penalties		233.8		229.4		(4.4)	(2.7) %	(4.5)
Other Miscellaneous Revenues		28.3		34.4		6.1	(27.0) %	(11.3)
Public Service GR / Consumption Tax	_	98.9	_	97.8	_	(1.1)	6.8 %	5.6
Total Misc. Taxes and Other Revenues	\$	696.4	\$	718.4	\$	22.0	(2.7) %	0.4 %
TOTAL GF REVENUES	\$	18,338.0	\$	18,302.8	\$	(35.2)	1.7 %	1.5 %
TRANSFERS								
A.B.C. Profits	\$	84.3	\$	97.3	\$	13.0	(2.5) %	12.5 %
Sales Tax (0.375%)	Ψ	367.2	Ψ	365.4	Ψ	(1.8)	3.3	2.8
Transfers Per Appropriations Act		108.5		109.2		0.7	(9.3)	(8.7)
Total Transfers	\$	560.0	\$	571.9	\$	11.9	(0.3) %	1.8 %
10141 1141131613	Ψ	300.0	Ψ	571.9	Ψ	11.3	(0.5) /6	1.0 /6
TOTAL GENERAL FUND	\$_	18,898.0	\$_	18,874.7	\$	(23.3)	1.6 %	1.5 %

The November Pessimistic forecast is based on the October 2016 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same poicy assumptions in Chapter 780.

The Interim forecast is based on the May 2016 IHS Markit 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.

(Presented to the Governor's Advisory Council on Revenue Estimates) The Interim to Novmeber Pessimistic General Fund Forecast for Fiscal Year 2018 (Dollars in Millions)

November 17, 2016

				Fis	cal Ye	ear 2018				2	2016-2	2018 Bienniu	m	
		Interim		Nov Pess			% Growth (Interim		Nov Pess		
		Forecast	_	Forecast		Change	Interim	Nov Pess	_	Forecast	_	Forecast		Change
MAJOR TAX SOURCES														
Corporate Income	\$	724.0	\$	688.7	\$	(35.3)	(2.4) %	(13.0) %	\$	1,466.1	\$	1,479.9	\$	13.8
Individual Income Tax:														
Gross		15,318.2		14,771.7		(546.5)	4.4	0.9		29,996.7		29,413.3		(583.4)
Withholding		12,037.4		12,068.2		30.8	3.4	3.5		23,683.4		23,731.8		48.4
Nonwithholding		3,280.8		2,703.5		(577.3)	8.2	(9.2)		6,313.3		5,681.5		(631.8)
Refunds		(1,968.2)		(2,046.1)		(77.9)	<u>3.9</u>	9.6		(3,862.3)		(3,912.7)		(50.4)
Net		13,350.0		12,725.6		(624.4)	4.4	(0.4)		26,134.4		25,500.6		(633.8)
Insurance Company Premiums		354.5		329.9		(24.6)	3.2	(4.1)		698.0		674.0		(24.0)
State Sales & Use Tax		3,481.4		3,350.4		(131.0)	2.9	1.9		6,863.6		6,639.7		(223.9)
Wills, Suits, Deeds, & Contract Fees	_	389.4	_	358.4	_	(31.0)	0.0	(6.9)	_	778.8	_	743.2	_	(35.6)
Total Major Tax Sources	\$	18,299.3	\$	17,453.0	\$	(846.3)	3.7 %	(0.7) %	\$	35,940.9	\$	35,037.4	\$	(903.5)
MISCELLANEOUS TAXES AND OTHER	RE	VENUES												
Alcoholic Beverage State Tax	\$	173.2	\$	187.9	\$	14.7	2.1 %	3.6 %	\$	342.8	\$	369.2	\$	26.4
Bank Franchise Tax		18.7		18.4		(0.3)	0.0	0.0		37.4		36.8		(0.6)
Beer & Beverage Excise Tax		41.8		42.3		0.5	0.0	0.0		83.6		84.6		1.0
Corporate Franchise & Charter Fees		45.6		50.0		4.4	0.0	0.0		91.2		100.0		8.8
Excess & Other Fees from Officers		(6.8)		(7.1)		(0.3)	0.0	0.0		(13.6)		(14.2)		(0.6)
Estate & Gifts		0.0		0.0		0.0	n/a	n/a		0.0		0.0		n/a
Institutional Revenues		7.3		6.0		(1.3)	0.0	0.0		14.6		12.0		(2.6)
Interest & Rents		55.2		61.8		6.6	0.0	0.0		110.4		123.6		13.2
Licenses & Permits		4.0		4.1		0.1	0.0	0.0		8.0		8.2		0.2
Miscellaneous Taxes and Penalties		234.7		236.4		1.7	0.4	3.1		468.5		465.8		(2.7)
Other Miscellaneous Revenues		28.5		34.7		6.2	0.7	0.9		56.8		69.1		12.3
Public Service GR / Consumption Tax	_	98.9	_	97.8	_	(1.1)	0.0	0.0	_	197.8	_	195.6	_	(2.2)
Total Misc. Taxes and Other Revenues	\$	701.1	\$	732.3	\$	31.2	0.7 %	1.9 %	\$	1,397.5	\$	1,450.7	\$	53.2
TOTAL GF REVENUES	\$	19,000.4	\$	18,185.3	\$	(815.1)	3.6 %	(0.6) %	\$	37,338.4	\$	36,488.1	\$	(850.3)
TRANSFERS														
A.B.C. Profits	\$	89.8	\$	101.4	\$	11.6	6.5 %	4.2 %	\$	174.1	\$	198.7	\$	24.6
Sales Tax (0.375%)	•	376.8	•	371.6		(5.2)	2.6	1.7	•	744.0	•	737.0	•	(7.0)
Transfers Per Appropriations Act		108.6		109.3		0.7	0.1	0.1		217.1		218.5		1.4
Total Transfers	\$	575.2	\$	582.3	\$	7.1	2.7 %	1.8 %	\$	1,135.2	\$	1,154.2	\$	19.0
TOTAL CENEDAL ELIND	•	10 E7E C	•	40 767 C	¢	(000 O)	3.6 %	(0.6) °/	¢	29 472 0	¢	27.642.2	•	(024.2)
TOTAL GENERAL FUND	\$ _	19,575.6	\$_	18,767.6	\$ _	(808.0)	3.6 %	<u>(0.6)</u> %	\$ _	38,473.6	\$_	37,642.3	\$ _	(831.3)

