

# **Governor Warner's Proposed Amendments to the 2002-2004 Budget**

Fiscal Policy,  
Economic Assumptions,  
and Revenue Estimates



**John M. Bennett**  
Secretary of Finance  
Commonwealth of Virginia

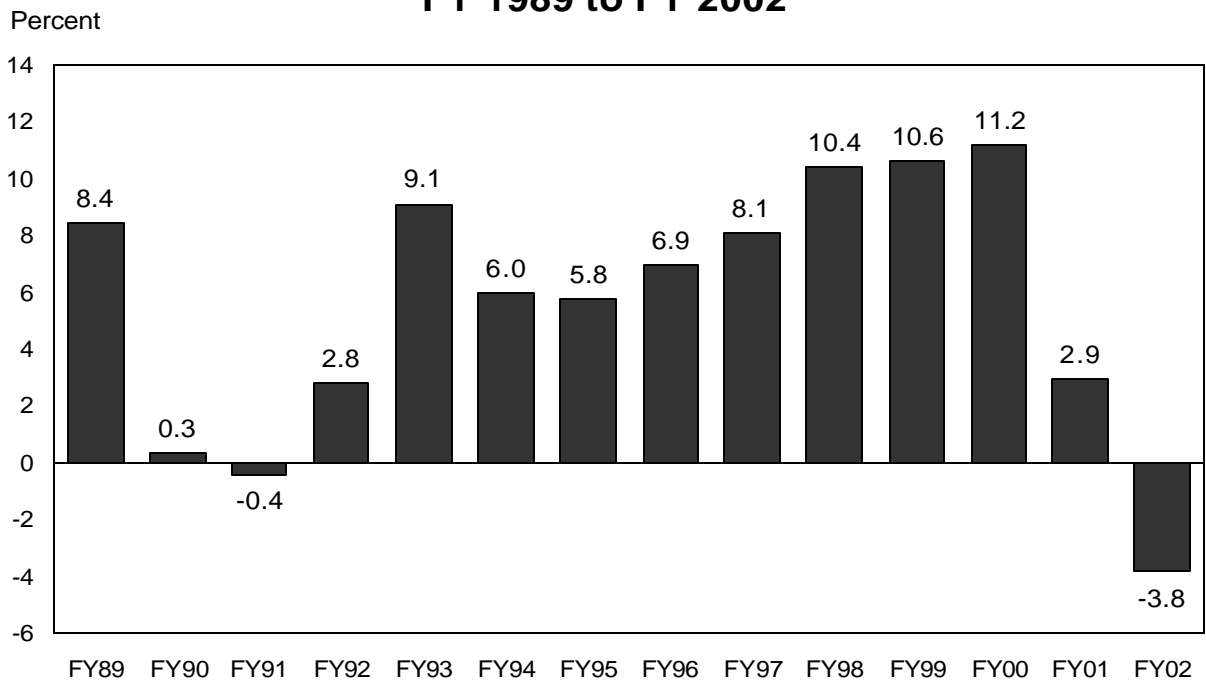
## *Outline...*

- FY 2002 Shortfall
- Interim Revenue Reforecast
- November Economic Outlook
- December Revenue Forecast
- Key Policy Changes Impacting Revenues

## ***FY 2002 ended with a significant revenue shortfall...***

- During FY 2002, actual general fund collections fell \$237 million below the forecast.
  - For the year, total general fund revenues declined 3.8% -- the weakest performance in at least 40 years.
  - Weakness in individual income tax was primarily responsible.

**Total General Fund Revenue Growth  
FY 1989 to FY 2002**



- The substantial shortfall led the Governor to direct an official revenue reforecast, ahead of schedule.

## ***Key economic indicators showed weakness in the Virginia economy...***

- In July, the Governor's economic advisors predicted that economic weakness would continue through FY 2003, with no significant rebound until FY 2004. They recommended the "low growth" scenario.

### **August "Low Growth" Scenario**

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
Employment			
Official	0.5	0.9	3.7
Low Growth	(0.9)	0.2	1.9
Wages and Salaries			
Official	4.2	3.9	7.8
Low Growth	2.0	4.0	5.4
Average Wage			
Official	3.6	2.9	3.9
Low Growth	2.9	3.8	3.5
Personal Income			
Official	3.5	3.3	6.5
Low Growth	1.9	3.0	5.3

## *The weaker economic outlook was the basis of the August revenue reforecast...*

- General fund revenues were reduced by \$1.3 billion.
  - Growth rates were reduced to 0.8% in FY03 and 4.6% in FY04.

### **August “Low Growth” Revenue Reductions**

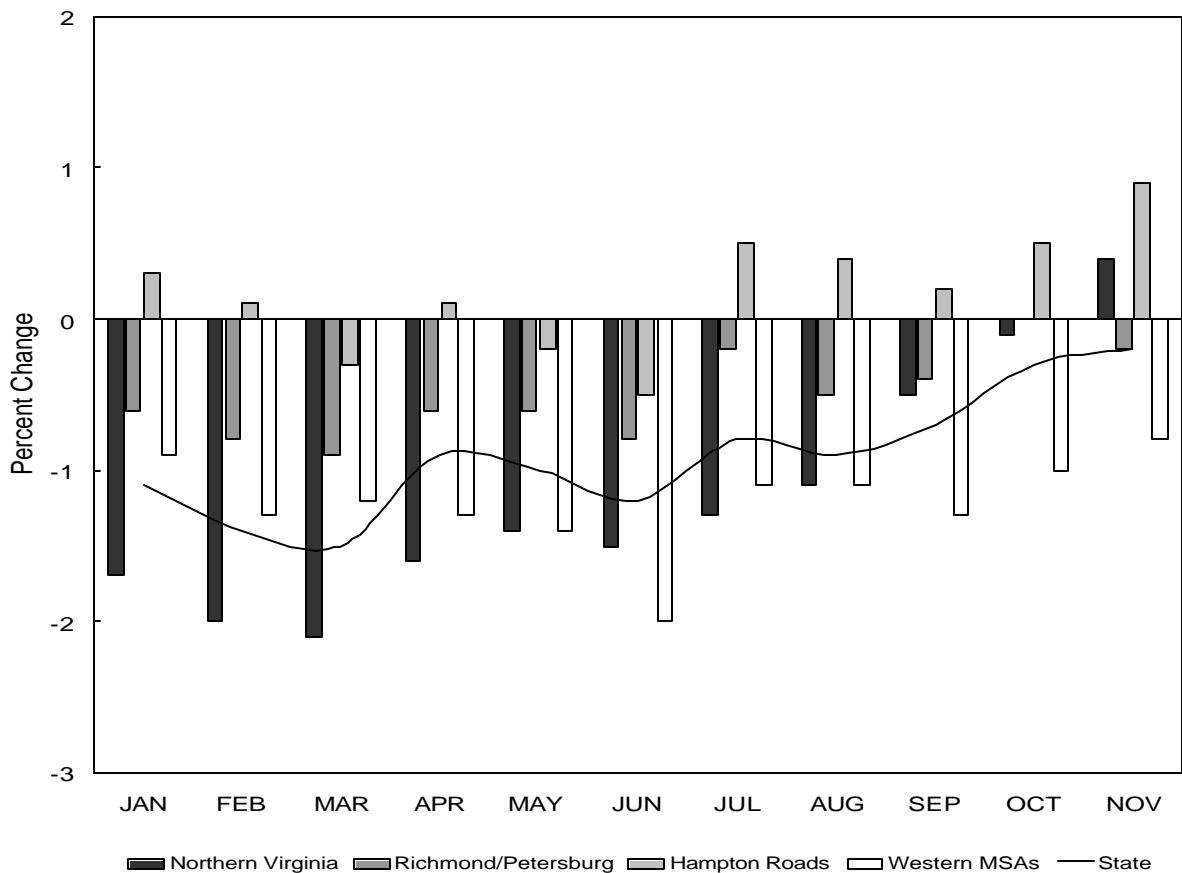
(in millions)

	<u>FY03</u>	<u>FY04</u>	<u>Total</u>
Withholding	(\$202.3)	(\$245.9)	(\$448.2)
Nonwithholding	(\$187.4)	(\$216.7)	(\$404.1)
Refunds	<u>(\$73.9)</u>	<u>(\$94.4)</u>	<u>(\$168.3)</u>
Net	(463.6)	(557.0)	(\$1,020.6)
Sales	(\$31.5)	(\$83.9)	(\$115.4)
Corporate	(\$31.1)	(\$59.1)	(\$90.2)
Insurance	\$8.0	\$6.1	\$14.1
Public Service	(\$15.0)	(\$18.0)	(\$33.0)
All Other Revenue	<u>\$9.4</u>	<u>(\$48.0)</u>	<u>(\$38.6)</u>
Total GF	<b>(523.8)</b>	<b>(759.9)</b>	<b>(1,283.7)</b>

## Current employment picture in Virginia reveals job losses are slowing...

- Job growth has been negative for 16 months, but job losses are slowing considerably.
  - In November, Northern Virginia had positive growth in almost every sector.
  - Hampton Roads has shown modest job growth for five months.

### Monthly Employment Growth in Calendar Year 2002



## *The November economic forecast is essentially the low growth forecast selected in August...*

- The fall forecasting process resulted in few changes to the underlying economic projections.
  - Employment and wage and salary projections were reduced for FY 2003, but increased slightly for FY 2004.

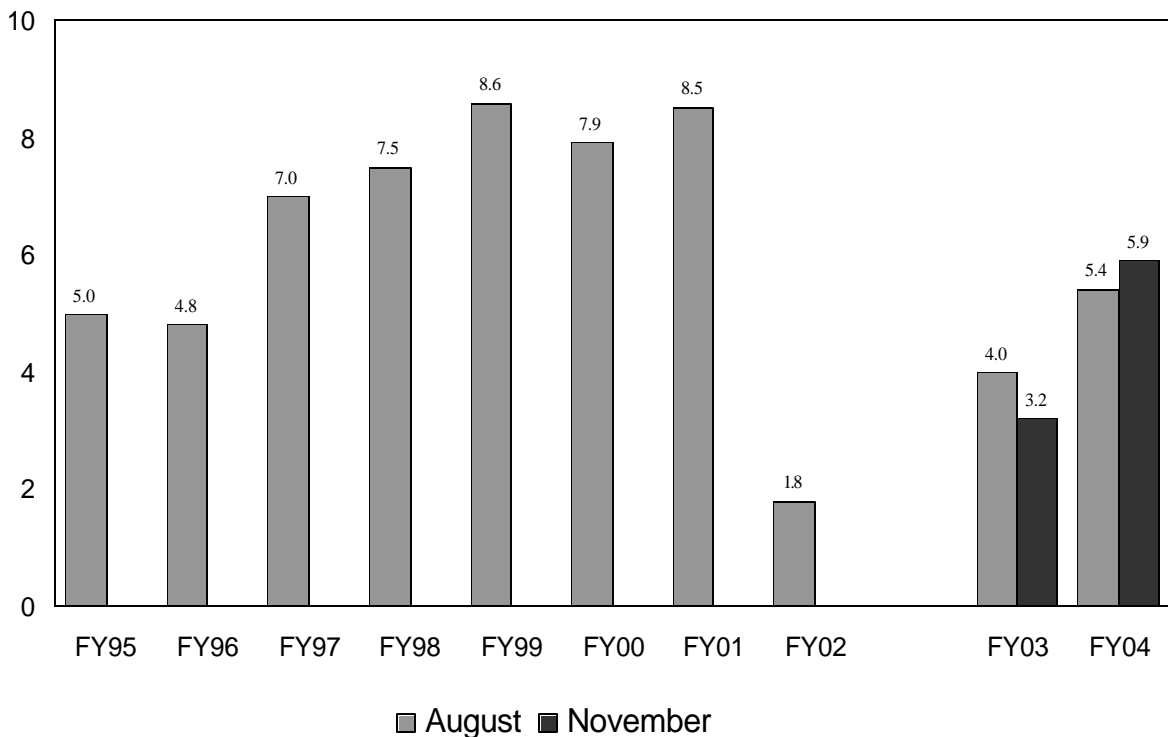
### **August and November Outlook Comparison**

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
<b>Employment</b>			
August	(0.9)	0.2	1.9
November	(0.8)	(0.4)	1.4
<b>Wages and Salaries</b>			
August	2.0	4.0	5.4
November	1.8	3.2	5.9
<b>Average Wages</b>			
August	2.9	3.8	3.5
November	2.6	3.6	4.4
<b>Personal Income</b>			
August	1.9	3.0	5.3
November	3.1	5.4	4.9

# *Wages and salaries are projected to be slightly weaker, due to weaker employment outlook...*

## Virginia Wages and Salaries Growth FY 1995-02 Actual and FY 2003-04 Forecast

Percent



- Stock options and bonuses to high-tech workers disappeared in fiscal year 2002
- Average wages to increase by about 4% per year in fiscal years 2003 and 2004



## ***Projections for withholding have been reduced...***

- Withholding collections represent 62% of general fund revenues.
- Payroll withholding revenue model is based on a direct relationship to wages and salaries in Virginia.
  - Weak employment outlook and weaker wages and salaries projections impact withholding.
  - Year-to-date collections trail the annual estimate.
- The economic forecast anticipates improvement in withholding over the remainder of the fiscal year.
- Projections for withholding have been reduced for both fiscal years.

