



GOVERNOR YOUNGKIN'S PROPOSED AMENDMENTS 2022-2024 BUDGET

Economic Outlook and Revenue Forecast

A BRIEFING FOR THE SENATE FINANCE & APPROPRIATIONS,
HOUSE APPROPRIATIONS, AND HOUSE FINANCE COMMITTEES

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TOPICS FOR DISCUSSION

FISCAL YEAR 2022 YEAR-IN-REVIEW

FISCAL YEAR 2023 YEAR-TO-DATE REVENUE COLLECTIONS

CURRENT FISCAL AND ECONOMIC CONDITIONS AND OUTLOOK

DECEMBER REVENUE FORECAST

LONGER-TERM OUTLOOK

SUMMARY

- Year-to-date FY 2023 trends continue to show year-over-year growth in withholding, sales, and nonwithholding taxes. Corporate and recordation taxes are under pressure reflecting the effects of inflation on profits and rapidly rising interest rates on home sales.
- While recent data indicates that inflation may have peaked, it remains close to 40-year highs and the Federal Reserve has made it clear that it will continue to tighten until inflation is at or near its targeted level, +/- 500 basis points below today's level.
- Given the Fed's aggressive stance and after consultation with the Governor's Advisory Council on Revenue Estimates (GACRE), a prudent outlook was adopted by the Governor, resulting in a December forecast that is more cautious, with a recession beginning at the end of Q3 of FY 2023 and lasting two to three quarters. As a result, there will be a steep downturn in nonwithholding taxes with a flattening of withholding and sales and use and a continued year-over-year decline of corporate taxes.
- Given the stronger first half versus the Chapter 2 forecast, the result is a December forecast for the biennium that is \$2.2 billion higher than the forecast assumed in the current budget (before policy adjustments).
- GF revenues are projected to decline from \$28.9 billion in FY 2022 to \$26.4 billion in FY 2023.

SUMMARY (Cont.)

- Prior to enactment of the Governor's proposed amendments, the forecast projects excess resources of \$3.6 billion for FY 2023 reflecting:
 - Higher projected FY 2023 revenues of \$1.7 billion,
 - Prior reserves released on the balance sheet (super deposit and taxpayer reserve totaling \$849 million),
 - Expired appropriations the Governor is reverting to the General Fund (\$233 million),
 - Increased federal resources for Medicaid from the continuation of the public health emergency (\$354 million), and
 - The planned \$509 million rollover of surplus into FY 2024 included in Chapter 2.
- Of the \$3.6 billion in excess resources, the Governor's amendments provide \$1 billion in tax relief for individuals, both large and small businesses, and \$2.6 billion in targeted spending, largely one-time in nature, including capital spending of \$505 million.
- These amendments lead to a structurally balanced budget within the conservative revenue outlook presented.
- In addition, given the present economic uncertainty, an accordion feature has been added that will reduce proposed tax reductions and spending if actual 2023 revenues are below forecast.
- Looking beyond this biennium, per Code, we have prepared projections through FY 2028, which shows that the Commonwealth will experience meaningful excess revenues under conservative assumptions, further supporting the appropriateness of reducing the taxes for our current and prospective citizens.

FY 2022: GENERAL FUND REVENUES EXCEEDED THE FORECAST BY \$1.9 BILLION

General Fund Revenue Collections (in millions of dollars)

Revenue	Fiscal Year 2022			Growth Over FY 2021	
	Official Forecast	Actual	Forecast Variance	Dollars	Percent
Withholding	\$15,267.2	\$15,340.3	\$73.1	\$1,327.4	9.5%
Nonwithholding	5,346.6	6,810.5	1,463.9	1,593.5	30.5%
Refunds	(2,020.7)	(1,740.5)	280.2	185.7	-9.6%
Sales	4,437.6	4,558.1	120.5	391.9	9.4%
Corporate	2,009.6	1,978.7	(30.9)	463.0	30.5%
All Other	1,958.0	1,987.8	29.8	94.9	5.0%
Total GF Revenues	\$26,998.3	\$28,934.9	\$1,936.6	\$4,056.4	16.3%
GF Transfers	\$803.90	\$814.30	\$10.4	55.7	7.3%
Total General Fund	\$27,802.2	\$29,749.2	\$1,947.0	\$4,112.1	16.0%

- Nonwithholding and lower than expected refunds accounted for 90 percent of unplanned FY 2022 revenues vs. caboose budget.

REVENUE MOMENTUM HAS CARRIED FORWARD INTO FY 2023

Adjusted for policy and timing impacts, GF revenues are up 7.5 percent year-to-date.

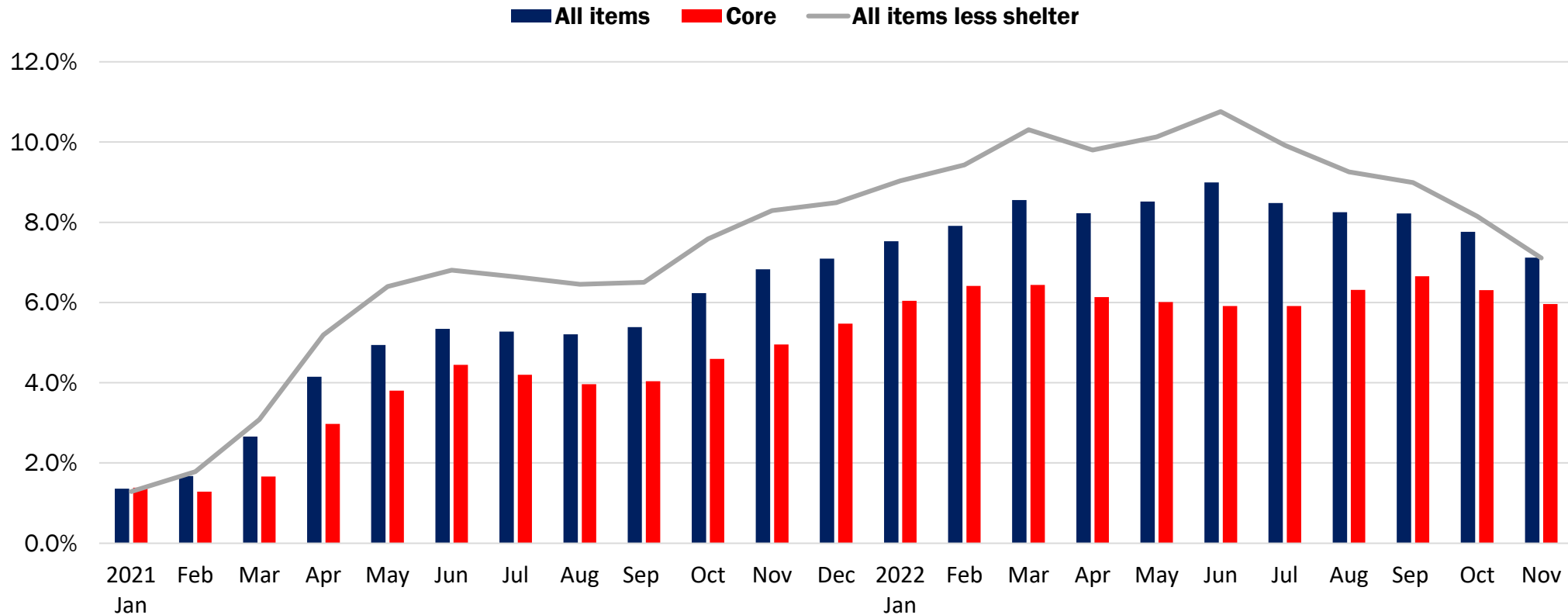
General Fund Revenue Collections

\$ Millions of Dollars

Revenue	FY 2023			November				Fiscal Year-To-Date				
	Ch 2 Estimate	Pct Chg Req by Est	Percent of GF Rev	FY 2022	FY 2023	Change	% Change	FY 2022	FY 2023	Change	% Change	Year-To-Date % of Total
Withholding	\$15,319.9	-0.1%	61.6%	\$1,201.9	\$1,355.5	\$153.6	12.8%	\$5,906.3	\$6,446.1	\$539.8	9.1%	67.4%
Nonwithholding	5,213.6	-23.4%	21.0%	89.4	101.9	12.5	14.0%	\$1,159.8	\$1,313.8	154.0	13.3%	13.7%
Refunds	(3,800.9)	118.4%	-15.3%	(40.9)	(69.9)	(29.0)	70.8%	(\$303.8)	(\$1,313.6)	(1,009.8)	332.4%	-13.7%
Sales and Use Tax	4,497.8	-1.3%	18.1%	374.1	401.8	27.8	7.4%	\$1,726.6	1,987.2	260.6	15.1%	20.8%
Corporate Income Tax	1,737.0	-12.2%	7.0%	93.2	20.7	(72.5)	-77.8%	\$602.3	512.2	(90.0)	-14.9%	5.4%
All Other Sources	1,903.9	-4.2%	7.7%	164.3	191.8	27.5	16.7%	\$598.5	623.5	25.0	4.2%	6.5%
Total GF Revenues	\$24,871.3	-14.0%	100.0%	\$1,882.0	\$2,001.8	\$119.8	6.4%	\$9,689.6	\$9,569.2	(\$120.4)	-1.2%	100.0%
Adjusted Sales								\$1,930.0	\$2,060.4	\$130.4	6.8%	
Adjusted Withholding				\$1,201.9	\$1,293.3	\$91.3	7.6%	\$5,906.3	\$6,442.7	\$536.4	9.1%	
Adjusted Refunds				(\$40.9)	(\$61.2)	(\$20.3)	49.5%	(\$303.8)	(\$318.2)	(\$14.4)	4.7%	
All Other Revenues				\$721.0	\$715.1	(\$5.9)	-0.8%	\$2,360.5	\$2,449.5	\$89.0	3.8%	
Total GF Revenues, Adjusted for AST, Withholding and Refunds				\$1,882.0	\$1,947.2	\$65.2	3.5%	\$9,893.0	\$10,634.5	\$741.5	7.5%	

- Adjusted withholding revenue is 9.1 percent higher year-to-date and 7.6 percent higher year-over-year in November.
- Sales tax revenue is 6.8 percent higher year-to-date and 7.4 percent higher year-over-year in November.
- Corporate income tax collections are down 14.9 percent year-to-date and down 78 percent year-over-year in November

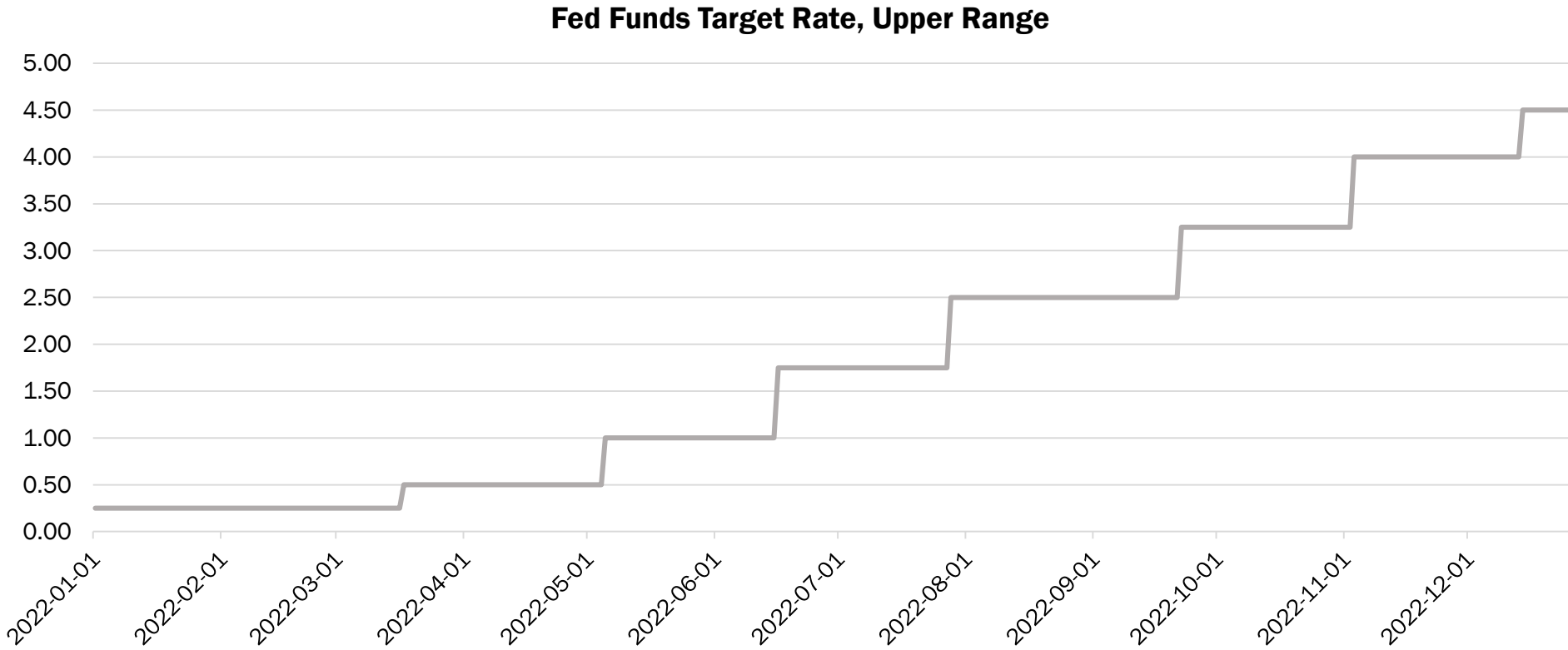
NOVEMBER'S CPI REPORT PROVIDED SOME SIGNS THAT INFLATION MAY HAVE PEAKED



Source: US BLS

- For the twelve months ended in November, the CPI was up 7.1 percent. While lower than in recent months, inflation remains at levels not seen since the early-1980s.

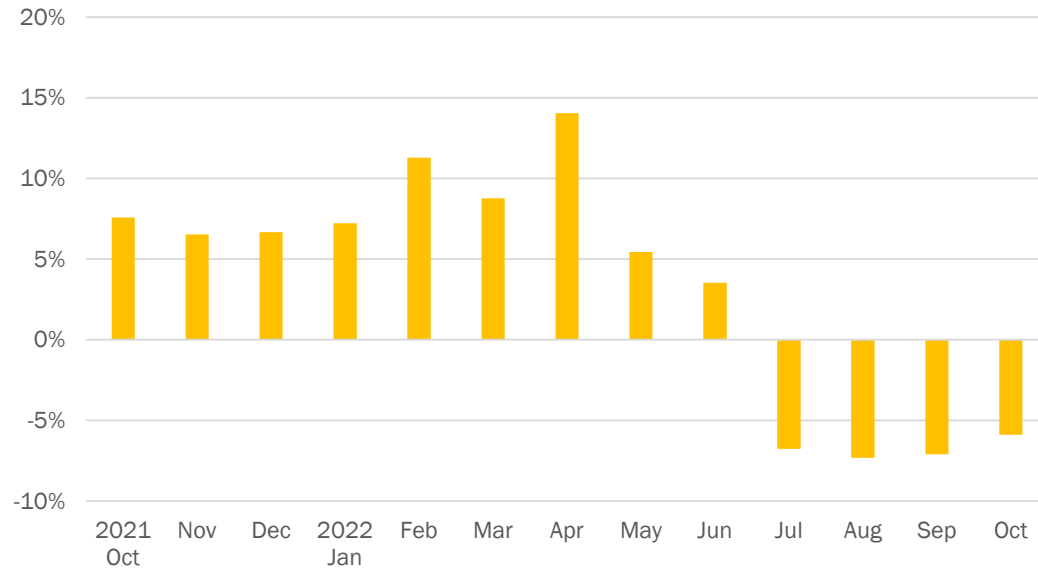
THE FED HAS MADE IT CLEAR THEY WILL CONTINUE TO TIGHTEN UNTIL INFLATION RETURNS TO TARGET LEVELS



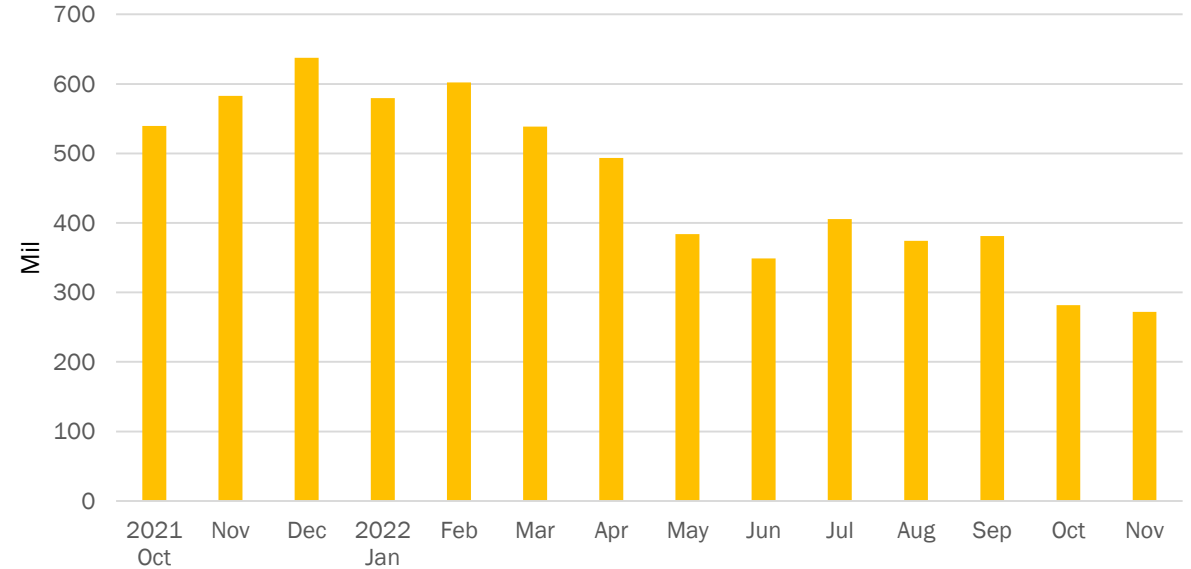
- A 50 basis point rate hike was announced at the December meeting.

THERE ARE SIGNS THAT RISING INTEREST RATES ARE SLOWING THE ECONOMY

Housing Starts, Y/Y % Chg, 3-mth avg



US Employment, M/M Chg 3 Mth Avg

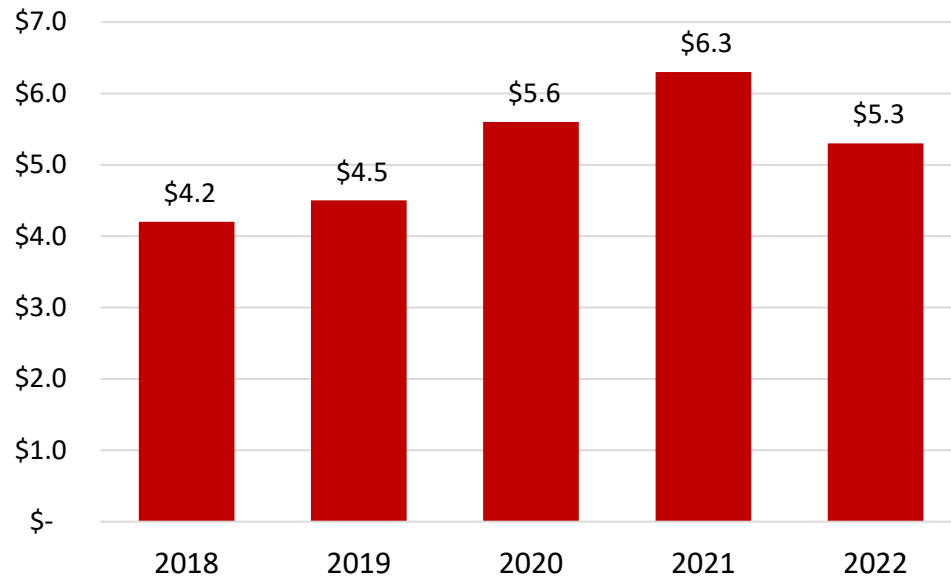


Source: US Census Bureau and BLS

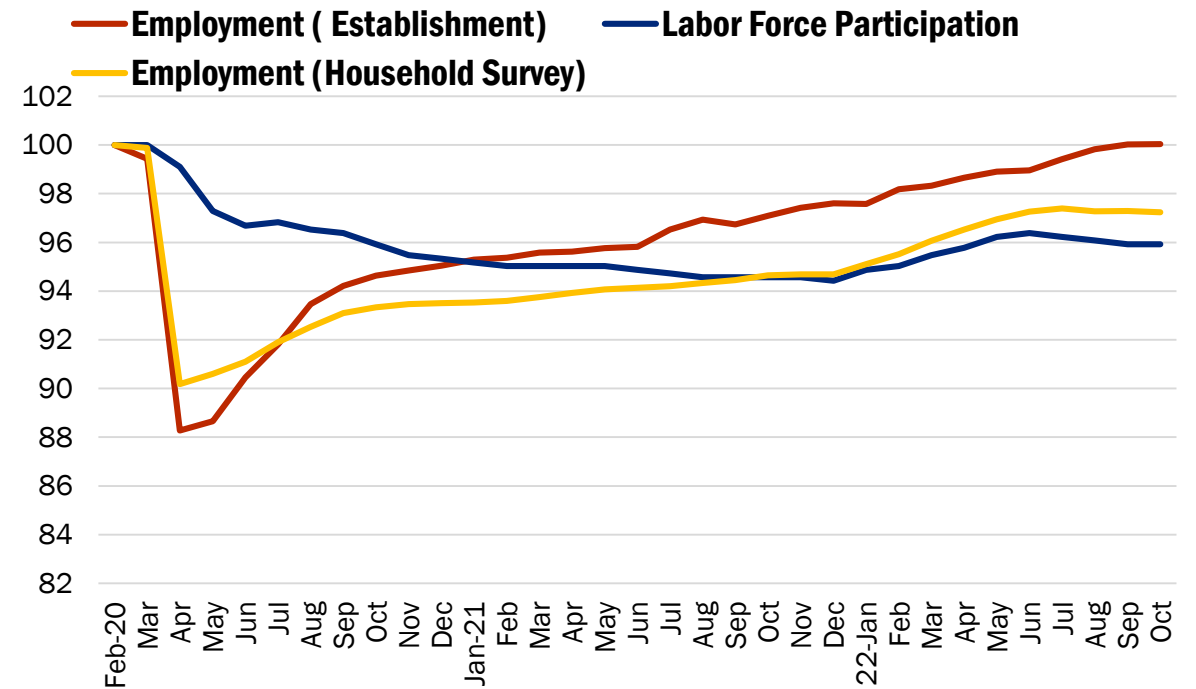
- Interest rate sensitive sectors of economy have already been impacted by Fed hikes
- Labor markets are beginning to soften though not as fast as anticipated. Mass layoffs in the tech sector are not yet reflected in the labor statistics