The November Pessimistic forecast is based on the October 2016 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same poicy assumptions in Chapter 780.

The Interim forecast is based on the May 2016 IHS Markit 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.

Growth in Total General Fund Revenues Fiscal Year 1961 - Fiscal Year 2018

(Nominal - Actual Dollars)

<u>FY</u>	Total Revenues	<u>Growth</u>	<u>FY</u>	Total Revenues	<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%	80	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*	18,557,400,000	2.9%
89	5,478,912,000	8.4%	18*	19,158,500,000	3.2%

^{*}December 16, 2016 Forecast (Excludes Transfers)

Growth in Total General Fund Revenues Fiscal Year 1961 - Fiscal Year 2018

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	Total Revenues	Growth		<u>FY</u>	Total Revenues	Growth
61	1,305,078,458	-		90	8,376,347,561	-3.1%
62	1,360,362,736	4.2%		91	8,046,880,882	-3.9%
63	1,590,579,250	16.9%	•	92	8,044,653,791	0.0%
64	1,628,600,650	2.4%		93	8,578,513,287	6.6%
65	1,747,099,524	7.3%		94	8,896,536,252	3.7%
66	1,931,903,577	10.6%		95	9,224,054,960	3.7%
67	2,137,915,691	10.7%		96	9,666,373,193	4.8%
68	2,667,988,720	24.8%		97	10,257,196,129	6.1%
69	3,395,453,721	27.3%		98	11,176,458,599	9.0%
70	3,411,565,697	0.5%		99	12,204,713,208	9.2%
71	3,543,660,750	3.9%		00	13,335,577,256	9.3%
72	3,893,053,527	9.9%		01	13,395,989,144	0.5%
73	4,286,461,150	10.1%		02	12,652,789,100	-5.5%
74	4,393,093,500	2.5%	_	03	12,650,930,151	0.0%
75	4,447,709,532	1.2%		04	13,573,880,410	7.3%
76	4,578,272,939	2.9%		05	15,124,035,359	11.4%
77	4,958,490,361	8.3%		06	15,865,559,358	4.9%
78	5,463,309,898	10.2%		07	16,180,693,347	2.0%
79	5,581,033,040	2.2%		80	16,055,958,248	-0.8%
80	5,609,877,833	0.5%		09	14,343,747,495	-10.7%
81	5,595,800,306	-0.3%	_	10	14,162,825,697	-1.3%
82	5,672,330,103	1.4%		11	14,716,438,356	3.9%
83	5,755,682,660	1.5%		12	15,193,350,911	3.2%
84	6,315,446,582	9.7%		13	15,725,353,440	3.5%
85	6,805,773,788	7.8%		14	15,209,823,911	-3.3%
86	7,198,219,512	5.8%		15	16,211,700,183	6.6%
87	7,833,505,119	8.8%		16	16,296,386,631	0.5%
88	8,326,823,723	6.3%		17*	16,451,595,745	1.0%
89	8,641,817,035	3.8%		18*	16,601,819,757	0.9%