FY 2003                      (\$51.4) million

FY 2004                      (\$41.1) million

## ***Projections for nonwithholding payments have also been reduced...***

- Nonwithholding consists of quarterly estimated payments and a single final payment.

### Estimated Payments

- Estimated payment forecast is relatively unchanged.
  - Forecast calls for an 8% decline.
  - Fiscal year-to-date payments are down 5.6%.
  - Only 30% of fiscal year payments have been received.

### Final Payment

- Considerable uncertainty remains about tax due (final) payments, about 40 percent of which come from capital gains.
  - Year-to-date, S&P 500 index is down about 20%.
  - National CY02 projections on capital gains by Economy.com call for about a 25% decline.
- Tax due payment forecast now projects a 25% decline compared to the 15% decline projected in August.
- Projections for nonwithholding have also been reduced.

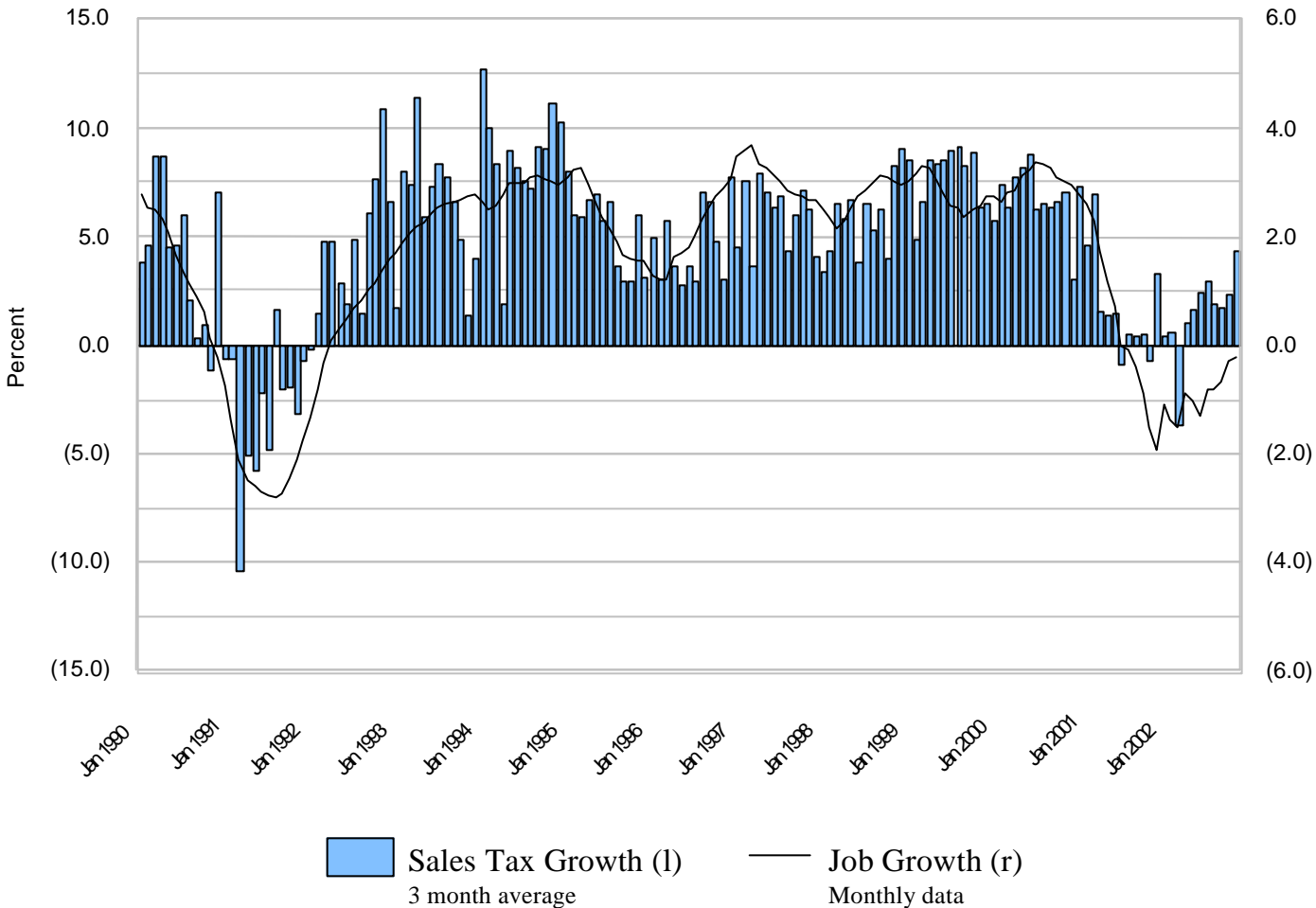
FY 2003                      (\$23.4) million

FY 2004                      (\$22.2) million

# Sales tax projections are unchanged as compared to the interim forecast...

- Sales revenue model is based on a direct relationship to total personal income in Virginia.
- Recent collections point to a mild recovery.
- Year-to-date collections are slightly ahead of the FY 2003 forecast, leading into the holiday season.

**Strong Indicator of Recovery -- Monthly Sales Tax Receipts**



## ***Economic changes produce marginal overall changes to the August revenue forecast...***

- Withholding and nonwithholding forecasts are slightly lower to reflect the softer job outlook and poor stock market performance for CY 2002.
- Corporate income tax receipts and other revenue sources offset these changes.
  - Corporate income tax receipts through November are above August projections.
  - Recordation tax collections are strong due to refinancing activity.

### **Summary of the December Forecast – Economics Only**

	Fiscal Year 03			Fiscal Year 04		
	<u>Estimate</u>	<u>% Change</u>	<u>\$ Change</u>	<u>Estimate</u>	<u>% Change</u>	<u>\$ Change</u>
Withholding	6,595.8	2.7%	\$ (51.4)	6,991.6	6.0%	\$ (41.1)
Nonwithholding	1,266.9	-13.2%	\$ (23.4)	1,313.6	3.7%	\$ (22.2)
Refunds	<u>-1,064.8</u>	<u>-9.1%</u>	<u>\$ (5.4)</u>	<u>-1,120.7</u>	<u>5.2%</u>	<u>\$ 11.9</u>
Net Individual	6,797.9	1.3%	\$ (80.2)	7,184.5	5.7%	\$ (51.4)
Sales	2,342.3	-3.6%	\$ 0.8	2,452.4	4.7%	\$ 3.4
Corporate	291.7	0.5%	\$ 23.9	313.9	7.6%	\$ 30.6
Insurance	308.1	5.3%	\$ 2.1	331.7	7.7%	\$ 5.7
Public Service	83.5	8.2%	\$ -	83.8	0.4%	\$ -
All other revenue	941.0	7.1%	\$ 54.0	893.1	-5.1%	\$ 12.4
Total	10,764.5	0.8%	\$ 0.6	11,259.4	4.6%	\$ 0.7
				<b>Total Change</b>		<b>\$ 1.3</b>

## ***Four additional efforts will add about \$63.8 million in revenue...***

### Tax Amnesty

- Proposed legislation creates a 60-day tax amnesty program in FY 2004 to encourage payment of taxes due.
  - Tax amnesty was last implemented in 1990.
  - Current proposal will waive all penalties and 50% of interest to encourage participation (1990 program did not waive interest).
    - ➔ Projected to produce about \$39.3 million (GF) in FY 2004.
    - ➔ Also benefits localities and Transportation Trust Fund.

### Tax Compliance

- Strengthened efforts to collect receivables and unpaid taxes.
  - Accelerate Desk Audit Program
  - Increase Collections Staff
  - Increase Field Audit
  - Strengthen Error Resolution
  - Provide adequate support to address inquiries
    - ➔ Projected to produce about \$2.0 million (GF) in FY 2003 and \$16.4 million (GF) in FY 2004.
    - ➔ Also benefits localities and Transportation Trust Fund.

## ***Four additional efforts will add about \$63.8 million in revenue (cont.)...***

### Federal Debt Setoff

- Program performs IRS offsets against delinquent accounts.
  - Projected to produce \$2.8 million (GF) in FY 2004.

### Vendor Registration

- Legislation proposed that will require vendors that do business with state government to collect the sales tax on all sales to Virginia residents.
- Proposed legislation modeled after North Carolina statute.
  - Projected to produce \$3.3 million (GF) in FY 2004.
  - Also benefits localities and the Transportation Trust Fund.

### GF Revenues and Costs

- Together, the four initiatives will produce about \$63.8 million in GF revenues over the biennium.
- Total GF costs of all programs is about \$12.3 million.

## ***Proposed legislation also addresses conformity with federal tax law...***

- Last March, the federal government adopted tax policy changes that would have reduced state general fund revenues by about \$310 million in FY 2002, FY 2003, and FY 2004.
- In response, the Governor and General Assembly fixed the date of conformity with federal law at December 31, 2001.
  - This addressed the revenue impact of federal income tax changes, but complicated tax filing for Virginia companies and taxpayers.
- Governor Warner is proposing legislation to advance the date of conformity to December 31, 2002, except for bonus depreciation and carry back of net operating losses, which would have created the revenue impact.
  - Proposal based on input from the Virginia Chamber of Commerce and Virginia Manufacturer's Association.
  - Proposal has an emergency clause.
- The result is certainty for taxpayers filing 2002 returns.
  - Also produces a small net increase in GF revenue.

## *These initiatives impact the December forecast...*

### Summary of December Forecast – Including Policy Changes

	Fiscal Year 03			Fiscal Year 04		
	<u>Estimate</u>	<u>% Change</u>	<u>\$ Change</u>	<u>Estimate</u>	<u>% Change</u>	<u>\$ Change</u>
Withholding	6,595.8	2.7%	\$ (51.4)	6,991.6	6.0%	\$ (41.1)
Nonwithholding	1,266.3	-13.2%	\$ (24.0)	1,326.1	4.7%	\$ (9.7)
Refunds	-1,062.8	-9.2%	\$ (3.4)	-1,115.9	5.0%	\$ 16.7
Net Individual	6,799.3	1.3%	\$ (78.8)	7,201.8	5.9%	\$ (34.1)
Sales	2,342.3	-3.6%	\$ 0.8	2,458.0	4.9%	\$ 9.0
Corporate	301.2	3.8%	\$ 33.4	315.9	4.9%	\$ 32.6
Insurance	308.1	5.3%	\$ 2.1	331.7	7.7%	\$ 5.7
Public Service	83.5	8.2%	\$ -	83.8	0.4%	\$ -
All other revenue	946.4	7.8%	\$ 59.4	946.7	0.0%	\$ 66.0
Total	10,780.8	1.0%	\$ 16.9	11,337.9	5.2%	\$ 79.2
					<b>Total Chg.</b>	<b>\$ 96.1</b>
<b>Net Change With Proposals</b>			<b>\$ 16.3</b>			<b>\$ 78.5</b>



## ***Risks to the forecast...***

- Overseas crises
- Future terrorist attacks
- Record low rates limit Fed response
- Continuing turmoil in financial markets
- High household debt burdens

## **APPENDIX**

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast for FY 2003 through FY 2010

