



REVIEW OF GENERAL FUND REVENUES AND THE VIRGINIA ECONOMY FOR FISCAL YEAR 2023

**A PRESENTATION TO THE SENATE FINANCE & APPROPRIATIONS,
HOUSE APPROPRIATIONS, AND HOUSE FINANCE COMMITTEES**

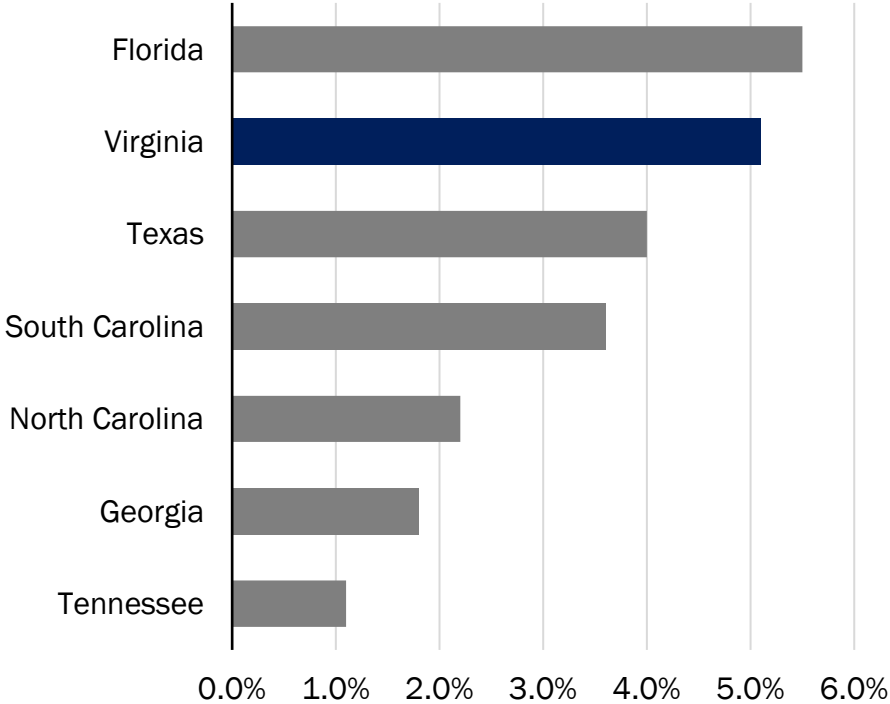
Stephen E. Cummings
Secretary of Finance
Commonwealth of Virginia
www.finance.virginia.gov
August 23, 2023

TOPICS FOR DISCUSSION

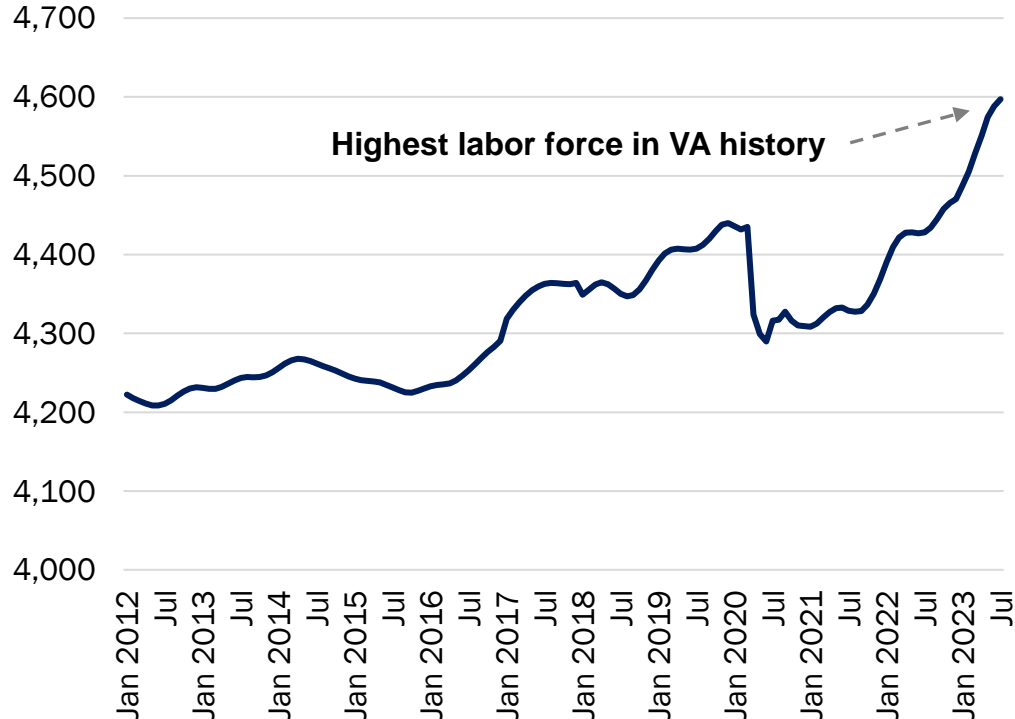
- Economic Trends
- Fiscal Year 2023 Year-in-Review
- Disposition of Unplanned Revenues and Unspent Appropriations
- Looking Ahead

ALMOST 220,000 MORE VIRGINIANS EMPLOYED SINCE JANUARY 2022, LABOR FORCE AT HIGHEST LEVEL IN VA HISTORY

January 2022 to-date employment change
%, January '22 to Jul '23, seasonally adjusted

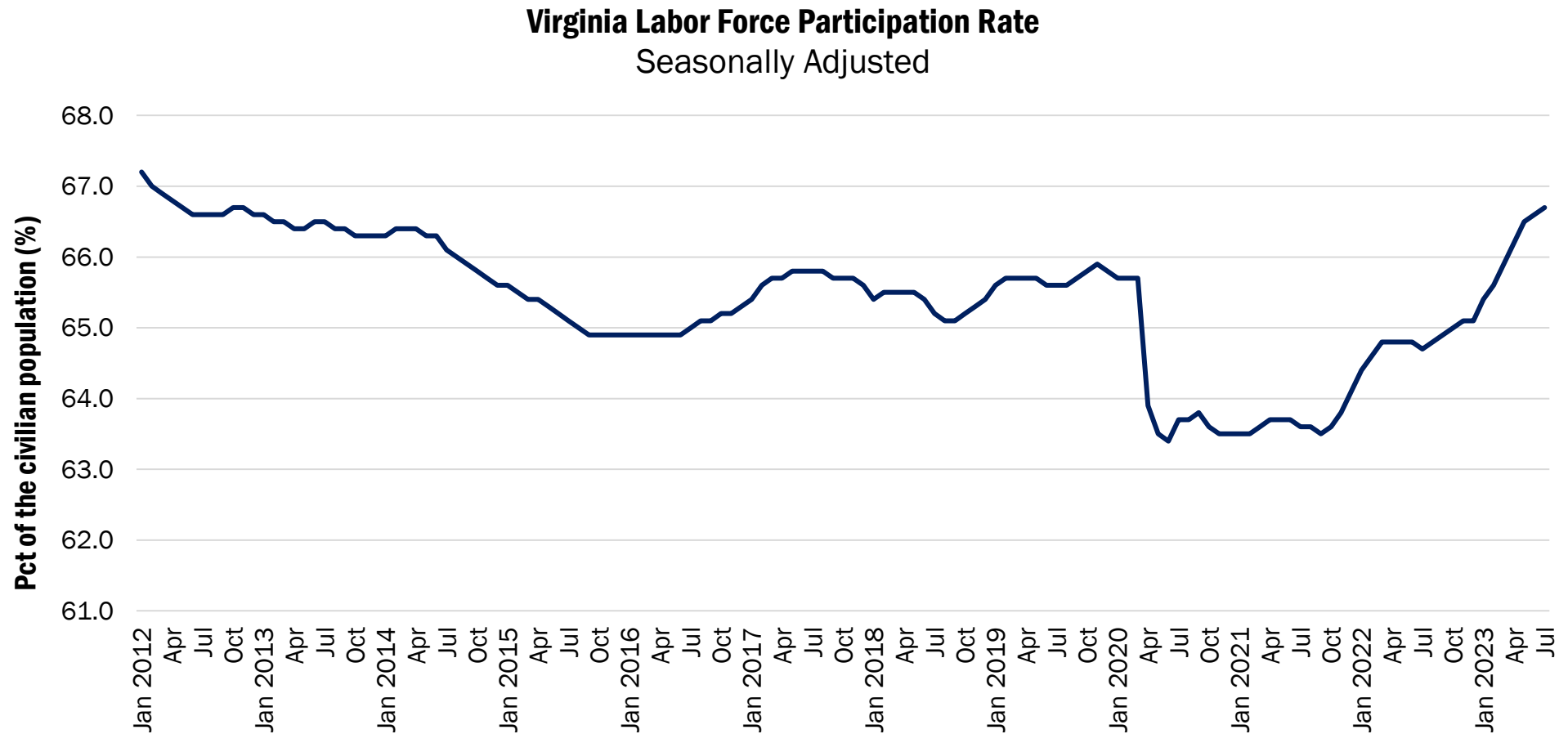


Virginia Labor Force
In thousands, seasonally adjusted



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (seasonally adjusted); VEDP calculations.

VIRGINIA LABOR FORCE PARTICIPATION RATE IS AT HIGHEST LEVEL SINCE 2012



Source: Local Area Unemployment Statistics (seasonally adjusted), Bureau of Labor Statistics

COMPANIES ARE CHOOSING TO LOCATE AND INVEST IN VIRGINIA AND PRELIMINARY DATA SUGGEST MORE PEOPLE ARE MOVING TO VIRGINIA

Economic Development Announcements for Virginia

	Number of Projects	New Jobs	Capital Investment
Since Jan 2022	293	24,720	\$58.8 billion
Since Jan 2023	95	7,983	\$48.8 billion

Source: VEDP

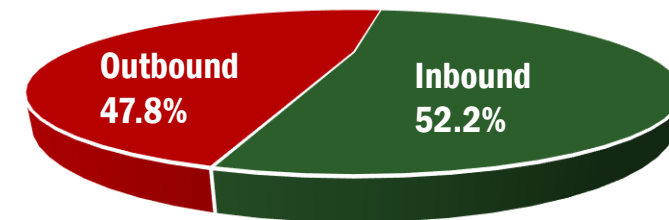
- Since January of 2022, Virginia welcomed 293 economic development projects and over \$58 billion in capital investment, generating more than 24,700 jobs as a result.
- According to U-Haul data, Virginia was previously ranked 31st in one-way hires but is now 5th in the US. The U-Haul Growth Index is compiled according to the net gain of one-way U-Haul trucks arriving in a state, versus departing from that state, in a calendar year.
- United Van Lines data suggest more Virginia inbound moves (52.2%) than outbound moves (47.8%) in 2022.