^{*} December 16, 2016 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS For Fiscal Years 2017 Through 2022 \$ (Millions)

Actual 2016 2017 2018 2019 2020 2021 2022 Taxes: Motor vehicle fuel tax \$848.3 \$856.0 \$865.0 \$873.5 \$879.3 \$888.3 \$898.0 Unemployment compensation payroll tax \$582.9 \$468.8 \$427.7 \$411.7 \$421.9 \$440.9 \$455.2 Special highway tax from sales tax \$701.4 \$741.6 \$752.8 \$769.1 \$785.8 \$803.8 \$814.6 Motor vehicle sales tax and use tax \$919.0 \$938.0 \$947.3 \$965.0 \$971.8 \$978.3 \$980.9 Other taxes \$1,500.4 \$1,504.3 \$1,523.4 \$1,535.0 \$1,556.3 \$1,576.2 \$1,595.1 Total \$4,551.9 \$4,508.7 \$4,516.2 \$4,554.2 \$4,615.0 \$4,687.5 \$4,743.8 Rights and privileges: Motor Vehicle Licenses \$338.5 \$367.1 \$369.5 \$370.1 \$370.7 \$373.5 \$373.1 Other Rights & Privileges \$708.1 \$709.7 \$717.7 \$730.7 \$735.6 \$741.2 \$724.6 \$1,046.6 \$1,076.9 Total \$1,087.2 \$1,100.8 \$1,106.3 \$1,114.7 \$1,097.6 Sales of property and commodities: \$886.0 Alocholic Beverage Sales \$815.2 \$736.6 \$781.7 \$850.0 \$923.7 \$962.9 Other Sales \$814.6 \$883.4 \$825.5 \$810.1 \$811.4 \$811.7 \$812.1 Total \$1,551.2 \$1,665.1 \$1,640.7 \$1,660.1 \$1,697.4 \$1,735.4 \$1,775.0 Assessment & Receipts for **Support of Special Services:** \$648.0 \$650.3 \$692.4 \$734.8 \$779.6 \$828.0 \$880.4 Institutional revenue: Institutions of Higher Education ² \$2,523.4 \$5,528.9 \$5,811.2 \$6,034.2 \$6,222.2 \$6,426.9 \$6,628.5 Other Educational Institutions \$3.7 \$4.0 \$4.0 \$3.9 \$3.9 \$3.9 \$3.9 Medical Hospitals² \$0.0 \$1,803.5 \$1,946.6 \$1,882.8 \$1,883.2 \$1,953.6 \$2,037.9 Mental Hospitals \$239.9 \$206.9 \$198.6 \$121.2 \$170.7 \$169.2 \$124.3 Corrections \$59.0 \$55.4 \$55.5 \$55.3 \$55.6 \$56.1 \$56.1 Other Institutions \$60.4 \$75.5 \$73.1 \$73.6 \$76.2 \$78.1 \$71.0 **Total** \$2,886.4 \$7,674.1 \$8,086.8 \$8,219.9 \$8,407.5 \$8,641.0 \$8,925.7 Interest dividends and rents: \$120.8 \$178.4 \$190.1 \$201.3 \$210.0 \$215.2 \$225.0 Grants and donations: Federal grants and contracts \$9.219.3 \$10.511.6 \$10.592.5 \$10.781.6 \$10.811.6 \$10.872.4 \$10.945.0 Other grants & contracts \$129.2 \$235.4 \$165.9 \$162.8 \$158.9 \$161.0 \$155.9 Total \$9,348.5 \$10,746.9 \$10,758.4 \$10,944.4 \$10,970.5 \$11,033.4 \$11,100.9 Other Revenue: \$2,016.5 \$1,851.4 \$1,885.2 \$1,901.8 \$1,865.2 \$1,947.2 \$1,963.6