VIRGINIA'S ECONOMY: HOUSING IS ALSO SLOWING AND HOUSEHOLD EMPLOYMENT HAS YET TO FULLY RECOVER

Virginia Home Sales Dollar Volume \$ Bil, September

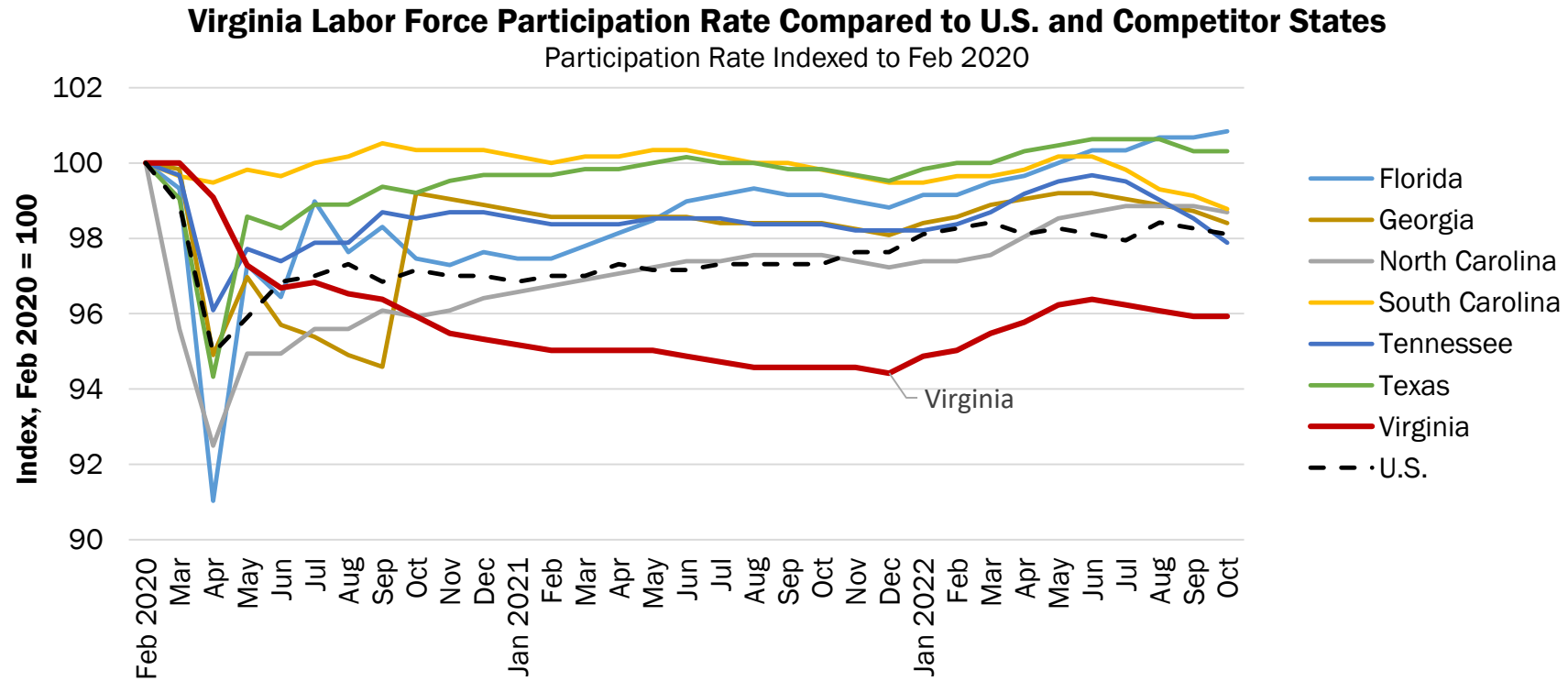


Sources: Virginia Association of Realtors, US BLS



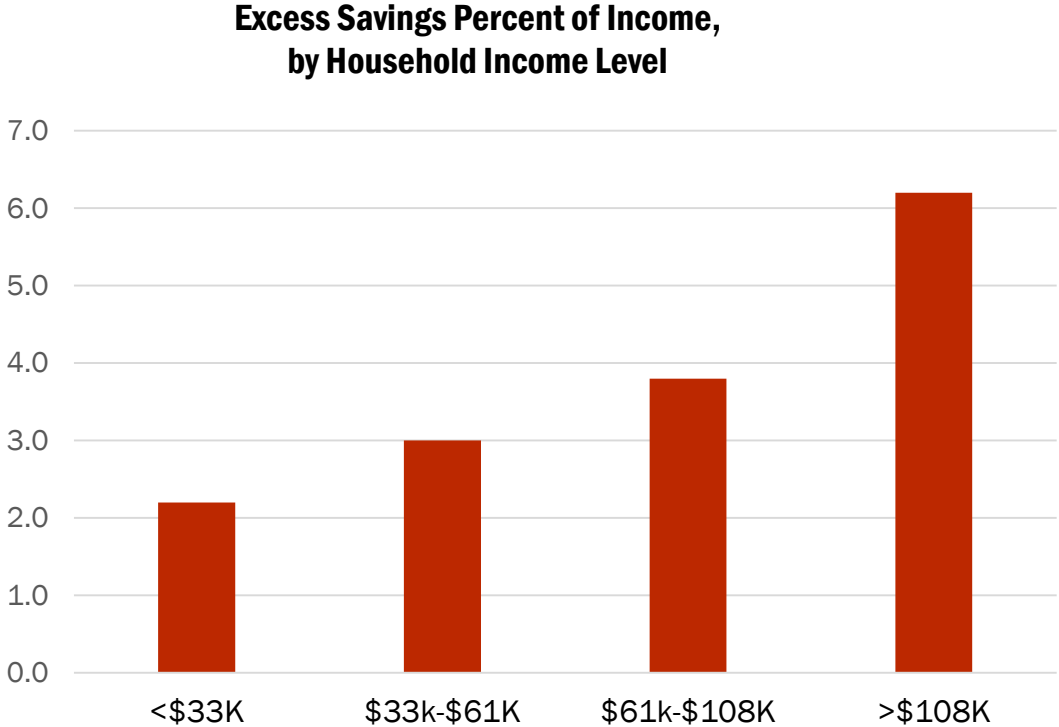
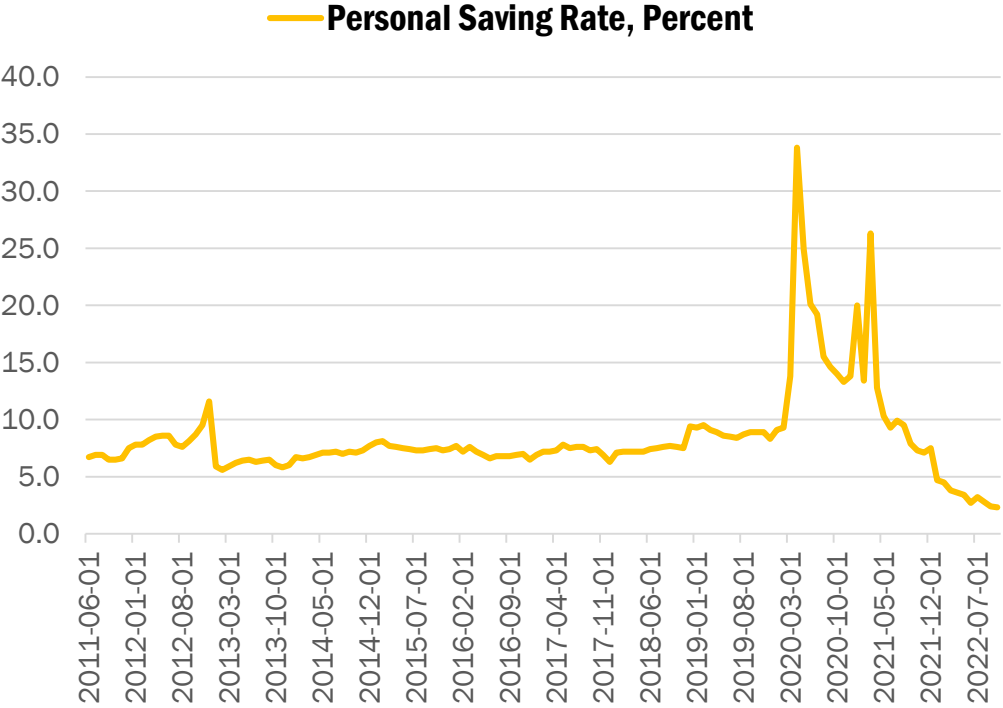
LABOR FORCE PARTICIPATION IS LAGGING

Competitor states have seen quicker recovery.



Source: BLS

MASSIVE SAVINGS ACCUMULATED DURING THE PANDEMIC STILL PROVIDE BUFFER FOR MIDDLE TO HIGHER INCOME HOUSEHOLDS



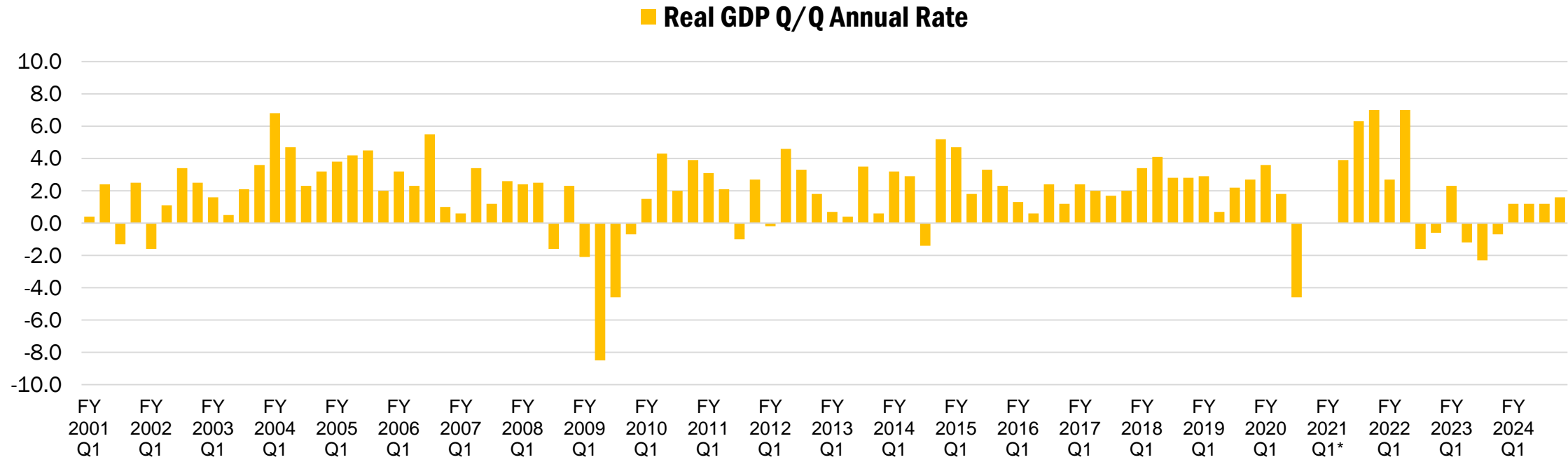
Sources: JP Morgan, courtesy Goldman Sachs, and FRB

- But that cushion is rapidly declining, particularly at lower income levels.

FORECAST PRESENTED TO GACRE: A PRUDENT FORECAST THAT ASSUMES--

- The Federal Reserve Board continues to raise rates to slow the economy and tame inflation.
- Inflationary pressures subside quickly, allowing the Fed to pivot at the end of CY 2023.
- A recession occurs beginning in Q2 FY 2023 and lasts three quarters.
- Recent growth in capital gains and non-wage income is unsustainable implying steep declines in nonwithholding collections.

GACRE ASSUMPTION: A SHORT AND MILD RECESSION BEGINNING IN Q2 FY 2023 AND LASTING THREE QUARTERS

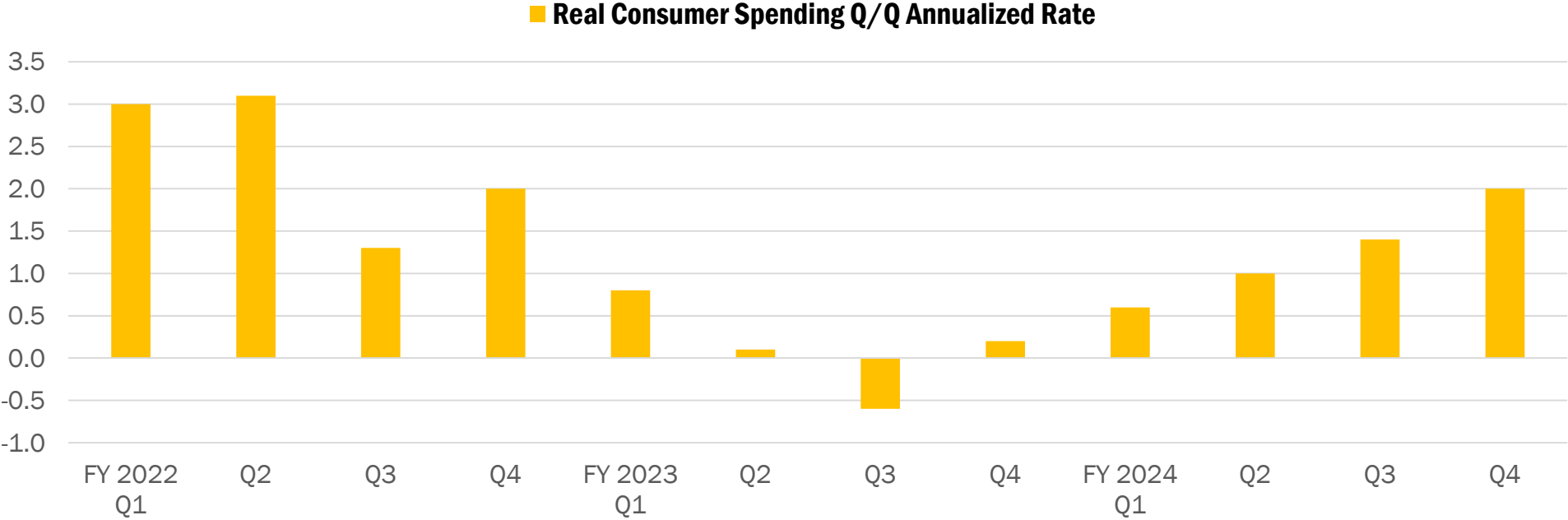


* Pandemic period outliers are not shown

Source: US BEA, IHS Markit

CONSUMERS WILL BE ABLE TO BEAR THE IMPACT OF HIGHER FED RATES

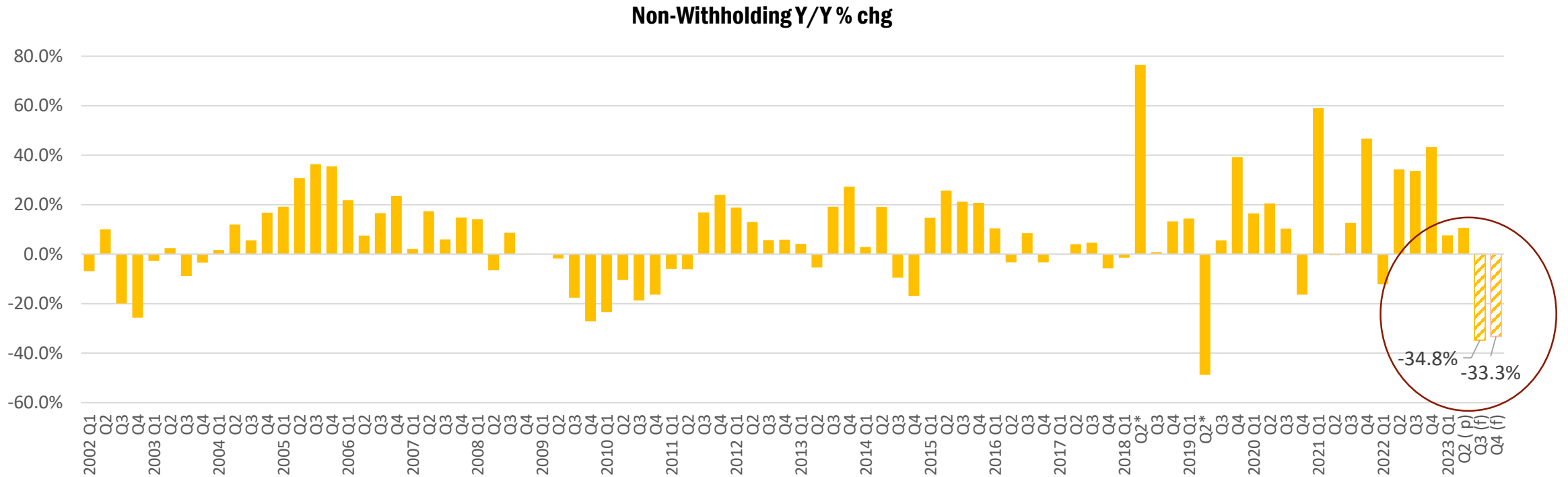
- Real consumer spending dips briefly in Q3 of FY 2023 but remains positive for the year



Source: US Census Bureau, IHS Markit

HOWEVER, RECENT GROWTH IN CAPITAL GAINS AND OTHER NON-WAGE INCOMES IS UNSUSTAINABLE

Nonwithholding is projected to fall sharply in 2023 and again in 2024 reverting to a long-term sustainable trend



Source: Virginia Dept. of Taxation , 2018Q2 reflected income shifting due to the TCJA and SALT cap limitation that shifted income into TY 2017. 2019Q2, as a result, declined

POST-GACRE ADJUSTMENTS

Economic Assumptions:

- The consensus view of GACRE members was that a recession occurs one to two quarters later than the presented forecast.
- As a result, the revenue forecast was increased in FY 2023 and lowered in FY 2024.
- By FY 2025 the economy recovers to the original GACRE forecast reflecting a more pronounced recovery.
- The outlook for Virginia's economy was also revised to reflect more near-term strength followed by a sharper decline.

Policy Adjustments:

- After accounting for the revised economic outlook, the revenue forecast is further adjusted to reflect proposed policy changes.

POST-GACRE ASSUMPTIONS: GROWTH IN FY 2023 IS PROJECTED TO BE SLIGHTLY HIGHER WHILE FY 2024 IS LOWER

Key U.S. and Virginia Economic Indicators (annual percent change)

	FY 2022	FY 2023	FY 2024
GDP			
GACRE	4.0%	0.1%	0.3%
December		0.4%	-0.5%
US Employment			
GACRE	4.5%	2.2%	-1.5%
December		2.5%	-2.4%
VA Employment			
GACRE	3.2%	2.4%	-0.4%
December		2.5%	-1.2%
Virginia Wage Income			
GACRE	8.0%	8.0%	3.8%
December		8.3%	2.6%

Source: Virginia Dept. of Taxation, IHS Markit

DECEMBER GENERAL FUND REVENUE FORECAST

Composition of the December Revenue Forecast

2022-2024 Biennium

(dollars in millions)

	FY 2022 (Actual)	FY 2023	FY 2024	Total Biennium
General Fund Revenues: Chapter 2	\$28,934.9	\$24,871.3	\$27,263.0	\$52,134.4
General Fund Revenues: GACRE		\$26,279.3	\$28,052.2	\$54,331.5
Increase/(Decrease) Over Chapter 2: GACRE		\$1,408.0	\$789.1	\$2,197.2
Post-GACRE Adjustments:				
Economic Outlook Adjustments		\$180.5	(\$222.1)	(\$41.6)
General Fund Revenues After Economic Adjustments		\$26,459.9	\$27,830.1	\$54,290.0
Policy Adjustments		(\$72.1)	(\$928.9)	(\$1,001.0)
General Fund Revenues: December		\$26,387.8	\$26,901.2	\$53,289.0
Increase/(Decrease) Over Chapter 2: December		\$1,516.4	(\$361.8)	\$1,154.6

Totals may not sum due to rounding. Excludes GF transfers.

GOVERNOR PROPOSES TO CUT TAXES BY \$1.0 BILLION OVER THE BIENNIUM

Tax Cuts 2022-2024 Biennium (dollars in millions)

	FY 2023	FY 2024	Total Biennium
Policy Adjustments:			
Tax Conformity	(\$0.2)	(\$0.3)	(\$0.5)
Individual Rate Reduction (5.5% Top Rate TY24)	--	(333.3)	(333.3)
Standard Deduction Increase (\$9k/\$18k TY24)	--	(94.9)	(94.9)
Remove Age Limit on Military Retirement Subtraction (TY24)	--	(37.8)	(37.8)
Decrease Corporate Income Tax Rate to 5% (TY23)	(71.9)	(290.2)	(362.1)
QBI 10% Deduction (TY23)	--	(162.1)	(162.1)
Increase Business Interest Expense Deduction to 50% (TY23)	--	(10.3)	(10.3)
SUT Exemption for Controlled Environment Ag Facilities*	--	--	--
Total Policy Adjustments	(\$72.1)	(\$928.9)	(\$1,001.0)

*Revenue impact is unknown, but likely insignificant.

AFTER POLICY ADJUSTMENTS, PROJECTED GENERAL FUND REVENUES AND TRANSFERS ARE \$1.2 BILLION HIGHER COMPARED TO CHAPTER 2

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>			<u>Fiscal Year 2024</u>			<u>2022-2024 Biennium</u>		
	Actual	Ch. 2 Official Forecast	December Forecast	Change	Ch. 2 Official Forecast	December Forecast	Change	Ch. 2 Official Forecast	December Forecast	Change
REVENUE (\$ mil.)										
Withholding	\$15,340.3	\$15,319.9	\$16,078.3	\$758.4	\$15,775.5	\$16,026.9	\$251.4	\$31,095.4	\$32,105.2	\$1,009.8
Nonwithholding	6,810.5	5,213.6	5,088.6	(125.0)	5,573.0	4,582.7	(990.3)	10,786.6	9,671.3	(1,115.3)
Refunds	(1,740.5)	(3,800.9)	(3,535.2)	265.7	(2,289.9)	(1,882.8)	407.1	(6,090.8)	(5,418.0)	672.8
Sales & Use Tax	4,558.1	4,497.8	4,926.3	428.5	4,472.7	4,876.5	403.8	8,970.5	9,802.8	832.3
Corporate Income	1,978.7	1,737.0	1,809.1	72.1	1,784.9	1,461.0	(323.9)	3,521.9	3,270.2	(251.7)
All Other Sources	<u>1,987.9</u>	<u>1,903.9</u>	<u>2,020.6</u>	<u>116.7</u>	<u>1,946.8</u>	<u>1,836.9</u>	<u>(109.9)</u>	<u>3,850.7</u>	<u>3,857.6</u>	<u>6.8</u>
TOTAL GF REVENUES	\$28,934.9	\$24,871.3	\$26,387.8	\$1,516.4	\$27,263.0	\$26,901.2	(\$361.8)	\$52,134.4	\$53,289.0	\$1,154.6
TOTAL TRANSFERS	<u>814.3</u>	<u>714.7</u>	<u>679.4</u>	<u>(35.3)</u>	<u>733.2</u>	<u>793.2</u>	<u>60.0</u>	<u>1,447.9</u>	<u>1,472.6</u>	<u>24.7</u>
TOTAL GENERAL FUND	\$29,749.3	\$25,586.0	\$27,067.1	\$1,481.1	\$27,996.2	\$27,694.5	(\$301.8)	\$53,582.2	\$54,761.6	\$1,179.4

- The forecast adds \$1.0 billion in projected withholding revenues, as job and wage growth offsets tax reductions.
- \$251.7 million decrease in corporate income tax collections primarily reflects the revenue impact of corporate rate reductions.