2022 U-Haul Growth States

2021 Rank	2022 Rank	State
1	1	Texas
2	2	Florida
4	3	South Carolina
19	4	North Carolina
31	5	Virginia

Source: uhaul.com

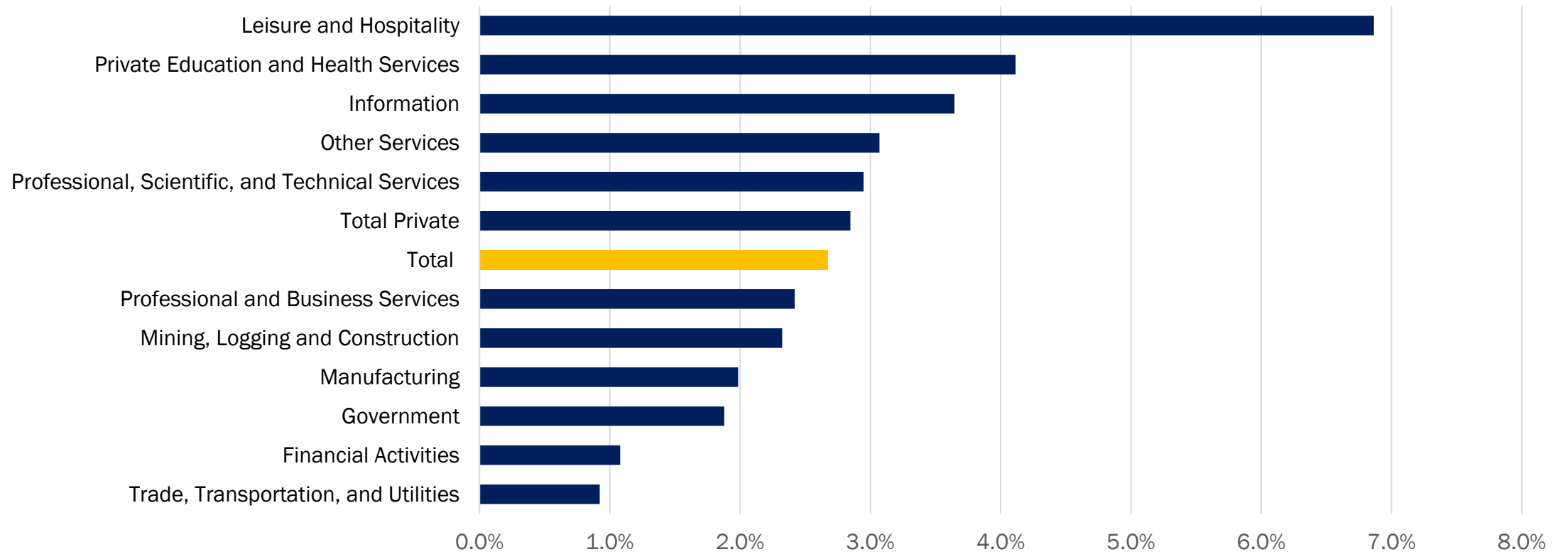
2022 United Van Lines: Moves To/From VA



Source: unitedvanlines.com/newsroom/movers-study-2022

TOTAL VA EMPLOYMENT GREW BY 2.7 PERCENT IN FY 2023, STRONGER THAN THE FORECAST GROWTH OF 2.5 PERCENT

Employment by Sector, FY 2023 Y/Y, % Chg



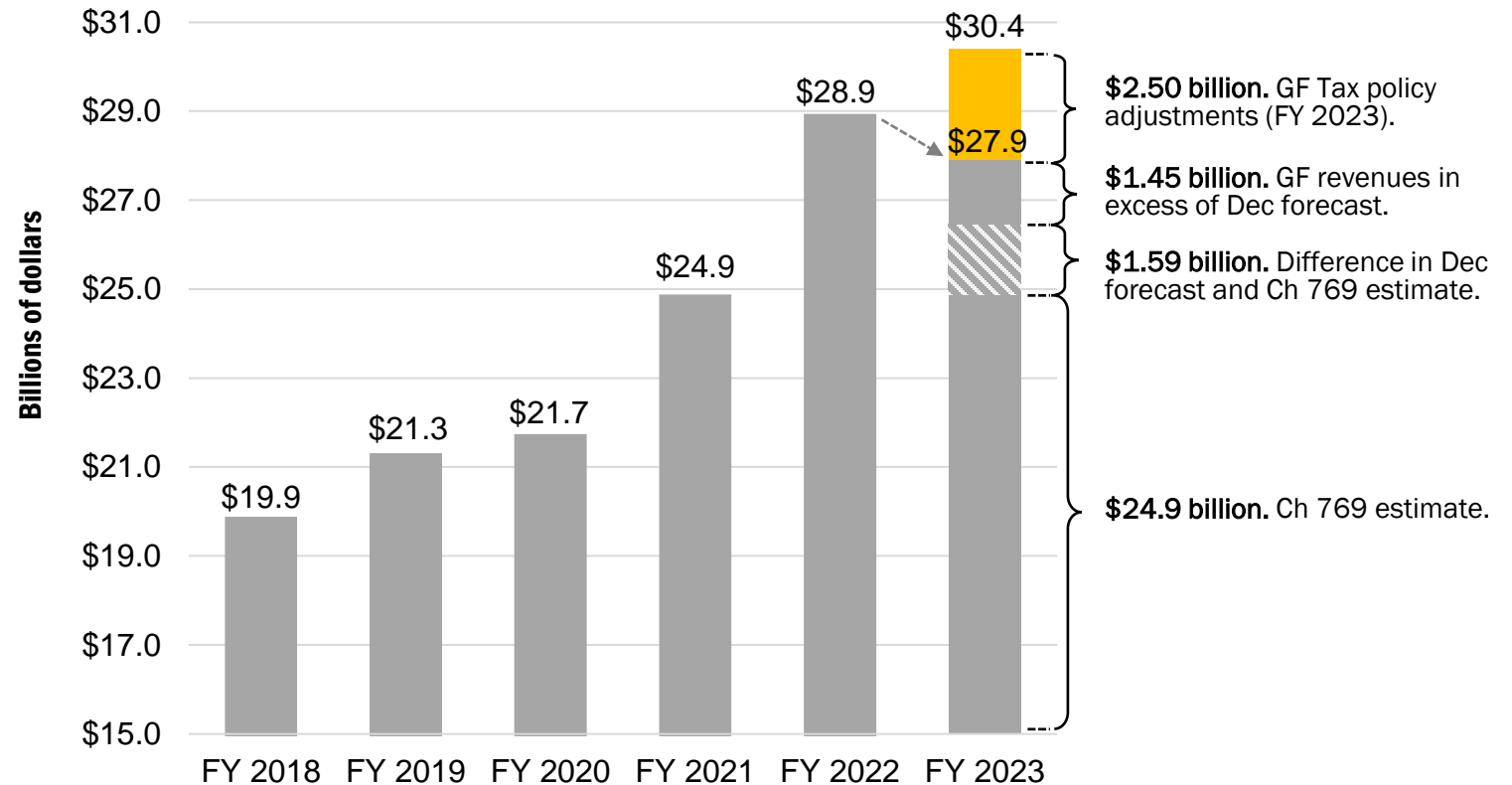
Source: US BLS CES Survey, VA Department of Taxation analysis.

UNADJUSTED GENERAL FUND REVENUES EXCEEDED THE DECEMBER FORECAST BY \$1.45 BILLION

FY 2023 GF Revenues

- \$1.0 billion below FY 2022 actuals (-3.5%).
- \$1.5 billion above FY 2022 actuals (+5.1%), adjusted for policy actions.
- \$3.0 billion higher than the Chapter 769 official estimate.
- \$1.5 billion greater than the December forecast.
- This is in addition to the \$3.6 billion General Fund balance that was available for appropriation in the December budget.

Excludes GF transfers.



ACTUAL FY 2023 GF REVENUES EXCEEDED THE DECEMBER FORECAST BY ALMOST \$1.5 BILLION, AND THE CHAPTER 769 FORECAST BY \$3.0 BILLION

SOURCE, \$ Mil	ACTUALS				December Forecast		Chapter 769	
	FY 2022	FY 2023	Change	% Change	Dec Fcst	Variance	Ch 769	Variance
Withholding	15,340.3	15,957.2	616.9	4.0%	16,078.3	-121.1	15,319.7	637.5
Non-Withholding	6,810.5	6,629.2	-181.3	-2.7%	5,088.6	1,540.6	5,213.6	1,415.6
IIT Refunds	-1,740.5	-3,602.8	-1,862.3	107.0%	-3,535.2	-67.6	-3,800.9	198.1
Net Individual Income Tax	20,410.2	18,983.6	-1,426.6	-7.0%	17,631.7	1,351.9	16,732.6	2,251.2
Sales/Use	4,558.1	4,734.6	176.5	3.9%	4,926.3	-191.8	4,497.8	236.7
Corporate	1,978.7	2,031.1	52.4	2.6%	1,881.0	150.1	1,737.0	294.1
All other	1,987.9	2,160.7	172.8	8.7%	2,020.6	140.1	1,903.9	256.8
Total GF Revenues	28,934.9	27,909.9	-1,024.9	-3.5%	26,459.6	1,450.3	24,871.1	3,038.8
Transfers	814.3	815.6	1.3	0.2%	679.4	136.2	714.7	100.9
Total General Fund	29,749.2	28,725.5	-1,023.6	-3.4%	27,139.0	1,586.5	25,585.8	3,139.7

- Late implementation and unfamiliarity with the new Pass-Through Entity Tax (PTET) caused many filers to file on extension, impacting non-withholding revenues and IIT refunds. The resulting impact will be known in November.
- Excluding non-withholding and IIT refunds, actual FY 2023 collections were in line with the December forecast (\$-22.7 million, or -0.001%).

TAXPAYERS DID NOT FULLY ACCOUNT FOR PASS THROUGH ENTITY TAX (PTET) POLICY IN FY 2023

- The December forecast assumed that Virginia taxpayers would either adjust their FY 2023 individual income tax non-withholding payments and/or file for and receive their PTET refunds during FY 2023 in order to maximize their cash benefit, which would result in no net change to FY 2023 general fund revenues.
- Actual behavior differed from assumed behavior ranging from:
 - Fully accounting for PTET by reducing non-withholding payments, resulting in no net impact to FY 2023 revenues.
 - Partially accounting for PTET by making a PTET payment and partially reducing non-withholding payments.
 - Not adjusting individual non-withholding tax payments to reflect a lower liability and/or not claiming and receiving a refund before the FY 2023 end, resulting in 100% overpayment of the refund due.
- The blended result is somewhere between these possible behaviors, and this will continue going forward until taxpayers have fully adjusted, making it difficult to accurately predict the outcome.
- The net impact on FY 2024 is estimated to be \$1.0 billion.

ACCOUNTING FOR SIGNIFICANT TAX RELIEF, TOTAL REVENUES GREW BY 5.1 PERCENT

Source, \$ Mil	FY 2022		FY 2023		
	Adjusted	Unadjusted	Policy Adj	Adjusted	Adjusted Growth
Withholding	15,340.3	15,957.2	575.9	16,533.1	7.8%
Non-Withholding	6,810.5	6,629.2	345.2	6,974.4	2.4%
Refunds	-1,740.5	-3,602.8	1,519.9	-2,082.9	19.7%
Sales/Use	4,558.1	4,734.6	61.9	4,796.5	5.2%
All other taxes with no policy impacts	3,966.6	4,191.8	0.0	4,191.8	5.7%
Total General Fund	28,934.9	27,909.9	2,502.9	30,412.8	5.1%
<i>Total Excl. Non-Withholding & Refunds</i>	<i>23,865.0</i>	<i>24,883.5</i>	<i>637.8</i>	<i>25,521.3</i>	<i>6.9%</i>

- Large policy changes, including tax rebates (\$1.06 billion), a higher standard deduction (\$1.01 billion), and other tax cuts subtracted a total of \$2.5 billion to FY 2023 revenues.
- Adjusting for policy impacts, withholding – the strongest barometer of Virginia’s economy – grew by almost eight percent.

JULY GF REVENUES GREW 2.8 PERCENT YEAR-OVER-YEAR (2.4 PERCENT ADJUSTED FOR POLICY)

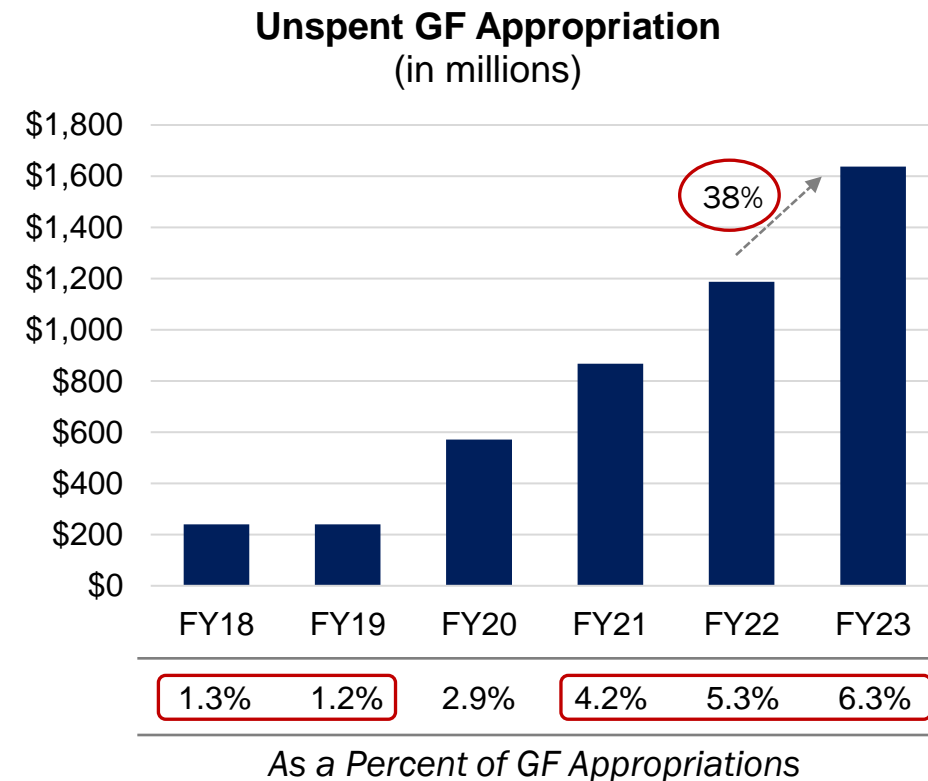
Unadjusted Revenues	JULY			
	FY 2024	FY 2023	Change	% Change
Withholding	1,233.6	1,244.6	(11.0)	-0.9%
Non-Withholding	103.0	99.2	3.8	3.8%
Refunds	(166.7)	(51.8)	(114.9)	222.1%
Sales and Use Tax	402.8	358.8	44.1	12.3%
Corporate Income Tax	86.9	49.7	37.2	74.9%
All Other Sources	196.0	104.6	91.5	87.5%
Total GF Revenues	\$1,855.7	\$1,805.0	\$50.7	2.8%
Adjusted Revenues				
Adjusted Withholding	1,274.4	1,244.6	29.9	2.4%
Adjusted Non-Withholding	103.0	99.2	3.8	3.8%
Adjusted Refunds+Rebates	(166.7)	(51.8)	(114.9)	222.1%
Adjusted Sales (AST+Grocery Tax)	354.1	358.8	(4.6)	-1.3%
Total GF Revenues, Adjusted	\$1,847.8	\$1,805.0	\$42.8	2.4%

- Policy actions include the AST and the elimination of the State sales tax on groceries which added \$48.7 million to the monthly result.
- After adjusting for the higher standard deduction, withholding grew by 2.4 percent compared to -0.9 percent on an unadjusted basis.

OBJECTIVES FOR THE YEAR WERE MET WHILE SPENDING LESS

FY 2023 UNSPENT APPROPRIATIONS TOTALED \$1.6 BILLION

- By applying commonsense management practices in FY 2022 and 2023, the share of unspent appropriations at year-end has increased significantly.
- No programs have been cut and a significant amount of these funds are mandatorily carried over.
- Our collective goal should be to return to one to two percent underspend, which is consistent with pre-pandemic levels.