Total Nongeneral Fund Revenue: 1	\$22,169.9	\$28,365.7	\$28,823.2	\$29,300.6	\$29,688.2	\$30,202.2	\$30,712.0
\$ Amount change from previous year % Change from previous year		\$6,195.8 27.9%	\$457.6 1.6%	\$477.4 1.7%	\$387.5 1.3%	\$514.0 1.7%	\$509.8 1.7%

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

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

FY 2017 Revised Estimate August 26, 2016

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)	(2)	(9)	(2)	(8)	(9) % Annual
				November		>	Year-To-Date		Growth
	FY 2017	As a % of			%			%	Req By
Revenue	Estimate	Gen Fund Rev	FY 2017	FY 2016	Change	FY 2017	FY 2016	Change	Est
Individual Income Tax:									
Withholding	\$11,646,000	63.50	\$990,380	\$833,271	18.9	\$4,718,301	\$4,407,008	7.1	3.0
Tax Dues/Estimated Payments	3,032,500	16.54	54,780	49,512	10.6	635,251	631,302	9.0	(1.2)
Gross Individual Income Tax	\$14,678,500	80.04	\$1,045,160	\$882,783	18.4	\$5,353,552	\$5,038,310	6.3	2.1
Individual and Fiduciary Income									
(Refunds)	(1,894,100)	(10.32)	(33,985)	(43,828)	(22.5)	(233,936)	(252,101)	(7.2)	4.0
Net Individual Income Tax	\$12,784,400	69.72	\$1,011,175	\$838,955	20.5	\$5,119,616	\$4,786,209	7.0	1.8
Sales and Use Tax	\$3,382,200	18.45	\$268,996	\$296,383	(9.2)	\$1,189,745	\$1,220,251	(2.5)	2.6
Corporations Income Tax	742,100	4.05	(4,885)	(14,462)	66.2	172,440	140,256	22.9	(3.0)
Wills, Suits, Deeds, Contracts	389,400	2.12	30,402	25,368	19.8	173,005	153,170	12.9	5.5
Insurance Premiums	343,500	1.87	0	0		0	0		1.3
Interest Income (a)	54,900	0:30	7,754	6,803	14.0	29,539	24,698	19.6	5.3
Alcoholic Beverage Sales (b)	211,400	1.15	46,606	44,676	4.3	64,532	63,651	1.4	(2.8)
All Other Revenues	430,100	2.34	29,773	28,209	5.5	141,352	150,285	(5.9)	(3.5)
Total General Fund Revenues	\$18,338,000	100.00	\$1,389,821	\$1,225,932	13.4	\$6,890,229	\$6,538,520	5.4	1.7

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.

Commonwealth of Virginia/Department of Accounts General Fund Statement of Revenue Collections and Estimates For the Fiscal Years 2016 and 2017 FY 2017 Revised Estimate August 26, 2016