Growth in General Fund Revenues FY 1961 through FY 2004

Nongeneral Fund Forecast for FY 2003 through FY 2008

Revenue Report through November 2002

**Fiscal Years 2001-2006 September & Interim  
U.S. Economic Forecasts - Income and Other Indicators**

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		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
<u>Output, Income and Spending (% Change)</u>							
GDP	-September Std.	4.2	2.6	4.5	6.4	5.4	5.3
	-Interim	5.1	2.8	5.1	6.4	6.0	5.1
Real GDP	-September Std.	1.8	0.8	2.8	3.9	3.2	3.2
	-Interim	2.7	1.2	3.3	4.0	3.5	2.8
Total Personal Income	-September Std.	6.4	2.1	4.3	5.0	4.9	5.0
	-Interim	6.6	3.2	4.8	6.2	5.8	5.0
Wages and Salaries	-September Std.	5.9	0.7	3.2	5.6	5.7	5.0
	-Interim	7.5	3.0	4.5	6.2	5.8	4.9
Average Wage (Nonag. Employ.)	-September Std.	4.6	1.5	3.2	3.8	4.0	3.9
	-Interim	6.1	3.5	3.5	4.0	3.7	3.7
Real Consumer Spending	-September Std.	3.3	2.7	3.0	2.9	2.4	2.9
	-Interim	4.0	3.1	3.5	3.6	3.4	2.8
<u>Interest Rates (%)</u>							
Treasury Bills	-September Std.	5.1	2.1	1.6	2.5	3.6	4.4
	-Interim	5.1	2.1	2.5	4.7	5.1	5.1
30-Year Treasury Bonds	-September Std.	5.7	5.5	5.2	5.8	6.2	6.5
	-Interim	5.7	5.5	6.0	6.4	6.2	6.2
<u>Prices (% Change)</u>							
CPI	-September Std.	3.4	1.8	2.3	2.9	2.9	2.7
	-Interim	3.4	1.8	2.4	2.6	2.6	2.6
GDP Deflator	-September Std.	2.3	1.7	1.7	2.4	2.1	2.0
	-Interim	2.3	1.6	1.8	2.4	2.4	2.3

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The September Std. forecast is DRI.WEFA Group's September 2002 U.S. standard forecast.  
The Interim forecast is DRI.WEFA Group's May 2002 U.S. standard forecast.

**Fiscal Years 2001-2006 September & Interim  
U.S. Economic Forecasts - Employment and Labor Markets**

		FY01	FY02	FY03	FY04	FY05	FY06
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	-September Std.	1.3	(0.8)	0.1	1.8	1.7	1.1
	-Interim	1.4	(0.5)	1.0	2.1	2.1	1.2
Manufacturing	-September Std.	(1.5)	(6.3)	(1.6)	0.5	1.4	1.5
	-Interim	(1.5)	(6.1)	(1.1)	0.8	0.8	1.2
Construction	-September Std.	1.8	(1.1)	(2.2)	2.6	1.7	0.4
	-Interim	3.5	0.0	(1.0)	3.8	3.1	0.9
Mining	-September Std.	3.6	1.9	(0.4)	1.1	(1.0)	(2.1)
	-Interim	3.2	1.7	2.6	(0.3)	(1.8)	(2.2)
Services	-September Std.	2.6	0.3	1.4	3.1	2.8	2.1
	-Interim	2.7	0.4	2.7	3.6	3.4	2.2
Trade	-September Std.	0.9	(0.8)	(0.4)	1.1	0.8	0.3
	-Interim	1.3	(0.2)	0.0	1.0	1.3	0.4
Finance, Insurance, and Real Estate	-September Std.	1.0	1.3	0.5	2.9	2.4	1.1
	-Interim	0.3	0.5	1.5	2.8	2.8	1.2
Transportation, Communication, and Public Utilities	-September Std.	2.5	(2.8)	(0.9)	3.3	2.5	0.9
	-Interim	2.2	(1.7)	2.7	3.6	3.4	1.6
Government	-September Std.	1.0	1.9	0.5	0.3	0.2	0.1
	-Interim	0.8	1.9	0.3	0.4	0.5	0.4
Labor Force	-September Std.	0.7	0.6	1.0	1.6	1.5	1.4
	-Interim	0.7	0.6	1.0	1.6	1.5	1.3
Number of Unemployed	-September Std.	2.7	32.6	11.7	(2.1)	(1.8)	1.5
	-Interim	2.7	33.6	9.0	(6.6)	(6.0)	1.7
Unemployment Rate (%)	-September Std.	4.2	5.5	6.1	5.9	5.7	5.7
	-Interim	4.2	5.5	6.0	5.5	5.1	5.1

The September Std. forecast is DRI.WEFA Group's September 2002 U.S. standard forecast.

The Interim forecast is DRI.WEFA Group's May 2002 U.S. standard forecast.

**Fiscal Years 2001-2006 September & Interim  
Virginia Economic Forecasts - Employment and Labor Markets**

		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
<u>Employment (% Change)</u>							
Total Nonagricultural Employment	-September Std.	2.3	(0.8)	(0.4)	1.4	2.1	1.3
	-Interim	2.3	(0.9)	0.2	1.9	1.8	1.5
Manufacturing	-September Std.	(2.4)	(5.9)	(4.1)	(4.7)	(1.0)	(1.2)
	-Interim	(2.4)	(5.2)	0.8	2.8	1.2	2.5
Construction	-September Std.	4.5	(0.3)	(3.0)	1.4	2.8	3.4
	-Interim	4.5	(1.4)	(0.8)	3.9	2.7	1.3
Services	-September Std.	4.5	(0.4)	0.8	4.1	4.2	2.6
	-Interim	4.5	(0.4)	0.8	3.1	2.4	2.0
Trade	-September Std.	1.2	0.2	(0.1)	0.1	0.1	(0.2)
	-Interim	1.2	(0.4)	0.1	0.8	1.3	0.7
Finance, Insurance, and Real Estate	-September Std.	3.0	0.5	(0.4)	2.8	3.4	1.6
	-Interim	3.0	1.4	0.2	1.5	2.3	1.1
Transportation, Communication, and Public Utilities	-September Std.	3.8	(3.7)	(3.7)	1.1	2.7	1.2
	-Interim	3.8	(4.4)	(1.8)	2.1	2.6	1.8
Federal Government	-September Std.	(1.3)	(2.5)	1.3	0.1	0.0	(0.1)
	-Interim	(1.3)	(2.5)	0.4	0.3	0.2	0.2
State and Local Government	-September Std.	2.5	2.0	1.0	1.3	1.5	1.2
	-Interim	2.5	1.6	(0.4)	0.1	1.5	1.4
<u>Labor Markets (% Change)</u>							
Number of Unemployed	-September Std.	5.9	64.5	20.7	5.5	0.8	0.4
	-Interim	5.9	66.6	14.4	(2.3)	7.5	7.2
Labor Force	-September Std.	2.2	2.4	1.1	3.0	3.6	2.4
	-Interim	2.2	2.1	2.0	3.6	3.2	3.6
Unemployment Rate (%)	-September Std.	2.5	4.1	4.9	5.0	4.9	4.8
	-Interim	2.5	4.2	4.7	4.4	4.6	4.7

The September Std. forecast, developed by the Department of Taxation is based on The DRI.WEFA Group's September 2002 standard U.S. Forecast. The interim forecast, developed by the Department of Taxation is based on The DRI.WEFA Group's May 2002 standard U.S. forecast.

**Fiscal Years 2001-2006 September & Interim  
Virginia Economic Forecasts - Income and Other Indicators**

		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
<u>Income (% Change)</u>							
Total Personal Income	-September Std.	7.2	3.1	5.4	4.9	6.1	4.4
	-Interim	7.4	1.9	3.0	5.3	5.1	4.2
Real Personal Income	-September Std.	4.7	1.7	3.5	2.4	3.5	2.0
	-Interim	4.8	0.8	1.1	2.8	2.6	1.8
Wages and Salaries	-September Std.	8.5	1.8	3.2	5.9	6.3	5.1
	-Interim	8.8	2.0	4.0	5.4	5.8	4.7
Average Wage (Nonag. Employ.)	-September Std.	6.0	2.6	3.6	4.4	4.1	3.8
	-Interim	6.3	2.9	3.8	3.5	3.9	3.1
Dividends, Interest, and Rent	-September Std.	5.2	1.2	2.6	2.3	5.2	4.9
	-Interim	5.2	(1.6)	1.9	5.7	5.0	4.8
Net Transfer Payments	-September Std.	5.8	13.6	5.9	3.9	3.6	2.5
	-Interim	5.9	10.6	8.0	7.0	1.4	(0.4)
Other Labor Income	-September Std.	7.0	5.0	2.8	2.3	3.8	3.6
	-Interim	6.9	3.3	2.2	3.4	3.2	3.6
<u>Migration and Housing (Thousands)</u>							
Net Migration	-September Std.	36.4	38.8	37.5	37.0	36.2	35.3
	-Interim	36.4	40.6	47.5	49.5	46.1	42.3
Single Family Housing Starts	-September Std.	43.2	47.5	49.2	51.1	51.3	51.1
	-Interim	41.1	38.2	38.4	38.6	39.0	38.4
Multi-Family Housing Starts	-September Std.	9.3	7.8	6.4	7.1	7.8	7.9
	-Interim	8.2	7.8	7.4	7.5	7.9	7.9

The September Std. forecast, developed by the Department of Taxation is based on The DRI.WEFA Group's September 2002 standard U.S. Forecast. The interim forecast, developed by the Department of Taxation is based on The DRI.WEFA Group's May 2002 standard U.S. forecast.

**The Interim and December Standard General Fund Forecast for Fiscal Year 2003**  
(Dollars in Millions)

December 20, 2002

	Fiscal Year 2002		Fiscal Year 2003			% Growth Over FY 02	
	Actual	% Growth	Interim Forecast	December Forecast	Change	Interim	December
						%	%
<b>MAJOR TAX SOURCES</b>							
Corporate Income	\$ 290.2	(20.2)	267.8	301.2	\$ 33.4	(7.7) %	3.8 %
Individual Income Tax:							
Gross	7,881.9	(2.2)	7,937.5	7,862.1	(75.4)	0.7	(0.3)
Withholding	6,422.4	2.7	6,647.2	6,595.8	(51.4)	3.5	2.7
Nonwithholding	1,459.5	(19.2)	1,290.3	1,266.3	(24.0)	(11.6)	(13.2)
Refunds	<u>(1,171.1)</u>	<u>40.2</u>	<u>(1,059.4)</u>	<u>(1,062.8)</u>	<u>(3.4)</u>	<u>(9.5)</u>	<u>(9.2)</u>
Net	6,710.8	(7.1)	6,878.1	6,799.3	(78.8)	2.5	1.3
Insurance Company Premiums	292.7	9.2	306.0	308.1	2.1	4.5	5.3
Public Service GR / Consumption Tax	77.2	(17.4)	83.5	83.5	0.0	8.2	8.2
State Sales & Use Tax	<u>2,429.8</u>	<u>6.9</u>	<u>2,341.5</u>	<u>2,342.3</u>	<u>0.8</u>	<u>(3.6)</u>	<u>(3.6)</u>
Total Major Tax Sources	\$ 9,800.7	(4.1)	9,876.9	9,834.4	\$ (42.5)	0.8 %	0.3 %
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>							
Alcoholic Beverages State Tax	\$ 86.4	4.3	88.7	90.4	\$ 1.7	2.7 %	4.6 %
Bank Franchise Tax	10.2	119.7	9.2	9.2	0.0	(9.5)	(9.5)
Beer & Beverage Excise Tax	41.1	2.5	40.3	37.0	(3.3)	(2.0)	(10.0)
Corporate Franchise & Charter Fees	22.4	(2.0)	21.0	21.8	0.8	(6.4)	(2.8)
Excess & Other Fees From Officers	(18.6)	(68.6)	(14.8)	(18.6)	(3.8)	(20.6)	(0.2)
Estate & Gifts	133.7	5.4	121.6	131.6	10.0	(9.0)	(1.5)
Institutional Revenues	9.2	16.6	9.5	9.2	(0.3)	3.3	0.1
Interest & Rents	100.7	(24.6)	30.3	72.3	42.0	(69.9)	(28.2)
Licenses & Permits	1.5	(8.5)	1.6	1.5	(0.1)	7.0	0.3
Miscellaneous Taxes & Penalties	139.9	6.5	189.5	189.5	0.0	35.5	35.5
Other Miscellaneous Revenues	62.6	(41.0)	105.5	90.5	(15.0)	68.6	44.6
Tobacco Master Settlement	59.8	16.6	59.1	60.5	1.4	(1.2)	1.2
Tobacco Products Tax	15.0	(0.3)	14.8	15.0	0.2	(1.5)	(0.2)
Wills, Suits, Deeds & Contract Fees	<u>214.4</u>	<u>27.9</u>	<u>210.7</u>	<u>236.5</u>	<u>25.8</u>	<u>(1.7)</u>	<u>10.3</u>
Total Misc. Taxes & Other Revenues	\$ 878.3	5.9	887.0	946.4	\$ 59.4	1.0 %	7.8 %
<b>TOTAL GF REVENUES</b>	<b>\$ 10,679.0</b>	<b>(3.8)</b>	<b>10,763.9</b>	<b>10,780.8</b>	<b>\$ 16.9</b>	<b>0.8 %</b>	<b>1.0 %</b>
<b>TRANSFERS</b>							
A.B.C. Profits	\$ 25.4	(9.6)	13.6	10.9	\$ (2.7)	(46.5) %	(57.1) %
Lottery Proceeds Fund	367.2	11.5	329.0	363.7	34.7	(10.4)	(1.0)
Transfers Per Appropriations Act	<u>334.8</u>	<u>1,233.9</u>	<u>493.3</u>	<u>654.7</u>	<u>161.4</u>	<u>47.3</u>	<u>95.5</u>
Total Transfers	\$ 727.4	90.1	835.9	1,029.3	\$ 193.4	14.9 %	41.5 %
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,406.4</b>	<b>(0.7)</b>	<b>11,599.8</b>	<b>11,810.1</b>	<b>\$ 210.3</b>	<b>1.7 %</b>	<b>3.5 %</b>