LONGER-TERM OUTLOOK CONFIRMS STRUCTURAL BALANCE

- *Va. Code* §§ 2.2-1503 and 2.2-1503.1 require the Governor to prepare a long-term revenue forecast (annually) and a six-year financial plan (biennially).
- The Governor asked the Department of Planning and Budget (DPB) to update the six-year plan to take into account the December Post-GACRE forecast and proposed spending and tax policies in HB 1400 / SB 800.
- The spending projections fully-fund public education (including a 2.0 percent raise each year for teachers), Medicaid/CHIP and TANF, a 2.0 percent raise each year for state employees, VITA costs growing at 5.4 percent each year, and an increase in HB 599 funding to local police departments consistent with Chapter 2.
- It is a reasonable plan prepared by informed state budget professionals, and served as a basis for the Governor's budget deliberations.
- The outlook is backstopped by \$4.2 billion in reserves.

BUDGET RESPONSIBLY RETURNS REVENUE SURPLUS TO TAXPAYERS

General Fund Projections Assuming Enactment of the Governor's Budget, FY 2023 to FY 2028

(dollars in millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Prior to Proposed Amendments:						
Balance, Current Law	\$3,626	\$3,687	\$5,487	\$7,463	\$9,377	\$11,421
Annual Increase in Balance	—	\$61	\$1,800	\$1,976	\$1,914	\$2,043
Proposed Amendments:						
Tax Relief	\$72	\$929	\$1,418	\$1,475	\$1,537	\$1,605
One-Time Spending	\$400	\$1,112	\$4	—	—	—
Ongoing Spending	113	484	377	402	438	429
Capital Spending Financed by Cash	176	329	—	—	—	—
Mandatory GF to Revert	(71)	—	—	—	—	—
TOTAL NET NEW SPENDING	\$617	\$1,925	\$381	\$402	\$438	\$429
Future Potential Required Stabilization Fund Deposit	—	—	—	—	\$175	—
Balance Assuming Enactment of Governor's Budget	<u>\$2,936</u>	<u>\$143</u>	<u>\$145</u>	<u>\$245</u>	<u>\$9</u>	<u>\$18</u>

CALCULATION OF YEAR-END FY 2023 GF BALANCE AVAILABLE FOR APPROPRIATION

	FY 2023
Chapter 2, 2022 Special Session I, FY 2023 Year End Balance	\$509.1
Changes to GF Resources	
Change in Revenue forecast	\$1,588.5
Change in Transfers	92.7
Remove Revenue Stabilization Fund Super Deposit reservation	452.3
Balance sheet amount reserved for Taxpayer Relief	396.9
Discretionary GF Reappropriation to remain reverted	233.4
Total Change in Resources	\$2,763.8
Changes to Spending Estimates Subject to Forecast ¹	
Medicaid PHE continuation, forecast, and related adjustments	(\$350.3)
Child Welfare, TANF and related forecasts	(3.9)
Debt Service effect of interest rate forecast	1.3
Total Changes to Spending Estimates	(\$352.9)
GF Balance Available for Allocation by the Governor	\$3,625.8

Totals may not sum due to rounding.

¹—Effect on spending; negative numbers increase balance.

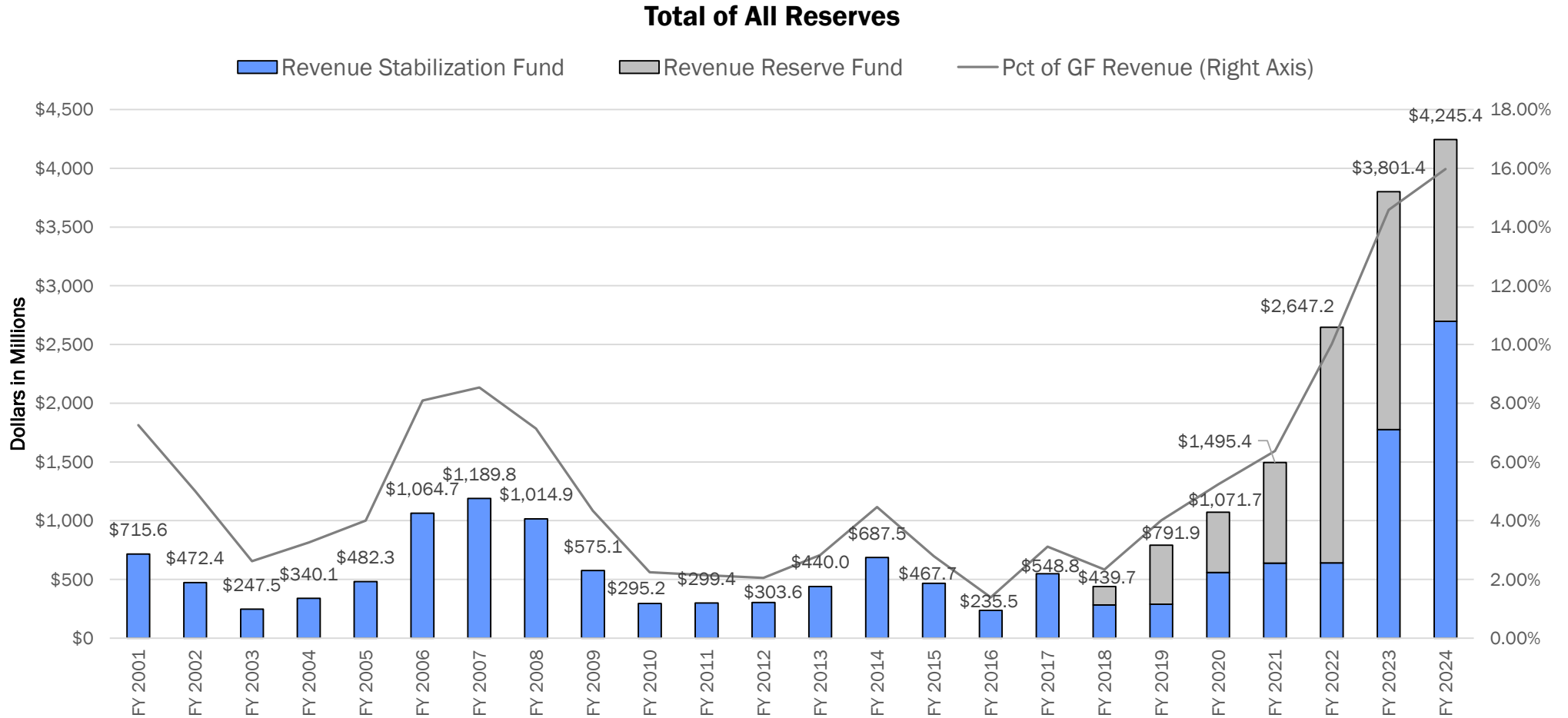
BUDGET INCLUDES TRIGGERS IN CASE RECESSION IS DEEPER THAN ANTICIPATED

Contingent Policies Included in the Budget (dollars in millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Reduction in Top Individual Income Tax Rate	---	\$333.3	\$716.2	\$750.8	\$792.7	\$836.7
Additional Sites Funds	---	250.0	---	---	---	---
Additional Resiliency Funds	---	100.0	---	---	---	---
Employee Performance Bonus Program	---	100.0	---	---	---	---
Capital Supplement Funding	---	300.0	---	---	---	---
Total Contingent Items	---	\$1,083.3	\$716.2	\$750.8	\$792.7	\$836.7

- The Governor’s budget amendments allocate all available resources, but provides that both spending and tax reductions can be reduced if 2023 revenues are below forecast.
- The table shows the order in which contingent items will be maintained to the extent that revenues allow them to be funded.

COMBINED RESERVE BALANCES PROJECTED TO TOTAL \$4.2 BILLION BY FY 2024



CONCLUSION

- Despite the expectation of a recession this biennium, revenue collections to date indicate that revenues should be increased by a total of \$2.2 billion for the amended budget.
- Code-required financial plan estimates through 2028 indicate that excess revenues will continue in the next two biennium, starting at \$1.8 billion in 2025 and growing thereafter.
- The Governor's budget amendments prioritize returning the revenue surplus to Virginia taxpayers, lowering business and individual rates to attract and retain businesses and make Virginia the best place to work, live and raise a family.
- The Governor's budget amendments also responsibly address needs for additional spending for economic development, workforce development, education, public safety, behavioral health and the environment.
- Both tax reduction and targeted spending increases can be accommodated as a result of the enviable financial strength of the Commonwealth, which includes \$4.2 billion in reserves.
- Triggers are in place to mitigate against a revenue decline.
- This is a once-in-a-lifetime opportunity to prepare Virginia to compete to win in the battle with other states for jobs and growth.

APPENDIX

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

- U.S. and Virginia Economic Forecasts
- General Fund Forecast, FY 2022-2030
- Commonwealth Transportation Fund Forecast, FY 2022-2030
- Virginia Health Care Fund Forecast, FY 2022-2028
- GACRE November Standard Revenue Forecast
- GACRE November Pessimistic Revenue Forecast
- Growth in General Fund Revenues, FY 1961-2024
- Nongeneral Fund Forecast, FY 2022-2028
- November FY 2022 Revenue Report

Fiscal Years 2022-2026 Actual and IHS Forecasts
U.S. Economic Forecasts - Income and Other Indicators (% Change)

		Actual				
		<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Output, Income, and Spending (% of Total)</u>						
Real GDP	Oct Standard	4.0	0.1	0.3	1.7	2.1
	Oct Pessimistic		(0.6)	(0.5)	1.5	2.2
	December		0.4	(0.5)	1.5	2.1
Total Personal Income	Oct Standard	2.8	4.2	3.9	4.8	4.8
	Oct Pessimistic		3.9	2.5	4.7	4.9
	December		4.5	3.2	5.2	4.8
Wages and Salaries (50%)	Oct Standard	10.2	6.0	2.9	5.2	5.0
	Oct Pessimistic		5.3	1.0	4.0	4.9
	December		6.2	2.2	5.5	5.0
Average Wage	Oct Standard	5.5	3.7	4.5	4.5	4.2
	Oct Pessimistic		3.8	4.3	3.9	3.6
	December		3.9	4.6	4.8	4.2
Real Consumer Spending	Oct Standard	5.4	0.9	0.6	2.0	2.3
	Oct Pessimistic		0.3	0.4	1.9	2.4
	December		1.1	(0.4)	2.1	2.3
<u>Interest Rates</u>						
3-Month Treasury Bills	Oct Standard	0.4	3.8	4.2	3.0	2.4
	Oct Pessimistic		3.8	3.0	1.3	0.6
	December		3.9	4.1	3.0	2.4
30-Year Treasury Bonds	Oct Standard	2.3	3.7	3.6	3.6	3.5
	Oct Pessimistic		3.5	3.2	2.9	2.7
	December		3.7	3.4	3.4	3.5
<u>Prices</u>						
CPI	Oct Standard	7.2	6.5	2.9	2.4	2.2
	Oct Pessimistic		7.3	3.6	2.0	1.7
	December		6.5	2.9	2.4	2.3
GDP Deflator	Oct Standard	6.4	6.2	3.0	2.1	2.1
	Oct Pessimistic		6.4	3.3	1.6	1.6
	December		6.1	3.0	2.1	2.2

The October Standard forecast is IHS Markit's October 2022 U.S. standard forecast.

The October Pessimistic forecast is IHS Markit's October 2022 U.S. pessimistic alternative scenario.

Fiscal Years 2022-2026 Actual and IHS Forecasts
U.S. Economic Forecasts - Employment and Labor Markets (% Change)

		Actual				
		<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Employment and Labor Markets (% of Total)</u>						
Total Nonagricultural Employment	Oct Standard	4.5	2.2	(1.5)	0.7	0.8
	Oct Pessimistic		1.4	(3.1)	0.1	1.2
	December		2.4	(2.4)	0.7	0.8
Construction (5%)	Oct Standard	3.0	0.8	(3.6)	(0.4)	0.0
	Oct Pessimistic		0.1	(5.9)	(2.0)	(0.9)
	December		0.9	(4.2)	(0.3)	0.0
Manufacturing (8%)	Oct Standard	3.3	1.8	(4.3)	(1.6)	(0.9)
	Oct Pessimistic		1.2	(7.3)	(3.1)	0.5
	December		2.3	(5.4)	(1.6)	(1.2)
Trade, Transportation, and Utilities (19%)	Oct Standard	4.1	1.7	(2.5)	(0.7)	(0.4)
	Oct Pessimistic		0.2	(4.2)	(1.3)	(0.3)
	December		2.0	(3.4)	(0.7)	(0.4)
Financial Activities (6%)	Oct Standard	1.8	(0.2)	(1.0)	2.5	1.0
	Oct Pessimistic		(0.4)	(1.0)	2.6	0.7
	December		0.3	(2.1)	2.7	1.0
Professional and Business Services (15%)	Oct Standard	5.8	1.2	(8.1)	1.0	3.6
	Oct Pessimistic		(1.7)	(14.5)	(0.5)	6.4
	December		1.5	(9.0)	1.1	3.6
Education and Health Services (16%)	Oct Standard	2.6	3.4	0.9	1.7	0.7
	Oct Pessimistic		3.4	1.4	1.8	0.6
	December		3.7	(0.1)	1.7	0.7
Leisure and Hospitality (10%)	Oct Standard	14.6	6.4	3.7	1.1	0.2
	Oct Pessimistic		6.1	3.0	0.7	0.5
	December		6.8	2.7	1.0	0.2
Government (15%)	Oct Standard	1.4	1.2	1.1	0.9	0.7
	Oct Pessimistic		1.2	1.1	0.9	0.7
	December		1.2	1.0	0.9	0.7
Unemployment Rate (%)	Oct Standard	4.2	4.0	5.8	5.4	4.9
	Oct Pessimistic		4.7	7.6	7.3	6.3
	December		3.8	6.2	5.4	4.9

The October Standard forecast is IHS Markit's October 2022 U.S. standard forecast.

The October Pessimistic forecast is IHS Markit's October 2022 U.S. pessimistic alternative scenario.

Fiscal Years 2022-2026 Actual and IHS Forecasts
Virginia Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Employment and Labor Markets (% of Total)</u>						
Total Nonagricultural Employment	Oct Standard	3.2	2.4	(0.4)	0.9	1.1
	Oct Pessimistic		1.7	(1.7)	0.4	1.5
	December		2.5	(1.2)	1.4	1.1
Construction and Mining (5%)	Oct Standard	0.4	0.2	1.9	0.4	0.4
	Oct Pessimistic		(0.3)	0.1	(0.7)	(0.2)
	December		0.4	0.9	1.0	0.7
Manufacturing (6%)	Oct Standard	0.3	2.1	(0.4)	0.9	(0.5)
	Oct Pessimistic		1.4	(3.8)	(0.6)	1.0
	December		2.3	(1.3)	1.5	(0.8)
Trade, Transportation, and Utilities (17%)	Oct Standard	2.2	2.7	(2.3)	(0.9)	(1.0)
	Oct Pessimistic		0.6	(4.6)	(1.6)	(0.6)
	December		2.9	(3.3)	(0.3)	(0.8)
Financial Activities (5%)	Oct Standard	(0.3)	(1.7)	(1.2)	2.9	1.2
	Oct Pessimistic		(1.9)	(1.2)	3.1	0.8
	December		(1.5)	(2.2)	3.5	1.0
Professional and Business Services (20%)	Oct Standard	2.5	0.4	(0.3)	1.8	1.5
	Oct Pessimistic		(1.1)	(3.5)	1.2	2.7
	December		0.5	(1.2)	2.4	1.4
Education and Health Services (14%)	Oct Standard	2.7	3.3	2.4	2.2	0.8
	Oct Pessimistic		3.3	3.0	2.3	0.6
	December		3.5	1.4	2.8	0.7
Leisure and Hospitality (10%)	Oct Standard	16.7	6.1	1.3	2.7	0.2
	Oct Pessimistic		5.7	0.5	2.2	0.5
	December		6.3	0.4	3.3	0.1
Government (19%)	Oct Standard	1.5	1.2	(1.2)	(0.2)	3.5
	Oct Pessimistic		1.2	(1.2)	(0.3)	3.5
	December		1.2	(1.2)	(0.2)	3.5
Unemployment Rate (%)	Oct Standard	3.2	3.2	4.6	4.3	3.9
	Oct Pessimistic		3.7	6.0	5.8	5.0
	December		3.2	4.9	4.4	3.9

The October Standard forecast is IHS Markit's October 2022 U.S. standard forecast.

The October Pessimistic forecast is IHS Markit's October 2022 U.S. pessimistic alternative scenario.

Fiscal Years 2022-2026 Actual and IHS Forecasts
Virginia Economic Forecasts - Income (% Change)

		<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Income (% of Total)</u>						
Total Personal Income	Oct Standard	3.0	5.5	4.1	5.0	4.6
	Oct Pessimistic		5.0	2.7	4.6	4.4
	December		5.7	3.2	5.6	4.6
Wages and Salaries (53%)	Oct Standard	8.0	8.0	3.8	5.2	4.8
	Oct Pessimistic		7.4	2.3	4.1	4.4
	December		8.3	2.6	5.9	4.8
Average Wage	Oct Standard	4.7	5.5	4.2	4.3	3.7
	Oct Pessimistic		5.6	4.1	3.6	2.9
	December		5.8	3.8	4.5	3.7
Dividends, Interest, and Rent (18%)	Oct Standard	3.7	4.9	6.4	4.9	4.1
	Oct Pessimistic		4.5	4.0	6.8	5.3
	December		4.9	5.7	5.3	4.0
Supplements to Wages and Salaries (11%)	Oct Standard	5.5	3.3	2.9	5.2	5.1
	Oct Pessimistic		2.6	1.0	4.0	4.9
	December		3.6	1.4	6.1	5.1
Proprietor's Income (6%)	Oct Standard	6.1	1.3	(0.5)	(2.8)	(0.5)
	Oct Pessimistic		2.0	0.4	(1.9)	0.0
	December		1.5	(1.7)	(2.1)	(0.5)
Net Transfer Payments (8%)	Oct Standard	(24.5)	0.5	5.9	9.6	6.5
	Oct Pessimistic		0.2	7.1	8.7	4.7
	December		0.3	6.5	10.8	6.5

The October Standard forecast is IHS Markit's October 2022 U.S. standard forecast.

The October Pessimistic forecast is IHS Markit's October 2022 U.S. pessimistic alternative scenario.

The Official and Actual General Fund Forecast for Fiscal Year 2022
(Dollars in Millions)

July 27, 2022

	Fiscal Year 2021		Fiscal Year 2022				
	Actual	% Growth	Official Forecast	Actual	Change	% Growth Over FY21	
						Official	Actual
MAJOR TAX SOURCES							
Corporate Income	\$ 1,515.7	49.8 %	\$ 2,009.6	\$ 1,978.7	\$ (30.9)	32.6 %	30.5 %
Individual Income Tax:							
Gross	19,229.9	11.9	20,613.8	22,150.8	1,537.0	7.2	15.2
Withholding	14,012.9	4.7	15,267.2	15,340.3	73.1	9.0	9.5
Nonwithholding	5,217.0	37.1	5,346.6	6,810.5	1,463.9	2.5	30.5
Refunds	<u>(1,926.2)</u>	<u>5.2</u>	<u>(2,020.7)</u>	<u>(1,740.5)</u>	<u>280.2</u>	<u>4.9</u>	<u>(9.6)</u>
Net	17,303.7	12.7	18,593.1	20,410.3	1,817.2	7.5	18.0
Insurance Company Premiums	363.1	0.7	419.3	426.8	7.5	15.5	17.5
State Sales & Use Tax	4,166.2	12.4	4,437.6	4,558.1	120.5	6.5	9.4
Wills, Suits, Deeds, & Contract Fees	<u>679.7</u>	<u>40.6</u>	<u>650.7</u>	<u>654.1</u>	<u>3.4</u>	<u>(4.3)</u>	<u>(3.8)</u>
Total Major Tax Sources	\$ 24,028.3	14.9 %	\$ 26,110.3	\$ 28,027.9	\$ 1,917.6	8.7 %	16.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES							
Alcoholic Beverage State Tax	\$ 254.0	12.2 %	\$ 258.3	\$ 260.2	\$ 1.9	1.7 %	2.4 %
Bank Franchise Tax	26.8	0.4	26.8	37.4	10.6	(0.1)	39.6
Beer & Beverage Excise Tax	42.0	3.1	42.0	40.0	(2.0)	(0.1)	(4.8)
Corporate Franchise & Charter Fees	61.4	3.7	62.3	77.4	15.1	1.5	26.1
Excess & Other Fees from Officers	(13.9)	(61.2)	(9.3)	(12.3)	(3.0)	33.3	11.6
Estate & Gifts	0.8	912.5	0.0	0.0	0.0	(100.0)	(100.0)
Institutional Revenues	2.3	(12.2)	2.2	2.4	0.2	(2.5)	5.9
Interest & Rents	83.5	(24.6)	89.1	76.8	(12.3)	6.7	(8.0)
Licenses & Permits	3.0	(15.7)	2.9	4.6	1.7	(3.2)	52.5
Miscellaneous Taxes and Penalties	251.5	9.2	271.8	278.1	6.3	8.1	10.6
Other Miscellaneous Revenues	37.7	8.4	38.4	39.8	1.4	1.9	5.7
Public Service GR / Consumption Tax	<u>101.1</u>	<u>4.2</u>	<u>103.5</u>	<u>102.6</u>	<u>(0.9)</u>	<u>2.4</u>	<u>1.5</u>
Total Misc. Taxes and Other Revenues	\$ 850.1	3.2 %	\$ 888.0	\$ 907.0	\$ 19.0	4.5 %	6.7 %
TOTAL GF REVENUES	\$ 24,878.5	14.4 %	\$ 26,998.3	\$ 28,934.9	\$ 1,936.6	8.5 %	16.3 %
TRANSFERS							
A.B.C. Profits	\$ 177.9	29.4 %	\$ 146.7	\$ 162.9	\$ 16.2	(17.5) %	(8.4) %
Sales Tax (0.25%)	458.4	12.9	534.1	522.5	(11.6)	16.5	14.0
Transfers Per Appropriations Act	<u>122.3</u>	<u>(23.8)</u>	<u>123.1</u>	<u>129.0</u>	<u>5.9</u>	<u>0.7</u>	<u>5.5</u>
Total Transfers	\$ 758.6	7.8 %	\$ 803.9	\$ 814.3	\$ 10.4	6.0 %	7.3 %
TOTAL GENERAL FUND	\$ 25,637.1	14.2 %	\$ 27,802.2	\$ 29,749.3	\$ 1,947.1	8.4 %	16.0 %

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 1.