			(Dollars in Thousands)	housands)					
	Ξ	(3)	(3)	4)	(2)	(9)	(2)	(8)	6)
		As a %		November			Year-To-Date		% Annual
	FY 2017	of Total			%			%	Growth
Revenue	Estimate	Gen Fund Rev	FY 2017	FY 2016	Change	FY 2017	FY 2016	Change	Red By Est
Taxes:		;							,
Individual Income Tax - Withholding	\$11,646,000	63.50	\$990,380	\$833,271	18.9	\$4,718,301	\$4,407,008	7.1	3.0
Tax Dues/Estimated Payments	3,032,500	16.54	54,780	49,512	10.6	635,251	631,302	9.0	(1.2)
Gross Individual Income Tax	\$14,678,500	80.04	\$1,045,160	\$882,783	18.4	\$5,353,552	\$5,038,310	6.3	2.1
Individ and Fiduc Income (Refunds)	(1,894,100)	(10.32)	(33,985)	(43,828)	(22.5)	(233,936)	(252,101)	(7.2)	4.0
Net Individual Income Tax	\$12,784,400	69.72	\$1,011,175	\$838,955	20.5	\$5,119,616	\$4,786,209	7.0	1.8
Sales and Use Tax	3,382,200	18.45	268,996	296,383	(9.2)	1,189,745	1,220,251	(2.5)	2.6
Corporations Income	742,100	4.05	(4,885)	(14,462)	66.2	172,440	140,256	22.9	(3.0)
Public Service Corporations	98,900	0.54	5,874	5,737	2.4	35,342	34,298	3.0	8.9
Insurance Premiums	343,500	1.87	0	0		0	0	•	1.3
Alcoholic Beverage Excise	169,600	0.92	43,424	41,324	5.1	45,786	44,747	2.3	(3.3)
Beer and Beverage Excise	41,800	0.23	3,182	3,352	(5.1)	18,746	18,904	(0.8)	(1.1)
Wills, Suits, Deeds, Contracts	389,400	2.12	30,402	25,368	19.8	173,005	153,170	12.9	5.5
Inheritance, Gift, and Estate	0	0.00	0	89	(100.0)	253	89	272.1	(100.0)
Bank Franchise	18,700	0.10	15	0		(914)	73	#	5.1
Other Taxes	7,900	0.04	1,614	1,208	33.6	3,275	5,880	(44.3)	(44.0)
Total Taxes	\$17,978,500	98.04	\$1,359,797	\$1,197,933	13.5	\$6,757,294	\$6,403,856	5.5	1.8
Rights and Privileges:									
Licenses and Permits	\$4,000	0.02	\$393	\$433	(9.2)	\$1,665	\$1.714	(5.9)	(3.1)
Corp. Franchise and Charters	45,600	0.25	501	517	(3.1)	2,671	2,571	3.9	(15.0)
Fees for Misc. Privileges & Services	11,300	0.06	535	564	(5.1)	3,867	3,550	8.9	3.1
Total Rights and Privileges	\$60,900	0.33	\$1,429	\$1,514	(5.6)	\$8,203	\$7,835	4.7	(11.4)
Other Revenues:									
Sales of Property & Commodities	80	0.00	\$0	\$0		6\$	\$216	(95.8)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	2	0		86	106	(18.9)	(1.5)
Institutional Revenue	7,300	0.04	183	952	(80.8)	1,184	5,227	(77.3)	39.0
Interest (a)	54,900	0:30	7,754	6,803	14.0	29,539	24,698	19.6	5.3
Dividends and Rent	300	0.00	41	28	46.4	315	323	(2.5)	(33.8)
Fines, Forfeitures & Fees	225,900	1.23	20,027	18,351	9.1	94,599	92,766	(1.2)	(0.1)
Other Revenue	8,600	0.05	899	267	150.2	167	1,444	(88.4)	(54.3)
Excess Fees	(008'9)	(0.04)	(683)	(282)	(16.8)	(4,000)	(3,609)	(10.8)	7.5
Private Donations, Gifts & Cont.	0	0.00	0	0		0	0	,	(100.0)
Cities, Counties, and Towns	8,000	0.05	603	699	(6.9)	2,833	2,658	9.9	8.8
Total Other Revenues	\$298,600	1.63	\$28,595	\$26,485	8.0	\$124,732	\$126,829	(1.7)	(1.9)
Total General Fund Revenues	\$18,338,000	100.00	\$1,389,821	\$1,225,932	13.4	\$6,890,229	\$6,538,520	5.4	1.7
# Percentage is greater than or equal to 1.000%.									

[#] 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)

								% Annual
			November			Year-To-Date		Growth
	FY 2017			%			%	Required
	Estimate (a)	FY 2017	(b) FY 2016	Change	FY 2017	(b) FY 2016	Change	(c) By Estimate
Lottery Collections								
Total Lottery Sales	\$1,957,100	\$166,993	\$148,414	12.5	\$807,504	\$763,013	3 5.8	(2.5)
Other Income	1,000	75	117	(35.9)	553	469	9 17.9	
Total Income	\$1,958,100	\$167,068	\$148,531	12.5	\$808,057	\$763,482	12 5.8	(2.5)
Less:								
Prize Expenses	\$1,198,420	\$102,919	\$88,250	16.6	\$484,630	\$458,092		(0.8)
Retailer Commissions	110,813	9,286	8,205	13.2	45,318	43,055	5 5.3	
Operating Expenses	107,636	8,390	7,446	12.7	40,294	38,691		
Total Expenses	\$1,416,869	\$120,595	\$103,901	16.1	\$570,242	\$539,838	9.5	(0.2)
Net Proceeds from Operations								
Net Lottery Ticket Profits	\$541,231	\$46,473	\$44,630	4.1	\$237,815	\$223,644	4 6.3	1.2
Prior Year Residual Profit Transfer	20,296	0	0	•	53,486	4,255	# 9:	•
Available to Lottery Proceeds Fund	\$561,527	\$46,473	\$44,630	4.1	\$291,301	\$227,899	9 27.8	4.2