The Interim forecast is based on the May 2002 DRI.WEFA Standard outlook and the corresponding Virginia state forecast that was released on August 19, 2002 by Governor Warner.

The December standard forecast is based on the September 2002 DRI.WEFA Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

**The Interim and December Standard General Fund Forecast for Fiscal Year 2004**  
(Dollars in Millions)

December 20, 2002

	Fiscal Year 2004						2003-2004 Biennium		
	Interim	December	Change	% Growth Over FY 03		Interim	December	Change	
	Forecast	Forecast		Interim	December	Forecast	Forecast		
<b>MAJOR TAX SOURCES</b>									
Corporate Income	\$ 283.3	\$ 315.9	\$ 32.6	5.8 %	4.9 %	\$ 551.1	\$ 617.1	\$ 66.0	
Individual Income Tax:									
Gross	8,368.5	8,317.7	(50.8)	5.4	5.8	16,306.0	16,179.8	(126.2)	
Withholding	7,032.7	6,991.6	(41.1)	5.8	6.0	13,679.9	13,587.4	(92.5)	
Nonwithholding	1,335.8	1,326.1	(9.7)	3.5	4.7	2,626.1	2,592.4	(33.7)	
Refunds	<u>(1,132.6)</u>	<u>(1,115.9)</u>	<u>16.7</u>	<u>6.9</u>	<u>5.0</u>	<u>(2,192.0)</u>	<u>(2,178.7)</u>	<u>13.3</u>	
Net	7,235.9	7,201.8	(34.1)	5.2	5.9	14,114.0	14,001.1	(112.9)	
Insurance Company Premiums	326.0	331.7	5.7	6.5	7.7	632.0	639.8	7.8	
Public Service GR / Consumption Tax	83.8	83.8	0.0	0.4	0.4	167.3	167.3	0.0	
State Sales & Use Tax	<u>2,449.0</u>	<u>2,458.0</u>	<u>9.0</u>	<u>4.6</u>	<u>4.9</u>	<u>4,790.5</u>	<u>4,800.3</u>	<u>9.8</u>	
Total Major Tax Sources	\$ 10,378.0	\$ 10,391.2	\$ 13.2	5.1 %	5.7 %	\$ 20,254.9	\$ 20,225.6	\$ (29.3)	
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>									
Alcoholic Beverages State Tax	\$ 92.2	\$ 94.5	\$ 2.3	3.9 %	4.5 %	\$ 180.9	\$ 184.9	\$ 4.0	
Bank Franchise Tax	9.4	9.4	0.0	2.2	2.2	18.6	18.6	0.0	
Beer & Beverage Excise Tax	40.3	32.7	(7.6)	0.0	(11.6)	80.6	69.7	(10.9)	
Corporate Franchise & Charter Fees	22.0	21.8	(0.2)	4.8	0.0	43.0	43.6	0.6	
Excess & Other Fees From Officers	(15.6)	(20.0)	(4.4)	5.4	7.5	(30.4)	(38.6)	(8.2)	
Estate & Gifts	122.1	135.2	13.1	0.4	2.7	243.7	266.8	23.1	
Institutional Revenues	9.6	9.3	(0.3)	1.1	1.1	19.1	18.5	(0.6)	
Interest & Rents	47.9	80.3	32.4	58.1	11.1	78.2	152.6	74.4	
Licenses & Permits	1.6	1.5	(0.1)	0.0	0.0	3.2	3.0	(0.2)	
Miscellaneous Taxes & Penalties	195.8	220.0	24.2	3.3	16.1	385.3	409.5	24.2	
Other Miscellaneous Revenues	109.4	128.5	19.1	3.7	42.0	214.9	219.0	4.1	
Tobacco Master Settlement	52.0	53.0	1.0	(12.0)	(12.4)	111.1	113.5	2.4	
Tobacco Products Tax	14.7	14.9	0.2	(0.7)	(0.7)	29.5	29.9	0.4	
Wills, Suits, Deeds & Contract Fees	<u>179.3</u>	<u>165.6</u>	<u>(13.7)</u>	<u>(14.9)</u>	<u>(30.0)</u>	<u>390.0</u>	<u>402.1</u>	<u>12.1</u>	
Total Misc. Taxes & Other Revenues	\$ 880.7	\$ 946.7	\$ 66.0	(0.7) %	0.0 %	\$ 1,767.7	\$ 1,893.1	\$ 125.4	
<b>TOTAL GF REVENUES</b>	<b>\$ 11,258.7</b>	<b>\$ 11,337.9</b>	<b>\$ 79.2</b>	<b>4.6 %</b>	<b>5.2 %</b>	<b>\$ 22,022.6</b>	<b>\$ 22,118.7</b>	<b>\$ 96.1</b>	
<b>TRANSFERS</b>									
A.B.C. Profits	\$ 12.6	\$ 7.0	\$ (5.6)	(7.4) %	(35.8) %	\$ 26.2	\$ 17.9	\$ (8.3)	
Lottery Proceeds Fund	329.0	371.4	42.4	0.0	2.1	658.0	735.1	77.1	
Transfers Per Appropriations Act	<u>113.1</u>	<u>297.8</u>	<u>184.7</u>	<u>(77.1)</u>	<u>(54.5)</u>	<u>606.4</u>	<u>952.5</u>	<u>346.1</u>	
Total Transfers	\$ 454.7	\$ 676.2	\$ 221.5	(45.6) %	(34.3) %	\$ 1,290.6	\$ 1,705.5	\$ 414.9	
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,713.4</b>	<b>\$ 12,014.1</b>	<b>\$ 300.7</b>	<b>1.0 %</b>	<b>1.7 %</b>	<b>\$ 23,313.2</b>	<b>\$ 23,824.2</b>	<b>\$ 511.0</b>	

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**The Interim and December Standard General Fund Forecast for Fiscal Year 2005**  
**(Dollars in Millions)**

December 20, 2002

	Fiscal Year 2005				
	Interim	December	Change	% Growth Over FY 04	
	Forecast	Forecast		Interim	December
<b>MAJOR TAX SOURCES</b>					
Corporate Income	\$ 315.0	\$ 323.6	\$ 8.6	11.2 %	2.4 %
Individual Income Tax:					
Gross	8,915.9	8,871.7	(44.2)	6.5	6.7
Withholding	7,467.9	7,432.0	(35.9)	6.2	6.3
Nonwithholding	1,448.0	1,439.7	(8.3)	8.4	8.6
Refunds	<u>(1,206.1)</u>	<u>(1,198.5)</u>	<u>7.6</u>	<u>6.5</u>	<u>7.4</u>
Net	7,709.8	7,673.2	(36.6)	6.5	6.5
Insurance Company Premiums	336.0	349.3	13.3	3.1	5.3
Public Service GR / Consumption Tax	87.0	87.0	0.0	3.8	3.8
State Sales & Use Tax	<u>2,544.8</u>	<u>2,561.4</u>	<u>16.6</u>	<u>3.9</u>	<u>4.2</u>
Total Major Tax Sources	\$ 10,992.6	\$ 10,994.5	\$ 1.9	5.9 %	5.8 %
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>					
Alcoholic Beverages State Tax	\$ 90.9	\$ 97.3	\$ 6.4	(1.4) %	3.0 %
Bank Franchise Tax	9.6	9.6	0.0	2.1	2.1
Beer & Beverage Excise Tax	40.2	41.4	1.2	(0.2)	26.6
Corporate Franchise & Charter Fees	20.8	21.8	1.0	(5.5)	0.0
Excess & Other Fees From Officers	(13.8)	(21.4)	(7.6)	(11.5)	7.0
Estate & Gifts	144.8	138.7	(6.1)	18.6	2.6
Institutional Revenues	9.0	9.4	0.4	(6.3)	1.1
Interest & Rents	47.9	63.3	15.4	0.0	(21.2)
Licenses & Permits	1.5	1.5	0.0	(6.3)	0.0
Miscellaneous Taxes & Penalties	203.6	227.8	24.2	4.0	3.5
Other Miscellaneous Revenues	50.9	52.7	1.8	(53.5)	(59.0)
Tobacco Master Settlement	52.6	53.7	1.1	1.2	1.3
Tobacco Products Tax	14.6	14.8	0.2	(0.7)	(0.7)
Wills, Suits, Deeds & Contract Fees	<u>187.0</u>	<u>180.0</u>	<u>(7.0)</u>	<u>4.3</u>	<u>8.7</u>
Total Misc. Taxes & Other Revenues	\$ 859.6	\$ 890.6	\$ 31.0	(2.4) %	(5.9) %
<b>TOTAL GF REVENUES</b>	<b>\$ 11,852.2</b>	<b>\$ 11,885.1</b>	<b>\$ 32.9</b>	<b>5.3 %</b>	<b>4.8 %</b>
<b>TRANSFERS</b>					
A.B.C. Profits	\$ 12.6	\$ 7.0	\$ (5.6)	0.0 %	0.0 %
Lottery Proceeds Fund	320.0	371.4	51.4	(2.7)	0.0
Transfers Per Appropriations Act	<u>17.0</u>	<u>17.0</u>	<u>0.0</u>	<u>(85.0)</u>	<u>(94.3)</u>
Total Transfers	\$ 349.6	\$ 395.4	\$ 45.8	(23.1) %	(41.5) %
<b>TOTAL GENERAL FUND</b>	<b>\$ <u>12,201.8</u></b>	<b>\$ <u>12,280.5</u></b>	<b>\$ <u>78.7</u></b>	<b><u>4.2 %</u></b>	<b><u>2.2 %</u></b>

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**The Interim and December Standard General Fund Forecast for Fiscal Year 2006**  
**(Dollars in Millions)**