SUMMARY

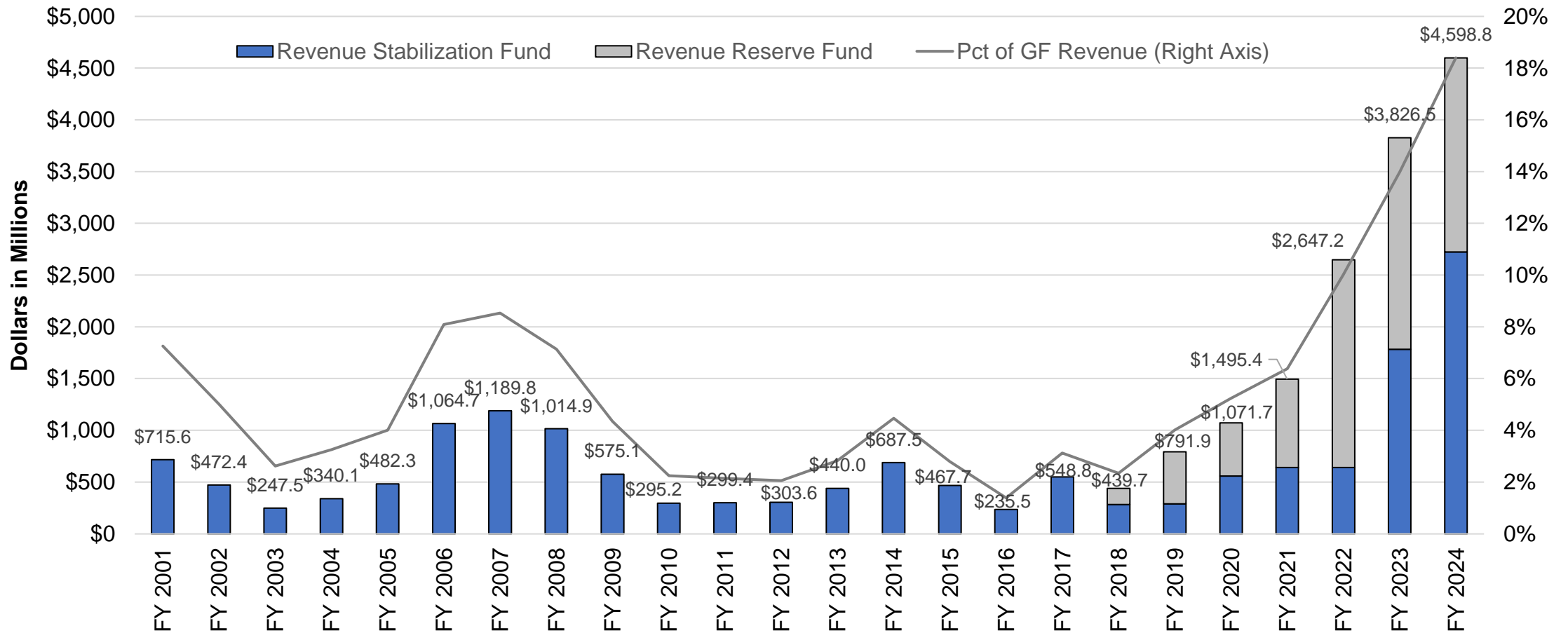
- The December forecast, which prudently included a recession beginning in Q4 FY 2023 projected that FY 2023 GF revenues would be \$1.5 billion higher than the level assumed in the 2022 Appropriation Act. The increase in the forecast, when combined with other resources identified in December, yielded a \$3.6 billion General Fund balance available for appropriation.
- No recession occurred. The Virginia economy remained strong. Consequently, actual FY 2023 revenues exceeded the December forecast by \$1.5 billion. As a result, revenues were \$3.0 billion higher than was projected in the 2022 Appropriation Act, to which is added a portion of the unspent appropriations of \$1.6 billion.
- As provided by statute, all of the GF cash surplus is required to be fully committed or assigned on the balance sheet, including commitments for deposits to the Water Quality Improvement Fund and the Revenue Reserve Fund.
- In addition to those required deposits, Governor Youngkin has elected to assign the remaining cash surplus of \$2.1 billion to a reserve account for additional taxpayer relief and other budgetary priorities, which provides a cushion for an economic downturn more severe than is included in the forecast and other budget priorities, including the anticipated \$1.0 billion for PTET.

SUMMARY OF PRELIMINARY FY 2023 GF BALANCE SHEET

Total Assets		<u>\$15,228,368</u>	
Total Liabilities			\$135,624
Fund Equity			
Restricted Fund Balance			
Revenue Stabilization Fund	1,782,005		
Revenue Stabilization 2024	904,652		
Other Restricted	<u>25,919</u>		
Total Restricted Fund Balance	2,712,576		
Committed Fund Balance			
Amount Req'd for Reappropriation - Capital Outlay and Restoration Projects	2,460,339		
Amount Req'd for Mandatory Reappropriation	695,305		
Water Quality Improvement Fund Part A 2023	408,741	} ←	\$513.5 million. WQIF deposits, parts A and B, based on FY 2023 revenues and balances.
Water Quality Improvement Fund Part B 2023	104,718		
Water Quality Improvement Fund - Other	466,428		
Revenue Reserve Fund	1,545,772		
Revenue Reserve 2024	<u>289,585</u>	←	\$289.6 million. Revenue Reserve Fund deposit based on FY 2023 revenues.
Other Committed	<u>1,799,951</u>		
Total Committed Fund Balance	7,770,839		
Assigned Fund Balance			
Amount Req'd by Chapter 769	1,449,577		
Amount Req'd for Discretionary Reappropriation	942,458		
Amount for Additional Taxpayer Relief and Other Budgetary Priorities	<u>2,128,074</u>		
Other Assigned	<u>89,220</u>		
Total Assigned Fund Balance	4,609,329		
Total Fund Equity			<u>\$15,092,744</u>
Total Liabilities and Fund Balance			<u>\$15,228,368</u>

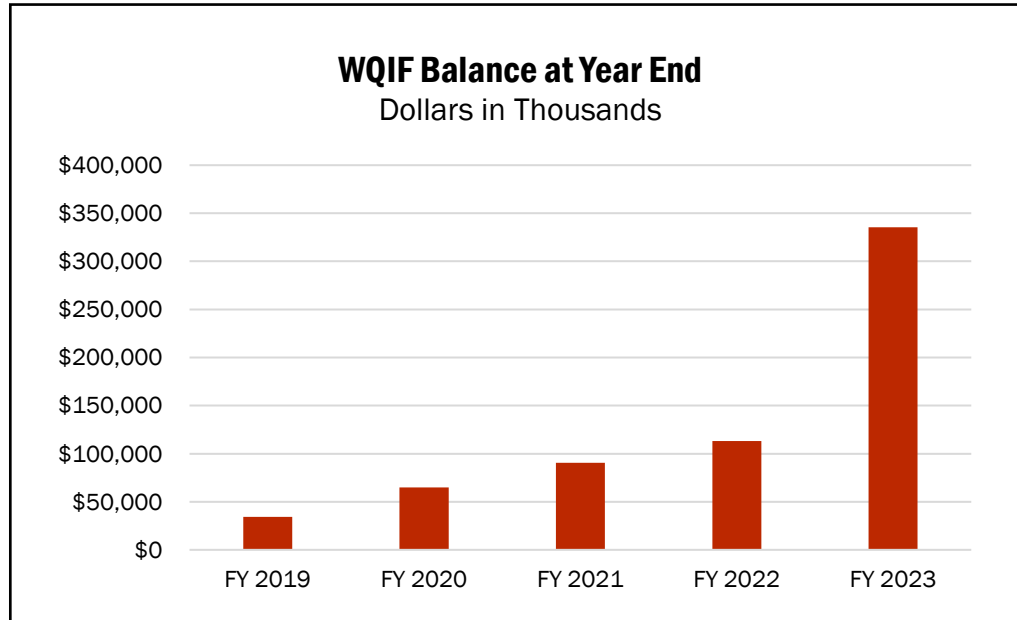
RESERVE BALANCES TO TOTAL \$4.6 BILLION BY FY 2024

THE COMMONWEALTH HAS NEVER BEEN IN A STRONGER FINANCIAL POSITION WITH RESERVES IN EXCESS OF THE 15 PERCENT CAP PROVIDED BY CODE



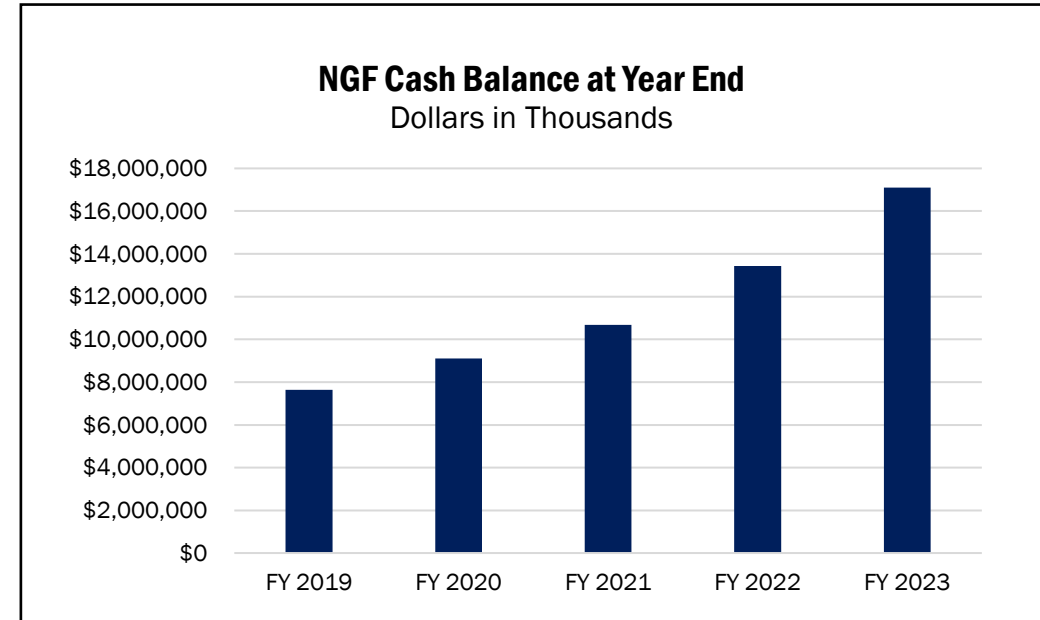
THE COMMONWEALTH HAS NEVER BEEN IN A STRONGER FINANCIAL POSITION

Water Quality Improvement Fund (WQIF), 2019-2023



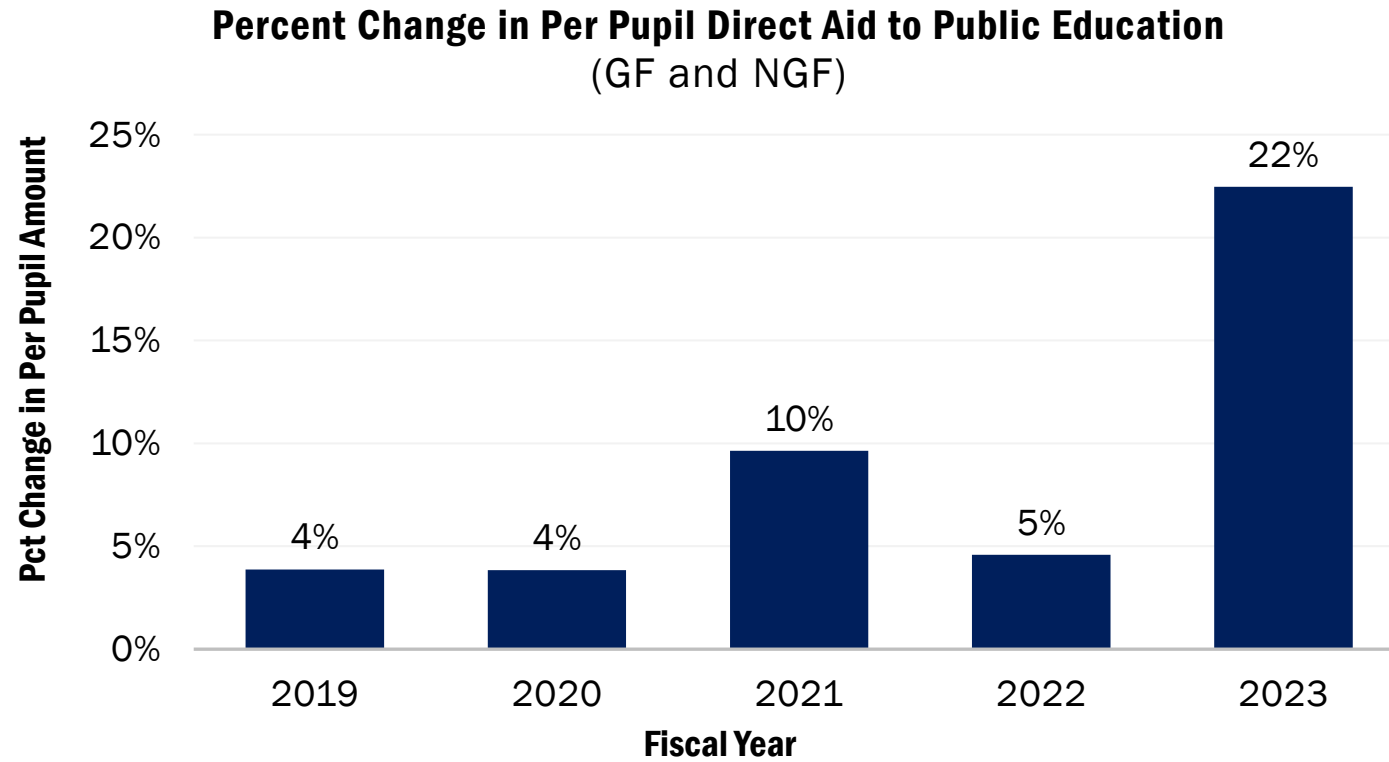
Source: Commonwealth Preliminary Balance Sheets for FY 19 through FY 23. Note: Does not include deposits yet to be made from FY 22 balance sheet calculations for WQIF A and B (\$131 million) and future deposits to be made from FY 2023 balance sheet calculations.