The Official to December Standard General Fund Forecast for Fiscal Year 2023

(Dollars in Millions)

December 15, 2022

	Fiscal Year 2023				
	Official Forecast	December Forecast	Change	% Growth Over FY22	
				Official	December
MAJOR TAX SOURCES					
Corporate Income	\$ 1,737.0	\$ 1,809.1	\$ 72.1	(13.6) %	(8.6) %
Individual Income Tax:					
Gross	20,533.5	21,166.9	633.4	(0.4)	(4.4)
Withholding	15,319.9	16,078.3	758.4	0.3	4.8
Nonwithholding	5,213.6	5,088.6	(125.0)	(2.5)	(25.3)
Refunds	<u>(3,800.9)</u>	<u>(3,535.2)</u>	<u>265.7</u>	<u>88.1</u>	<u>103.1</u>
Net	16,732.6	17,631.7	899.1	(10.0)	(13.6)
Insurance Company Premiums	406.1	425.0	18.9	(3.1)	(0.4)
State Sales & Use Tax	4,497.8	4,926.3	428.5	1.4	8.1
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>514.0</u>	<u>(79.7)</u>	<u>(8.8)</u>	<u>(21.4)</u>
Total Major Tax Sources	\$ 23,967.2	\$ 25,306.1	\$ 1,338.9	(8.2) %	(9.7) %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 261.6	\$ 270.4	\$ 8.8	1.3 %	3.9 %
Bank Franchise Tax	26.8	37.9	11.1	0.0	1.3
Beer & Beverage Excise Tax	42.0	40.5	(1.5)	0.0	1.3
Corporate Franchise & Charter Fees	62.3	78.4	16.1	0.0	1.3
Excess & Other Fees from Officers	(9.3)	(12.5)	(3.2)	0.0	1.3
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.2	2.4	0.2	0.0	1.3
Interest & Rents	98.4	222.8	124.4	10.4 %	190.1
Licenses & Permits	2.9	4.6	1.7	0.0 %	1.3
Miscellaneous Taxes and Penalties	275.3	292.2	16.9	1.3 %	5.1
Other Miscellaneous Revenues	38.4	40.3	1.9	0.0 %	1.1
Public Service GR / Consumption Tax	<u>103.5</u>	<u>104.5</u>	<u>1.0</u>	<u>0.0 %</u>	<u>1.9</u>
Total Misc. Taxes and Other Revenues	\$ 904.1	\$ 1,081.6	\$ 177.5	1.8 %	19.2 %
TOTAL GF REVENUES	\$ 24,871.3	\$ 26,387.8	\$ 1,516.4	(7.9) %	(8.8) %
TRANSFERS					
A.B.C. Profits	\$ 112.1	\$ 131.4	\$ 19.3	(23.6) %	(19.3) %
Sales Tax (0.375%)	506.9	575.2	68.3	(5.1)	10.1
Transfers Per Appropriations Act	<u>95.7</u>	<u>(27.2)</u>	<u>(122.9)</u>	<u>(22.2)</u>	<u>(121.1)</u>
Total Transfers	\$ 714.7	\$ 679.4	\$ (35.3)	(11.1) %	(16.6) %
TOTAL GENERAL FUND	\$ 25,586.0	\$ 27,067.1	\$ 1,481.1	(8.0) %	(9.0) %

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The December forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and includes the Governor's tax proposals.

The Official to December Standard General Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY23 Official	December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,784.9	\$ 1,461.0	\$ (323.9)	2.8 %	(19.2) %	\$ 3,521.9	\$ 3,270.2	\$ (251.7)
Individual Income Tax:								
Gross	21,348.5	20,609.6	(738.9)	4.0	(2.6)	41,882.0	41,776.5	(105.5)
Withholding	15,775.5	16,026.9	251.4	3.0	(0.3)	31,095.4	32,105.2	1,009.8
Nonwithholding	5,573.0	4,582.7	(990.3)	6.9	(9.9)	10,786.6	9,671.3	(1,115.3)
Refunds	<u>(2,289.9)</u>	<u>(1,882.8)</u>	<u>407.1</u>	<u>(39.8)</u>	<u>(46.7)</u>	<u>(6,090.8)</u>	<u>(5,418.0)</u>	<u>672.8</u>
Net	19,058.6	18,726.8	(331.8)	13.9	6.2	35,791.2	36,358.5	567.3
Insurance Company Premiums	425.3	403.8	(21.6)	4.7	(5.0)	831.4	828.8	(2.7)
State Sales & Use Tax	4,472.7	4,876.5	403.8	(0.6)	(1.0)	8,970.5	9,802.8	832.3
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>436.9</u>	<u>(156.8)</u>	<u>0.0</u>	<u>(15.0)</u>	<u>1,187.4</u>	<u>950.9</u>	<u>(236.5)</u>
Total Major Tax Sources	\$ 26,335.2	\$ 25,905.0	\$ (430.3)	9.9 %	2.4 %	\$ 50,302.4	\$ 51,211.1	\$ 908.7
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 269.2	\$ 277.9	\$ 8.7	2.9 %	2.8 %	\$ 530.8	\$ 548.3	\$ 17.5
Bank Franchise Tax	26.8	38.4	11.6	0.0	1.3	53.6	76.3	22.7
Beer & Beverage Excise Tax	42.0	41.0	(1.0)	0.0	1.3	84.0	81.5	(2.5)
Corporate Franchise & Charter Fees	62.3	79.4	17.1	0.0	1.3	124.6	157.9	33.3
Excess & Other Fees from Officers	(9.3)	(12.6)	(3.3)	0.0	(1.3)	(18.6)	(25.1)	(6.5)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.2	2.5	0.3	0.0	1.3	4.4	4.9	0.5
Interest & Rents	110.0	124.4	14.4	11.8	(44.2)	208.4	347.1	138.7
Licenses & Permits	2.9	4.7	1.8	0.0	1.3	5.8	9.3	3.5
Miscellaneous Taxes and Penalties	279.8	300.0	20.2	1.6	2.7	555.1	592.2	37.1
Other Miscellaneous Revenues	38.4	34.7	(3.7)	0.0	(13.8)	76.8	75.0	(1.8)
Public Service GR / Consumption Tax	<u>103.5</u>	<u>105.9</u>	<u>2.4</u>	<u>0.0</u>	<u>1.3</u>	<u>207.0</u>	<u>210.4</u>	<u>3.4</u>
Total Misc. Taxes and Other Revenues	\$ 927.8	\$ 996.3	\$ 68.5	2.6 %	(7.9) %	\$ 1,831.9	\$ 2,077.9	\$ 246.0
TOTAL GF REVENUES	\$ 27,263.0	\$ 26,901.2	\$ (361.8)	9.6 %	1.9 %	\$ 52,134.4	\$ 53,289.0	\$ 1,154.6
TRANSFERS								
A.B.C. Profits	\$ 116.0	\$ 116.0	\$ 0.0	3.5 %	(11.7) %	\$ 228.0	\$ 247.3	\$ 19.3
Sales Tax (0.375%)	521.5	582.6	61.1	2.9	1.3	1,028.4	1,157.8	129.4
Transfers Per Appropriations Act	<u>95.7</u>	<u>94.6</u>	<u>(1.1)</u>	<u>0.0</u>	<u>(447.6)</u>	<u>191.4</u>	<u>67.4</u>	<u>(124.0)</u>
Total Transfers	\$ 733.2	\$ 793.2	\$ 60.0	2.6 %	16.8 %	\$ 1,447.9	\$ 1,472.6	\$ 24.7
TOTAL GENERAL FUND	\$ 27,996.2	\$ 27,694.5	\$ (301.8)	9.4 %	2.3 %	\$ 53,582.2	\$ 54,761.6	\$ 1,179.4

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The December forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and includes the Governor's tax proposals.

The December Standard General Fund Forecast for Fiscal Years 2025-26
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	December Forecast	% Growth Over FY 24	December Forecast	% Growth Over FY 25	December Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 1,591.4	8.9 %	\$ 1,635.5	2.8 %	\$ 3,226.9	(7.7) %
Individual Income Tax:						
Gross	21,653.8	5.1	22,437.1	3.6	44,090.9	6.5
Withholding	16,849.0	5.1	17,751.1	5.4	34,600.0	17.9
Nonwithholding	4,804.8	4.8	4,686.0	(2.5)	9,490.8	(21.1)
Refunds	<u>(1,829.3)</u>	(2.8)	<u>(1,892.1)</u>	<u>3.4</u>	<u>(3,721.3)</u>	<u>1.5</u>
Net	19,824.5	5.9	20,545.0	3.6	40,369.5	7.0
Insurance Company Premiums	421.9	4.5	432.9	2.6	854.8	8.2
State Sales & Use Tax	5,086.3	4.3	5,229.8	2.8	10,316.1	18.2
Wills, Suits, Deeds, & Contract Fees	<u>454.4</u>	<u>4.0</u>	<u>472.6</u>	<u>4.0</u>	<u>926.9</u>	<u>(30.5)</u>
Total Major Tax Sources	\$ 27,378.5	5.7 %	\$ 28,315.7	3.4 %	\$ 55,694.3	7.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 284.1	2.2 %	\$ 287.8	1.3 %	\$ 571.9	11.2 %
Bank Franchise Tax	38.9	1.3	39.4	1.3	78.3	21.9
Beer & Beverage Excise Tax	41.6	1.3	42.1	1.3	83.7	2.0
Corporate Franchise & Charter Fees	80.5	1.3	81.5	1.3	162.0	16.7
Excess & Other Fees from Officers	(12.8)	1.3	(13.0)	1.3	(25.8)	(1.8)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.5	1.3	2.5	1.3	5.0	7.6
Interest & Rents	126.0	1.3	127.6	1.3	253.6	58.2
Licenses & Permits	4.8	1.3	4.8	1.3	9.6	26.4
Miscellaneous Taxes and Penalties	283.9	(5.4)	287.5	1.3	571.4	7.9
Other Miscellaneous Revenues	35.2	1.3	35.6	1.3	70.8	(8.7)
Public Service GR / Consumption Tax	<u>107.3</u>	<u>1.3</u>	<u>108.7</u>	<u>1.3</u>	<u>215.9</u>	<u>6.0</u>
Total Misc. Taxes and Other Revenues	\$ 991.8	(0.5) %	\$ 1,004.7	1.3 %	\$ 1,996.5	13.6 %
TOTAL GF REVENUES	\$ 28,370.3	5.5 %	\$ 29,320.4	3.3 %	\$ 57,690.7	7.2 %
TRANSFERS						
A.B.C. Profits	\$ 113.8	(1.9) %	\$ 115.3	1.3 %	\$ 229.1	%
Sales Tax (0.375%)	601.5	3.2	617.1	2.6	1,218.6	24.2
Transfers Per Appropriations Act	<u>95.9</u>	<u>1.3</u>	<u>97.1</u>	<u>1.3</u>	<u>192.9</u>	<u>(23.2)</u>
Total Transfers	\$ 811.2	2.3 %	\$ 829.5	2.3 %	\$ 1,640.6	4.3 %
TOTAL GENERAL FUND	\$ 29,181.5	5.4 %	\$ 30,149.9	3.3 %	\$ 59,331.3	7.1 %

The December forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and includes the Governor's tax proposals.

The December Standard General Fund Forecast for Fiscal Years 2027-30
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
MAJOR TAX SOURCES				
Corporate Income	\$ 1,683.5	\$ 1,731.5	\$ 1,835.9	\$ 1,946.4
Individual Income Tax:				
Gross	23,104.2	23,795.7	24,732.8	25,706.5
Withholding	18,430.4	19,137.0	19,797.0	20,474.2
Nonwithholding	4,673.8	4,658.7	4,935.8	5,232.2
Refunds	<u>(1,879.8)</u>	<u>(1,946.1)</u>	<u>(2,028.4)</u>	<u>(2,095.2)</u>
Net	21,224.4	21,849.6	22,704.4	23,611.3
Insurance Company Premiums	444.1	455.7	467.5	479.7
State Sales & Use Tax	5,365.7	5,505.3	5,648.6	5,795.6
Wills, Suits, Deeds, & Contract Fees	<u>491.5</u>	<u>511.1</u>	<u>531.6</u>	<u>552.8</u>
Total Major Tax Sources	\$ 29,209.3	\$ 30,053.3	\$ 31,188.0	\$ 32,385.8
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 291.5	\$ 295.3	\$ 299.2	\$ 303.1
Bank Franchise Tax	39.9	40.5	41.0	41.5
Beer & Beverage Excise Tax	42.7	43.2	43.8	44.3
Corporate Franchise & Charter Fees	82.6	83.6	84.7	85.8
Excess & Other Fees from Officers	(13.1)	(13.3)	(13.5)	(13.7)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.5	2.6	2.6	2.7
Interest & Rents	129.3	131.0	132.7	134.4
Licenses & Permits	4.9	4.9	5.0	5.1
Miscellaneous Taxes and Penalties	291.3	295.1	298.9	302.8
Other Miscellaneous Revenues	36.1	36.6	37.0	37.5
Public Service GR / Consumption Tax	<u>110.1</u>	<u>111.5</u>	<u>113.0</u>	<u>114.4</u>
Total Misc. Taxes and Other Revenues	\$ 1,017.7	\$ 1,031.0	\$ 1,044.4	\$ 1,057.9
TOTAL GF REVENUES	\$ 30,227.0	\$ 31,084.2	\$ 32,232.4	\$ 33,443.8
TRANSFERS				
A.B.C. Profits	\$ 116.8	\$ 118.3	\$ 119.8	\$ 121.4
Sales Tax (0.375%)	622.6	629.5	645.8	662.6
Transfers Per Appropriations Act	<u>98.4</u>	<u>99.6</u>	<u>100.9</u>	<u>102.2</u>
Total Transfers	\$ 837.7	\$ 847.4	\$ 866.6	\$ 886.2
TOTAL GENERAL FUND	\$ 31,064.7	\$ 31,931.7	\$ 33,098.9	\$ 34,330.0
\$ Change From Previous Year	\$ 914.8	\$ 866.9	\$ 1,167.3	\$ 1,231.1
TOTAL BIENNIUM GENERAL FUND		\$ 62,996.4		\$ 67,428.9
\$ Change From Previous Biennium		\$ 3,665.1		\$ 4,432.5
% Growth From Previous Biennium		6.2		7.0 %

The December Standard General Fund Forecast for Fiscal Years 2027-30
(Dollars in Millions)

December 15, 2022

	FY 27 % Growth Over FY 26	FY 28 % Growth Over FY 27	FY 29 % Growth Over FY 28	FY 30 % Growth Over FY 29
MAJOR TAX SOURCES				
Corporate Income	2.9 %	2.9 %	6.0 %	6.0 %
Individual Income Tax:				
Gross	3.0	3.0	3.9	3.9
Withholding	3.8	3.8	3.4	3.4
Nonwithholding	(0.3)	(0.3)	5.9	6.0
Refunds	<u>(0.6)</u>	<u>3.5</u>	<u>4.2</u>	<u>3.3</u>
Net	3.3	2.9	3.9	4.0
Insurance Company Premiums	2.6	2.6	2.6	2.6
State Sales & Use Tax	2.6	2.6	2.6	2.6
Wills, Suits, Deeds, & Contract Fees	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total Major Tax Sources	3.2 %	2.9 %	3.8 %	3.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	1.3 %	1.3 %	1.3 %	1.3 %
Bank Franchise Tax	1.3	1.3	1.3	1.3
Beer & Beverage Excise Tax	1.3	1.3	1.3	1.3
Corporate Franchise & Charter Fees	1.3	1.3	1.3	1.3
Excess & Other Fees from Officers	1.3	1.3	1.3	1.3
Estate & Gifts				
Institutional Revenues	1.3	1.3	1.3	1.3
Interest & Rents	1.3	1.3	1.3	1.3
Licenses & Permits	1.3	1.3	1.3	1.3
Miscellaneous Taxes and Penalties	1.3	1.3	1.3	1.3
Other Miscellaneous Revenues	1.3	1.3	1.3	1.3
Public Service GR / Consumption Tax	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
Total Misc. Taxes and Other Revenues	1.3 %	1.3 %	1.3 %	1.3 %
TOTAL GF REVENUES	3.1 %	2.8 %	3.7 %	3.8 %
TRANSFERS				
A.B.C. Profits	1.3 %	1.3 %	1.3 %	1.3 %
Sales Tax (0.375%)	0.9	1.1	2.6	2.6
Transfers Per Appropriations Act	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
Total Transfers	1.0 %	1.2 %	2.3 %	2.3 %
TOTAL GENERAL FUND	<u>3.0 %</u>	<u>2.8 %</u>	<u>3.7 %</u>	<u>3.7 %</u>

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2023
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2022		Fiscal Year 2023					
	Forecast	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 22 Official December		
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,215.3	25.0 %	\$ 1,360.7	\$ 1,407.7	\$ 47.0	12.0 %	15.8 %	
Road Tax	71.2	29.5	69.2	71.4	2.2	(2.8)	0.3	
Aviation Fuels Tax	1.5	50.0	2.0	2.0	0.0	33.3	33.3	
Motor Vehicle Sales and Use Tax	1,200.2	8.1	1,155.1	1,141.8	(13.3)	(3.8)	(4.9)	
Motor Vehicle Rental Tax(1)	48.8	42.3	42.9	52.3	9.4	(12.1)	7.2	
Motor Vehicle License Fees	231.0	(4.4)	236.6	200.7	(35.9)	2.4	(13.1)	
Highway User Fee	53.8	26.0	59.7	61.3	1.6	11.0	13.9	
International Registration Plan	118.7	(2.2)	124.2	119.2	(5.0)	4.6	0.4	
Retail Sales and Use Tax	1,368.3	8.2	1,349.2	1,433.1	83.9	(1.4)	4.7	
Recordation Tax (3 cents)	81.6	(2.6)	81.0	61.7	(19.3)	(0.7)	(24.4)	
Insurance Premiums Tax (1/3)	180.7	(0.4)	196.0	202.5	6.5	8.5	12.1	
Interest Earnings	1.7	(71.2)	5.7	3.2	(2.5)	235.3	88.2	
Miscellaneous	<u>21.3</u>	<u>7.6</u>	<u>17.2</u>	<u>17.6</u>	<u>0.4</u>	<u>(19.2)</u>	<u>(17.4)</u>	
Total State Taxes and Fees	\$ <u>4,594.1</u>	<u>11.1</u> %	\$ <u>4,699.5</u>	\$ <u>4,774.5</u>	\$ <u>75.0</u>	<u>2.3</u> %	<u>3.9</u> %	

The Official forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2022 session of the General Assembly.

The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and adjusted per the recommendations of the Governor's Advisory Council on Revenue Estimates.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2024				
	Official Forecast	December Forecast	Change	% Growth over FY 23	
				Official	December
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,380.7	\$ 1,499.5	\$ 118.8	1.5 %	6.5 %
Road Tax	69.5	71.2	1.7	0.4	(0.3)
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,119.4	1,078.2	(41.2)	(3.1)	(5.6)
Motor Vehicle Rental Tax(1)	43.6	51.9	8.3	1.6	(0.8)
Motor Vehicle License Fees	240.3	218.4	(21.9)	1.6	8.8
Highway User Fee	62.7	64.4	1.7	5.0	5.0
International Registration Plan	122.6	118.2	(4.4)	(1.3)	(0.8)
Retail Sales and Use Tax	1,313.9	1,388.2	74.3	(2.6)	(3.1)
Recordation Tax (3 cents)	81.0	52.4	(28.6)	0.0	(15.1)
Insurance Premiums Tax (1/3)	203.8	214.5	10.7	4.0	5.9
Interest Earnings	5.7	3.2	(2.5)	0.0	0.0
Miscellaneous	<u>17.2</u>	<u>17.6</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>4,662.4</u>	\$ <u>4,779.7</u>	\$ <u>117.3</u>	<u>(0.8) %</u>	<u>0.1 %</u>

The Official forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2022 session of the General Assembly.
The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and adjusted per the recommendations of the Governor's Advisory Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2025				
	Official Forecast	December Forecast	Change	% Growth over FY 24 Official	December
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,392.5	\$ 1,561.2	\$ 168.7	0.9 %	4.1 %
Road Tax	69.4	72.0	2.6	(0.1)	1.1
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,128.9	1,218.2	89.3	0.8	13.0
Motor Vehicle Rental Tax(1)	44.4	51.3	6.9	1.8	(1.2)
Motor Vehicle License Fees	241.3	219.5	(21.8)	0.4	0.5
Highway User Fee	66.5	66.3	(0.2)	6.1	3.0
International Registration Plan	119.6	119.6	0.0	(2.4)	1.2
Retail Sales and Use Tax	1,346.8	1,435.4	88.6	2.5	3.4
Recordation Tax (3 cents)	81.0	54.5	(26.5)	0.0	4.0
Insurance Premiums Tax (1/3)	212.8	223.5	10.7	4.4	4.2
Interest Earnings	5.7	3.2	(2.5)	0.0	0.0
Miscellaneous	<u>17.2</u>	<u>17.6</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>4,728.1</u>	\$ <u>5,044.3</u>	\$ <u>316.2</u>	<u>1.4</u> %	<u>5.5</u> %

The Official forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2022 session of the General Assembly.
The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and adjusted per the recommendations of the Governor's Advisory Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

December 15, 2022

	Fiscal Year 2026				
	Official Forecast	December Forecast	Change	% Growth over FY 25 Official	% Growth over FY 25 December
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,405.2	\$ 1,611.7	\$ 206.5	0.9 %	3.2 %
Road Tax	69.0	72.7	3.7	(0.6)	1.0
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,124.2	1,249.6	125.4	(0.4)	2.6
Motor Vehicle Rental Tax(1)	45.2	51.3	6.1	1.8	0.0
Motor Vehicle License Fees	242.5	221.4	(21.1)	0.5	0.9
Highway User Fee	66.5	68.3	1.8	0.0	3.0
International Registration Plan	120.0	120.0	0.0	0.3	0.3
Retail Sales and Use Tax	1,355.2	1,472.7	117.5	0.6	2.6
Recordation Tax (3 cents)	81.0	56.7	(24.3)	0.0	4.0
Insurance Premiums Tax (1/3)	222.8	235.2	12.4	4.7	5.2
Interest Earnings	5.7	3.2	(2.5)	0.0	0.0
Miscellaneous	<u>17.2</u>	<u>17.6</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>4,756.5</u>	\$ <u>5,182.4</u>	\$ <u>425.9</u>	<u>0.6</u> %	<u>2.7</u> %

The Official forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2022 session of the General Assembly.
The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and adjusted per the recommendations of the Governor's Advisory Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

**The December Standard Commonwealth Transportation Fund Forecast for Fiscal Years 2027-30
(Dollars in Millions)**

December 15, 2022

	Fiscal Years 2027 through 2030							
	FY 27 Forecast	% Growth	FY 28 Forecast	% Growth	FY 29 Forecast	% Growth	FY 30 Forecast	% Growth
Commonwealth Transportation Fund								
Motor Fuels Tax	1,657.4	2.8	1,701.1	2.6	1,744.2	2.5	1,785.6	2.4
Road Tax	73.7	1.4	73.5	(0.3)	73.2	(0.4)	73.0	(0.3)
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,269.4	1.6	1,284.9	1.2	1,279.6	(0.4)	1,280.2	0.0
Motor Vehicle Rental Tax(1)	51.3	0.0	52.3	1.9	53.1	1.5	54.0	1.7
Motor Vehicle License Fees	221.0	(0.2)	221.4	0.2	221.8	0.2	222.4	0.3
Highway User Fee	68.3	0.0	68.3	0.0	68.3	0.0	68.3	0.0
International Registration Plan	120.3	0.2	120.7	0.3	121.0	0.2	121.4	0.3
Retail Sales and Use Tax	1,486.0	0.9	1,502.2	1.1	1,541.4	2.6	1,581.4	2.6
Recordation Tax (3 cents)	59.0	4.1	61.3	3.9	61.3	0.0	61.3	0.0
Insurance Premiums Tax (1/3)	246.4	4.8	256.0	3.9	256.0	0.0	256.0	0.0
Interest Earnings	3.2	0.0	3.2	0.0	3.2	0.0	3.2	0.0
Miscellaneous	17.6	0.0	17.6	0.0	17.6	0.0	17.6	0.0
Total State Taxes and Fees	\$ 5,275.6	1.8	\$ 5,364.5	1.7%	\$ 5,442.7	1.5%	\$ 5,526.4	1.5%

The Official forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2022 session of the General Assembly.
The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and adjusted per the recommendations of the Governor's Advisory Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Virginia Health Care Fund Revenue Forecast*

\$ in millions

12/2/2022

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Master Settlement Agreement	62.8	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5
Tobacco Taxes:									
Total Cigarette Taxes	219.8	199.4	191.5	187.6	183.9	183.9	183.9	183.9	183.9
Other Tobacco Products	<u>58.8</u>	<u>60.7</u>	<u>62.6</u>	<u>64.4</u>	<u>65.1</u>	<u>65.1</u>	<u>65.1</u>	<u>65.1</u>	<u>65.1</u>
Total Tobacco Taxes	278.6	260.2	254.0	252.1	248.9	248.9	248.9	248.9	248.9
Medicaid Recoveries:									
Rev Max Cash Transfer In**	15.0	25.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Regular Recoveries***	218.8	206.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Pharmacy Rebates (Prior Year)*	<u>110.9</u>	<u>125.5</u>	<u>109.0</u>	<u>109.0</u>	<u>109.0</u>	<u>109.0</u>	<u>109.0</u>	<u>109.0</u>	<u>109.0</u>
Total Recoveries	344.7	357.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0
TOTAL FUND**	686.1	664.7	449.5	447.6	444.4	444.4	444.4	444.4	444.4

NOTES:

*Amounts reflect the fiscal year in which revenue is deposited into the VHCF.