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

⁽a) FY 2017 estimate established by Chapter 780, 2016 Acts of Assembly (2017-2018 Appropriation Act). Prior Year Residual Profit Transfer shown here as the Prior Year Residual Profit Transfer reflects the anticipated residual transfer already included in the FY 2017 estimate of \$53,486,355 was made on August 16, 2016. 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 reflected in Chapter 780.

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

									% Annual
		As a %		November			Year-To-Date		Growth
	FY 2017	of Total			%			%	Required
Revenue	Estimate	Fund	FY 2017	FY 2016	Change	FY 2017	FY 2016	Change	By Estimate
Motor Fuel Taxes	\$896,800	18.82	\$67,392	\$75,103	(10.3)	\$307,919	\$309,223	(0.4)	4.2
Priority Transportation Fund (PTF)	163,142	3.42	8,218	9,265	(11.3)	138,653	133,819	3.6	8.5
Motor Vehicle Sales and Use Tax	966,800	20.29	76,459	64,820	18.0	422,846	398,839	0.0	1 .
State Sales and Use Tax	1,017,700	21.36	81,611	87,793	(7.0)	368,280	370,832	(0.7)	1.7
Motor Vehicle License Fees	246,800	5.18	19,108	16,707	14.4	106,240	103,843	2.3	(2.6)
International Registration Plan	61,700	1.29	4,243	3,677	15.4	20,632	21,214	(2.7)	(8.9)
Recordation Tax	45,400	0.95	3,671	3,163	16.1	21,414	18,522	15.6	2.7
Interest Earnings	12,100	0.25	09	37	62.2	1,724	840	105.2	227.1
Misc. Taxes, Fees, and Revenues	17,000	0.36	1,986	428	364.0	7,523	6,157	22.2	(7.8)
Total State Taxes and Fees	\$3,427,442	71.92	\$262,748	\$260,993	0.7	\$1,395,231	\$1,363,289	2.3	2.1

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

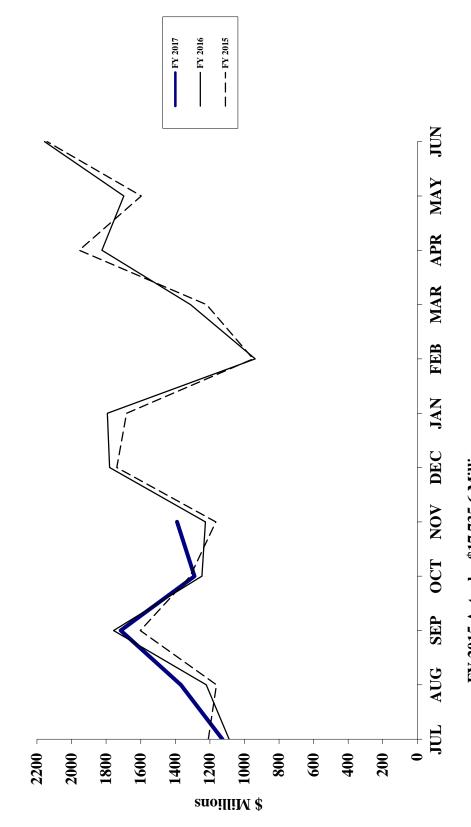
For the Fiscal Years 2016 and 2017 (Dollars in Thousands)