December 20, 2002

	Fiscal Year 2006						2005 - 2006 Biennium		
	Interim	December	Change	% Growth Over FY 05		Interim	December	Change	
	Forecast	Forecast		Interim	December	Forecast	Forecast		
<b>MAJOR TAX SOURCES</b>									
Corporate Income	\$ 316.6	\$ 345.0	\$ 28.4	0.5 %	6.6 %	\$ 631.6	\$ 668.6	\$ 37.0	
Individual Income Tax:									
Gross	9,334.1	9,377.7	43.6	4.7	5.7	18,250.0	18,249.4	(0.6)	
Withholding	7,797.7	7,818.5	20.8	4.4	5.2	15,265.6	15,250.5	(15.1)	
Nonwithholding	1,536.4	1,559.2	22.8	6.1	8.3	2,984.4	2,998.9	14.5	
Refunds	<u>(1,286.7)</u>	<u>(1,286.2)</u>	<u>0.5</u>	<u>6.7</u>	<u>7.3</u>	<u>(2,492.8)</u>	<u>(2,484.7)</u>	<u>8.1</u>	
Net	8,047.4	8,091.5	44.1	4.4	5.5	15,757.2	15,764.7	7.5	
Insurance Company Premiums	346.0	367.3	21.3	3.0	5.2	682.0	716.6	34.6	
Public Service GR / Consumption Tax	90.3	90.3	0.0	3.8	3.8	177.3	177.3	0.0	
State Sales & Use Tax	<u>2,637.1</u>	<u>2,656.1</u>	<u>19.0</u>	<u>3.6</u>	<u>3.7</u>	<u>5,181.9</u>	<u>5,217.5</u>	<u>35.6</u>	
Total Major Tax Sources	\$ 11,437.4	\$ 11,550.2	\$ 112.8	4.0 %	5.1 %	\$ 22,430.0	\$ 22,544.7	\$ 114.7	
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>									
Alcoholic Beverages State Tax	\$ 90.9	\$ 101.3	\$ 10.4	0.0 %	4.1 %	\$ 181.8	\$ 198.6	\$ 16.8	
Bank Franchise Tax	9.8	9.8	0.0	2.1	2.1	19.4	19.4	0.0	
Beer & Beverage Excise Tax	40.2	41.4	1.2	0.0	0.0	80.4	82.8	2.4	
Corporate Franchise & Charter Fees	20.8	21.8	1.0	0.0	0.0	41.6	43.6	2.0	
Excess & Other Fees From Officers	(13.8)	(22.8)	(9.0)	0.0	0.0	(27.6)	(44.2)	(16.6)	
Estate & Gifts	144.8	142.1	(2.7)	0.0	2.5	289.6	280.8	(8.8)	
Institutional Revenues	9.0	9.5	0.5	0.0	1.1	18.0	18.9	0.9	
Interest & Rents	47.9	63.3	15.4	0.0	0.0	95.8	126.6	30.8	
Licenses & Permits	1.5	1.5	0.0	0.0	0.0	3.0	3.0	0.0	
Miscellaneous Taxes & Penalties	211.8	236.0	24.2	4.0	3.6	415.4	463.8	48.4	
Other Miscellaneous Revenues	51.1	52.9	1.8	0.4	0.4	102.0	105.6	3.6	
Tobacco Master Settlement	53.3	54.6	1.3	1.3	1.7	105.9	108.3	2.4	
Tobacco Products Tax	14.5	14.7	0.2	(0.7)	(0.7)	29.1	29.5	0.4	
Wills, Suits, Deeds & Contract Fees	<u>192.4</u>	<u>183.1</u>	<u>(9.3)</u>	<u>2.9</u>	<u>1.7</u>	<u>379.4</u>	<u>363.1</u>	<u>(16.3)</u>	
Total Misc. Taxes & Other Revenues	\$ 874.2	\$ 909.2	\$ 35.0	1.7 %	2.1 %	\$ 1,733.8	\$ 1,799.8	\$ 66.0	
<b>TOTAL GF REVENUES</b>	<b>\$ 12,311.6</b>	<b>\$ 12,459.4</b>	<b>\$ 147.8</b>	<b>3.9 %</b>	<b>4.8 %</b>	<b>\$ 24,163.8</b>	<b>\$ 24,344.5</b>	<b>\$ 180.7</b>	
<b>TRANSFERS</b>									
A.B.C. Profits	\$ 12.6	\$ 7.0	\$ (5.6)	0.0 %	0.0 %	\$ 25.2	\$ 14.0	\$ (11.2)	
Lottery Proceeds Fund	320.0	371.4	51.4	0.0	0.0	640.0	742.8	102.8	
Transfers Per Appropriations Act	<u>17.0</u>	<u>17.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>34.0</u>	<u>34.0</u>	<u>0.0</u>	
Total Transfers	\$ 349.6	\$ 395.4	\$ 45.8	0.0 %	0.0 %	\$ 699.2	\$ 790.8	\$ 91.6	
<b>TOTAL GENERAL FUND</b>	<b>\$ 12,661.2</b>	<b>\$ 12,854.8</b>	<b>\$ 193.6</b>	<b>3.8 %</b>	<b>4.7 %</b>	<b>\$ 24,863.0</b>	<b>\$ 25,135.3</b>	<b>\$ 272.3</b>	

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**The December Standard General Fund Forecast for Fiscal Years 2007-2010**  
**(Dollars in Millions)**

12/20/02

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
<b>MAJOR TAX SOURCES</b>				
Corporate Income	\$ 362.5	\$ 387.2	\$ 413.5	\$ 441.7
Individual Income Tax:				
Gross	9,855.9	10,413.2	11,003.1	11,627.5
Withholding	8,193.8	8,619.8	9,068.1	9,539.6
Nonwithholding	1,662.1	1,793.4	1,935.0	2,087.9
Refunds	<u>(1,344.7)</u>	<u>(1,414.0)</u>	<u>(1,487.5)</u>	<u>(1,564.9)</u>
Net	8,511.2	8,999.2	9,515.6	10,062.6
Insurance Company Premiums	384.9	405.9	422.1	439.0
Public Service GR / Consumption Tax	92.1	93.9	95.8	97.7
State Sales & Use Tax	<u>2,754.2</u>	<u>2,861.5</u>	<u>2,973.0</u>	<u>3,088.8</u>
Total Major Tax Sources	\$ 12,104.9	\$ 12,747.7	\$ 13,420.0	\$ 14,129.8
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>				
Alcoholic Beverages State Tax	\$ 101.3	\$ 101.3	\$ 101.3	\$ 101.3
Bank Franchise Tax	9.0	9.0	9.0	9.0
Beer & Beverage Excise Tax	41.4	41.4	41.4	41.4
Corporate Franchise & Charter Fees	21.8	21.8	21.8	21.8
Excess & Other Fees From Officers	(22.8)	(22.8)	(22.8)	(22.8)
Estate & Gifts	145.7	149.2	152.2	155.2
Institutional Revenues	9.5	9.5	9.5	9.5
Interest & Rents	63.3	63.3	63.3	63.3
Licenses & Permits	1.5	1.5	1.5	1.5
Miscellaneous Taxes & Penalties	236.0	236.0	236.0	236.0
Other Miscellaneous Revenues	52.9	52.9	52.9	52.9
Tobacco Master Settlement	55.4	59.9	60.8	61.6
Tobacco Products Tax	14.0	14.0	14.0	14.0
Wills, Suits, Deeds & Contract Fees	<u>187.5</u>	<u>195.4</u>	<u>195.4</u>	<u>195.4</u>
Total Misc. Taxes & Other Revenues	\$ 916.5	\$ 932.4	\$ 936.3	\$ 940.1
<b>TOTAL GF REVENUES</b>	\$ 13,021.4	\$ 13,680.1	\$ 14,356.3	\$ 15,069.9
<b>TRANSFERS</b>				
A.B.C. Profits	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.0
Lottery Proceeds Fund	371.4	371.4	371.4	371.4
Transfers Per Appropriations Act	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
Total Transfers	\$ 395.4	\$ 395.4	\$ 395.4	\$ 395.4
<b>TOTAL GENERAL FUND</b>	\$ 13,416.8	\$ 14,075.5	\$ 14,751.7	\$ 15,465.3
\$ Change From Previous Year	\$ 562.0	\$ 658.7	\$ 676.2	\$ 713.6
<b>TOTAL BIENNIUM GENERAL FUND</b>		\$ 27,492.3		\$ 30,217.0
\$ Change From Previous Biennium		\$ 2,357.0		\$ 2,724.7
% Growth From Previous Biennium		9.4 %		9.9 %

**The December Standard General Fund Forecast for Fiscal Years 2007-2010  
(Dollars in Millions)**

12/20/02

	FY 07 % Growth Over FY 06	FY 08 % Growth Over FY 07	FY 09 % Growth Over FY 08	FY 10 % Growth Over FY 09
<b>MAJOR TAX SOURCES</b>				
Corporate Income	5.1 %	6.8 %	6.8 %	6.8 %
Individual Income Tax:				
Gross	5.1	5.7	5.7	5.7
Withholding	4.8	5.2	5.2	5.2
Nonwithholding	6.6	7.9	7.9	7.9
Refunds	<u>4.5</u>	<u>5.2</u>	<u>5.2</u>	<u>5.2</u>
Net	5.2	5.7	5.7	5.7
Insurance Company Premiums	4.8	5.5	4.0	4.0
Public Service GR / Consumption Tax	2.0	2.0	2.0	2.0
State Sales & Use Tax	<u>3.7</u>	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>
Total Major Tax Sources	4.8 %	5.3 %	5.3 %	5.3 %
<b>MISCELLANEOUS TAXES &amp; OTHER REVENUES</b>				
Alcoholic Beverages State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	(8.2)	0.0	0.0	0.0
Beer & Beverage Excise Tax	26.6	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees From Officers	0.0	0.0	0.0	0.0
Estate & Gifts	2.5	2.4	2.0	2.0
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 & Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Tobacco Master Settlement	1.5	8.1	1.5	1.3
Tobacco Products Tax	(4.8)	0.0	0.0	0.0
Wills, Suits, Deeds & Contract Fees	<u>2.4</u>	<u>4.2</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes & Other Revenues	0.8 %	1.7 %	0.4 %	0.4 %
<b>TOTAL GF REVENUES</b>	<b>4.5 %</b>	<b>5.1 %</b>	<b>4.9 %</b>	<b>5.0 %</b>
<b>TRANSFERS</b>				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Lottery Proceeds Fund	0.0	0.0	0.0	0.0
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	0.0 %	0.0 %	0.0 %	0.0 %
<b>TOTAL GENERAL FUND</b>	<b>4.4 %</b>	<b>4.9 %</b>	<b>4.8 %</b>	<b>4.8 %</b>

**Growth in Total General Fund Revenues**  
**Fiscal Year 1961 - Fiscal Year 2004**  
**(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	----	83	2,975,687,935	6.4%
62	242,144,567	4.8%	84	3,397,710,261	14.2%
63	286,304,265	18.2%	85	3,790,816,000	11.6%
64	298,033,919	4.1%	86	4,131,778,000	9.0%
65	323,213,412	8.4%	87	4,590,434,000	11.1%
66	365,129,776	13.0%	88	5,054,382,000	10.1%
67	414,755,644	13.6%	89	5,478,912,000	8.4%
68	533,597,744	28.7%	90	5,494,884,000	0.2%
69	706,254,374	32.4%	91	5,471,882,000	-0.4%
70	743,721,322	5.3%	92	5,623,213,000	2.8%
71	807,954,651	8.6%	93	6,133,600,000	9.1%
72	922,653,686	14.2%	94	6,503,400,000	6.0%
73	1,054,469,443	14.3%	95	6,881,145,000	5.8%
74	1,168,562,871	10.8%	96	7,356,110,000	6.9%
75	1,303,178,893	11.5%	97	7,949,300,000	8.1%
76	1,428,421,157	9.6%	98	8,773,500,000	10.4%
77	1,636,301,819	14.6%	99	9,702,747,000	10.6%
78	1,923,085,084	17.5%	00	10,788,500,000	11.2%
79	2,115,211,522	10.0%	01	11,105,300,000	2.9%
80	2,344,928,934	10.9%	02	10,679,000,000	-3.8%
81	2,579,663,941	10.0%	*03	10,780,800,000	1.0%
82	2,796,458,741	8.4%	*04	11,337,900,000	5.2%

\*December 20, 2002 Forecast

Excludes Transfers

**Growth in Total General Fund Revenues**  
**Fiscal Year 1961 - Fiscal Year 2004**  
**(Real - Inflation Adjusted Dollars)**