Total NGF Balances, 2019-2023



Note: Excludes Federal funds and bond proceeds/debt service.

CURRENT APPROPRIATION ACT INCLUDES THE LARGEST EDUCATION BUDGET IN VIRGINIA HISTORY



Fiscal year 2023 amounts per chapter 769, 2023 Acts of Assembly.

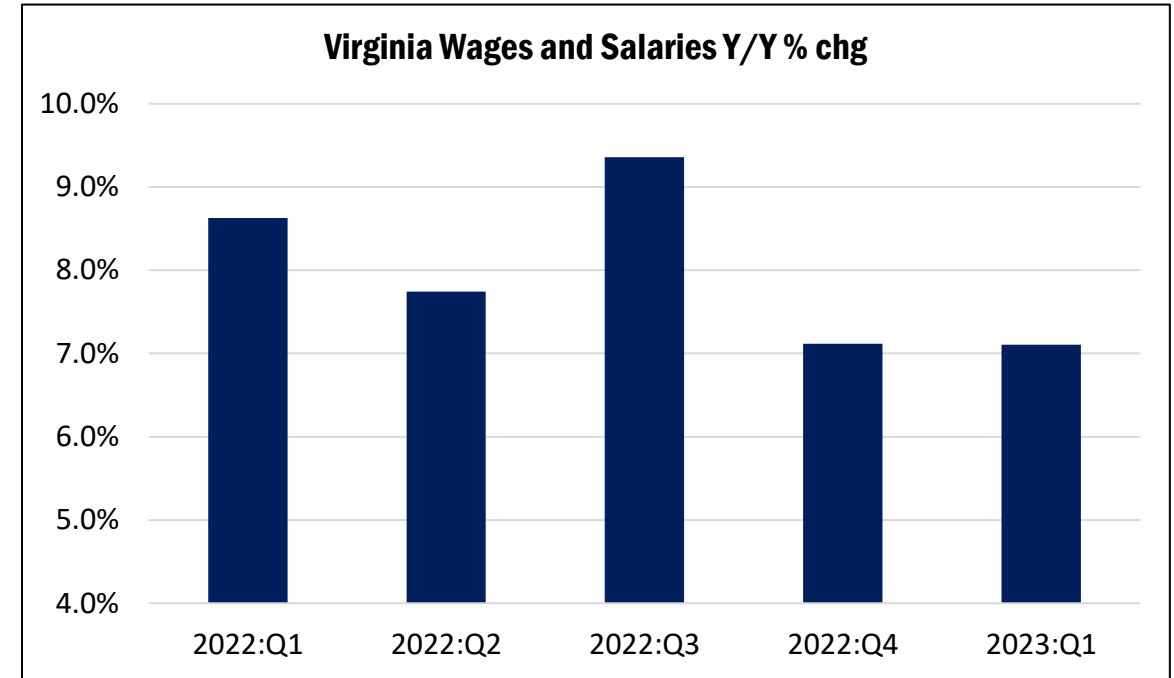
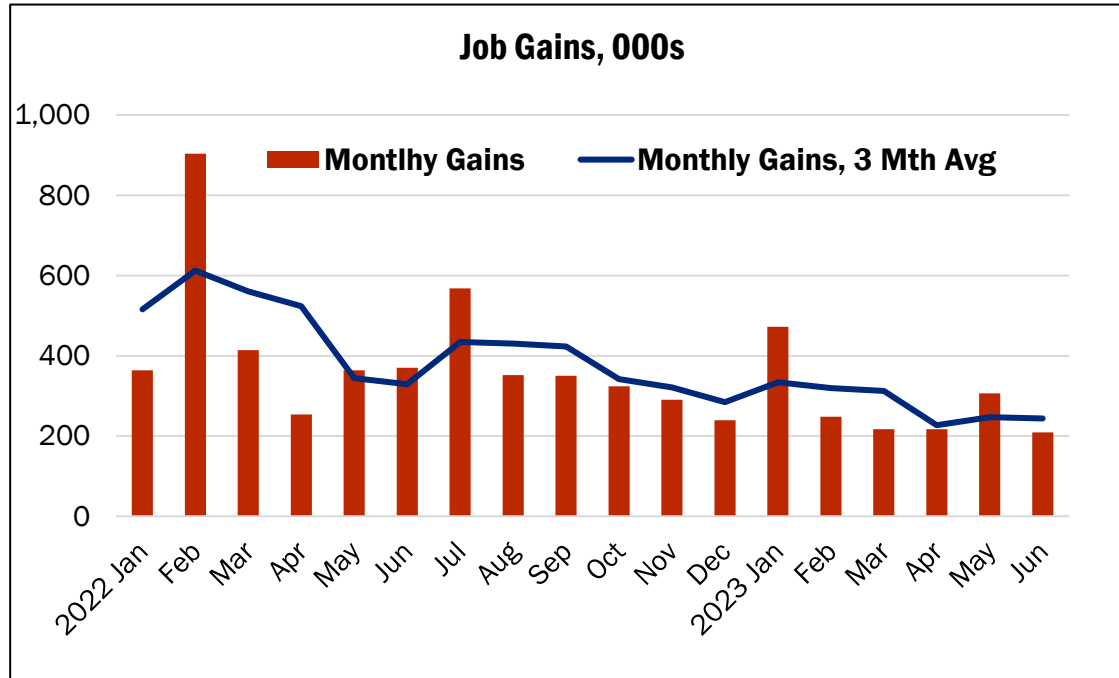
LOOKING AHEAD: FY 2023 EXCEEDED EXPECTATIONS, BUT A SLOWDOWN IS ANTICIPATED BY GACRE

Summary of Key U.S. and Virginia Economic Indicators

INDICATOR (% CHANGE)	FY 2023 FORECAST	FY 2023 ACTUAL	ACTUAL MINUS FORECAST	FY 2024 IHS STD FORECAST
U.S.				
Real GDP	0.4	1.8	1.4	1.4
Payroll Employment	2.4	3.3	0.9	1.3
Average Wage/Salary	3.9	3.3	(0.6)	3.5
Real Consumer Spending	1.1	2.1	1.0	1.5
Unemployment Rate	3.8	3.5	(0.3)	3.8
CPI	6.5	6.3	(0.2)	3.1
Virginia				
Real GSP	1.4	1.4	0.0	1.2
Payroll Employment	2.5	2.7	0.2	1.1
Wages and Salaries	8.0	7.6	(0.4)	4.1

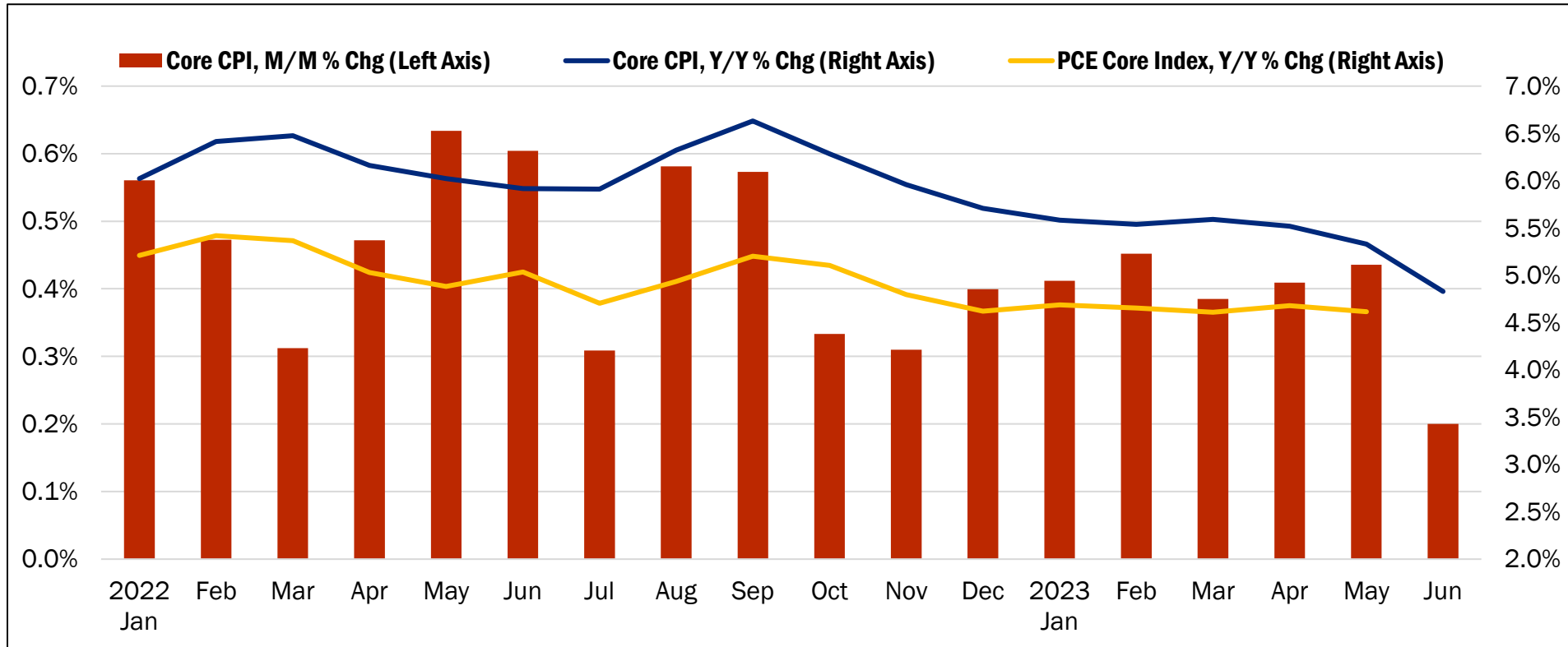
FY 2023 Forecast is based on IHS Markit's October 2022 U.S. standard forecast. FY23 actuals preliminary based on three quarters of data.
 FY 2024 Forecast is based on IHS Markit's July 2023 U.S. standard forecast.

MEASURES OF LABOR DEMAND INDICATE A COOLING BUT STILL GROWING JOB MARKET



Sources: US BLS; US BEA. Unless otherwise noted economic data is presented on a calendar year basis.

INFLATIONARY PRESSURES ARE SUBSIDING, BUT FED'S KEY MEASURE REMAINS TOO HIGH



Sources: US BLS, US BEA

CONTINUED CAUTION IS RECOMMENDED

- While the market has increasingly moved to a “soft landing” outlook, risks continue that could lead to a more severe downturn, such as:
 - Further rate hikes
 - Global impact of China slowdown
 - Potential federal budget impasse in October
 - Anticipated refunds associated with PTET
- Administration recommends maintaining incremental cash resources in reserve as added near-term cushion.
- Budgeting off of a conservative forecast (and a modest recession) was the consensus view at the August 7 meeting of the Governor’s Advisory Council on Revenue Estimates (GACRE).
- Outlook will be updated in November GACRE forecast.

THE FALL FORECASTING PROCESS CONTINUES THROUGH DECEMBER

August: First meeting of the Governor's Advisory Council on Revenue Estimates was held on August 7.

September: Individual and corporate estimated payments are due on September 15.

October:

- Corporate estimated payments are due.
- Joint Advisory Board of Economists reviews economic projections for current and next biennium.

November:

- Corporate refunds from extension returns peak.
- Individual income tax extension returns due November 1.
- Governor's Advisory Council on Revenue Estimates reviews revenue forecast for the 2024 - 2026 biennium.

December:

- General fund revenue forecast finalized.
- Governor Youngkin's 2024 budget amendments and the 2024-2026 biennial budget are presented to the Joint Money Committee on December 20.

APPENDIX

- Fiscal Year 2023 General Fund Collections: Actual and Official Forecast
- Official General Fund Forecast for Fiscal Year 2024
- Fiscal Year 2023 Commonwealth Transportation Fund Collections: Actual and Official Forecast
- Official Commonwealth Transportation Fund Forecast for Fiscal Year 2024
- Growth in Total General Fund Revenues, Fiscal Years 1961 to 2024
- June 2023 Revenue Report
- July 2023 Revenue Report

Note: General Fund Preliminary Annual Report, August 2023, is available at the Department of Accounts web site (www.doa.virginia.gov).