**FY 2023 amount for 'Rev Max Cash Transfer In' includes \$10.5 of prior year cash in fund 02207 that will be transferred to the VHCF in FY 2023.

***Amounts appropriated for 'Regular Recoveries' in the introduced budget assumes a cash balance being carried over from FY 2022, FY 2023 and FY 2024. As such, revenue collection vs anticipated expenditure will vary between fiscal year.

****FY 2020 does not include \$38.3 million of revenue that was incorrectly classified. This amount is adjusted in FY 2021 as a 'reclass error' and added to beginning cash balance.

The Official to November Standard General Fund Forecast for Fiscal Year 2023

(Dollars in Millions)

November 21, 2022

	Fiscal Year 2023				
	Official Forecast	November Forecast	Change	% Growth Over FY22	
				Official	November
MAJOR TAX SOURCES					
Corporate Income	\$ 1,737.0	\$ 1,881.0	\$ 144.0	(13.6) %	(4.9) %
Individual Income Tax:					
Gross	20,533.5	21,106.8	573.3	(0.4)	(4.7)
Withholding	15,319.9	16,018.2	698.3	0.3	4.4
Nonwithholding	5,213.6	5,088.6	(125.0)	(2.5)	(25.3)
Refunds	<u>(3,800.9)</u>	<u>(3,535.2)</u>	<u>265.7</u>	<u>88.1</u>	<u>103.1</u>
Net	16,732.6	17,571.6	839.0	(10.0)	(13.9)
Insurance Company Premiums	406.1	425.0	18.9	(3.1)	(0.4)
State Sales & Use Tax	4,497.8	4,906.1	408.3	1.4	7.6
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>514.0</u>	<u>(79.7)</u>	<u>(8.8)</u>	<u>(21.4)</u>
Total Major Tax Sources	\$ 23,967.2	\$ 25,297.7	\$ 1,330.5	(8.2) %	(9.7) %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 261.6	\$ 270.4	\$ 8.8	1.3 %	3.9 %
Bank Franchise Tax	26.8	37.9	11.1	0.0	1.3
Beer & Beverage Excise Tax	42.0	40.5	(1.5)	0.0	1.3
Corporate Franchise & Charter Fees	62.3	78.4	16.1	0.0	1.3
Excess & Other Fees from Officers	(9.3)	(12.5)	(3.2)	0.0	1.3
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.2	2.4	0.2	0.0	1.3
Interest & Rents	98.4	122.8	24.4	10.4 %	59.9
Licenses & Permits	2.9	4.6	1.7	0.0 %	1.3
Miscellaneous Taxes and Penalties	275.3	292.2	16.9	1.3 %	5.1
Other Miscellaneous Revenues	38.4	40.3	1.9	0.0 %	1.1
Public Service GR / Consumption Tax	<u>103.5</u>	<u>104.5</u>	<u>1.0</u>	<u>0.0 %</u>	<u>1.9</u>
Total Misc. Taxes and Other Revenues	\$ 904.1	\$ 981.6	\$ 77.5	1.8 %	8.2 %
TOTAL GF REVENUES	\$ 24,871.3	\$ 26,279.3	\$ 1,408.0	(7.9) %	(9.2) %
TRANSFERS					
A.B.C. Profits	\$ 112.1	\$ 131.4	\$ 19.3	(23.6) %	(19.3) %
Sales Tax (0.375%)	506.9	570.8	63.9	(5.1)	9.3
Transfers Per Appropriations Act	<u>95.7</u>	<u>86.9</u>	<u>(8.8)</u>	<u>(22.2)</u>	<u>(32.6)</u>
Total Transfers	\$ 714.7	\$ 789.1	\$ 74.4	(11.1) %	(3.1) %
TOTAL GENERAL FUND	\$ 25,586.0	\$ 27,068.4	\$ 1,482.4	(8.0) %	(9.0) %

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The November forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Standard General Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY23 Official	November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,784.9	\$ 1,760.3	\$ (24.6)	2.8 %	(6.4) %	\$ 3,521.9	\$ 3,641.3	\$ 119.4
Individual Income Tax:								
Gross	21,348.5	21,357.2	8.7	4.0	1.2	41,882.0	42,464.0	582.0
Withholding	15,775.5	16,641.5	866.0	3.0	3.9	31,095.4	32,659.7	1,564.3
Nonwithholding	5,573.0	4,715.7	(857.3)	6.9	(7.3)	10,786.6	9,804.3	(982.3)
Refunds	<u>(2,289.9)</u>	<u>(1,824.4)</u>	<u>465.5</u>	<u>(39.8)</u>	<u>(48.4)</u>	<u>(6,090.8)</u>	<u>(5,359.6)</u>	<u>731.2</u>
Net	19,058.6	19,532.8	474.2	13.9	11.2	35,791.2	37,104.4	1,313.2
Insurance Company Premiums	425.3	403.8	(21.6)	4.7	(5.0)	831.4	828.8	(2.7)
State Sales & Use Tax	4,472.7	4,922.1	449.4	(0.6)	0.3	8,970.5	9,828.2	857.7
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>436.9</u>	<u>(156.8)</u>	<u>0.0</u>	<u>(15.0)</u>	<u>1,187.4</u>	<u>950.9</u>	<u>(236.5)</u>
Total Major Tax Sources	\$ 26,335.2	\$ 27,055.9	\$ 720.6	9.9 %	6.9 %	\$ 50,302.4	\$ 52,353.6	\$ 2,051.1
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 269.2	\$ 277.9	\$ 8.7	2.9 %	2.8 %	\$ 530.8	\$ 548.3	\$ 17.5
Bank Franchise Tax	26.8	38.4	11.6	0.0	1.3	53.6	76.3	22.7
Beer & Beverage Excise Tax	42.0	41.0	(1.0)	0.0	1.3	84.0	81.5	(2.5)
Corporate Franchise & Charter Fees	62.3	79.4	17.1	0.0	1.3	124.6	157.9	33.3
Excess & Other Fees from Officers	(9.3)	(12.6)	(3.3)	0.0	(1.3)	(18.6)	(25.1)	(6.5)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.2	2.5	0.3	0.0	1.3	4.4	4.9	0.5
Interest & Rents	110.0	124.4	14.4	11.8	1.3	208.4	247.1	38.7
Licenses & Permits	2.9	4.7	1.8	0.0	1.3	5.8	9.3	3.5
Miscellaneous Taxes and Penalties	279.8	300.0	20.2	1.6	2.7	555.1	592.2	37.1
Other Miscellaneous Revenues	38.4	34.7	(3.7)	0.0	(13.8)	76.8	75.0	(1.8)
Public Service GR / Consumption Tax	<u>103.5</u>	<u>105.9</u>	<u>2.4</u>	<u>0.0</u>	<u>1.3</u>	<u>207.0</u>	<u>210.4</u>	<u>3.4</u>
Total Misc. Taxes and Other Revenues	\$ 927.8	\$ 996.3	\$ 68.5	2.6 %	1.5 %	\$ 1,831.9	\$ 1,977.9	\$ 146.0
TOTAL GF REVENUES	\$ 27,263.0	\$ 28,052.2	\$ 789.1	9.6 %	6.7 %	\$ 52,134.3	\$ 54,331.5	\$ 2,197.2
TRANSFERS								
A.B.C. Profits	\$ 116.0	\$ 116.0	\$ 0.0	3.5 %	(11.7) %	\$ 228.0	\$ 247.4	\$ 19.4
Sales Tax (0.375%)	521.5	588.3	66.8	2.9	3.1	1,028.4	1,159.1	130.7
Transfers Per Appropriations Act	<u>95.7</u>	<u>87.9</u>	<u>(7.8)</u>	<u>0.0</u>	<u>1.2</u>	<u>191.4</u>	<u>174.8</u>	<u>(16.6)</u>
Total Transfers	\$ 733.2	\$ 792.2	\$ 59.0	2.6 %	0.4 %	\$ 1,447.9	\$ 1,581.3	\$ 133.4
TOTAL GENERAL FUND	\$ 27,996.2	\$ 28,844.4	\$ 848.2	9.4 %	6.6 %	\$ 53,582.2	\$ 55,912.8	\$ 2,330.6

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The November forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The November Standard General Fund Forecast for Fiscal Years 2025-26
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	November Forecast	% Growth Over FY 24	November Forecast	% Growth Over FY 25	November Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 1,945.2	10.5 %	\$ 2,004.6	3.0 %	\$ 3,949.8	13.0 %
Individual Income Tax:						
Gross	22,652.4	6.1	23,440.1	3.5	46,092.5	11.4
Withholding	17,654.9	6.1	18,552.7	5.1	36,207.6	23.4
Nonwithholding	4,997.5	6.0	4,887.4	(2.2)	9,884.9	(17.8)
Refunds	<u>(1,731.6)</u>	(5.1)	<u>(1,789.9)</u>	<u>3.4</u>	<u>(3,521.5)</u>	<u>(4.0)</u>
Net	20,920.8	7.1	21,650.2	3.5	42,571.0	12.9
Insurance Company Premiums	421.9	4.5	432.9	2.6	854.8	8.2
State Sales & Use Tax	5,097.3	3.6	5,229.8	2.6	10,327.1	18.4
Wills, Suits, Deeds, & Contract Fees	<u>454.4</u>	<u>4.0</u>	<u>472.6</u>	<u>4.0</u>	<u>926.9</u>	<u>(30.5)</u>
Total Major Tax Sources	\$ 28,839.7	6.6 %	\$ 29,790.0	3.3 %	\$ 58,629.7	12.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 284.1	2.2 %	\$ 287.8	1.3 %	\$ 571.9	11.2 %
Bank Franchise Tax	38.9	1.3	39.4	1.3	78.3	21.9
Beer & Beverage Excise Tax	41.6	1.3	42.1	1.3	83.7	2.0
Corporate Franchise & Charter Fees	80.5	1.3	81.5	1.3	162.0	16.7
Excess & Other Fees from Officers	(12.8)	1.3	(13.0)	1.3	(25.8)	(1.8)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.5	1.3	2.5	1.3	5.0	7.6
Interest & Rents	126.0	1.3	127.6	1.3	253.6	58.2
Licenses & Permits	4.8	1.3	4.8	1.3	9.6	26.4
Miscellaneous Taxes and Penalties	283.9	(5.4)	287.5	1.3	571.4	7.9
Other Miscellaneous Revenues	35.2	1.3	35.6	1.3	70.8	(8.7)
Public Service GR / Consumption Tax	<u>107.3</u>	<u>1.3</u>	<u>108.7</u>	<u>1.3</u>	<u>215.9</u>	<u>6.0</u>
Total Misc. Taxes and Other Revenues	\$ 991.8	(0.5) %	\$ 1,004.7	1.3 %	\$ 1,996.5	13.6 %
TOTAL GF REVENUES	\$ 29,831.4	6.3 %	\$ 30,794.7	3.2 %	\$ 60,626.1	12.7 %
TRANSFERS						
A.B.C. Profits	\$ 113.8	(1.9) %	\$ 115.3	1.3 %	\$ 229.1	%
Sales Tax (0.375%)	609.8	3.7	625.7	2.6	1,235.5	26.0
Transfers Per Appropriations Act	<u>89.0</u>	<u>1.3</u>	<u>90.2</u>	<u>1.3</u>	<u>179.2</u>	<u>(28.7)</u>
Total Transfers	\$ 812.6	2.6 %	\$ 831.2	2.3 %	\$ 1,643.8	4.5 %
TOTAL GENERAL FUND	\$ 30,644.1	6.2 %	\$ 31,625.9	3.2 %	\$ 62,269.9	12.4 %

The November forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Pessimistic General Fund Forecast for Fiscal Year 2023

(Dollars in Millions)

November 21, 2022

	Fiscal Year 2023				
	Official Forecast	November Forecast	Change	% Growth Over FY22 Official	% Growth Over FY22 November
MAJOR TAX SOURCES					
Corporate Income	\$ 1,737.0	\$ 1,751.0	\$ 14.0	(13.6) %	(11.5) %
Individual Income Tax:					
Gross	20,533.5	20,596.8	63.3	(0.4)	(7.0)
Withholding	15,319.9	15,668.2	348.3	0.3	2.1
Nonwithholding	5,213.6	4,928.6	(285.0)	(2.5)	(27.6)
Refunds	<u>(3,800.9)</u>	<u>(3,535.2)</u>	<u>265.7</u>	<u>88.1</u>	<u>103.1</u>
Net	16,732.6	17,061.6	329.0	(10.0)	(16.4)
Insurance Company Premiums	406.1	415.0	8.9	(3.1)	(2.8)
State Sales & Use Tax	4,497.8	4,836.7	338.9	1.4	6.1
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>495.0</u>	<u>(98.7)</u>	<u>(8.8)</u>	<u>(24.3)</u>
Total Major Tax Sources	\$ 23,967.2	\$ 24,559.3	\$ 592.1	(8.2) %	(12.4) %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 261.6	\$ 270.4	\$ 8.8	1.3 %	3.9 %
Bank Franchise Tax	26.8	37.9	11.1	0.0	1.3
Beer & Beverage Excise Tax	42.0	40.5	(1.5)	0.0	1.3
Corporate Franchise & Charter Fees	62.3	78.4	16.1	0.0	1.3
Excess & Other Fees from Officers	(9.3)	(12.5)	(3.2)	0.0	1.3
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.2	2.4	0.2	0.0	1.3
Interest & Rents	98.4	122.8	24.4	10.4 %	59.9
Licenses & Permits	2.9	4.6	1.7	0.0 %	1.3
Miscellaneous Taxes and Penalties	275.3	292.2	16.9	1.3 %	5.1
Other Miscellaneous Revenues	38.4	40.3	1.9	0.0 %	1.1
Public Service GR / Consumption Tax	<u>103.5</u>	<u>104.5</u>	<u>1.0</u>	<u>0.0 %</u>	<u>1.9</u>
Total Misc. Taxes and Other Revenues	\$ 904.1	\$ 981.6	\$ 77.5	1.8 %	8.2 %
TOTAL GF REVENUES	\$ 24,871.3	\$ 25,540.9	\$ 669.6	(7.9) %	(11.7) %
TRANSFERS					
A.B.C. Profits	\$ 112.1	\$ 131.4	\$ 19.3	(23.6) %	(19.3) %
Sales Tax (0.375%)	506.9	558.8	51.9	(5.1)	7.0
Transfers Per Appropriations Act	<u>95.7</u>	<u>86.9</u>	<u>(8.8)</u>	<u>(22.2)</u>	<u>(32.6)</u>
Total Transfers	\$ 714.7	\$ 777.1	\$ 62.4	(11.1) %	(4.6) %
TOTAL GENERAL FUND	\$ 25,586.0	\$ 26,318.0	\$ 732.0	(8.0) %	(11.5) %

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The November forecast is based on the October 2022 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Pessimistic General Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY23 Official	November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,784.9	\$ 1,639.4	\$ (145.5)	2.8 %	(6.4) %	\$ 3,521.9	\$ 3,390.4	\$ (131.5)
Individual Income Tax:								
Gross	21,348.5	20,356.5	(992.0)	4.0	(1.2)	41,882.0	40,953.3	(928.7)
Withholding	15,775.5	16,165.0	389.5	3.0	3.2	31,095.4	31,833.2	737.8
Nonwithholding	5,573.0	4,191.4	(1,381.6)	6.9	(15.0)	10,786.6	9,120.0	(1,666.6)
Refunds	<u>(2,289.9)</u>	<u>(2,272.2)</u>	<u>17.7</u>	<u>(39.8)</u>	<u>(35.7)</u>	<u>(6,090.8)</u>	<u>(5,807.4)</u>	<u>283.4</u>
Net	19,058.6	18,084.3	(974.3)	13.9	6.0	35,791.2	35,145.9	(645.3)
Insurance Company Premiums	425.3	394.3	(31.1)	4.7	(5.0)	831.4	809.3	(22.2)
State Sales & Use Tax	4,472.7	4,815.6	342.9	(0.6)	(0.4)	8,970.5	9,652.3	681.8
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>420.8</u>	<u>(173.0)</u>	<u>0.0</u>	<u>(15.0)</u>	<u>1,187.4</u>	<u>915.8</u>	<u>(271.7)</u>
Total Major Tax Sources	\$ 26,335.2	\$ 25,354.3	\$ (981.0)	9.9 %	3.2 %	\$ 50,302.4	\$ 49,913.6	\$ (388.9)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 269.2	\$ 277.9	\$ 8.7	2.9 %	2.8 %	\$ 530.8	\$ 548.3	\$ 17.5
Bank Franchise Tax	26.8	38.4	11.6	0.0	1.3	53.6	76.3	22.7
Beer & Beverage Excise Tax	42.0	41.0	(1.0)	0.0	1.3	84.0	81.5	(2.5)
Corporate Franchise & Charter Fees	62.3	79.4	17.1	0.0	1.3	124.6	157.9	33.3
Excess & Other Fees from Officers	(9.3)	(12.6)	(3.3)	0.0	(1.3)	(18.6)	(25.1)	(6.5)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.2	2.5	0.3	0.0	1.3	4.4	4.9	0.5
Interest & Rents	110.0	124.4	14.4	11.8	1.3	208.4	247.1	38.7
Licenses & Permits	2.9	4.7	1.8	0.0	1.3	5.8	9.3	3.5
Miscellaneous Taxes and Penalties	279.8	300.0	20.2	1.6	2.7	555.1	592.2	37.1
Other Miscellaneous Revenues	38.4	34.7	(3.7)	0.0	(13.8)	76.8	75.0	(1.8)
Public Service GR / Consumption Tax	<u>103.5</u>	<u>105.9</u>	<u>2.4</u>	<u>0.0</u>	<u>1.3</u>	<u>207.0</u>	<u>210.4</u>	<u>3.4</u>
Total Misc. Taxes and Other Revenues	\$ 927.8	\$ 996.3	\$ 68.5	2.6 %	1.5 %	\$ 1,831.9	\$ 1,977.9	\$ 146.0
TOTAL GF REVENUES	\$ 27,263.0	\$ 26,350.6	\$ (912.5)	9.6 %	3.2 %	\$ 52,134.3	\$ 51,891.5	\$ (242.9)
TRANSFERS								
A.B.C. Profits	\$ 116.0	\$ 116.0	\$ 0.0	3.5 %	(11.7) %	\$ 228.0	\$ 247.4	\$ 19.4
Sales Tax (0.375%)	521.5	572.3	50.8	2.9	2.4	1,028.4	1,131.1	102.7
Transfers Per Appropriations Act	<u>95.7</u>	<u>87.9</u>	<u>(7.8)</u>	<u>0.0</u>	<u>1.2</u>	<u>191.4</u>	<u>174.8</u>	<u>(16.6)</u>
Total Transfers	\$ 733.2	\$ 776.2	\$ 43.0	2.6 %	(0.1) %	\$ 1,447.9	\$ 1,553.3	\$ 105.4
TOTAL GENERAL FUND	\$ 27,996.2	\$ 27,126.8	\$ (869.5)	9.4 %	3.1 %	\$ 53,582.2	\$ 53,444.8	\$ (137.4)