<u>FY</u>	<u>Real Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Real Revenues</u>	<u>Growth</u>
61	1,045,243,833		83	4,585,035,339	1.5%
62	1,081,002,531	3.4%	84	5,033,644,831	9.8%
63	1,266,833,031	17.2%	85	5,430,968,481	7.9%
64	1,301,458,162	2.7%	86	5,746,561,892	5.8%
65	1,393,161,259	7.0%	87	6,211,683,356	8.1%
66	1,540,631,966	10.6%	88	6,572,668,401	5.8%
67	1,706,813,350	10.8%	89	6,831,561,097	3.9%
68	2,125,887,426	24.6%	90	6,572,827,751	- 3.8%
69	2,705,955,456	27.3%	91	6,253,579,429	-4.9%
70	2,714,311,394	0.3%	92	6,227,256,921	-0.4%
71	2,825,016,262	4.1%	93	6,609,482,759	6.1%
72	3,106,578,067	10.0%	94	6,867,370,644	3.9%
73	3,412,522,469	9.8%	95	7,101,284,830	3.4%
74	3,509,197,811	2.8%	96	7,437,927,199	4.7%
75	3,550,896,166	1.2%	97	7,862,809,100	5.7%
76	3,653,251,041	2.9%	98	8,559,512,195	8.9%
77	3,952,419,853	8.2%	99	9,347,540,462	9.2%
78	4,350,871,231	10.1%	00	10,168,237,512	8.8%
79	4,443,721,685	2.1%	01	10,216,467,341	0.5%
80	4,466,531,303	0.5%	02	9,699,364,214	-5.1%
81	4,463,086,403	-0.1%	*03	9,617,127,565	-0.8%
82	4,517,703,943	1.2%	*04	9,867,624,021	2.6%

\*December 20, 2002 Forecast

Excludes Transfers

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

**NONGENERAL FUND REVENUE PROJECTIONS**  
**For Fiscal Years 2003 Through 2007-2008**

	<u>Actual</u>						
	2002	2003	2004	2005	2006	2007	2008
<b>Taxes:</b>							
Motor vehicle fuel tax	855.6	877.2	900.2	927.6	948.7	970.9	996.7
Unemployment compensation payroll tax	143.8	216.6	407.0	558.8	558.2	465.4	366.3
Special highway tax from sales tax	388.1	402.5	398.0	416.1	432.0	449.9	468.5
Motor vehicle sales tax and use tax	526.1	550.1	539.6	581.1	607.4	617.6	642.8
Other taxes	107.2	110.4	92.5	95.3	98.1	100.9	103.8
<b>Total</b>	<b>2,020.8</b>	<b>2,156.8</b>	<b>2,337.3</b>	<b>2,578.9</b>	<b>2,644.4</b>	<b>2,604.8</b>	<b>2,578.1</b>
<b>Rights and privileges:</b>							
Motor Vehicle Licenses	189.0	242.7	245.3	231.4	232.5	233.7	235.1
Other Rights & Privileges	381.5	410.3	417.9	425.3	435.2	447.9	460.8
<b>Total</b>	<b>570.5</b>	<b>653.1</b>	<b>663.2</b>	<b>656.7</b>	<b>667.7</b>	<b>681.6</b>	<b>696.0</b>
<b>Sales of property and commodities:</b>							
Alocoholic Beverage Sales	338.2	353.0	370.2	384.0	398.6	413.2	427.8
Other Sales	42.9	28.7	33.1	28.8	28.9	29.0	29.0
<b>Total</b>	<b>381.1</b>	<b>381.7</b>	<b>403.3</b>	<b>412.8</b>	<b>427.5</b>	<b>442.2</b>	<b>456.8</b>
<b>Assessment &amp; Receipts for Support of Special Services:</b>							
	<b>224.0</b>	<b>246.3</b>	<b>251.3</b>	<b>253.9</b>	<b>258.5</b>	<b>261.0</b>	<b>264.6</b>
<b>Institutional revenue:</b>							
Institutions of Higher Education	1,740.4	1,938.6	2,064.5	2,126.4	2,190.2	2,255.9	2,323.6
Other Educational Institutions	5.6	6.6	7.7	7.3	7.3	7.3	6.8
Medical Hospitals	597.8	698.2	788.0	820.5	849.7	891.7	935.8
Mental Hospitals	305.1	265.0	277.7	277.7	277.7	277.7	277.7
Corrections	113.4	61.8	49.2	35.7	29.5	29.5	31.0
Other Institutions	18.0	21.8	23.0	23.0	22.0	22.1	22.2
<b>Total</b>	<b>2,780.2</b>	<b>2,992.1</b>	<b>3,210.0</b>	<b>3,290.7</b>	<b>3,376.3</b>	<b>3,484.2</b>	<b>3,597.1</b>
<b>Interest dividends and rents:</b>	<b>153.5</b>	<b>104.6</b>	<b>85.9</b>	<b>92.9</b>	<b>107.4</b>	<b>120.9</b>	<b>131.3</b>
<b>Grants and donations:</b>							
Federal grants and contracts	5,341.2	5,544.9	5,842.9	5,693.1	5,982.9	6,155.2	6,386.2
Other grants & contracts	132.1	137.5	141.1	92.8	94.9	97.1	99.4
<b>Total</b>	<b>5,473.4</b>	<b>5,682.4</b>	<b>5,984.0</b>	<b>5,785.9</b>	<b>6,077.8</b>	<b>6,252.3</b>	<b>6,485.6</b>
<b>Other Revenue:</b>	<b>1,666.9</b>	<b>1,125.0</b>	<b>1,069.1</b>	<b>1,123.4</b>	<b>1,197.8</b>	<b>1,274.7</b>	<b>1,368.3</b>
<b>Total Nongeneral Fund Revenue</b>	<b>13,270.5</b>	<b>13,341.8</b>	<b>14,004.1</b>	<b>14,195.1</b>	<b>14,757.4</b>	<b>15,121.6</b>	<b>15,577.8</b>
\$ Amount change from previous year	<b>816.1</b>	<b>71.3</b>	<b>662.4</b>	<b>191.0</b>	<b>562.3</b>	<b>364.1</b>	<b>456.3</b>
% Change from previous year	<b>9.0%</b>	<b>0.5%</b>	<b>5.0%</b>	<b>1.4%</b>	<b>4.0%</b>	<b>2.5%</b>	<b>3.0%</b>

Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund and Lottery Revenue Collections  
For the Fiscal Years 2002 and 2003  
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2003 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	FY 2003	November FY 2002	% Change	FY 2003	Year-To-Date FY 2002	% Change	% Annual Growth Req By Est
<b>Individual Income Tax:</b>									
<b>Withholding</b>	\$6,647,200	59.92	\$523,714	\$529,495	(1.1)	\$2,600,266	\$2,583,410	0.7	3.5
<b>Tax Dues/Estimated Payments</b>	1,290,300	11.63	17,560	18,930	(7.2)	288,969	309,780	(6.7)	(11.6)
<b>Gross Individual Income Tax</b>	<u>\$7,937,500</u>	<u>71.55</u>	<u>\$541,274</u>	<u>\$548,425</u>	<u>(1.3)</u>	<u>\$2,889,235</u>	<u>\$2,893,190</u>	<u>(0.1)</u>	<u>0.7</u>
<b>Individual and Fiduciary Income (Refunds)</b>	(1,059,400)	(9.55)	(16,411)	(17,326)	(5.3)	(168,779)	(219,805)	(23.2)	(9.5)
<b>Net Individual Income Tax</b>	<u>\$6,878,100</u>	<u>62.00</u>	<u>\$524,863</u>	<u>\$531,099</u>	<u>(1.2)</u>	<u>\$2,720,456</u>	<u>\$2,673,385</u>	<u>1.8</u>	<u>2.5</u>
<b>Sales and Use Tax</b>	2,341,500	21.11	197,907	188,515	5.0	856,224	952,198	(10.1)	(3.6)
<b>Corporations Income Tax</b>	267,800	2.42	(40,570)	(5,811)	(598.2)	61,357	96,960	(36.7)	(7.7)
<b>Public Service Corporations</b>	83,500	0.75	5,582	5,912	(5.6)	34,779	26,866	29.5	8.2
<b>Insurance Premiums</b>	306,000	2.76	(9,523)	2,533	(476.0)	69,215	58,293	18.7	4.5
<b>Interest Income (a)</b>	30,000	0.27	24,938	26,939	(7.4)	54,819	66,857	(18.0)	(70.1)
<b>Alcoholic Beverage Sales (b)</b>	129,000	1.16	24,691	23,424	5.4	39,937	38,286	4.3	1.2
<b>Tobacco Master Settlement</b>	59,100	0.53	0	407	(100.0)	0	407	(100.0)	(1.2)
<b>All Other Revenues</b>	668,900	6.03	57,449	48,477	18.5	272,871	223,635	22.0	13.3
<b>Total General Fund Revenues</b>	<u>\$10,763,900</u>	<u>97.03</u>	<u>\$785,337</u>	<u>\$821,495</u>	<u>(4.4)</u>	<u>\$4,109,658</u>	<u>\$4,136,887</u>	<u>(0.7)</u>	<u>0.8</u>
<b>Gross Lottery Revenue</b>	\$1,039,970	9.38	\$89,864	\$85,893	4.6	\$450,034	\$429,723	4.7	(6.1)
<b>Less: Expenses</b>	(710,970)	(6.41)	(60,121)	(56,373)	6.6	(298,766)	(295,279)	1.2	(4.0)
<b>Net Lottery Profits</b>	<u>\$329,000</u>	<u>2.97</u>	<u>\$29,743</u>	<u>\$29,520</u>	<u>0.8</u>	<u>\$151,268</u>	<u>\$134,444</u>	<u>12.5</u>	<u>(10.5)</u>
<b>Total General Fund Revenues and Net Lottery Profits</b>	<u>\$11,092,900</u>	<u>100.00</u>	<u>\$815,080</u>	<u>\$851,015</u>	<u>(4.2)</u>	<u>\$4,260,926</u>	<u>\$4,271,331</u>	<u>(0.2)</u>	<u>0.4</u>

# Percentage is greater than 1,000%.

(a) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

(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 2002 and 2003  
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2003 Estimate	As a % of Total Gen Fund Rev	FY 2003	November FY 2002	% Change	FY 2003	Year-To-Date FY 2002	% Change	% Annual Growth Req By Est
<b>Taxes:</b>									
Individual Income Tax - Withholding	\$6,647,200	61.75	\$523,714	\$529,495	(1.1)	\$2,600,266	\$2,583,410	0.7	3.5
Tax Dues/Estimated Payments	1,290,300	11.99	17,560	18,930	(7.2)	288,969	309,780	(6.7)	(11.6)
Gross Individual Income Tax	\$7,937,500	73.74	\$541,274	\$548,425	(1.3)	\$2,889,235	\$2,893,190	(0.1)	0.7
Individ and Fiduc Income (Refunds)	(1,059,400)	(9.84)	(16,411)	(17,326)	(5.3)	(168,779)	(219,805)	(23.2)	(9.5)
Net Individual Income Tax	\$6,878,100	63.90	\$524,863	\$531,099	(1.2)	\$2,720,456	\$2,673,385	1.8	2.5
Sales and Use Tax	2,341,500	21.75	197,907	188,515	5.0	856,224	952,198	(10.1)	(3.6)
Corporations Income	267,800	2.49	(40,570)	(5,811)	(598.2)	61,357	96,960	(36.7)	(7.7)
Public Service Corporations	83,500	0.78	5,582	5,912	(5.6)	34,779	26,866	29.5	8.2
Insurance Premiums	306,000	2.84	(9,523)	2,533	(476.0)	69,215	58,293	18.7	4.5
Alcoholic Beverage Excise	88,700	0.82	21,281	20,071	6.0	21,472	20,171	6.4	2.8
Beer and Beverage Excise	40,300	0.37	3,410	3,353	1.7	18,465	18,115	1.9	(2.0)
Wills, Suits, Deeds, Contracts	210,700	1.96	20,877	17,372	20.2	111,583	87,054	28.2	(1.7)
Inheritance, Gift, and Estate	121,600	1.13	19,390	16,045	20.8	67,591	57,155	18.3	(9.0)
Tobacco Products	14,800	0.14	982	1,285	(23.6)	6,454	6,409	0.7	(1.5)
Bank Franchise	9,200	0.09	0	0	-	62	(2)	#	(9.5)
Other Taxes	(4,900)	(0.05)	(210)	(617)	66.0	(2,037)	(3,096)	34.2	62.0
<b>Total Taxes</b>	<b>\$10,357,300</b>	<b>96.22</b>	<b>\$743,989</b>	<b>\$779,757</b>	<b>(4.6)</b>	<b>\$3,965,621</b>	<b>\$3,993,508</b>	<b>(0.7)</b>	<b>0.7</b>
<b>Rights and Privileges:</b>									
Licenses and Permits	\$1,600	0.01	\$114	\$120	(5.0)	\$626	\$641	(2.3)	7.0
Corp. Franchise and Charters	21,000	0.20	456	480	(5.0)	2,708	2,744	(1.3)	(6.4)
Fees for Practice of Prof	1,100	0.01	30	14	114.3	99	123	(19.5)	(8.7)
Fees for Misc. Privileges & Services	10,700	0.10	684	598	14.4	3,920	5,353	(26.8)	(16.8)
<b>Total Rights and Privileges</b>	<b>\$34,400</b>	<b>0.32</b>	<b>\$1,284</b>	<b>\$1,212</b>	<b>5.9</b>	<b>\$7,353</b>	<b>\$8,861</b>	<b>(17.0)</b>	<b>(9.5)</b>
<b>Other Revenues:</b>									
Sales of Property & Commodities	\$10,000	0.09	\$0	\$1	(100.0)	\$6	(\$10)	160.0	#
Assessmts & Rcpts for Support of Special Svces	300	0.00	13	48	(72.9)	157	198	(20.7)	(32.6)
Institutional Revenue	9,500	0.09	808	906	(10.8)	3,065	3,608	(15.0)	3.3
Interest (a)	30,000	0.28	24,938	26,939	(7.4)	54,819	66,857	(18.0)	(70.1)
Dividends and Rent	300	0.00	23	27	(14.8)	208	186	11.8	(8.3)
Fines, Forfeitures & Fees	194,400	1.81	13,178	11,450	15.1	73,326	60,070	22.1	27.2
Other Revenue	74,200	0.69	2,454	1,411	73.9	12,124	7,051	71.9	91.6
Excess Fees	(14,800)	(0.14)	(2,280)	(1,542)	(47.9)	(10,693)	(7,291)	(46.7)	20.6
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	-
Cities, Counties, and Towns	9,200	0.09	930	879	5.8	3,672	3,442	6.7	1.5
Tobacco Master Settlement	59,100	0.55	0	407	(100.0)	0	407	(100.0)	(1.2)
<b>Total Other Revenues</b>	<b>\$372,200</b>	<b>3.46</b>	<b>\$40,064</b>	<b>\$40,526</b>	<b>(1.1)</b>	<b>\$136,684</b>	<b>\$134,518</b>	<b>1.6</b>	<b>5.6</b>
<b>Total General Fund Revenues</b>	<b>\$10,763,900</b>	<b>100.00</b>	<b>\$785,337</b>	<b>\$821,495</b>	<b>(4.4)</b>	<b>\$4,109,658</b>	<b>\$4,136,887</b>	<b>(0.7)</b>	<b>0.8</b>