Fiscal Year 2023 General Fund Collections: Actual and Official Forecast
(Dollars in Millions)

August 23, 2023

	Fiscal Year 2022		Official Forecast	Fiscal Year 2023				
	Actual	% Growth		Actual	Forecast Variance		% Growth Over FY 22	
				Dollars	Percent	Official	Actual	
MAJOR TAX SOURCES								
Corporate Income	\$ 1,978.7	30.5 %	\$ 1,737.0	\$ 2,031.1	\$ 294.1	16.9 %	(12.2) %	2.6 %
Individual Income Tax:								
Gross	22,150.7	15.2	20,533.3	22,586.4	2,053.1	10.0	(7.3)	2.0
Withholding	15,340.3	9.5	15,319.7	15,957.2	637.5	4.2	(0.1)	4.0
Nonwithholding	6,810.5	30.5	5,213.6	6,629.2	1,415.6	27.2	(23.4)	(2.7)
Refunds	<u>(1,740.5)</u>	<u>(9.6)</u>	<u>(3,800.9)</u>	<u>(3,602.8)</u>	<u>198.1</u>	<u>(5.2)</u>	<u>118.4</u>	<u>107.0</u>
Net	20,410.2	18.0	16,732.4	18,983.6	2,251.2	13.5	(18.0)	(7.0)
Insurance Company Premiums	426.8	17.6	406.1	450.9	44.8	11.0	(4.9)	5.6
State Sales & Use Tax	4,558.1	9.4	4,497.8	4,734.5	236.7	5.3	(1.3)	3.9
Wills, Suits, Deeds, & Contract Fees	<u>654.1</u>	<u>(3.8)</u>	<u>593.7</u>	<u>430.6</u>	<u>(163.1)</u>	<u>(27.5)</u>	<u>(9.2)</u>	<u>(34.2)</u>
Total Major Tax Sources	\$ 28,027.9	16.6 %	\$ 23,967.0	\$ 26,630.7	\$ 2,663.7	11.1 %	(14.5) %	(5.0) %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 260.2	2.4 %	\$ 261.6	\$ 268.9	\$ 7.3	2.8 %	0.6 %	3.4 %
Bank Franchise Tax	37.4	39.6	26.8	31.4	4.6	17.2	(28.4)	(16.1)
Beer & Beverage Excise Tax	40.0	(4.8)	42.0	38.6	(3.4)	(8.1)	5.0	(3.5)
Corporate Franchise & Charter Fees	77.4	26.1	62.3	83.2	20.9	33.5	(19.5)	7.5
Excess & Other Fees from Officers	(12.3)	11.6	(9.3)	(5.6)	3.7	(39.8)	(24.5)	(54.5)
Estate & Gifts	0.0	na	0.0	0.0	0.0	n/a	n/a	n/a
Institutional Revenues	2.4	5.6	2.2	3.2	1.0	45.5	(7.7)	34.2
Interest & Rents	76.8	(8.0)	98.4	365.3	266.9	271.2	28.2	375.7
Licenses & Permits	4.6	52.8	2.9	3.8	0.9	31.0	(36.6)	(17.0)
Miscellaneous Taxes and Penalties	278.1	10.6	275.3	328.9	53.6	19.5	(1.0)	18.2
Other Miscellaneous Revenues	39.8	5.6	38.4	57.1	18.7	48.7	(3.5)	43.4
Public Service GR / Consumption Tax	<u>102.6</u>	<u>1.5</u>	<u>103.5</u>	<u>104.4</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>1.8</u>
Total Misc. Taxes and Other Revenues	\$ 907.0	6.7 %	\$ 904.1	\$ 1,279.2	\$ 375.1	41.5 %	(0.3) %	41.0 %
TOTAL GF REVENUES	\$ 28,934.9	16.3 %	\$ 24,871.1	\$ 27,909.9	\$ 3,038.8	12.2 %	(14.0) %	(3.5) %
TRANSFERS								
A.B.C. Profits	\$ 162.9	(8.4) %	\$ 112.1	\$ 164.3	\$ 52.2	46.6 %	(31.2) %	0.9 %
Sales Tax (0.25%)	522.5	14.0	506.9	557.0	50.1	9.9	(3.0)	6.6
Transfers Per Appropriations Act	<u>129.0</u>	<u>5.5</u>	<u>95.7</u>	<u>94.3</u>	<u>(1.4)</u>	<u>(1.5)</u>	<u>(25.8)</u>	<u>(26.9)</u>
Total Transfers	\$ 814.3	7.3 %	\$ 714.7	\$ 815.6	\$ 100.9	14.1 %	(12.2) %	0.2 %
TOTAL GENERAL FUND	\$ 29,749.2	16.0 %	\$ 25,585.8	\$ 28,725.5	\$ 3,139.7	12.3 %	(14.0) %	(3.4) %

The Official forecast is based on the October 2021 IHS Markit US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2023 GA Special Session, Chapter 769.

The Official to December Standard General Fund Forecast for Fiscal Year 2024

(Dollars in Millions)

August 23, 2023

	Fiscal Year 2024				
	<u>December Forecast</u>	<u>Official Forecast</u>	<u>Change</u>	<u>% Growth Over FY23 December</u>	<u>Official</u>
MAJOR TAX SOURCES					
Corporate Income	\$ 1,760.3	\$ 1,790.4	\$ 30.0	(13.3) %	(11.9) %
Individual Income Tax:					
Gross	21,180.9	21,368.6	187.7	(6.2)	(5.4)
Withholding	16,465.1	15,790.3	(674.9)	3.2	(1.0)
Nonwithholding	4,715.7	5,578.3	862.6	(28.9)	(15.9)
Refunds	<u>(1,824.4)</u>	<u>(2,287.7)</u>	<u>(463.3)</u>	<u>(49.4)</u>	<u>(36.5)</u>
Net	19,356.5	19,080.9	(275.6)	2.0	0.5
Insurance Company Premiums	403.8	425.3	21.6	(10.5)	(5.7)
State Sales & Use Tax	4,876.5	4,472.7	(403.8)	3.0	(5.5)
Wills, Suits, Deeds, & Contract Fees	<u>436.9</u>	<u>593.7</u>	<u>156.8</u>	<u>1.5</u>	<u>37.9</u>
Total Major Tax Sources	\$ 26,833.9	\$ 26,363.0	\$ (470.9)	0.8 %	(1.0) %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 277.9	\$ 269.2	\$ (8.7)	3.3 %	0.1 %
Bank Franchise Tax	38.4	26.8	(11.6)	22.4	(14.6)
Beer & Beverage Excise Tax	41.0	42.0	1.0	6.3	8.8
Corporate Franchise & Charter Fees	79.4	62.3	(17.1)	(4.5)	(25.1)
Excess & Other Fees from Officers	(12.6)	(9.3)	3.3	(125.8)	(66.1)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.5	2.2	(0.3)	(23.4)	(31.3)
Interest & Rents	124.4	110.0	(14.4)	(66.0)	(69.9)
Licenses & Permits	4.7	2.9	(1.8)	23.4	(23.7)
Miscellaneous Taxes and Penalties	300.0	279.8	(20.2)	(8.8)	(14.9)
Other Miscellaneous Revenues	34.7	34.0	(0.7)	(39.2)	(40.5)
Public Service GR / Consumption Tax	<u>105.9</u>	<u>103.5</u>	<u>(2.4)</u>	<u>1.4</u>	<u>(0.9)</u>
Total Misc. Taxes and Other Revenues	\$ 996.3	\$ 923.4	\$ (72.9)	(22.1) %	(27.8) %
TOTAL GF REVENUES	\$ 27,830.2	\$ 27,286.4	\$ (543.8)	(0.3) %	(2.2) %
TRANSFERS					
A.B.C. Profits	\$ 116.0	\$ 116.0	\$ (0.0)	3.5 %	3.5 %
Sales Tax (0.375%)	582.6	521.5	(61.1)	14.9	2.9
Transfers Per Appropriations Act	<u>94.6</u>	<u>95.7</u>	<u>1.1</u>	<u>(1.1)</u>	<u>0.0</u>
Total Transfers	\$ 793.2	\$ 733.2	\$ (60.0)	11.0 %	2.6 %
TOTAL GENERAL FUND	\$ <u>28,623.4</u>	\$ <u>27,996.2</u>	\$ <u>(627.2)</u>	<u>(0.0) %</u>	<u>(2.2) %</u>

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 the JABE and the GACRE.

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 2023 special session, Chapter 769.

Commonwealth Transportation Fund
Actual Collections Compared to the Official Forecast for Fiscal Year 2023
(Millions of Dollars)

Revenue Sources	FY2022 Actual	FY2023 Actual	FY2023 Forecast	Percent Change 2022-2023		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	1,215.3	1,382.8	1,407.7	13.8	15.8	(24.9)	(1.8)
Road Use Tax	71.2	87.6	71.4	23.0	0.3	16.2	22.7
Vehicle Sales Tax	1,200.2	1,208.6	1,141.8	0.7	(4.9)	66.8	5.9
Vehicle Licenses	231.0	196.6	200.7	(14.9)	(13.1)	(4.1)	(2.0)
Highway User Fee	53.8	58.4	61.3	8.6	13.9	(2.9)	(4.7)
State Sales Tax	1,368.3	1,416.7	1,433.1	3.5	4.7	(16.4)	(1.1)
Recordation Tax	81.6	52.6	61.7	(35.5)	(24.4)	(9.1)	(14.7)
Insurance Premiums Tax	180.7	202.5	202.5	12.1	12.1	0.0	0.0
Int'l Registration Plan	118.7	115.1	119.2	(3.0)	0.4	(4.1)	(3.4)
Interest Earnings	1.7	21.2	3.2	1147.1	88.2	18.0	562.5
Rental Tax	48.8	53.8	52.3	10.2	7.2	1.5	2.9
Aviation Fuels Tax	1.5	2.0	2.0	33.3	33.3	0.0	0.0
Miscellaneous	21.3	19.8	17.6	(7.0)	(17.4)	2.2	12.5
TOTAL	\$4,594.1	\$4,817.7	\$4,774.5	4.9	3.9	43.2	0.9

As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.

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

August 23, 2023

	Fiscal Year 2023		Fiscal Year 2024					
	Forecast	% Growth	December Forecast	Official Forecast	Change	% Growth over FY 23 December Official		
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,382.8	13.8 %	\$ 1,499.5	\$ 1,380.7	\$ (118.8)	8.4 %	(0.2) %	
Road Tax	87.6	23.0	71.2	69.5	(1.7)	(18.7)	(20.7)	
Aviation Fuels Tax	2.0	33.3	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,208.6	0.7	1,078.2	1,119.4	41.2	(10.8)	(7.4)	
Motor Vehicle Rental Tax	53.8	10.2	51.9	43.6	(8.3)	(3.5)	(19.0)	
Motor Vehicle License Fees	196.6	(14.9)	218.4	240.3	21.9	11.1	22.2	
Highway User Fee	58.4	8.6	64.4	62.7	(1.7)	10.3	7.4	
International Registration Plan	115.1	(3.0)	118.2	122.6	4.4	2.7	6.5	
Retail Sales and Use Tax	1,416.7	3.5	1,388.2	1,313.9	(74.3)	(2.0)	(7.3)	
Recordation Tax (3 cents)	52.6	(35.5)	52.4	81.0	28.6	(0.4)	54.0	
Insurance Premiums Tax (1/3)	202.5	12.1	214.5	217.8	3.3	5.9	7.6	
Interest Earnings	21.2	1,147.1	3.2	5.7	2.5	(84.9)	(73.1)	
Miscellaneous	<u>19.8</u>	<u>(7.0)</u>	<u>17.6</u>	<u>17.2</u>	<u>(0.4)</u>	<u>(11.1)</u>	<u>(13.1)</u>	
Total State Taxes and Fees	\$ <u>4,817.7</u>	<u>4.9</u> %	\$ <u>4,779.7</u>	\$ <u>4,676.4</u>	\$ <u>(103.3)</u>	<u>(0.8)</u> %	<u>(2.9)</u> %	

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.

The Official forecast is based on the October 2021 IHS Markit US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2023 GA Special Session, Chapter 769.