		% C 3 V		November			Year-To-Date		% Annual
STRONG O	FY 2017	of Total	EV 2047	EV 2046	%	EV 2047	20046	%	Required
HIGHWAY MAINTENANCE	Latinate	5	107	0.07		107	0107		בא בא
AND OPERATING FUND: Motor Fuel Taxes (Includes Road Tax)	\$716,600	15.04	\$54.255	\$61,809	(12.2)	\$249,204	\$247,875	0.5	4.2
Motor Vehicle Sales and Use Tax	006,969	14.62	55,357	45,371	22.0	303,502	283,816	6.9	6:0
State Sales and Use Tax	286,000	0.00	22,653	24,136	(6.1)	97,776	102,860	(4.9)	დ. (
Motor Vehicle License Fees International Registration Plan	224,800	4.72 1.29	17,490 4 243	15,247	14.7 15.4	97,064	94,682 21.214	2.5	(3.0) (0.6) (6.8)
Recordation Tax (1 cent) (a)	0	0.00	0	1,054		0	6,174	ij ,	(2::2)
Misc. Taxes, Fees, and Revenues	17,000	0.36	1,986	428	364.0	7,523	6,157	22.2	(7.8)
Total State Taxes and Fees	\$2,003,000	42.03	\$155,984	\$151,722	2.8	\$775,701	\$762,778	1.7	0.7
Other Revenues: Federal Grants and Contracts	0\$	0.00	\$3,819	\$4,276	(10.7)	\$28,220	\$14,512	94.5	(100.0)
Miscellaneous Revenues	18,044	0.38	1,234	1,348	(8.5)	8,547	6,339	(8.5)	(32.9)
Trust Fund	102,896	2.16	0	0		25,000	0		15.4
Total Highway Maintenance and Operating Fund	\$2,123,940	44.57	\$161,037	\$157,346	2.3	\$837,468	\$786,629	6.5	(0.9)
TRANSPORTATION TRUST FUND:									
(Includes Aviation & Road Taxes) PTF Insurance Premiums Tax	\$180,200 163,142	3.78	\$13,137 8,218	\$13,294 9,265	(1.2)	\$58,715 138,653	\$61,348 133,819	(4.3)	4.0 8.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	269,900	5.67	21,102	19,449	8.5	119,344	115,023	3.8	1.7
State Sales and Use Tax Motor Vehicle License Fees	731,700 22,000	15.36 0.46	58,958 1,618	63,657 1,460	(7.4) 10.8	270,504 9,176	267,972 9,161	0.9	1.1
Recordation Tax (a)	45,400	0.95	3,671	2,109		21,414	12,348	. 4 . 4 . 4	- 4 700
Interest Earnings Total State Taxes and Fees	\$1,424,442	29.89	\$106,764	\$109,271	(2.3)	1,724 \$619,530	\$600,511	3.2	4.2
Other Revenues: Federal Grants and Contracts	\$1,096,844	23.02	\$41,518	\$74,998	(44.6)	\$712,555	\$736,761	(3.3)	(2.4)
Receipts from Cities/Counties Toll Revenues (Includes Route 28)	200,869	4.21 0.34	10,938 999	2,828	286.8	65,592 5,402	26,387 5,367	148.6	59.4 (14.1)
Miscellaneous Revenues Total Other Revenues	6,245	0.13	2,888	4,234	(31.8)	12,794 \$796,343	11,471 \$779,986	2.1	(83.6)
Transfer (to) / from Highway Maintenance and Operating Fund Total Transportation Trust Fund	(\$102,896) \$2,641,604	(2.16)	\$0 \$163,107	\$0 \$192,260	(15.2)	(\$25,000) \$1,390,873	\$0\$	0.8	(15.4)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,765,544	100.00	\$324,144	\$349,606	(7.3)	\$2,228,341	\$2,167,126	2.8	0.8

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

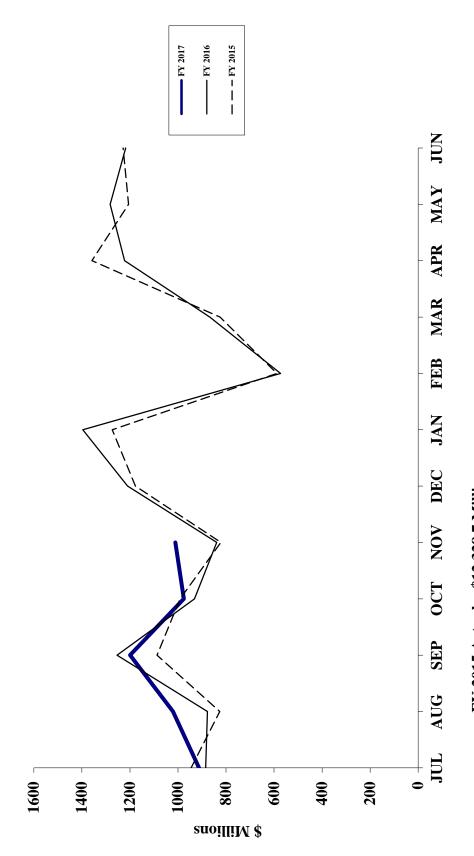
Accordingly, the "Recordation Tax (1 cent)" line item was removed from the Highway Maintenance and Operating Fund FY 2017 Revenue Forecast. All FY 2017 Recordation Taxes are included in the Transportation Trust Fund Revenue Forecast in the "Recordation Tax" line item. Since there will be no collections 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 (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. Recordation Tax lines are not provided.