# Percentage is greater than 1,000%.

(a) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

**Commonwealth of Virginia/Department of Lottery  
Summary Report on Lottery Collections  
For the Fiscal Years 2002 and 2003  
(Dollars in Thousands)**

	FY 2003 <u>Estimate</u>	November			Year-To-Date			% Annual Growth Required By Estimate
		(d) <u>FY 2003</u>	<u>FY 2002</u>	% <u>Change</u>	<u>FY 2003</u>	<u>FY 2002</u>	% <u>Change</u> (b)	
Lottery Collections								
Lotto South	\$78,770	\$5,894	\$5,522	6.7	\$30,547	\$38,394	(20.4)	(9.2)
Cash 5	19,500	2,393	2,220	7.8	12,012	10,841	10.8	(28.5)
Pick 4	146,200	11,815	11,444	3.2	59,249	58,001	2.2	3.6
Pick 3	229,600	19,533	19,708	(0.9)	98,874	101,520	(2.6)	(5.6)
Mega Millions	79,900	7,746	4,575	69.3	44,498	36,437	22.1	(31.9)
Scratch	<u>486,000</u>	<u>42,483</u>	<u>42,424</u>	<u>0.1</u>	<u>204,854</u>	<u>184,530</u>	<u>11.0</u>	<u>(1.3)</u>
Gross Lottery Revenue	1,039,970	89,864	85,893	4.6	450,034	429,723	4.7	(6.1)
Expenses (c)	<u>710,970</u>	<u>60,121</u> (a)	<u>56,373</u>	<u>6.6</u>	<u>298,766</u> (a)	<u>295,279</u>	<u>1.2</u>	<u>(4.0)</u>
Net Lottery Ticket Profits	<u>\$329,000</u>	<u>\$29,743</u> (a)	<u>\$29,520</u>	<u>0.8</u>	<u>\$151,268</u> (a)	<u>\$134,444</u>	<u>12.5</u>	<u>(10.5)</u>

(a) Current month includes operating expenses estimate (unaudited closing).

(b) 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.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing costs, Lottery operating expenses, and net other income/expense.

(d) Estimate established in December 2001.

**Commonwealth of Virginia/Department of Accounts**  
**Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues**  
**Summary Statement of Revenue Estimates & Collections**  
**For the Fiscal Years 2002 and 2003**  
**(Dollars in Thousands)**

Revenue	FY 2003 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
<b>Motor Fuel Taxes</b>	\$809,700	29.03	\$64,453	\$63,906	0.9	\$281,573	\$273,139	3.1	1.9
<b>Priority Transportation Fund</b>	124,700	4.47	2,000	2,000	0.0	6,000	6,000	0.0	523.5
<b>Motor Vehicle Sales and Use Tax</b>	438,600	15.73	36,292	47,399	(23.4)	230,977	227,572	1.5	(17.6)
<b>State Sales and Use Tax</b>	403,800	14.48	33,558	32,236	4.1	149,545	162,512	(8.0)	4.0
<b>Motor Vehicle License Fees</b>	141,000	5.05	10,190	10,406	(2.1)	67,073	60,306	11.2	(2.8)
<b>International Registration Plan</b>	57,400	2.06	2,163	3,069	(29.5)	16,621	21,589	(23.0)	(3.1)
<b>Interest Earnings</b>	12,400	0.45	0	11	(100.0)	4,688	1,989	135.7	(11.6)
<b>Misc. Taxes, Fees, and Revenues</b>	22,000	0.79	1,530	2,870	(46.7)	10,568	10,722	(1.4)	(3.5)
<b>Total State Taxes and Fees</b>	<u>\$2,009,600</u>	<u>72.06</u>	<u>\$150,186</u>	<u>\$161,897</u>	<u>(7.2)</u>	<u>\$767,045</u>	<u>\$763,829</u>	<u>0.4</u>	<u>1.7</u>

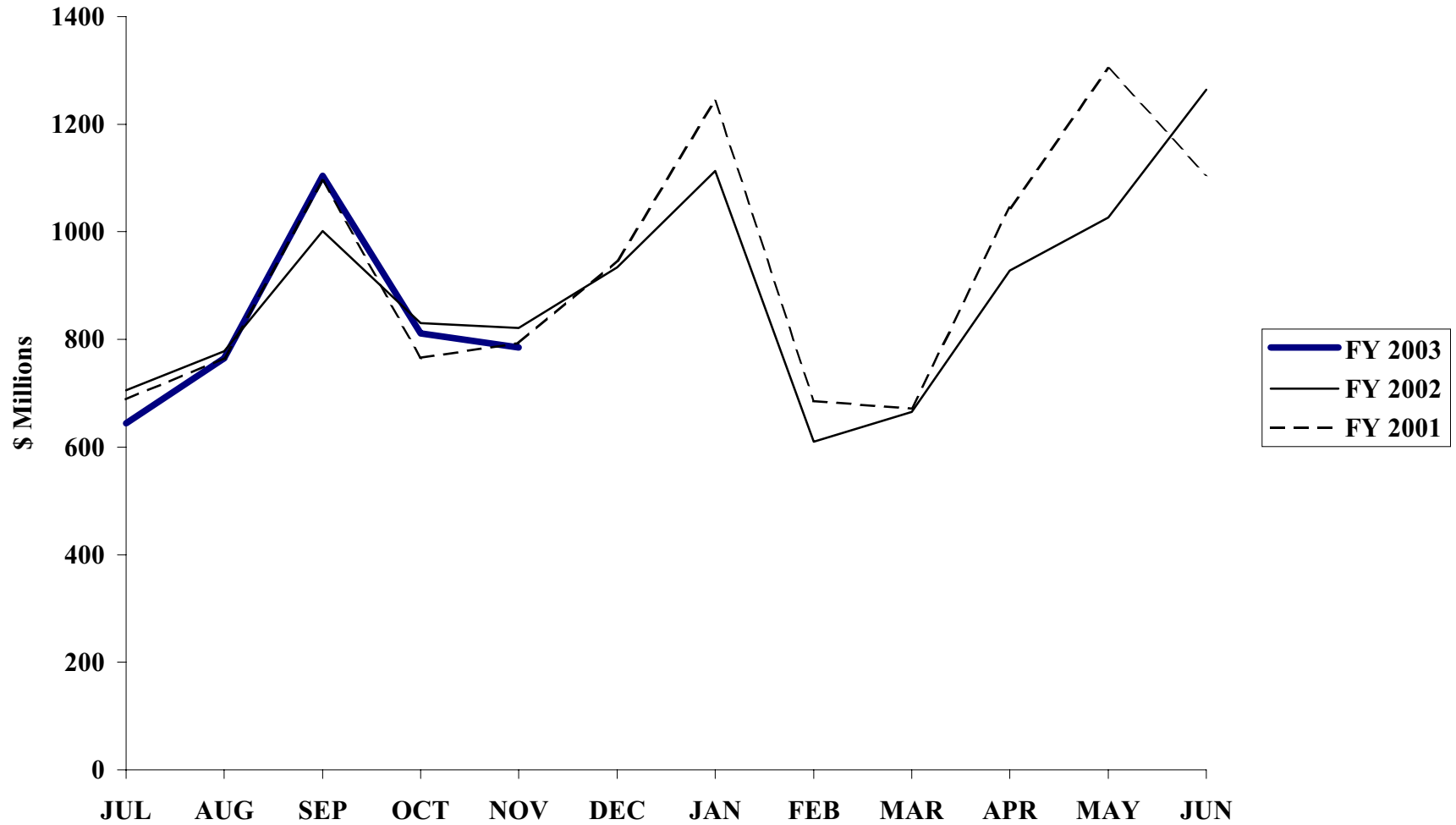
# Percentage is greater than 1,000%.

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 2002 and 2003  
(Dollars in Thousands)

Revenue	FY 2003 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$692,200	24.82	\$58,376	\$54,749	6.6	\$240,909	\$232,678	3.5	2.3
Motor Vehicle Sales and Use Tax	279,700	10.03	24,904	30,358	(18.0)	149,079	147,520	1.1	(18.2)
Motor Vehicle License Fees	122,500	4.39	9,646	9,027	6.9	59,269	52,687	12.5	(2.6)
International Registration Plan	57,400	2.06	2,163	3,069	(29.5)	16,621	21,589	(23.0)	(3.1)
Misc. Taxes, Fees, and Revenues	22,000	0.79	1,530	2,870	(46.7)	10,568	10,722	(1.4)	(3.5)
<b>Total State Taxes and Fees</b>	<b>\$1,173,800</b>	<b>42.09</b>	<b>\$96,619</b>	<b>\$100,073</b>	<b>(3.5)</b>	<b>\$476,446</b>	<b>\$465,196</b>	<b>2.4</b>	<b>(4.3)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$262	\$616	(57.5)	\$6,295	\$5,124	22.9	(100.0)
Transfer (to) / from Transportation Trust Fund	147,200	5.28	0	0	-	72,271	0	-	#
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,321,000</b>	<b>47.37</b>	<b>\$96,881</b>	<b>\$100,689</b>	<b>(3.8)</b>	<b>\$555,012</b>	<b>\$470,320</b>	<b>18.0</b>	<b>7.6</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,500	4.21	\$6,077	\$9,157	(33.6)	\$40,664	\$40,461	0.5	(0.3)
Priority Transportation Fund	124,700	4.47	2,000	2,000	0.0	6,000	6,000	0.0	523.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	158,900	5.70	11,388	17,041	(33.2)	81,898	80,052	2.3	(16.4)
State Sales and Use Tax	403,800	14.48	33,558	32,236	4.1	149,545	162,512	(8.0)	4.0
Motor Vehicle License Fees	18,500	0.66	544	1,379	(60.6)	7,804	7,619	2.4	(4.0)
Interest Earnings	12,400	0.45	0	11	(100.0)	4,688	1,989	135.7	(11.6)
<b>Total State Taxes and Fees</b>	<b>\$835,800</b>	<b>29.97</b>	<b>\$53,567</b>	<b>\$61,824</b>	<b>(13.4)</b>	<b>\$290,599</b>	<b>\$298,633</b>	<b>(2.7)</b>	<b>11.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$669,400	24.00	\$49,555	\$143,596	(65.5)	\$294,707	\$491,508	(40.0)	(29.4)
Receipts from Cities/Counties	37,500	1.35	2,024	3,760	(46.2)	17,374	16,545	5.0	10.4
Toll Revenues (Includes Route 28)	72,200	2.59	5,186	3,202	62.0	25,847	23,454	10.2	14.5
Miscellaneous Revenues	0	0.00	245	2	#	6,061	6,059	0.0	(100.0)
<b>Total Other Revenues</b>	<b>\$779,100</b>	<b>27.94</b>	<b>\$57,010</b>	<b>\$150,560</b>	<b>(62.1)</b>	<b>\$343,989</b>	<b>\$537,566</b>	<b>(36.0)</b>	<b>(26.7)</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$147,200)	(5.28)	\$0	\$0	-	(\$72,271)	\$0	-	#
<b>Total Transportation Trust Fund</b>	<b>\$1,467,700</b>	<b>52.63</b>	<b>\$110,577</b>	<b>\$212,384</b>	<b>(47.9)</b>	<b>\$562,317</b>	<b>\$836,199</b>	<b>(32.8)</b>	<b>(19.6)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$2,788,700</b>	<b>100.00</b>	<b>\$207,458</b>	<b>\$313,073</b>	<b>(33.7)</b>	<b>\$1,117,329</b>	<b>\$1,306,519</b>	<b>(14.5)</b>	<b>(8.7)</b>