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The November forecast is based on the October 2022 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The November Pessimistic General Fund Forecast for Fiscal Years 2025-26
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	November Forecast	% Growth Over FY 24	November Forecast	% Growth Over FY 25	November Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 1,845.8	12.6 %	\$ 1,953.7	5.8 %	\$ 3,799.5	8.7 %
Individual Income Tax:						
Gross	21,310.7	4.7	22,265.3	4.5	43,576.0	5.3
Withholding	16,824.3	4.1	17,506.9	4.1	34,331.2	17.0
Nonwithholding	4,486.3	7.0	4,758.5	6.1	9,244.8	(23.1)
Refunds	<u>(2,272.7)</u>	0.0	<u>(2,349.7)</u>	<u>3.4</u>	<u>(4,622.4)</u>	<u>26.1</u>
Net	19,038.0	5.3	19,915.7	4.6	38,953.6	3.3
Insurance Company Premiums	412.0	4.5	422.7	2.6	834.7	5.7
State Sales & Use Tax	4,987.1	3.6	5,190.5	4.1	10,177.6	16.7
Wills, Suits, Deeds, & Contract Fees	<u>448.1</u>	<u>6.5</u>	<u>466.0</u>	<u>4.0</u>	<u>914.1</u>	<u>(31.5)</u>
Total Major Tax Sources	\$ 26,731.0	5.4 %	\$ 27,948.6	4.6 %	\$ 54,679.6	5.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 284.1	2.2 %	\$ 287.8	1.3 %	\$ 571.9	11.2 %
Bank Franchise Tax	38.9	1.3	39.4	1.3	78.3	21.9
Beer & Beverage Excise Tax	41.6	1.3	42.1	1.3	83.7	2.0
Corporate Franchise & Charter Fees	80.5	1.3	81.5	1.3	162.0	16.7
Excess & Other Fees from Officers	(12.8)	1.3	(13.0)	1.3	(25.8)	(1.8)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.5	1.3	2.5	1.3	5.0	7.6
Interest & Rents	126.0	1.3	127.6	1.3	253.6	58.2
Licenses & Permits	4.8	1.3	4.8	1.3	9.6	26.4
Miscellaneous Taxes and Penalties	283.9	(5.4)	287.5	1.3	571.4	7.9
Other Miscellaneous Revenues	35.2	1.3	35.6	1.3	70.8	(8.7)
Public Service GR / Consumption Tax	<u>107.3</u>	<u>1.3</u>	<u>108.7</u>	<u>1.3</u>	<u>215.9</u>	<u>6.0</u>
Total Misc. Taxes and Other Revenues	\$ 991.8	(0.5) %	\$ 1,004.7	1.3 %	\$ 1,996.5	13.6 %
TOTAL GF REVENUES	\$ 27,722.7	5.2 %	\$ 28,953.3	4.4 %	\$ 56,676.0	5.3 %
TRANSFERS						
A.B.C. Profits	\$ 113.8	(1.9) %	\$ 115.3	1.3 %	\$ 229.1	(32.8) %
Sales Tax (0.375%)	593.2	3.7	617.5	4.1	1,210.7	23.4
Transfers Per Appropriations Act	<u>89.0</u>	<u>1.3</u>	<u>90.2</u>	<u>1.3</u>	<u>179.2</u>	<u>(28.7)</u>
Total Transfers	\$ 796.0	2.6 %	\$ 823.0	3.4 %	\$ 1,619.0	2.9 %
TOTAL GENERAL FUND	\$ 28,518.8	5.1 %	\$ 29,776.3	4.4 %	\$ 58,295.0	5.3 %

The November forecast is based on the October 2022 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Optimistic General Fund Forecast for Fiscal Year 2023

(Dollars in Millions)

November 21, 2022

	Fiscal Year 2023				
	Official Forecast	November Forecast	Change	% Growth Over FY22 Official	November
MAJOR TAX SOURCES					
Corporate Income	\$ 1,737.0	\$ 1,906.0	\$ 169.0	(13.6) %	(3.7) %
Individual Income Tax:					
Gross	20,533.5	21,281.8	748.3	(0.4)	(3.9)
Withholding	15,319.9	16,068.2	748.3	0.3	4.7
Nonwithholding	5,213.6	5,213.6	0.0	(2.5)	(23.4)
Refunds	<u>(3,800.9)</u>	<u>(3,360.2)</u>	<u>440.7</u>	<u>88.1</u>	<u>93.1</u>
Net	16,732.6	17,921.6	1,189.0	(10.0)	(12.2)
Insurance Company Premiums	406.1	415.0	8.9	(3.1)	(2.8)
State Sales & Use Tax	4,497.8	4,936.7	438.9	1.4	8.3
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>495.0</u>	<u>(98.7)</u>	<u>(8.8)</u>	<u>(24.3)</u>
Total Major Tax Sources	\$ 23,967.2	\$ 25,674.3	\$ 1,707.1	(8.2) %	(8.4) %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 261.6	\$ 270.4	\$ 8.8	1.3 %	3.9 %
Bank Franchise Tax	26.8	37.9	11.1	0.0	1.3
Beer & Beverage Excise Tax	42.0	40.5	(1.5)	0.0	1.3
Corporate Franchise & Charter Fees	62.3	78.4	16.1	0.0	1.3
Excess & Other Fees from Officers	(9.3)	(12.5)	(3.2)	0.0	1.3
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.2	2.4	0.2	0.0	1.3
Interest & Rents	98.4	122.8	24.4	10.4 %	59.9
Licenses & Permits	2.9	4.6	1.7	0.0 %	1.3
Miscellaneous Taxes and Penalties	275.3	292.2	16.9	1.3 %	5.1
Other Miscellaneous Revenues	38.4	40.3	1.9	0.0 %	1.1
Public Service GR / Consumption Tax	<u>103.5</u>	<u>104.5</u>	<u>1.0</u>	<u>0.0 %</u>	<u>1.9</u>
Total Misc. Taxes and Other Revenues	\$ 904.1	\$ 981.6	\$ 77.5	1.8 %	8.2 %
TOTAL GF REVENUES	\$ 24,871.3	\$ 26,655.9	\$ 1,784.6	(7.9) %	(7.9) %
TRANSFERS					
A.B.C. Profits	\$ 112.1	\$ 131.4	\$ 19.3	(23.6) %	(19.3) %
Sales Tax (0.375%)	506.9	569.9	63.0	(5.1)	9.1
Transfers Per Appropriations Act	<u>95.7</u>	<u>86.9</u>	<u>(8.8)</u>	<u>(22.2)</u>	<u>(32.6)</u>
Total Transfers	\$ 714.7	\$ 788.2	\$ 73.5	(11.1) %	(3.2) %
TOTAL GENERAL FUND	\$ 25,586.0	\$ 27,444.1	\$ 1,858.1	(8.0) %	(7.7) %

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The November forecast is based on the October 2022 IHS Markit Optimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Optimistic General Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY23		Official Forecast	November Forecast	Change
				Official	November			
MAJOR TAX SOURCES								
Corporate Income	\$ 1,784.9	\$ 1,822.7	\$ 37.8	2.8 %	(4.4) %	\$ 3,521.9	\$ 3,728.7	\$ 206.8
Individual Income Tax:								
Gross	21,348.5	21,722.7	374.2	4.0	2.1	41,882.0	43,004.5	1,122.5
Withholding	15,775.5	16,710.0	934.5	3.0	4.0	31,095.4	32,778.2	1,682.8
Nonwithholding	5,573.0	5,012.7	(560.3)	6.9	(3.9)	10,786.6	10,226.3	(560.3)
Refunds	<u>(2,289.9)</u>	<u>(2,049.4)</u>	<u>240.5</u>	<u>(39.8)</u>	<u>(39.0)</u>	<u>(6,090.8)</u>	<u>(5,409.6)</u>	<u>681.2</u>
Net	19,058.6	19,673.3	614.7	13.9	9.8	35,791.2	37,594.9	1,803.7
Insurance Company Premiums	425.3	394.3	(31.1)	4.7	(5.0)	831.4	809.3	(22.2)
State Sales & Use Tax	4,472.7	4,979.0	506.3	(0.6)	0.9	8,970.5	9,915.7	945.2
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>420.8</u>	<u>(173.0)</u>	<u>0.0</u>	<u>(15.0)</u>	<u>1,187.4</u>	<u>915.8</u>	<u>(271.7)</u>
Total Major Tax Sources	\$ 26,335.2	\$ 27,290.0	\$ 954.7	9.9 %	6.3 %	\$ 50,302.4	\$ 52,964.3	\$ 2,661.8
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 269.2	\$ 277.9	\$ 8.7	2.9 %	2.8 %	\$ 530.8	\$ 548.3	\$ 17.5
Bank Franchise Tax	26.8	38.4	11.6	0.0	1.3	53.6	76.3	22.7
Beer & Beverage Excise Tax	42.0	41.0	(1.0)	0.0	1.3	84.0	81.5	(2.5)
Corporate Franchise & Charter Fees	62.3	79.4	17.1	0.0	1.3	124.6	157.9	33.3
Excess & Other Fees from Officers	(9.3)	(12.6)	(3.3)	0.0	(1.3)	(18.6)	(25.1)	(6.5)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.2	2.5	0.3	0.0	1.3	4.4	4.9	0.5
Interest & Rents	110.0	124.4	14.4	11.8	1.3	208.4	247.1	38.7
Licenses & Permits	2.9	4.7	1.8	0.0	1.3	5.8	9.3	3.5
Miscellaneous Taxes and Penalties	279.8	300.0	20.2	1.6	2.7	555.1	592.2	37.1
Other Miscellaneous Revenues	38.4	34.7	(3.7)	0.0	(13.8)	76.8	75.0	(1.8)
Public Service GR / Consumption Tax	<u>103.5</u>	<u>105.9</u>	<u>2.4</u>	<u>0.0</u>	<u>1.3</u>	<u>207.0</u>	<u>210.4</u>	<u>3.4</u>
Total Misc. Taxes and Other Revenues	\$ 927.8	\$ 996.3	\$ 68.5	2.6 %	1.5 %	\$ 1,831.9	\$ 1,977.9	\$ 146.0
TOTAL GF REVENUES	\$ 27,263.0	\$ 28,286.3	\$ 1,023.2	9.6 %	6.1 %	\$ 52,134.3	\$ 54,942.2	\$ 2,807.8
TRANSFERS								
A.B.C. Profits	\$ 116.0	\$ 116.0	\$ 0.0	3.5 %	(11.7) %	\$ 228.0	\$ 247.4	\$ 19.4
Sales Tax (0.375%)	521.5	590.2	68.7	2.9	3.6	1,028.4	1,160.1	131.7
Transfers Per Appropriations Act	<u>95.7</u>	<u>87.9</u>	<u>(7.8)</u>	<u>0.0</u>	<u>1.2</u>	<u>191.4</u>	<u>174.8</u>	<u>(16.6)</u>
Total Transfers	\$ 733.2	\$ 794.1	\$ 60.9	2.6 %	0.7 %	\$ 1,447.9	\$ 1,582.3	\$ 134.4
TOTAL GENERAL FUND	\$ 27,996.2	\$ 29,080.4	\$ 1,084.1	9.4 %	6.0 %	\$ 53,582.2	\$ 56,524.5	\$ 2,942.3

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2022 special session, Chapter 2.

The November forecast is based on the October 2022 IHS Markit Optimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The November Optimistic General Fund Forecast for Fiscal Years 2025-26
(Dollars in Millions)

November 21, 2022

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	November Forecast	% Growth Over FY 24	November Forecast	% Growth Over FY 25	November Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 2,013.9	10.5 %	\$ 2,095.7	4.1 %	\$ 4,109.6	17.6 %
Individual Income Tax:						
Gross	23,101.2	6.3	24,372.3	5.5	47,473.5	14.7
Withholding	17,736.1	6.1	18,729.3	5.6	36,465.4	24.2
Nonwithholding	5,365.1	7.0	5,643.0	5.2	11,008.1	(8.5)
Refunds	<u>(2,000.1)</u>	(2.4)	<u>(2,067.4)</u>	<u>3.4</u>	<u>(4,067.5)</u>	<u>10.9</u>
Net	21,101.1	7.3	22,304.9	5.7	43,406.0	15.1
Insurance Company Premiums	412.0	4.5	422.7	2.6	834.7	5.7
State Sales & Use Tax	5,182.5	4.1	5,393.7	4.1	10,576.1	21.2
Wills, Suits, Deeds, & Contract Fees	<u>448.1</u>	<u>6.5</u>	<u>466.0</u>	<u>4.0</u>	<u>914.1</u>	<u>(31.5)</u>
Total Major Tax Sources	\$ 29,157.5	6.8 %	\$ 30,683.1	5.2 %	\$ 59,840.6	15.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 284.1	2.2 %	\$ 287.8	1.3 %	\$ 571.9	11.2 %
Bank Franchise Tax	38.9	1.3	39.4	1.3	78.3	21.9
Beer & Beverage Excise Tax	41.6	1.3	42.1	1.3	83.7	2.0
Corporate Franchise & Charter Fees	80.5	1.3	81.5	1.3	162.0	16.7
Excess & Other Fees from Officers	(12.8)	1.3	(13.0)	1.3	(25.8)	(1.8)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.5	1.3	2.5	1.3	5.0	7.6
Interest & Rents	126.0	1.3	127.6	1.3	253.6	58.2
Licenses & Permits	4.8	1.3	4.8	1.3	9.6	26.4
Miscellaneous Taxes and Penalties	283.9	(5.4)	287.5	1.3	571.4	7.9
Other Miscellaneous Revenues	35.2	1.3	35.6	1.3	70.8	(8.7)
Public Service GR / Consumption Tax	<u>107.3</u>	<u>1.3</u>	<u>108.7</u>	<u>1.3</u>	<u>215.9</u>	<u>6.0</u>
Total Misc. Taxes and Other Revenues	\$ 991.8	(0.5) %	\$ 1,004.7	1.3 %	\$ 1,996.5	13.6 %
TOTAL GF REVENUES	\$ 30,149.3	6.6 %	\$ 31,687.7	5.1 %	\$ 61,837.0	14.9 %
TRANSFERS						
A.B.C. Profits	\$ 113.8	(1.9) %	\$ 115.3	1.3 %	\$ 229.1	(32.8) %
Sales Tax (0.375%)	614.7	4.2	639.9	4.1	1,254.6	27.9
Transfers Per Appropriations Act	<u>89.0</u>	<u>1.3</u>	<u>90.2</u>	<u>1.3</u>	<u>179.2</u>	<u>(28.7)</u>
Total Transfers	\$ 817.5	3.0 %	\$ 845.4	3.4 %	\$ 1,662.9	5.7 %
TOTAL GENERAL FUND	\$ 30,966.8	6.5 %	\$ 32,533.1	5.1 %	\$ 63,499.9	14.6 %

The November forecast is based on the October 2022 IHS Markit Optimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(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	-	93	6,133,637,000	9.1%
62	242,144,567	4.8%	94	6,503,368,000	6.0%
63	286,304,265	18.2%	95	6,881,145,000	5.8%
64	298,033,919	4.1%	96	7,356,110,000	6.9%
65	323,213,412	8.4%	97	7,949,327,000	8.1%
66	365,129,776	13.0%	98	8,773,520,000	10.4%
67	414,755,644	13.6%	99	9,702,747,000	10.6%
68	533,597,744	28.7%	00	10,788,482,000	11.2%
69	706,254,374	32.4%	01	11,105,275,000	2.9%
70	743,721,322	5.3%	02	10,678,954,000	-3.8%
71	807,954,651	8.6%	03	10,867,149,000	1.8%
72	922,653,686	14.2%	04	11,917,867,000	9.7%
73	1,054,469,443	14.3%	05	13,687,252,000	14.8%
74	1,168,562,871	10.8%	06	14,834,298,000	8.4%
75	1,303,178,893	11.5%	07	15,565,827,000	4.9%
76	1,428,421,157	9.6%	08	15,766,951,000	1.3%
77	1,636,301,819	14.6%	09	14,315,060,000	-9.2%
78	1,923,085,084	17.5%	10	14,219,477,000	-0.7%
79	2,115,211,522	10.0%	11	15,040,200,000	5.8%
80	2,344,928,934	10.9%	12	15,846,665,000	5.4%
81	2,579,663,941	10.0%	13	16,684,600,000	5.3%
82	2,796,458,741	8.4%	14	16,411,400,000	-1.6%
83	2,975,687,935	6.4%	15	17,735,600,000	8.1%
84	3,397,710,261	14.2%	16	18,040,100,000	1.7%
85	3,790,816,000	11.6%	17	18,695,100,000	3.6%
86	4,131,778,000	9.0%	18	19,880,800,000	6.3%
87	4,590,434,000	11.1%	19	21,307,500,000	7.2%
88	5,054,382,000	10.1%	20	21,737,800,000	2.0%
89	5,478,912,000	8.4%	21	24,878,500,000	14.4%
90	5,494,884,000	0.3%	22	28,934,900,000	16.3%
91	5,471,879,000	-0.4%	23*	26,387,800,000	-8.8%
92	5,623,213,000	2.8%	24*	26,901,200,000	1.9%

* December 15, 2022 Forecast (Excludes Transfers)

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

Fiscal Year 1961 - Fiscal Year 2024

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	1,396,607,539	-	93	9,025,363,449	6.3%
62	1,449,967,467	3.8%	94	9,365,449,309	3.8%
63	1,694,108,077	16.8%	95	9,694,484,362	3.5%
64	1,738,820,998	2.6%	96	10,160,372,928	4.8%
65	1,860,756,546	7.0%	97	10,751,050,852	5.8%
66	2,064,046,218	10.9%	98	11,732,441,829	9.1%
67	2,282,639,758	10.6%	99	12,851,320,530	9.5%
68	2,848,893,454	24.8%	00	13,989,214,212	8.9%
69	3,618,106,424	27.0%	01	14,050,196,103	0.4%
70	3,636,779,081	0.5%	02	13,347,024,122	-5.0%
71	3,780,789,195	4.0%	03	13,320,849,473	-0.2%
72	4,159,845,293	10.0%	04	14,298,580,684	7.3%
73	4,582,657,292	10.2%	05	16,000,996,025	11.9%
74	4,698,684,644	2.5%	06	16,809,402,833	5.1%
75	4,749,194,216	1.1%	07	17,224,551,289	2.5%
76	4,886,832,559	2.9%	08	16,928,227,400	-1.7%
77	5,293,761,951	8.3%	09	15,217,455,087	-10.1%
78	5,834,602,803	10.2%	10	14,958,423,101	-1.7%
79	5,956,664,382	2.1%	11	15,532,582,877	3.8%
80	5,988,071,844	0.5%	12	15,976,071,177	2.9%
81	5,978,363,710	-0.2%	13	16,570,265,170	3.7%
82	6,056,874,033	1.3%	14	16,064,408,771	-3.1%
83	6,145,576,074	1.5%	15	17,217,357,538	7.2%
84	6,745,503,794	9.8%	16	17,430,048,309	1.2%
85	7,271,851,141	7.8%	17	17,782,840,293	2.0%
86	7,692,753,677	5.8%	18	18,548,983,019	4.3%
87	8,366,017,860	8.8%	19	19,523,089,610	5.3%
88	8,887,606,823	6.2%	20	19,668,657,257	0.7%
89	9,225,310,658	3.8%	21	22,061,275,162	12.2%
90	8,894,276,465	-3.6%	22	24,245,768,393	9.9%
91	8,490,114,818	-4.5%	23*	21,036,192,602	-13.2%
92	8,492,996,526	0.0%	24*	20,921,760,772	-0.5%

* December 15, 2022 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2022 Through 2028
 \$ (Millions)

		Actual						
		2022	2023	2024	2025	2026	2027	2028
Taxes:								
	Motor vehicle fuel tax	\$1,225.9	\$1,436.6	\$1,532.5	\$1,594.2	\$1,644.7	\$1,690.4	\$1,734.1
	Unemployment compensation payroll tax	\$397.9	\$506.8	\$588.9	\$518.9	\$442.4	\$431.2	\$428.4
	Special highway tax from sales tax	\$1,368.3	\$1,354.6	\$1,364.8	\$1,373.0	\$1,383.9	\$1,396.4	\$1,411.8
	Motor vehicle sales tax and use tax	\$1,209.3	\$1,141.8	\$1,078.2	\$1,218.2	\$1,249.6	\$1,269.4	\$1,284.9
	Other taxes	\$2,335.4	\$1,465.7	\$1,542.8	\$1,549.2	\$1,556.7	\$1,571.3	\$1,587.3
	Total	\$6,536.8	\$5,905.5	\$6,107.2	\$6,253.5	\$6,277.3	\$6,358.7	\$6,446.5
Rights and privileges:								
	Motor Vehicle Licenses	\$307.4	\$313.9	\$318.1	\$319.5	\$321.5	\$321.0	\$321.5
	Other Rights & Privileges	\$990.8	\$1,001.0	\$1,063.5	\$1,083.4	\$1,083.1	\$1,091.7	\$1,098.5
	Total	\$1,298.1	\$1,314.9	\$1,381.6	\$1,402.8	\$1,404.7	\$1,412.8	\$1,420.1
Sales of property and commodities:								
	Alcoholic Beverage Sales	\$1,133.1	\$1,421.0	\$1,462.2	\$1,495.1	\$1,543.7	\$1,605.4	\$1,677.7
	Other Sales	\$1,667.2	\$1,454.1	\$1,446.7	\$1,445.8	\$1,446.7	\$1,448.7	\$1,451.1
	Total	\$2,800.3	\$2,875.1	\$2,908.9	\$2,940.9	\$2,990.4	\$3,054.2	\$3,128.8
Assessment & Receipts for Support of Special Services:		\$2,429.0	\$2,635.1	\$2,757.0	\$2,860.1	\$2,616.3	\$2,627.4	\$2,638.7
Institutional revenue:								
	Institutions of Higher Education ²	\$2,610.1	\$6,663.1	\$6,979.5	\$7,380.2	\$7,410.3	\$7,578.4	\$7,745.3
	Other Educational Institutions	\$3.0	\$3.4	\$3.6	\$3.5	\$3.7	\$3.8	\$3.9
	Medical Hospitals ²	\$0.0	\$2,410.4	\$2,511.4	\$2,587.4	\$2,714.4	\$2,874.8	\$2,910.6
	Mental Hospitals	\$109.4	\$130.9	\$140.7	\$142.4	\$143.7	\$143.7	\$143.7
	Corrections	\$49.5	\$51.2	\$51.5	\$51.5	\$51.9	\$51.9	\$51.8
	Other Institutions	\$43.9	\$52.1	\$53.0	\$53.9	\$54.9	\$55.9	\$57.0
	Total	\$2,816.0	\$9,311.1	\$9,739.7	\$10,218.9	\$10,378.9	\$10,708.5	\$10,912.3
Interest dividends and rents:		\$438.8	\$238.0	\$249.2	\$253.6	\$260.1	\$267.2	\$271.3
Grants and donations:								
	Federal grants and contracts	\$22,501.9	\$22,588.1	\$22,488.6	\$21,240.5	\$20,486.2	\$20,569.5	\$20,427.4
	Other grants & contracts	\$614.7	\$908.5	\$960.6	\$923.4	\$335.6	\$203.8	\$112.6
	Total	\$23,116.5	\$23,496.6	\$23,449.2	\$22,163.9	\$20,821.9	\$20,773.3	\$20,540.0
Other Revenue:		\$3,295.5	\$3,416.9	\$3,171.3	\$3,112.2	\$3,115.0	\$3,496.4	\$3,178.4
Total Nongeneral Fund Revenue: ¹		\$42,731.0	\$49,193.3	\$49,764.1	\$49,206.0	\$47,864.6	\$48,698.5	\$48,536.0
\$ Amount change from previous year			\$6,462.3	\$570.8	(\$558.0)	(\$1,341.4)	\$833.9	(\$162.5)
% Change from previous year			15.1%	1.2%	-1.1%	-2.7%	1.7%	-0.3%