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	27,909,900,000	-3.5%
92	5,623,213,000	2.8%	24*	27,286,400,000	-2.2%

* Official Forecast (Excludes Transfers)

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

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	June FY 2023	June FY 2022	% Change	Year-To-Date FY 2023	Year-To-Date FY 2022	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$15,319,735	61.60	\$1,369,041	\$1,333,104	2.7	\$15,957,159	\$15,340,253	4.0	(0.1)
Tax Dues/Estimated Payments	5,213,600	20.96	609,688	622,307	(2.0)	6,629,192	6,810,455	(2.7)	(23.4)
Gross Individual Income Tax	\$20,533,335	82.56	\$1,978,729	\$1,955,411	1.2	\$22,586,351	\$22,150,708	2.0	(7.3)
Individual and Fiduciary Income (Refunds)	(3,800,900)	(15.28)	(185,348)	(84,348)	119.7	(3,602,795)	(1,740,505)	107.0	118.4
Net Individual Income Tax	\$16,732,435	67.28	\$1,793,381	\$1,871,063	(4.2)	\$18,983,556	\$20,410,203	(7.0)	(18.0)
Sales and Use Tax	\$4,497,800	18.08	\$407,631	\$475,336	(14.2)	\$4,734,549	\$4,558,082	3.9	(1.3)
Corporations Income Tax	1,737,000	6.98	349,508	320,202	9.2	2,031,120	1,978,697	2.6	(12.2)
Wills, Suits, Deeds, Contracts	593,700	2.39	41,245	53,714	(23.2)	430,553	654,072	(34.2)	(9.2)
Insurance Premiums	406,100	1.63	141,878	130,081	9.1	450,877	426,830	5.6	(4.9)
Interest Income (a)	98,200	0.39	(27,672)	(4,841)	(471.6)	365,107	76,644	376.4	28.1
Alcoholic Beverage Sales (b)	303,600	1.22	69,522	68,473	1.5	307,412	300,153	2.4	1.1
All Other Revenues	502,300	2.03	130,402	133,285	(2.2)	606,758	530,201	14.4	(5.3)
Total General Fund Revenues	\$24,871,135	100.00	\$2,905,895	\$3,047,313	(4.6)	\$27,909,932	\$28,934,882	(3.5)	(14.0)

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

(a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of 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	June FY 2022	% Change	FY 2023	Year-To-Date FY 2022	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$15,319,735	61.60	\$1,369,041	\$1,333,104	2.7	\$15,957,159	\$15,340,253	4.0	(0.1)
Tax Dues/Estimated Payments	5,213,600	20.96	609,688	622,307	(2.0)	6,629,192	6,810,455	(2.7)	(23.4)
Gross Individual Income Tax	\$20,533,335	82.56	\$1,978,729	\$1,955,411	1.2	\$22,586,351	\$22,150,708	2.0	(7.3)
Individ and Fiduc Income Tax (Refunds)	(3,800,900)	(15.28)	(185,348)	(84,348)	119.7	(3,602,795)	(1,740,505)	107.0	118.4
Net Individual Income Tax	\$16,732,435	67.28	\$1,793,381	\$1,871,063	(4.2)	\$18,983,556	\$20,410,203	(7.0)	(18.0)
Sales and Use Tax	4,497,800	18.08	407,631	475,336	(14.2)	4,734,549	4,558,082	3.9	(1.3)
Corporations Income	1,737,000	6.98	349,508	320,202	9.2	2,031,120	1,978,697	2.6	(12.2)
Public Service Corporations	103,500	0.42	14,253	13,819	3.1	104,449	102,586	1.8	0.9
Insurance Premiums	406,100	1.63	141,878	130,081	9.1	450,877	426,830	5.6	(4.9)
Alcoholic Beverage Excise	261,600	1.05	63,000	61,300	2.8	268,852	260,164	3.3	0.6
Beer and Beverage Excise	42,000	0.17	6,522	7,173	(9.1)	38,560	39,989	(3.6)	5.0
Wills, Suits, Deeds, Contracts	593,700	2.39	41,245	53,714	(23.2)	430,553	654,072	(34.2)	(9.2)
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	27	(100.0)	(100.0)
Bank Franchise	26,800	0.11	9,472	17,378	(45.5)	31,396	37,442	(16.1)	(28.4)
Other Taxes	42,600	0.17	7,137	6,788	5.1	68,684	51,393	33.6	(17.1)
Total Taxes	\$24,443,535	98.28	\$2,834,027	\$2,956,854	(4.2)	\$27,142,596	\$28,519,485	(4.8)	(14.3)
Rights and Privileges:									
Licenses and Permits	\$2,900	0.01	\$478	\$496	(3.6)	\$3,788	\$4,577	(17.2)	(36.6)
Corp. Franchise and Charters	62,300	0.25	64,160	57,788	11.0	83,193	77,410	7.5	(19.5)
Fees for Misc. Privileges & Services	13,900	0.06	3,932	1,010	289.3	18,863	12,016	57.0	15.7
Total Rights and Privileges	\$79,100	0.32	\$68,570	\$59,294	15.6	\$105,844	\$94,003	12.6	(15.9)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$5,359	(100.0)	\$10,852	\$7,003	55.0	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	5	162	(96.9)	267	541	(50.6)	(26.1)
Institutional Revenue	2,200	0.01	165	7	#	3,325	2,384	39.5	(7.7)
Interest (a)	98,200	0.39	(27,672)	(4,841)	(471.6)	365,107	76,644	376.4	28.1
Dividends and Rent	200	0.00	6	0	-	150	137	9.5	46.0
Fines, Forfeitures & Fees	232,700	0.95	20,774	20,851	(0.4)	260,160	226,750	14.7	2.6
Other Revenue	18,100	0.07	10,697	10,061	6.3	22,573	16,503	36.8	9.7
Excess Fees	(9,300)	(0.04)	(1,172)	(821)	(42.8)	(5,529)	(12,317)	55.1	24.5
Private Donations, Gifts & Cont.	0	0.00	0	0	-	1	0	-	-
Cities, Counties, and Towns	6,000	0.02	495	387	27.9	4,586	3,749	22.3	60.0
Total Other Revenues	\$348,500	1.40	\$3,298	\$31,165	(89.4)	\$661,492	\$321,394	105.8	8.4
Total General Fund Revenues	\$24,871,135	100.00	\$2,905,895	\$3,047,313	(4.6)	\$27,909,932	\$28,934,882	(3.5)	(14.0)

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

(a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of 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)	June		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	\$4,197,854		\$384,712		\$299,777		28.3	\$4,611,855		\$3,752,415		22.9		11.9
Other Income	1,699		150		73		105.5	3,991		964		314.0		73.4
Total Income	<u>\$4,199,553</u>		<u>\$384,862</u>		<u>\$299,850</u>		28.4	<u>\$4,615,846</u>		<u>\$3,753,379</u>		23.0		11.9
Less:														
Prize Expenses	\$3,099,786		\$289,079		\$225,233		28.3	\$3,416,374		\$2,676,925		27.6		15.8
Retailer Commissions	136,039		10,443		10,254		1.8	137,301		138,608		(0.9)		(1.9)
Operating Expenses	182,547		19,184		13,433		42.8	194,802		158,277		23.1		15.3
Total Expenses	<u>\$3,418,372</u>		<u>\$318,706</u>		<u>\$248,920</u>		28.0	<u>\$3,748,477</u>		<u>\$2,973,810</u>		26.0		14.9
Net Proceeds from Operations														
Net Lottery Ticket Profits	\$781,181		\$66,156		\$50,930		29.9	\$867,369	(d)	\$779,569		11.3		0.2
Prior Year Residual Profit Transfer	3,491		0		0		-	3,491		67,283		(94.8)		-
Available to Lottery Proceeds Fund	<u>\$784,672</u>		<u>\$66,156</u>		<u>\$50,930</u>		29.9	<u>\$870,860</u>		<u>\$846,852</u>		2.8		(7.3)

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 769, 2023 Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$3,490,521 was transferred on August 16, 2022, and is included in the total estimate.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) This amount represents estimated net profits for FY 2023. In accordance with Chapter 769, 2023 Virginia Acts of Assembly, §3-1.01 G, \$784,671,715 was transferred to the Lottery Proceeds Fund during FY 2023. Final FY 2023 audited net profit will be determined in August 2023. The amount of audited profit that exceeds the FY 2023 profit transfers to the Lottery Proceeds Fund will be included in the Residual Profit Transfer to the Lottery Proceeds Fund in August 2023 (FY 2024).

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	June			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	\$146,846	\$113,651	29.2	\$1,472,404	\$1,287,990	14.3	11.2
Insurance Premiums Tax	202,496	2.40	0	0	-	202,496	180,657	12.1	12.1
Motor Vehicle Sales and Use Tax	1,198,000	14.23	118,900	109,182	8.9	1,262,463	1,249,031	1.1	(4.1)
State Sales and Use Tax	1,349,200	16.03	119,043	144,558	(17.7)	1,416,622	1,368,275	3.5	(1.4)
Motor Vehicle License Fees	236,600	2.81	14,499	19,965	(27.4)	196,564	231,062	(14.9)	2.4
Highway Use Fee	59,700	0.71	5,317	4,528	17.4	58,414	53,799	8.6	11.0
International Registration Plan	124,200	1.47	4,384	6,658	(34.2)	115,124	118,704	(3.0)	4.6
Recordation Tax	81,000	0.96	5,086	6,707	(24.2)	52,647	81,598	(35.5)	(0.7)
Interest Earnings	5,700	0.07	8,765	1	#	21,183	1,702	#	234.9
Misc. Taxes, Fees, and Revenues	17,200	0.20	1,565	1,171	33.6	19,797	21,260	(6.9)	(19.1)
Total State Taxes and Fees	<u>\$4,705,996</u>	<u>55.88</u>	<u>\$424,405</u>	<u>\$406,421</u>	<u>4.4</u>	<u>\$4,817,714</u>	<u>\$4,594,078</u>	<u>4.9</u>	<u>2.4</u>

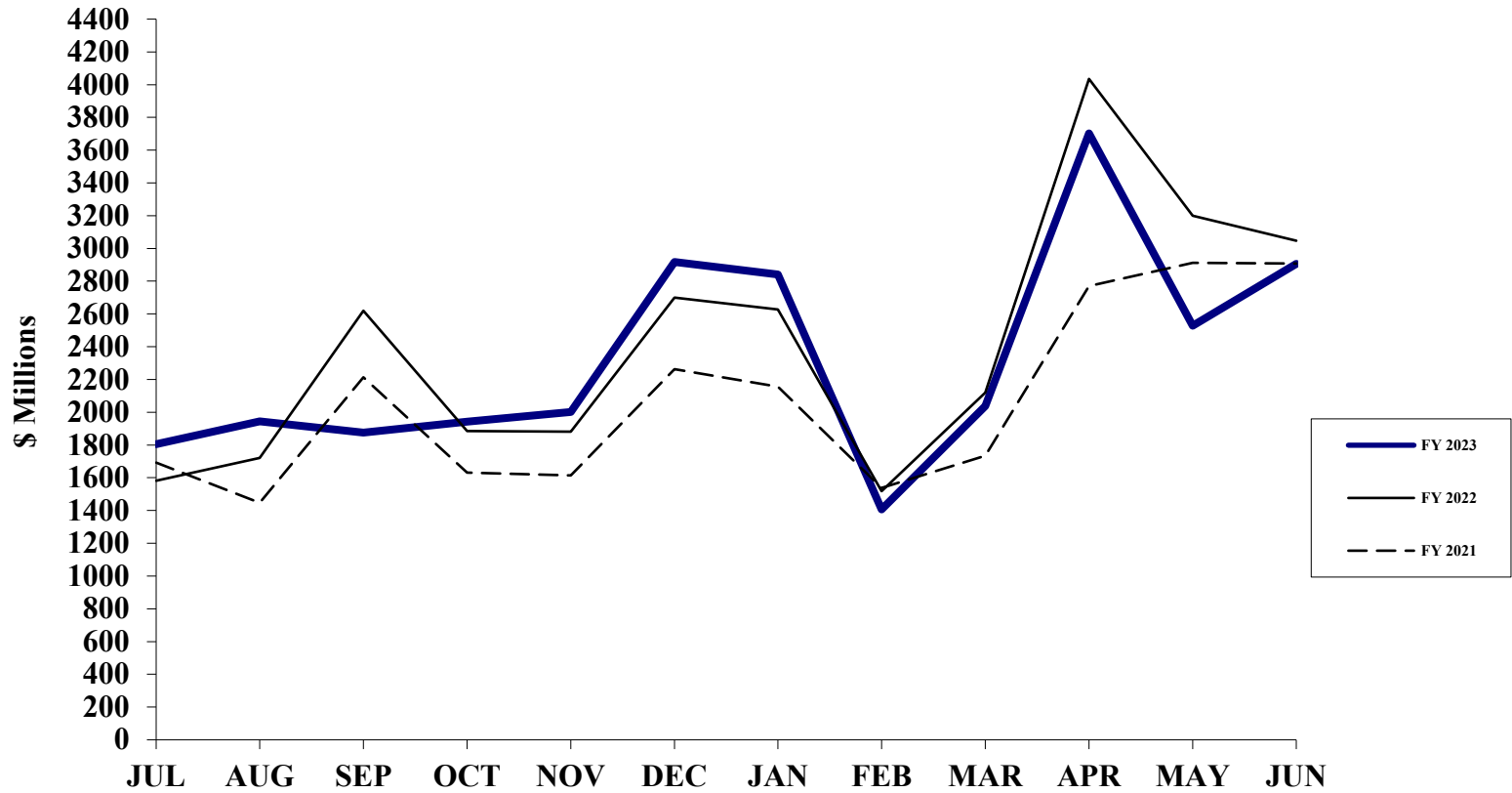
Percentage is greater than or equal to 1,000%.