# Percentage is greater than 1,000%.

## Total General Fund Revenues

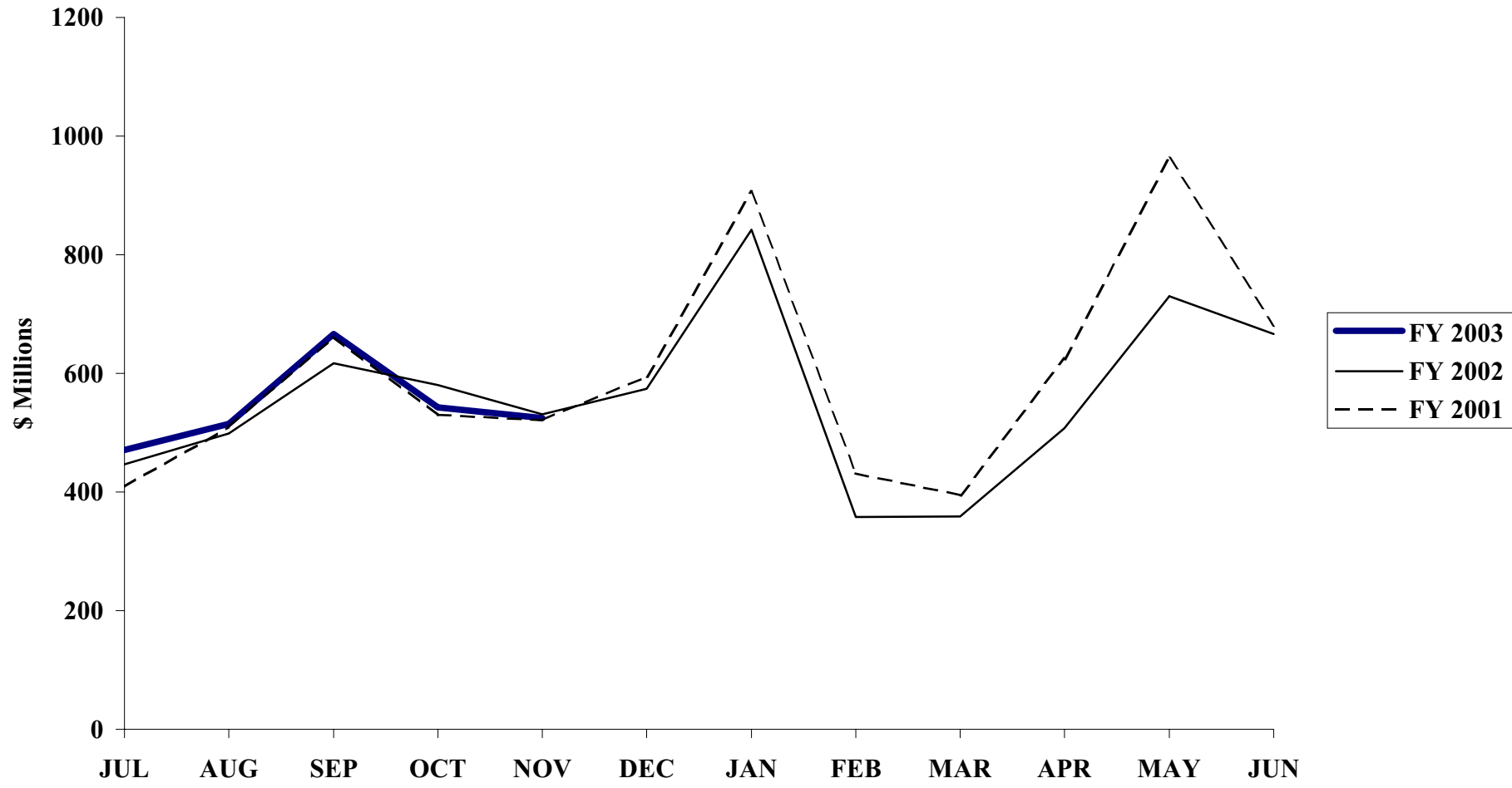


**FY 2001 Actual = \$11,105.3 Million**

**FY 2002 Actual = \$10,678.9 Million**

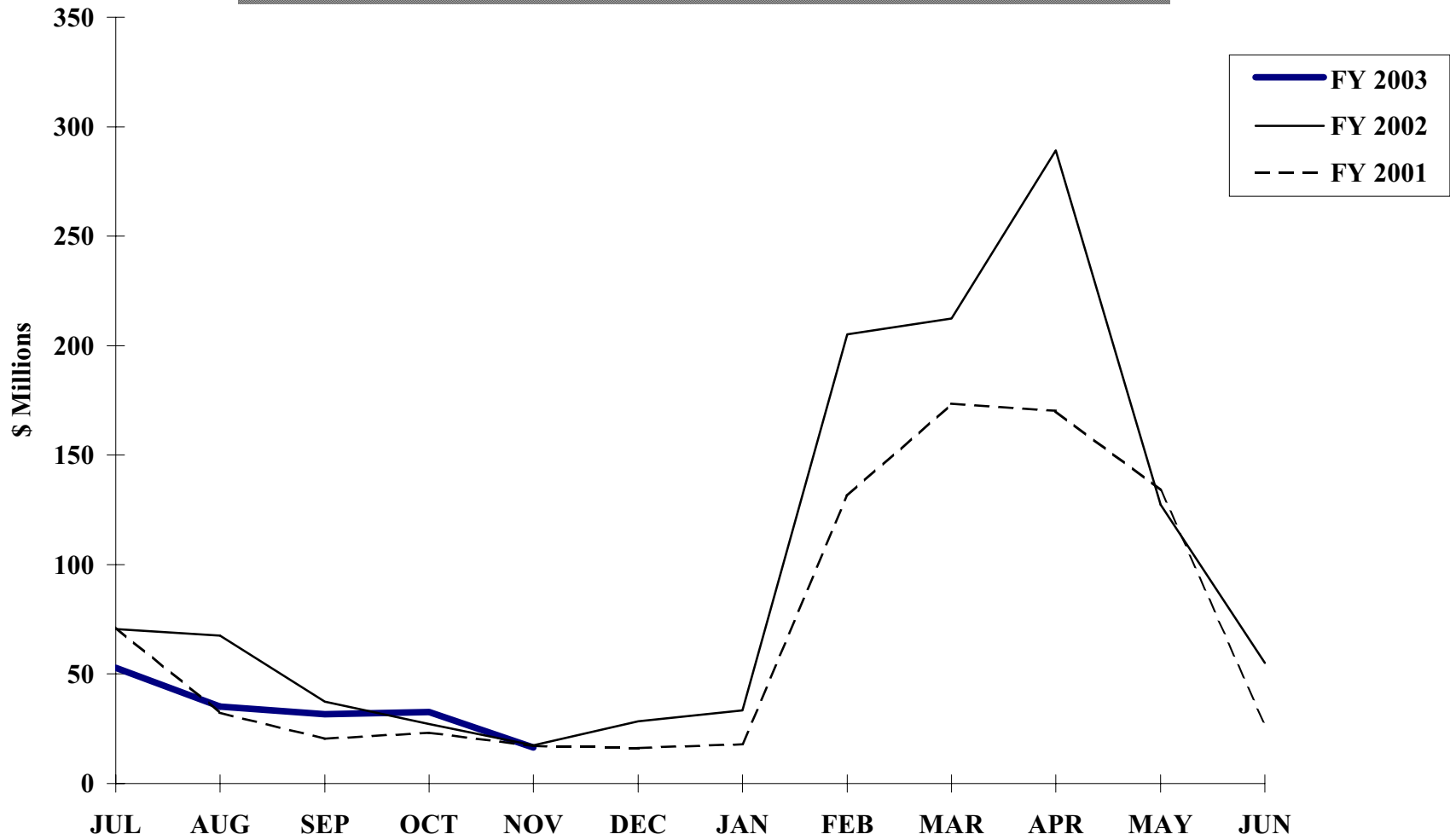
**FY 2003 Estimate = \$10,763.9 Million**

# Net Individual Income Tax



**FY 2001 Actual = \$7,226.3 Million**  
**FY 2002 Actual = \$6,710.7 Million**  
**FY 2003 Estimate = \$6,878.1 Million**

# Individual and Fiduciary Income Tax Refunds



**FY 2001 Actual = \$835.4 Million**  
**FY 2002 Actual = \$1,171.1 Million**  
**FY 2003 Estimate = \$1,059.4 Million**

## DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2003

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION <sup>1,2</sup>		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
<b>July</b>	\$2,025.1	3.40%	\$973.7	20.20%	\$2,998.8	8.86%
<b>August</b>	\$1,758.1	3.56%	\$989.2	17.14%	\$2,747.3	8.45%
<b>September</b>	\$1,859.5	3.46%	\$1,003.6	21.93%	\$2,863.1	9.93%
<b>October</b>	\$1,813.7	3.30%	\$852.4	-5.03%	\$2,666.1	0.64%
<b>November</b>	\$1,709.7	3.38%	\$897.9	-6.80%	\$2,607.6	-0.13%
<b>December</b>						
<b>January</b>						
<b>February</b>						
<b>March</b>						
<b>April</b>						
<b>May</b>						
<b>June</b>						
<b>Year-to-Date Average</b>	\$1,833.2	3.42%	\$943.4	10.23%	\$2,776.6	5.73%

<sup>1</sup> Performance on the extended duration portion of the General Account is now 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.

<sup>2</sup> Unaudited.



**Commonwealth of Virginia/Department of Accounts  
 Report on the Revenue Stabilization Fund  
 For the Fiscal Year 2003  
 (Dollars in Thousands)**

<b>Month</b>	<b>Beginning Balance</b>	<b>Deposits/(Withdrawals)</b>	<b>Interest Allocated (A)</b>	<b>Ending Balance</b>
<b>July</b>	\$472,376	\$0	\$0	\$472,376
<b>August</b>	\$472,376	\$0	\$0	\$472,376
<b>September</b>	\$472,376	\$0	\$0	\$472,376
<b>October</b>	\$472,376	\$0	\$5,326	\$477,702
<b>November</b>	\$477,702	\$0	\$0	\$477,702
<b>December</b>				
<b>January</b>				
<b>February</b>				
<b>March</b>				
<b>April</b>				
<b>May</b>				
<b>June</b>				

Notes: (A) Interest is earned monthly but credited to nongeneral funds on a quarterly basis and will appear on this report in the months of October, January, April, and final June.