Total General Fund Revenues



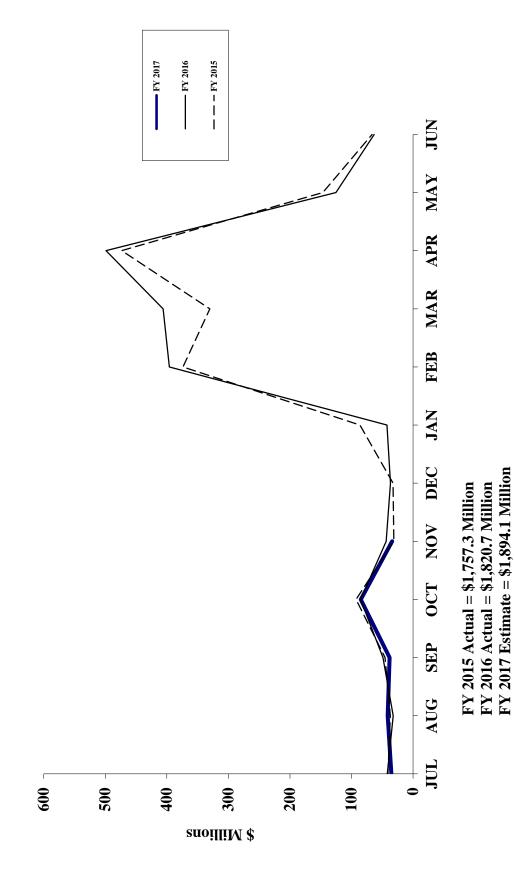
FY 2015 Actual = \$17,735.6 Million FY 2016 Actual = \$18,040.1 Million FY 2017 Estimate = \$18,338.0 Million

Net Individual Income Tax



FY 2015 Actual = \$12,328.7 Million FY 2016 Actual = \$12,555.6 Million FY 2017 Estimate = \$12,784.4 Million

Individual and Fiduciary Income Tax Refunds



DEPARTMENT OF THE TREASURY

General Account Investment Portfolio Monthly Average Balances and Rates For the Fiscal Year 2017 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY	UIDITY	EXTERNAL MANAGEMENT	ANAGEMENT	COMPOSITE	11	TREASURY 1 YR.
							MATURITY ¹
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	Yield
July, 2016	\$4,183.5	%69.0	\$1,269.5	4.46%	\$5,453.0	1.57%	0.51%
August	\$3,648.3	%69:0	\$1,270.9	-1.35%	\$4,919.2	0.16%	0.57%
September	\$4,021.4	0.74%	\$1,270.4	0.84%	\$5,291.8	%92.0	0.59%
October	\$4,299.8	0.82%	\$1,268.7	-4.89%	\$5,568.5	-0.48%	0.66%
November	\$4,149.7	0.82%	\$1,256.6	-18.78%	\$5,406.3	-3.74%	0.74%
December							
January, 2017							
February							
March							
April							
Мау							
June							
Year-to-Date Average	\$4,060.5	0.75%	\$1,267.2	-3.85%	\$5,327.7	-0.34%	0.61%

[•] 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

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$235,485,176	\$0	0\$	0\$	\$235,485,176
August	\$235,485,176	\$0	0\$	0\$	\$235,485,176
September	\$235,485,176	\$0	80	0\$	\$235,485,176
October	\$235,485,176	\$0	\$0	\$751,231	\$236,236,407
November	\$236,236,407	\$0	\$0	0\$	\$236,236,407
December					
January					
February					
March					
April					
Мау					
June					

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