**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	June			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	\$146,846	\$113,651	29.2	\$1,472,404	\$1,287,990	14.3	11.2
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,198,000	14.23	118,900	109,182	8.9	1,262,463	1,249,031	1.1	(4.1)
State Sales and Use Tax	1,349,200	16.03	119,043	144,558	(17.7)	1,416,622	1,368,275	3.5	(1.4)
Motor Vehicle License Fees	236,600	2.81	14,499	19,965	(27.4)	196,564	231,062	(14.9)	2.4
Highway Use Fee	59,700	0.71	5,317	4,528	17.4	58,414	53,799	8.6	11.0
International Registration Plan	124,200	1.47	4,384	6,658	(34.2)	115,124	118,704	(3.0)	4.6
Insurance Premiums Tax	202,496	2.40	0	0	-	202,496	180,657	12.1	12.1
Recordation Tax	81,000	0.96	5,086	6,707	(24.2)	52,647	81,598	(35.5)	(0.7)
Total Commonwealth Transportation Fund	\$4,683,096	55.61	\$414,075	\$405,249	2.2	\$4,776,734	\$4,571,116	4.5	2.4
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,200	0.20	\$1,565	\$1,171	33.6	\$19,797	\$21,260	(6.9)	(19.1)
Other Miscellaneous Revenues	553,272	6.58	6,609	6,909	(4.3)	579,369	426,596	35.8	29.7
Federal Grants and Contracts	0	0.00	2,316	1,562	48.3	25,273	14,380	75.8	(100.0)
Transfer (to) / from Transportation Trust Fund	63,329	0.75	24,952	(32,513)	176.7	69,952	(234,482)	129.8	127.0
Total Highway Maintenance and Operating Fund	\$633,801	7.53	\$35,442	(\$22,871)	255.0	\$694,391	\$227,754	204.9	178.3
TRANSPORTATION TRUST FUND									
Interest Earnings	\$5,700	0.07	\$8,765	\$1	#	\$21,183	\$1,702	#	234.9
Federal Grants and Contracts	1,746,997	20.74	82,358	54,796	50.3	1,488,320	1,286,975	15.6	35.7
Receipts from Cities/Counties	1,002,622	11.90	71,378	52,752	35.3	464,333	672,344	(30.9)	49.1
Toll Revenues	73,840	0.88	5,052	2,852	77.1	58,595	35,632	64.4	107.2
Miscellaneous Revenues	338,311	4.02	29,977	27,009	11.0	268,224	406,391	(34.0)	(16.8)
Transfer (to) / from Highway Maintenance and Operating Fund	(63,329)	(0.75)	(24,952)	32,513	(176.7)	(69,952)	234,482	(129.8)	(127.0)
Total Transportation Trust Fund	\$3,104,141	36.86	\$172,578	\$169,923	1.6	\$2,230,703	\$2,637,526	(15.4)	17.7
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,421,038	100.00	\$622,095	\$552,301	12.6	\$7,701,828	\$7,436,396	3.6	13.2

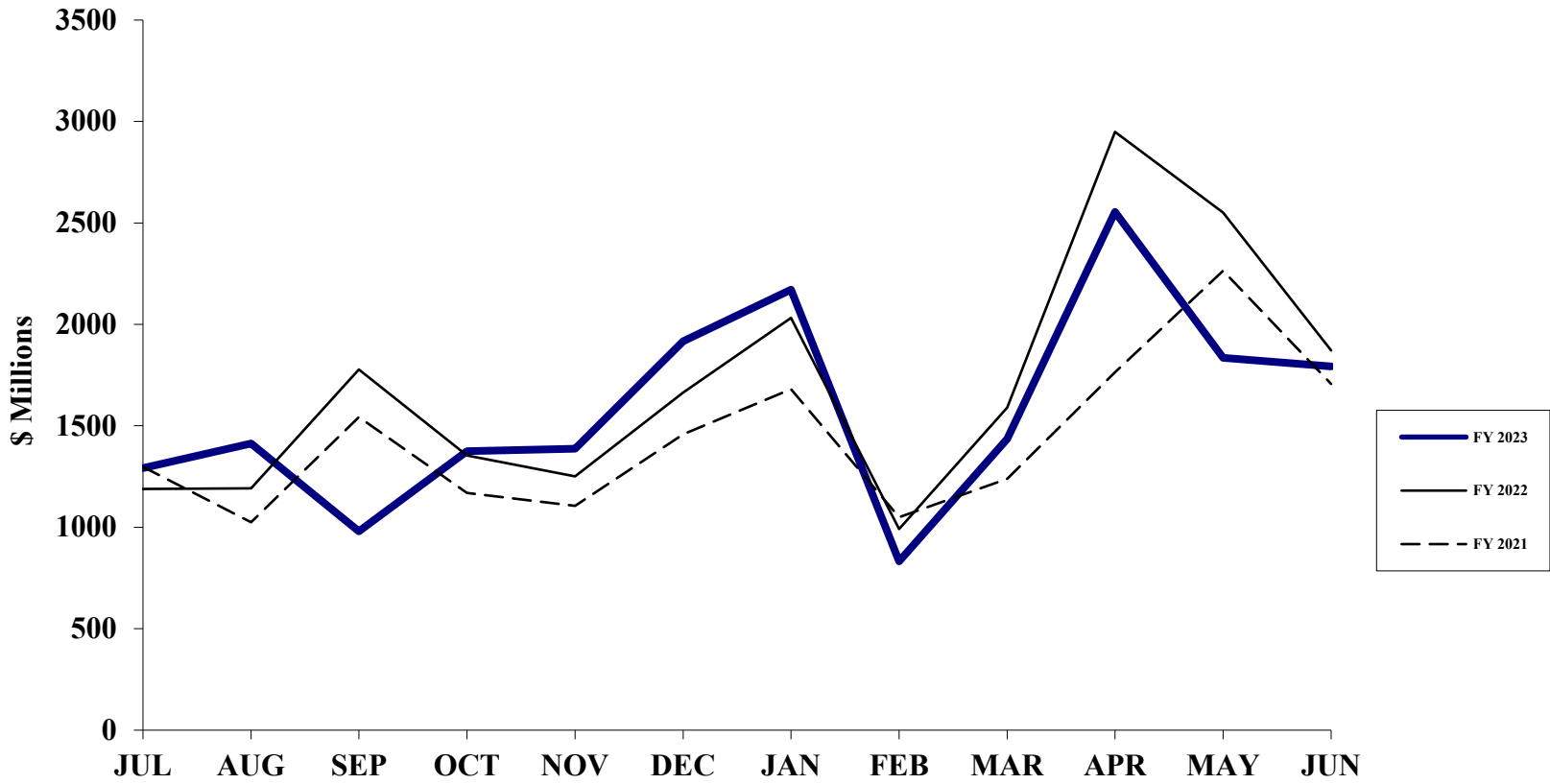
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



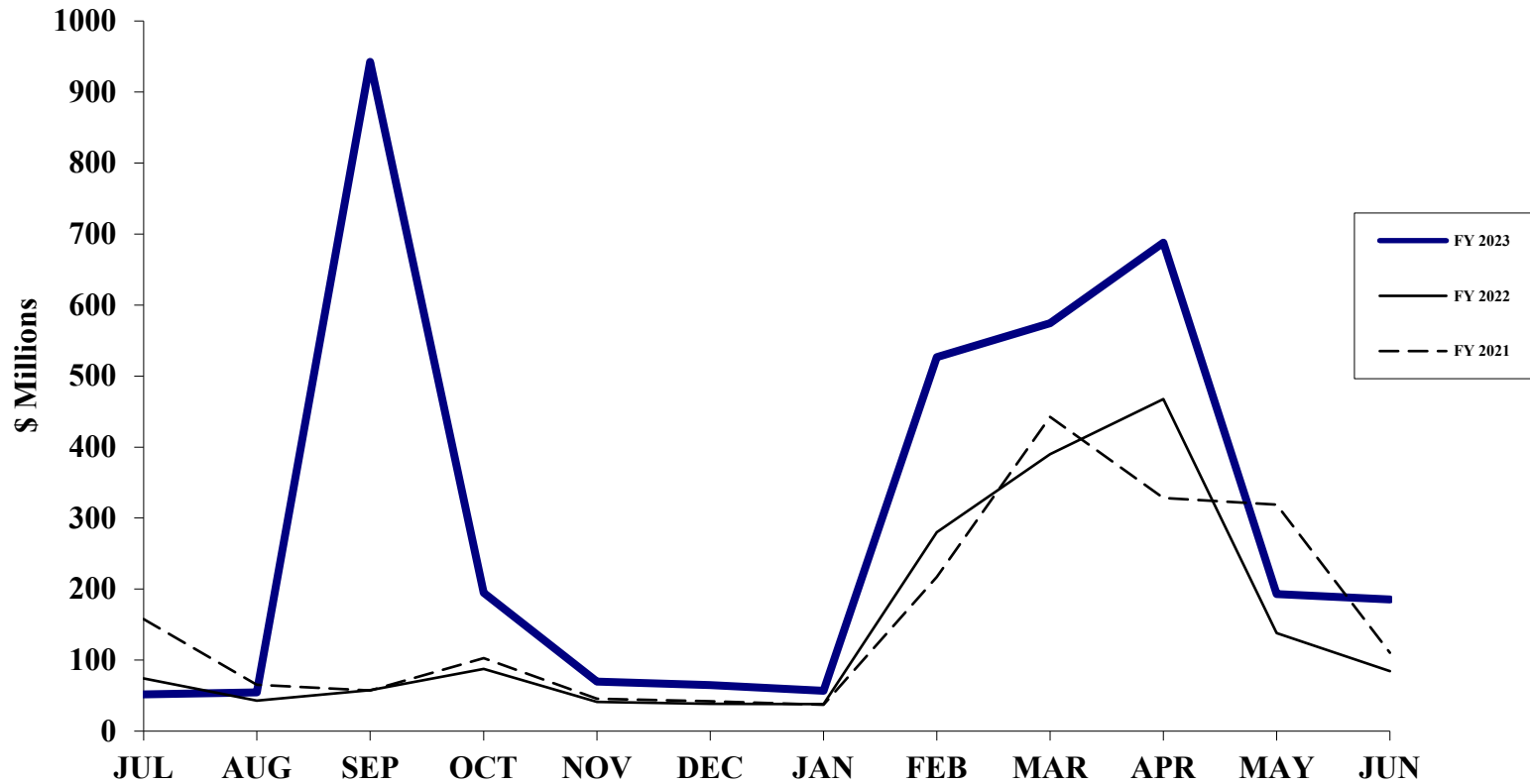
FY 2021 Actual = \$24,878.5 Million
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million

Net Individual Income Tax



FY 2021 Actual = \$17,303.7 Million
FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2021 Actual = \$1,926.2 Million
FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 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	\$21,255.9	3.38%	3.40%	\$5,122.2	-1.46%	\$26,378.1	2.44%
January, 2023	\$22,486.1	3.65%	3.71%	\$5,301.4	26.69%	\$27,787.5	8.04%
February	\$22,329.1	3.85%	4.03%	\$5,448.8	-20.61%	\$27,777.9	-0.95%
March	\$21,589.7	3.91%	4.26%	\$5,466.7	23.56%	\$27,056.4	7.88%
April	\$22,329.9	4.05%	4.44%	\$5,536.2	7.21%	\$27,866.1	4.68%
May	\$23,778.7	4.24%	4.62%	\$5,532.5	-8.50%	\$29,311.2	1.84%
June	\$23,517.4	4.34%	4.77%	\$5,501.9	-4.57%	\$29,019.3	2.65%
Year-to-Date Average	\$21,980.3	3.24 %	3.36%	\$5,287.4	0.62%	\$27,267.7	2.73%

▪ 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	\$642,472,094	\$0	\$0	\$0	\$642,472,094
January	\$642,472,094	\$0	\$0	\$2,235,014	\$644,707,108
February	\$644,707,108	\$0	\$0	\$0	\$644,707,108
March	\$644,707,108	\$0	\$0	\$0	\$644,707,108
April	\$644,707,108	\$0	\$0	\$3,834,320	\$648,541,428
May	\$648,541,428	\$0	\$0	\$0	\$648,541,428
June	\$648,541,428	\$1,127,733,028 (B)	\$0	\$5,730,236	\$1,782,004,692

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

(B) A deposit of \$1,127,733,028 was made as required by Item 267 B of Chapter 769, 2023 Virginia Acts of Assembly.

FY 2024 Estimate
Per Chapter 769

**Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)**

Revenue	(1)	(2)	July			Year-To-Date			(9)
	FY 2024 Estimate	As a % of Gen Fund Rev	FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$15,790,300	57.87	\$1,233,585	\$1,244,572	(0.9)	\$1,233,585	\$1,244,572	(0.9)	(1.0)
Tax Dues/Estimated Payments	5,578,300	20.44	103,018	99,216	3.8	103,018	99,216	3.8	(15.9)
Gross Individual Income Tax	\$21,368,600	78.31	\$1,336,603	\$1,343,788	(0.5)	\$1,336,603	\$1,343,788	(0.5)	(5.4)
Individual and Fiduciary Income (Refunds)	(2,287,700)	(8.38)	(166,691)	(51,754)	222.1	(166,691)	(51,754)	222.1	(36.5)
Net Individual Income Tax	\$19,080,900	69.93	\$1,169,912	\$1,292,034	(9.5)	\$1,169,912	\$1,292,034	(9.5)	0.5
Sales and Use Tax	\$4,472,700	16.39	\$402,822	\$358,757	12.3	\$402,822	\$358,757	12.3	(5.5)
Corporations Income Tax	1,790,300	6.56	86,913	49,694	74.9	86,913	49,694	74.9	(11.9)
Wills, Suits, Deeds, Contracts	593,700	2.18	35,854	50,345	(28.8)	35,854	50,345	(28.8)	37.9
Insurance Premiums	425,300	1.56	0	0	-	0	0	-	(5.7)
Interest Income (a)	110,000	0.40	127,879	22,734	462.5	127,879	22,734	462.5	(69.9)
Alcoholic Beverage Sales (b)	311,200	1.14	651	614	6.0	651	614	6.0	1.2
All Other Revenues	502,300	1.84	31,645	30,870	2.5	31,645	30,870	2.5	(17.2)
Total General Fund Revenues	\$27,286,400	100.00	\$1,855,676	\$1,805,048	2.8	\$1,855,676	\$1,805,048	2.8	(2.2)