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 Cardinal.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2023 Estimate	As a % of Gen Fund Rev	November FY 2023	November FY 2022	% Change	Year-To-Date FY 2023	Year-To-Date FY 2022	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$15,319,900	61.60	\$1,355,507	\$1,201,937	12.8	\$6,446,079	\$5,906,310	9.1	(0.1)
Tax Dues/Estimated Payments	5,213,600	20.96	101,946	89,425	14.0	1,313,782	1,159,820	13.3	(23.4)
Gross Individual Income Tax	\$20,533,500	82.56	\$1,457,453	\$1,291,362	12.9	\$7,759,861	\$7,066,130	9.8	(7.3)
Individual and Fiduciary Income (Refunds)	(3,800,900)	(15.28)	(69,946)	(40,949)	70.8	(1,313,569)	(303,815)	332.4	118.4
Net Individual Income Tax	\$16,732,600	67.28	\$1,387,507	\$1,250,413	11.0	\$6,446,292	\$6,762,315	(4.7)	(18.0)
Sales and Use Tax	\$4,497,800	18.08	\$401,824	\$374,069	7.4	\$1,987,209	\$1,726,560	15.1	(1.3)
Corporations Income Tax	1,737,000	6.98	20,710	93,226	(77.8)	512,247	602,270	(14.9)	(12.2)
Wills, Suits, Deeds, Contracts	593,700	2.39	34,278	51,131	(33.0)	205,319	287,785	(28.7)	(9.2)
Insurance Premiums	406,100	1.63	0	0	-	0	0	-	(4.9)
Interest Income (a)	98,200	0.39	36,136	12,244	195.1	123,485	54,149	128.0	28.1
Alcoholic Beverage Sales (b)	303,600	1.22	68,159	67,476	1.0	82,160	84,706	(3.0)	1.1
All Other Revenues	502,300	2.03	53,185	33,444	59.0	212,514	171,814	23.7	(5.3)
Total General Fund Revenues	\$24,871,300	100.00	\$2,001,799	\$1,882,003	6.4	\$9,569,226	\$9,689,599	(1.2)	(14.0)

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 2022 and 2023
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2023 Estimate	As a % of Total Gen Fund Rev	FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$15,319,900	61.60	\$1,355,507	\$1,201,937	12.8	\$6,446,079	\$5,906,310	9.1	(0.1)
Tax Dues/Estimated Payments	5,213,600	20.96	101,946	89,425	14.0	1,313,782	1,159,820	13.3	(23.4)
Gross Individual Income Tax	\$20,533,500	82.56	\$1,457,453	\$1,291,362	12.9	\$7,759,861	\$7,066,130	9.8	(7.3)
Individ and Fiduc Income (Refunds)	(3,800,900)	(15.28)	(69,946)	(40,949)	70.8	(1,313,569)	(303,815)	332.4	118.4
Net Individual Income Tax	\$16,732,600	67.28	\$1,387,507	\$1,250,413	11.0	\$6,446,292	\$6,762,315	(4.7)	(18.0)
Sales and Use Tax	4,497,800	18.08	401,824	374,069	7.4	1,987,209	1,726,560	15.1	(1.3)
Corporations Income	1,737,000	6.98	20,710	93,226	(77.8)	512,247	602,270	(14.9)	(12.2)
Public Service Corporations	103,500	0.42	6,543	5,645	15.9	38,134	36,188	5.4	0.9
Insurance Premiums	406,100	1.63	0	0	-	0	0	-	(4.9)
Alcoholic Beverage Excise	261,600	1.05	64,621	64,101	0.8	67,823	66,795	1.5	0.6
Beer and Beverage Excise	42,000	0.17	3,538	3,375	4.8	14,337	17,911	(20.0)	5.0
Wills, Suits, Deeds, Contracts	593,700	2.39	34,278	51,131	(33.0)	205,319	287,785	(28.7)	(9.2)
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	(2)	100.0	(100.0)
Bank Franchise	26,800	0.11	1	3,951	(100.0)	748	4,424	(83.1)	(28.4)
Other Taxes	42,600	0.17	6,755	4,001	68.8	30,366	21,121	43.8	(17.1)
Total Taxes	\$24,443,700	98.28	\$1,925,777	\$1,849,912	4.1	\$9,302,475	\$9,525,367	(2.3)	(14.3)
Rights and Privileges:									
Licenses and Permits	\$2,900	0.01	\$152	\$400	(62.0)	\$1,348	\$1,798	(25.0)	(36.6)
Corp. Franchise and Charters	62,300	0.25	577	580	(0.5)	3,174	3,384	(6.2)	(19.5)
Fees for Misc. Privileges & Services	13,900	0.06	344	259	32.8	6,193	3,906	58.6	15.7
Total Rights and Privileges	\$79,100	0.32	\$1,073	\$1,239	(13.4)	\$10,715	\$9,088	17.9	(15.9)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$10,828	\$28	#	\$10,849	\$993	992.5	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	9	17	(47.1)	95	241	(60.6)	(26.1)
Institutional Revenue	2,200	0.01	166	191	(13.1)	1,517	1,004	51.1	(7.7)
Interest (a)	98,200	0.39	36,136	12,244	195.1	123,485	54,149	128.0	28.1
Dividends and Rent	200	0.00	12	12	0.0	63	68	(7.4)	46.0
Fines, Forfeitures & Fees	232,700	0.95	27,145	19,269	40.9	114,395	96,495	18.6	2.6
Other Revenue	18,100	0.07	572	733	(22.0)	7,120	6,176	15.3	9.7
Excess Fees	(9,300)	(0.04)	(335)	(1,987)	83.1	(2,923)	(5,440)	46.3	24.5
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	-
Cities, Counties, and Towns	6,000	0.02	416	345	20.6	1,435	1,458	(1.6)	60.0
Total Other Revenues	\$348,500	1.40	\$74,949	\$30,852	142.9	\$256,036	\$155,144	65.0	8.4
Total General Fund Revenues	\$24,871,300	100.00	\$2,001,799	\$1,882,003	6.4	\$9,569,226	\$9,689,599	(1.2)	(14.0)

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 2022 and 2023
(Dollars in Thousands)

	FY 2023 Estimate	(b)	November		Year-To-Date			% Annual Growth Required By Estimate	
			FY 2023	(c) FY 2022	% Change	FY 2023	(c) FY 2022		% Change
Lottery Collections (a)									
Total Lottery Sales	\$3,796,284		\$413,751	\$297,775	38.9	\$1,798,180	\$1,561,680	15.1	1.2
Other Income	1,750		150	167	(10.2)	876	580	51.0	78.6
Total Income	<u>\$3,798,034</u>		<u>\$413,901</u>	<u>\$297,942</u>	<u>38.9</u>	<u>\$1,799,056</u>	<u>\$1,562,260</u>	<u>15.2</u>	<u>1.2</u>
Less:									
Prize Expenses	\$2,672,275		\$298,549	\$207,153	44.1	\$1,303,818	\$1,096,269	18.9	(0.2)
Retailer Commissions	153,765		13,429	11,228	19.6	58,825	60,739	(3.2)	10.9
Operating Expenses	187,322		17,538	14,344	22.3	76,047	66,376	14.6	18.4
Total Expenses	<u>\$3,013,362</u>		<u>\$329,516</u>	<u>\$232,725</u>	<u>41.6</u>	<u>\$1,438,690</u>	<u>\$1,223,384</u>	<u>17.6</u>	<u>1.3</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$784,672		\$84,385	\$65,217	29.4	\$360,366	\$338,876	6.3	0.7
Prior Year Residual Profit Transfer	0		0	0	-	3,491	67,283	(94.8)	-
Available to Lottery Proceeds Fund	<u>\$784,672</u>		<u>\$84,385</u>	<u>\$65,217</u>	<u>29.4</u>	<u>\$363,857</u>	<u>\$406,159</u>	<u>(10.4)</u>	<u>(7.3)</u>

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

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 2, 2022 Special Session I Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$3,490,521 was transferred on August 16, 2022. The FY 2023 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2023 sales and profits, as well as the residual transfer from FY 2022.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)

Revenue	FY 2023 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change	
Motor Fuel Taxes	\$1,431,900	17.00	\$135,851	\$110,552	22.9	\$614,266	\$503,943	21.9	11.2
Insurance Premiums Tax	202,496	2.40	6,616	7,084	(6.6)	180,550	167,601	7.7	12.1
Motor Vehicle Sales and Use Tax	1,198,000	14.23	96,708	96,434	0.3	530,299	537,114	(1.3)	(4.1)
State Sales and Use Tax	1,349,200	16.03	122,128	115,916	5.4	604,339	526,098	14.9	(1.4)
Motor Vehicle License Fees	236,600	2.81	5,731	9,933	(42.3)	76,805	89,568	(14.2)	2.4
Highway Use Fee	59,700	0.71	4,532	4,269	6.2	25,598	22,648	13.0	11.0
International Registration Plan	124,200	1.47	9,251	14,650	(36.9)	37,321	42,533	(12.3)	4.6
Recordation Tax	81,000	0.96	4,117	6,316	(34.8)	25,187	35,652	(29.4)	(0.7)
Interest Earnings	5,700	0.07	26	18	44.4	1,832	753	143.3	234.9
Misc. Taxes, Fees, and Revenues	17,200	0.20	2,072	2,064	0.4	8,547	9,163	(6.7)	(19.1)
Total State Taxes and Fees	<u>\$4,705,996</u>	<u>55.88</u>	<u>\$387,032</u>	<u>\$367,236</u>	<u>5.4</u>	<u>\$2,104,744</u>	<u>\$1,935,073</u>	<u>8.8</u>	<u>2.4</u>

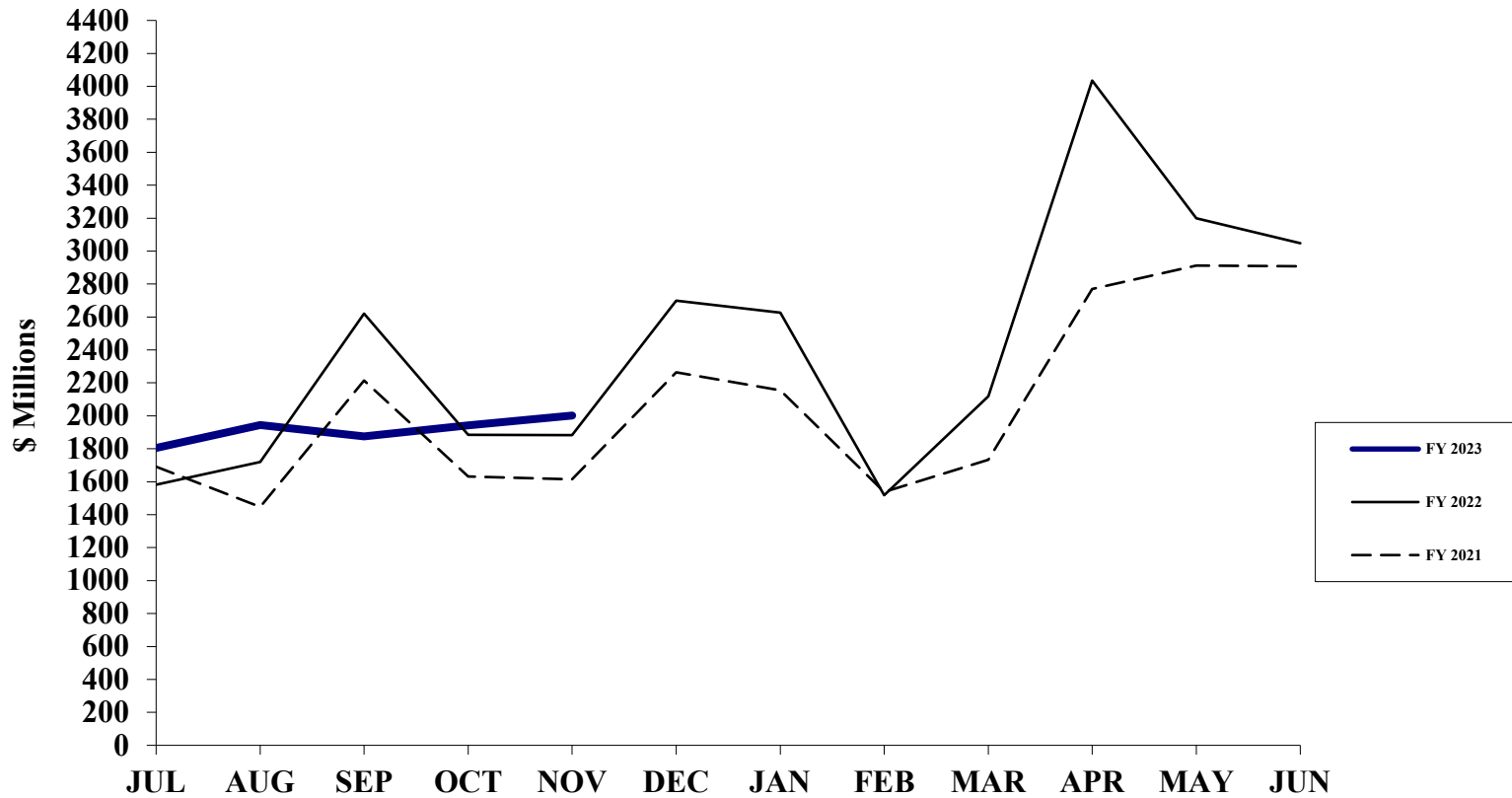
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)**

Revenue	FY 2023 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,431,900	17.00	\$135,851	\$110,552	22.9	\$614,266	\$503,943	21.9	11.2
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,198,000	14.23	96,708	96,434	0.3	530,299	537,114	(1.3)	(4.1)
State Sales and Use Tax	1,349,200	16.03	122,128	115,916	5.4	604,339	526,098	14.9	(1.4)
Motor Vehicle License Fees	236,600	2.81	5,731	9,933	(42.3)	76,805	89,568	(14.2)	2.4
Highway Use Fee	59,700	0.71	4,532	4,269	6.2	25,598	22,648	13.0	11.0
International Registration Plan	124,200	1.47	9,251	14,650	(36.9)	37,321	42,533	(12.3)	4.6
Insurance Premiums Tax	202,496	2.40	6,616	7,084	(6.6)	180,550	167,601	7.7	12.1
Recordation Tax	81,000	0.96	4,117	6,316	(34.8)	25,187	35,652	(29.4)	(0.7)
Total Commonwealth Transportation Fund	\$4,683,096	55.61	\$384,934	\$365,154	5.4	\$2,094,365	\$1,925,157	8.8	2.4
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,200	0.20	\$2,072	\$2,064	0.4	\$8,547	\$9,163	(6.7)	(19.1)
Other Miscellaneous Revenues	553,272	6.58	2,187	40,069	(94.5)	501,140	297,480	68.5	29.7
Federal Grants and Contracts	0	0.00	2,269	548	314.1	9,715	3,124	211.0	(100.0)
Transfer (to) / from Transportation Trust Fund	63,329	0.75	0	(201,969)	100.0	0	(151,969)	100.0	127.0
Total Highway Maintenance and Operating Fund	\$633,801	7.53	\$6,528	(\$159,288)	104.1	\$519,402	\$157,798	229.2	178.3
TRANSPORTATION TRUST FUND									
Interest Earnings	\$5,700	0.07	\$26	\$18	44.4	\$1,832	\$753	143.3	234.9
Federal Grants and Contracts	1,746,997	20.74	105,147	88,468	18.9	1,065,094	807,330	31.9	35.7
Receipts from Cities/Counties	1,002,622	11.90	16,557	69,989	(76.3)	149,691	297,028	(49.6)	49.1
Toll Revenues	73,840	0.88	2,951	2,344	25.9	14,366	10,642	35.0	107.2
Miscellaneous Revenues	338,311	4.02	19,750	9,223	114.1	181,345	281,172	(35.5)	(16.8)
Transfer (to) / from Highway Maintenance and Operating Fund	(63,329)	(0.75)	0	201,969	(100.0)	0	151,969	(100.0)	(127.0)
Total Transportation Trust Fund	\$3,104,141	36.86	\$144,431	\$372,011	(61.2)	\$1,412,328	\$1,548,894	(8.8)	17.7
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,421,038	100.00	\$535,893	\$577,877	(7.3)	\$4,026,095	\$3,631,849	10.9	13.2

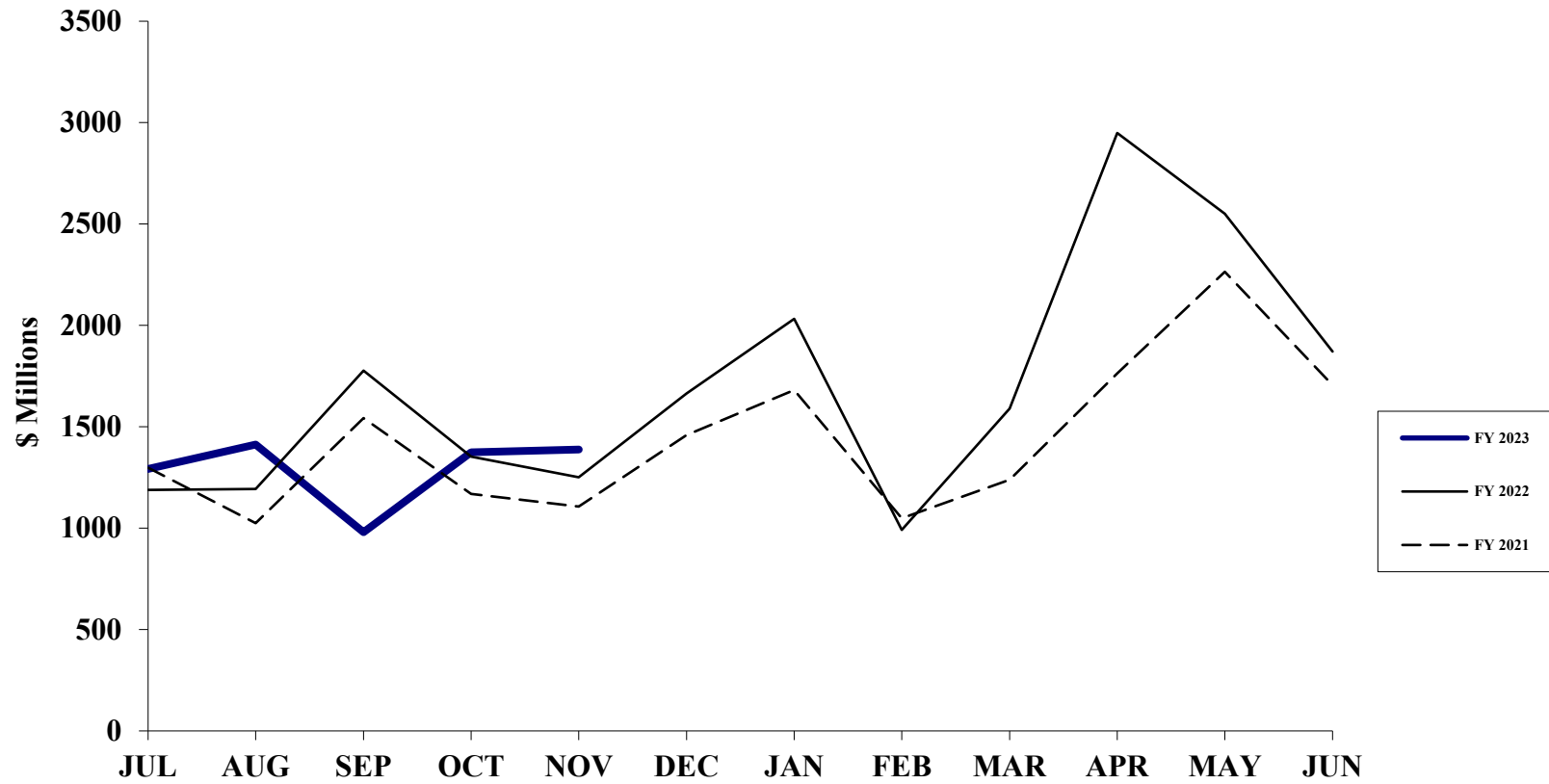
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



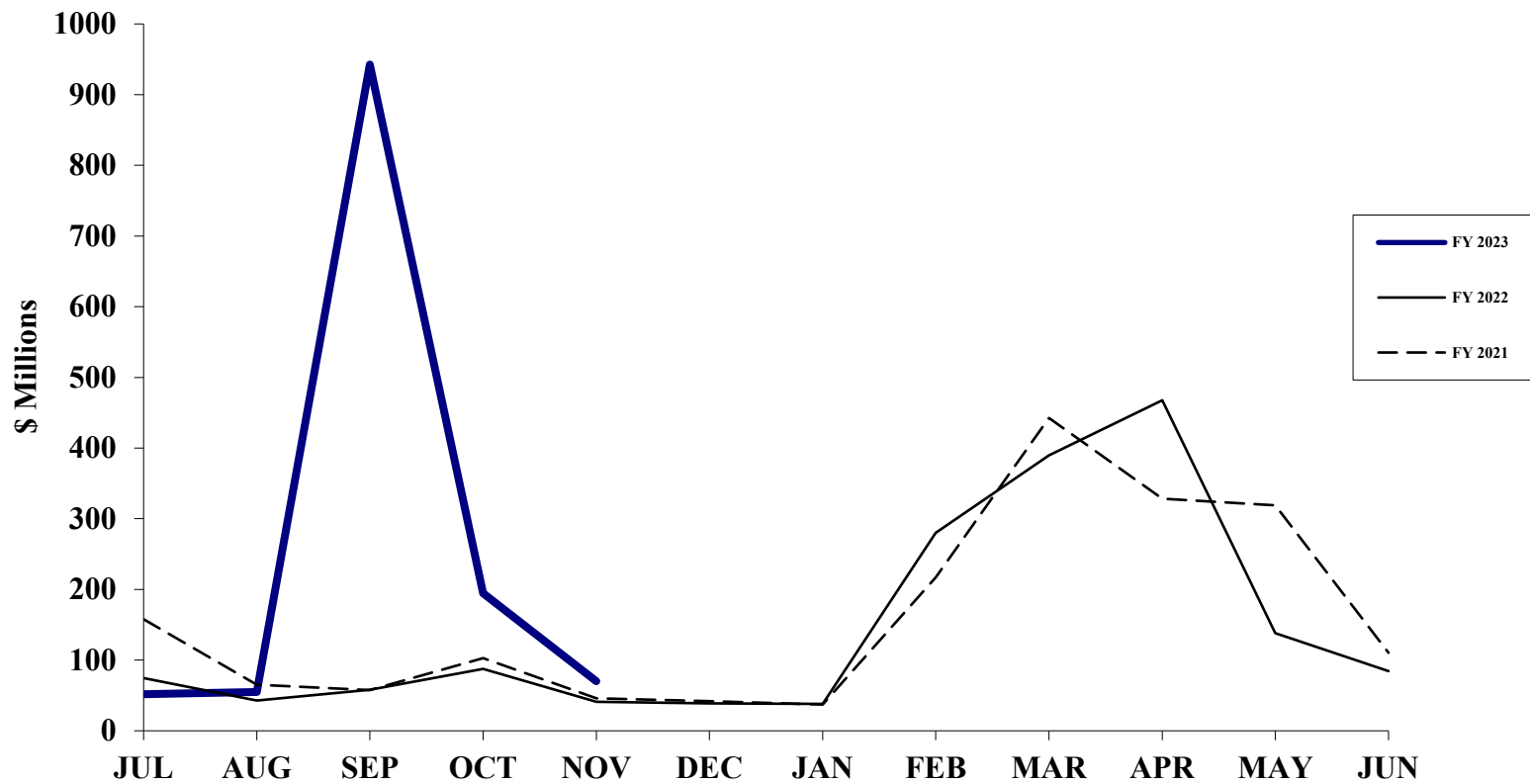
FY 2021 Actual = \$24,878.5 Million
FY 2022 Actual = \$28,934.9 Million
FY 2023 Estimate = \$24,871.3 Million

Net Individual Income Tax



FY 2021 Actual = \$17,303.7 Million
FY 2022 Actual = \$20,410.2 Million
FY 2023 Estimate = \$16,732.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2021 Actual = \$1,926.2 Million
FY 2022 Actual = \$1,740.5 Million
FY 2023 Estimate = \$3,800.9 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2023
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹	EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield		Yield	Avg. Balance	Annualized Total Return	Avg. Balance
July, 2022	\$21,312.5	1.51%	1.44%	\$5,093.1	22.65%	\$26,405.6	5.58%
August	\$20,538.0	1.82%	1.79%	\$5,250.4	-24.83%	\$25,788.4	-3.61%
September	\$21,220.3	2.15%	2.19%	\$5,116.6	-36.19%	\$26,336.9	-5.30%
October	\$21,727.7	2.58%	2.62%	\$5,017.4	-9.71%	\$26,745.1	0.27%
November	\$21,678.4	3.09%	3.03%	\$5,061.1	31.22%	\$26,739.5	8.42%
December							
January, 2023							
February							
March							
April							
May							
June							
Year-to-Date Average	\$21,295.4	2.23 %	2.21%	\$5,107.7	-3.57%	\$26,403.1	1.11%

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

▪ Unaudited.

¹ Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2023**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$640,922,940	\$0	\$0	\$0	\$640,922,940
August	\$640,922,940	\$0	\$0	\$0	\$640,922,940
September	\$640,922,940	\$0	\$0	\$0	\$640,922,940
October	\$640,922,940	\$0	\$0	\$1,549,154	\$642,472,094
November	\$642,472,094	\$0	\$0	\$0	\$642,472,094
December					
January					
February					
March					
April					
May					
June					

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

Virginia Department of Taxation

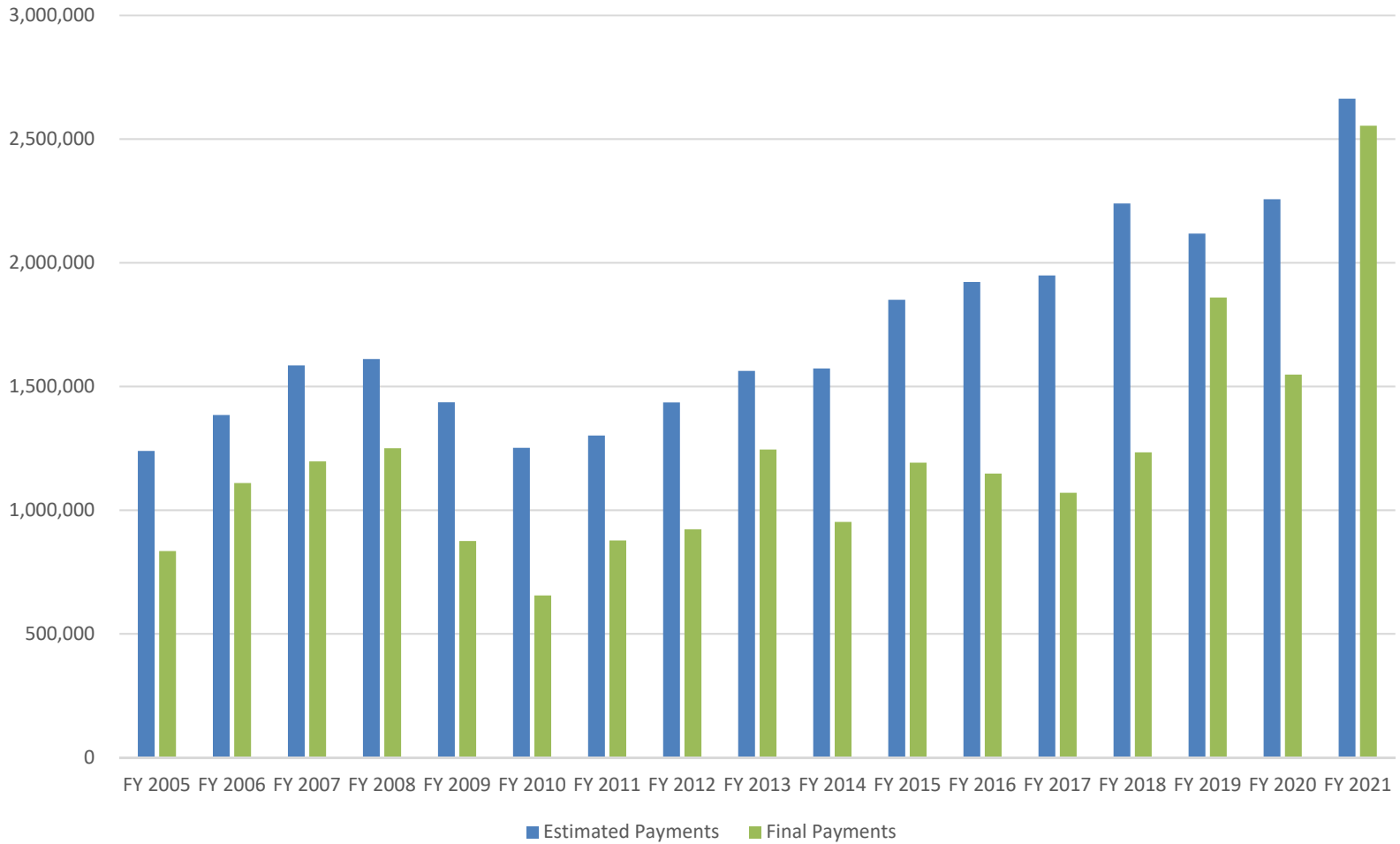
An Overview of Virginia's Individual
Nonwithholding Income Tax Receipts

December 2021

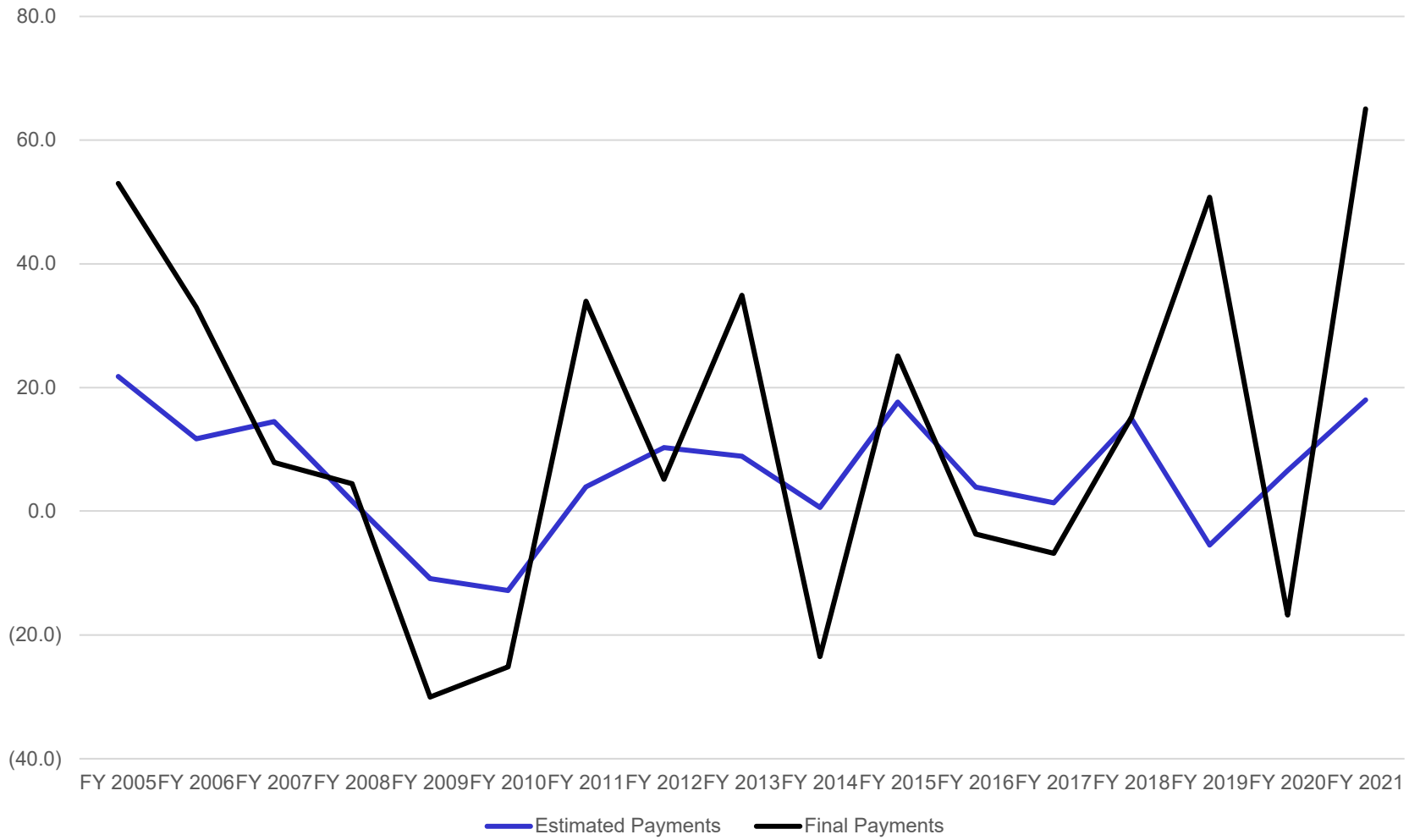
Individual nonwithholding payments typically comprise between 16 and 18 percent of total general fund revenues...

- Four estimated payments and one final payment due each May are the main components of individual nonwithholding receipts.
- The income sources that make up nonwithholding collections are those sources that are generally not subject to withholding.
 - Capital gains realizations.
 - Self-employment income.
 - Partnership/Sub-S Corporate income.
 - Dividends and Interest.
- Individual nonwithholding collections are a very volatile revenue source and are notoriously difficult to forecast.
 - Taxpayer behavior determines capital gains realizations.
 - IHS Markit and Moody's provide forecasts of various financial market indices.
 - Capital gains are a substantial component of income for the federal adjusted gross income > 500K group and represent a nontrivial component of general fund revenue.
 - Self-employment and partnership income tends to vary year over year much more than wage income.
 - More than half of nonwithholding receipts are collected in the fourth quarter of the fiscal year leaving no time for in-year adjustments.

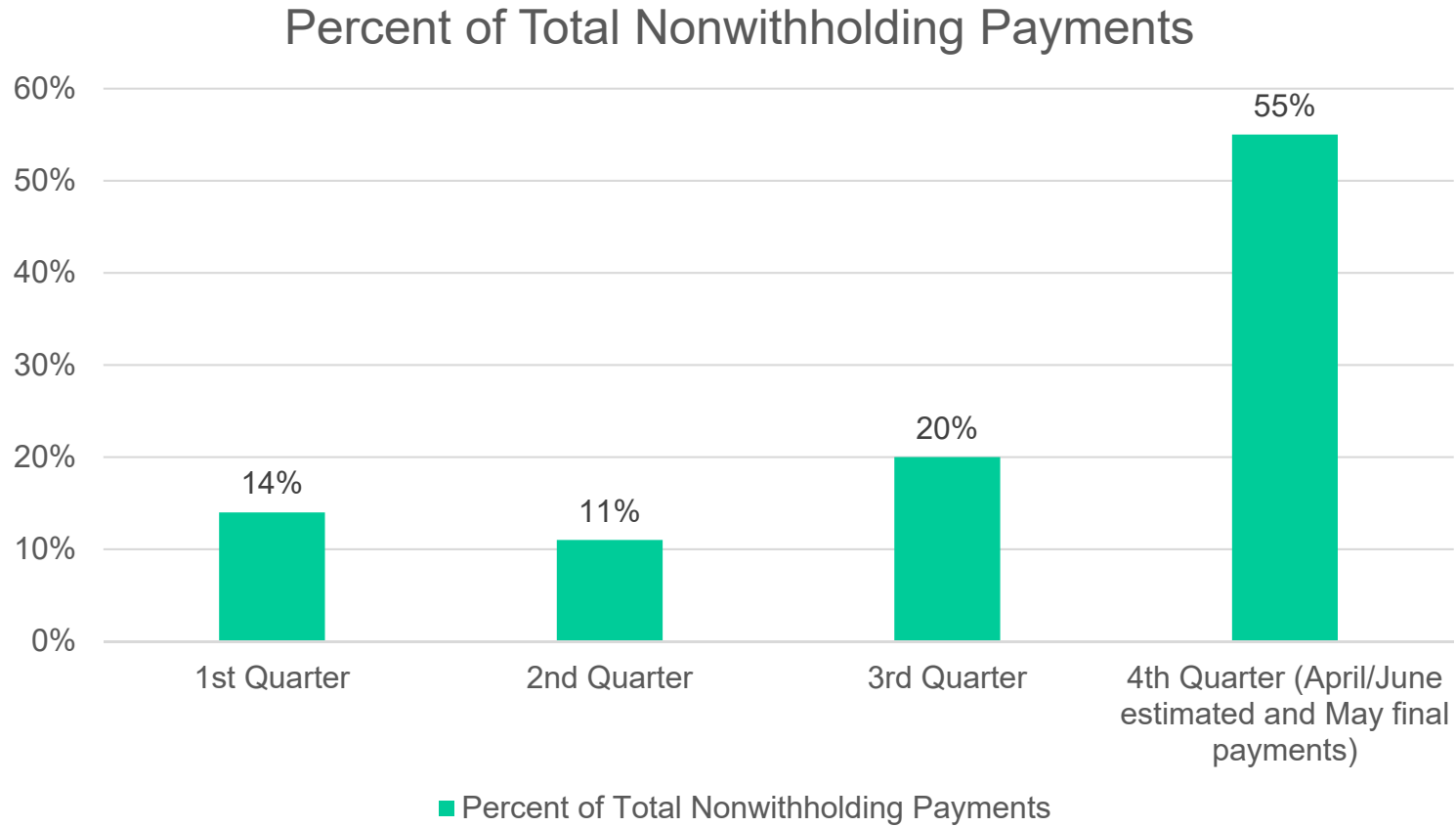
A short history of nonwithholding collections and its two components: estimated and final payments...



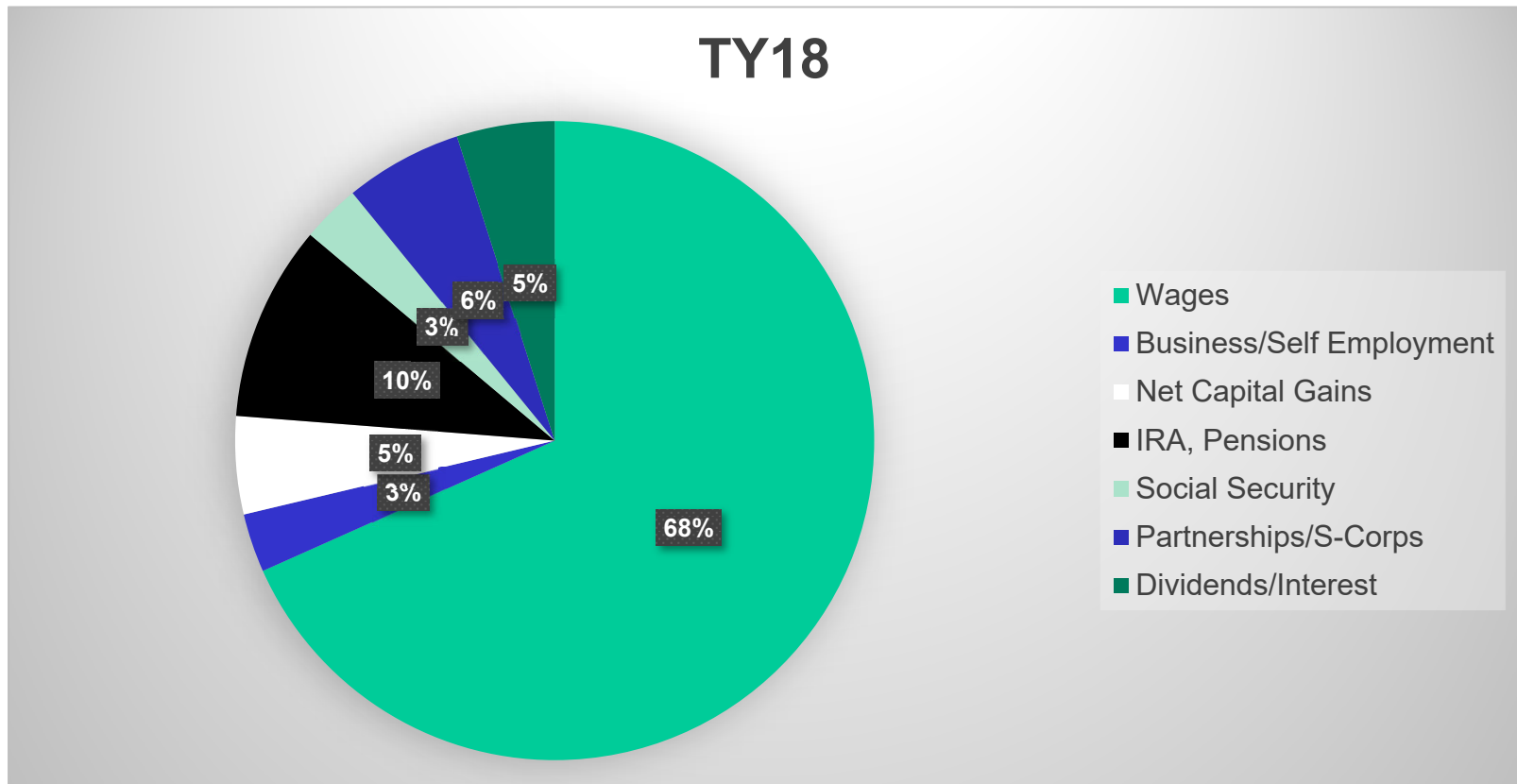
Annual percent change in estimated and final payments illustrates the volatility of nonwithholding...



Nonwithholding payments are backloaded to the final quarter of the fiscal year...

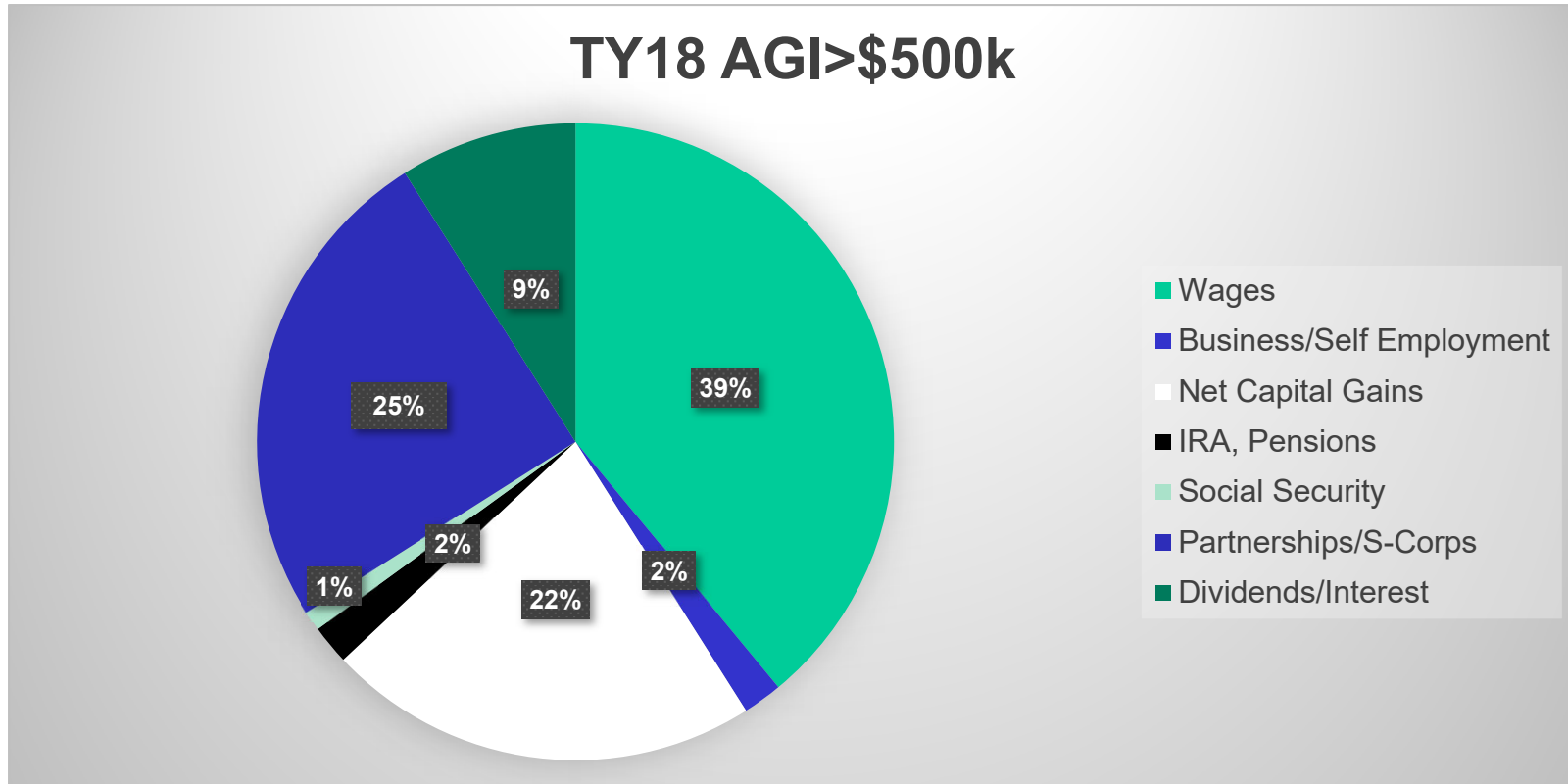


Components of federal adjusted gross income for all taxpayers in tax year 2018...



- For all taxpayers, close to 77 percent of taxable income is subject to income tax withholding.

Components of federal adjusted gross income for tax returns with more than \$500,000 in AGI for tax year 2018...



- For high income taxpayers, only about 41 percent of taxable income is subject to income tax withholding.

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

Large Individual Payments

	<u>Number of Payments</u>	<u>% Change</u>	<u>Total \$M Amt of Payments</u>	<u>% Change</u>
FY10	843	-36%	\$263.8	-45%
FY11	1,130	34%	\$422.3	60%
FY12	1,173	4%	\$401.6	-5%
FY13	1,648	40%	\$575.7	43%
FY14	1,119	-32%	\$328.0	-43%
FY15	1,523	36%	\$560.2	71%
FY16	1,585	4%	\$583.9	4%
FY17	1,638	3%	\$499.2	-15%
FY18	2,051	25%	\$670.2	34%
FY19	2,151	5%	\$736.4	10%
FY20*	2,459	14%	\$853.9	16%
FY21*	3,251	32%	\$1,141.2	34%

- * Adjusted for the shift of payments into July 20. FY21 payments increased by 33.6% from the FY20 level. FY20 payments increased 16% from the FY19 level.
- Large individual payers are taxpayers that pay more than \$100,000 in nonwithholding payments.