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 2023 and 2024
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2024 Estimate	As a % of Total Gen Fund Rev	July FY 2024	July FY 2023	% Change	Year-To-Date FY 2024	Year-To-Date FY 2023	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$15,790,300	57.87	\$1,233,585	\$1,244,572	(0.9)	\$1,233,585	\$1,244,572	(0.9)	(1.0)
Tax Dues/Estimated Payments	5,578,300	20.44	103,018	99,216	3.8	103,018	99,216	3.8	(15.9)
Gross Individual Income Tax	\$21,368,600	78.31	\$1,336,603	\$1,343,788	(0.5)	\$1,336,603	\$1,343,788	(0.5)	(5.4)
Individ and Fiduc Income (Refunds)	(2,287,700)	(8.38)	(166,691)	(51,754)	222.1	(166,691)	(51,754)	222.1	(36.5)
Net Individual Income Tax	\$19,080,900	69.93	\$1,169,912	\$1,292,034	(9.5)	\$1,169,912	\$1,292,034	(9.5)	0.5
Sales and Use Tax	4,472,700	16.39	402,822	358,757	12.3	402,822	358,757	12.3	(5.5)
Corporations Income	1,790,300	6.56	86,913	49,694	74.9	86,913	49,694	74.9	(11.9)
Public Service Corporations	103,500	0.38	6,846	7,406	(7.6)	6,846	7,406	(7.6)	(0.9)
Insurance Premiums	425,300	1.56	0	0	-	0	0	-	(5.7)
Alcoholic Beverage Excise	269,200	0.99	223	0	-	223	0	-	0.1
Beer and Beverage Excise	42,000	0.15	428	614	(30.3)	428	614	(30.3)	8.9
Wills, Suits, Deeds, Contracts	593,700	2.18	35,854	50,345	(28.8)	35,854	50,345	(28.8)	37.9
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	-
Bank Franchise	26,800	0.10	421	96	338.5	421	96	338.5	(14.6)
Other Taxes	42,600	0.15	4,422	4,553	(2.9)	4,422	4,553	(2.9)	(38.0)
Total Taxes	\$26,847,000	98.39	\$1,707,841	\$1,763,499	(3.2)	\$1,707,841	\$1,763,499	(3.2)	(1.1)
Rights and Privileges:									
Licenses and Permits	\$2,900	0.01	\$177	\$182	(2.7)	\$177	\$182	(2.7)	(23.4)
Corp. Franchise and Charters	62,300	0.23	545	656	(16.9)	545	656	(16.9)	(25.1)
Fees for Misc. Privileges & Services	13,900	0.05	278	242	14.9	278	242	14.9	(26.3)
Total Rights and Privileges	\$79,100	0.29	\$1,000	\$1,080	(7.4)	\$1,000	\$1,080	(7.4)	(25.3)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$0	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	5	20	(75.0)	5	20	(75.0)	49.8
Institutional Revenue	2,200	0.01	194	182	6.6	194	182	6.6	(33.8)
Interest (a)	110,000	0.40	127,879	22,734	462.5	127,879	22,734	462.5	(69.9)
Dividends and Rent	200	0.00	13	16	(18.8)	13	16	(18.8)	33.3
Fines, Forfeitures & Fees	232,700	0.85	17,218	17,167	0.3	17,218	17,167	0.3	(10.6)
Other Revenue	18,100	0.07	1,545	925	67.0	1,545	925	67.0	(19.8)
Excess Fees	(9,300)	(0.03)	(361)	(803)	55.0	(361)	(803)	55.0	(68.2)
Private Donations, Gifts & Cont.	0	0.00	2	0	-	2	0	-	(100.0)
Cities, Counties, and Towns	6,000	0.02	340	228	49.1	340	228	49.1	30.8
Total Other Revenues	\$360,300	1.32	\$146,835	\$40,469	262.8	\$146,835	\$40,469	262.8	(45.5)
Total General Fund Revenues	\$27,286,400	100.00	\$1,855,676	\$1,805,048	2.8	\$1,855,676	\$1,805,048	2.8	(2.2)

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 2023 and 2024
(Dollars in Thousands)**

	FY 2024 Estimate	(b)	July		Year-To-Date			% Annual Growth Required By Estimate					
			FY 2024	(c)	FY 2023	% Change	FY 2024		(c)	FY 2023	% Change	(d)	
Lottery Collections (a)													
Total Lottery Sales	\$3,796,284		\$442,555		\$365,312		21.1	\$442,555		\$365,312		21.1	(17.7)
Other Income	1,750		306		87		251.7	306		87		251.7	(56.2)
Total Income	<u>\$3,798,034</u>		<u>\$442,861</u>		<u>\$365,399</u>		<u>21.2</u>	<u>\$442,861</u>		<u>\$365,399</u>		<u>21.2</u>	<u>(17.7)</u>
Less:													
Prize Expenses	\$2,692,275		\$326,133		\$253,744		28.5	\$326,133		\$253,744		28.5	(21.2)
Retailer Commissions	153,765		11,549		12,118		(4.7)	11,549		12,118		(4.7)	12.0
Operating Expenses	187,322		16,258		14,952		8.7	16,258		14,952		8.7	(3.8)
Total Expenses	<u>\$3,033,362</u>		<u>\$353,940</u>		<u>\$280,814</u>		<u>26.0</u>	<u>\$353,940</u>		<u>\$280,814</u>		<u>26.0</u>	<u>(19.1)</u>
Net Proceeds from Operations													
Net Lottery Ticket Profits	\$764,672		\$88,921		\$84,585		5.1	\$88,921		\$84,585		5.1	(11.8)
Prior Year Residual Profit Transfer	0		0		0		-	0		0		-	-
Available to Lottery Proceeds Fund	<u>\$764,672</u>		<u>\$88,921</u>		<u>\$84,585</u>		<u>5.1</u>	<u>\$88,921</u>		<u>\$84,585</u>		<u>5.1</u>	<u>(12.2)</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 769, 2023 Reconvened Session Virginia Acts of Assembly. The Prior Year Residual Profit Transfer will be reflected after the final APA audit is complete and the transfer is made in August. The FY 2024 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2024 sales and profits, as well as the residual transfer from FY 2023.
- (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 2023 and 2024
(Dollars in Thousands)

Revenue	FY 2024 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
Motor Fuel Taxes	\$1,452,200	18.83	\$106,335	\$123,370	(13.8)	\$106,335	\$123,370	(13.8)	(1.4)
Insurance Premiums Tax	217,791	2.82	14,651	13,419	9.2	14,651	13,419	9.2	7.6
Motor Vehicle Sales and Use Tax	1,163,000	15.08	111,050	108,658	2.2	111,050	108,658	2.2	(7.9)
State Sales and Use Tax	1,313,900	17.05	117,275	108,412	8.2	117,275	108,412	8.2	(7.3)
Motor Vehicle License Fees	240,300	3.12	21,924	25,435	(13.8)	21,924	25,435	(13.8)	22.3
Highway Use Fee	62,700	0.81	5,881	5,805	1.3	5,881	5,805	1.3	7.3
International Registration Plan	122,600	1.59	14,274	4,624	208.7	14,274	4,624	208.7	6.5
Recordation Tax	81,000	1.05	4,373	6,120	(28.5)	4,373	6,120	(28.5)	53.9
Interest Earnings	5,700	0.07	0	0	-	0	0	-	(73.1)
Misc. Taxes, Fees, and Revenues	17,200	0.22	1,486	1,427	4.1	1,486	1,427	4.1	(13.1)
Total State Taxes and Fees	<u>\$4,676,391</u>	<u>60.64</u>	<u>\$397,249</u>	<u>\$397,270</u>	<u>0.0</u>	<u>\$397,249</u>	<u>\$397,270</u>	<u>0.0</u>	<u>(2.9)</u>

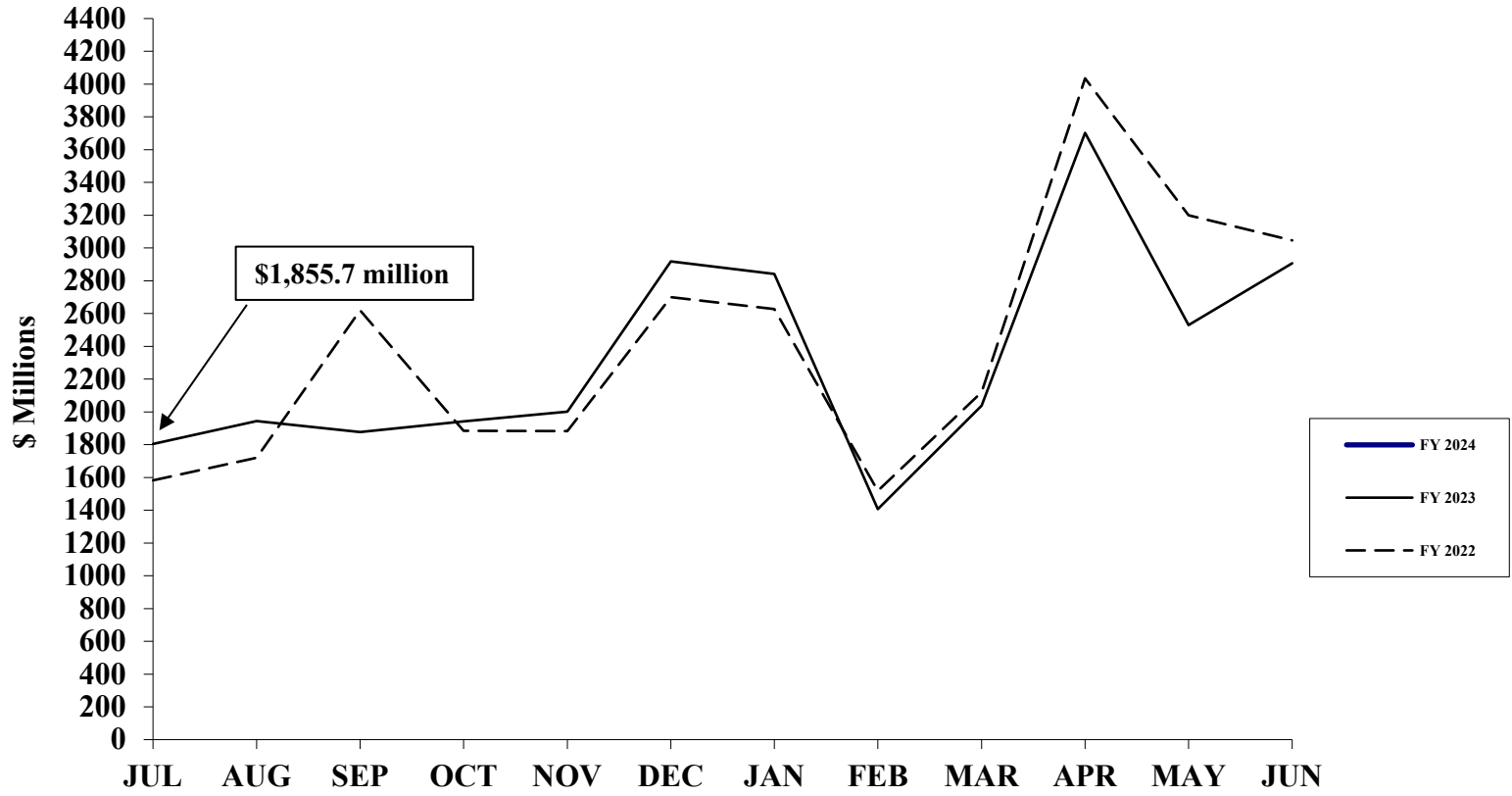
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)**

Revenue	FY 2024 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,452,200	18.83	\$106,335	\$123,370	(13.8)	\$106,335	\$123,370	(13.8)	(1.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,163,000	15.08	111,050	108,658	2.2	111,050	108,658	2.2	(7.9)
State Sales and Use Tax	1,313,900	17.05	117,275	108,412	8.2	117,275	108,412	8.2	(7.3)
Motor Vehicle License Fees	240,300	3.12	21,924	25,435	(13.8)	21,924	25,435	(13.8)	22.3
Highway Use Fee	62,700	0.81	5,881	5,805	1.3	5,881	5,805	1.3	7.3
International Registration Plan	122,600	1.59	14,274	4,624	208.7	14,274	4,624	208.7	6.5
Insurance Premiums Tax	217,791	2.82	14,651	13,419	9.2	14,651	13,419	9.2	7.6
Recordation Tax	81,000	1.05	4,373	6,120	(28.5)	4,373	6,120	(28.5)	53.9
Total Commonwealth Transportation Fund	\$4,653,491	60.35	\$395,763	\$395,843	0.0	\$395,763	\$395,843	0.0	(2.6)
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,200	0.22	\$1,486	\$1,427	4.1	\$1,486	\$1,427	4.1	(13.1)
Other Miscellaneous Revenues	271,103	3.52	108,880	2,261	#	108,880	2,261	#	(53.2)
Federal Grants and Contracts	0	0.00	2,629	512	413.5	2,629	512	413.5	(100.0)
Transfer (to) / from Transportation Trust Fund	363,025	4.71	0	0	-	0	0	-	419.0
Total Highway Maintenance and Operating Fund	\$651,328	8.45	\$112,995	\$4,200	#	\$112,995	\$4,200	#	(6.2)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$5,700	0.07	\$0	\$0	-	\$0	\$0	-	(73.1)
Federal Grants and Contracts	1,577,002	20.45	171,373	49,737	244.6	171,373	49,737	244.6	6.0
Receipts from Cities/Counties	784,754	10.18	52,524	39,460	33.1	52,524	39,460	33.1	69.0
Toll Revenues	82,294	1.07	3,152	2,174	45.0	3,152	2,174	45.0	40.4
Miscellaneous Revenues	319,225	4.14	17,052	17,560	(2.9)	17,052	17,560	(2.9)	19.0
Transfer (to) / from Highway Maintenance and Operating Fund	(363,025)	(4.71)	0	0	-	0	0	-	(419.0)
Total Transportation Trust Fund	\$2,405,950	31.20	\$244,101	\$108,931	124.1	\$244,101	\$108,931	124.1	7.9
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND	\$7,710,769	100.00	\$752,859	\$508,974	47.9	\$752,859	\$508,974	47.9	0.1

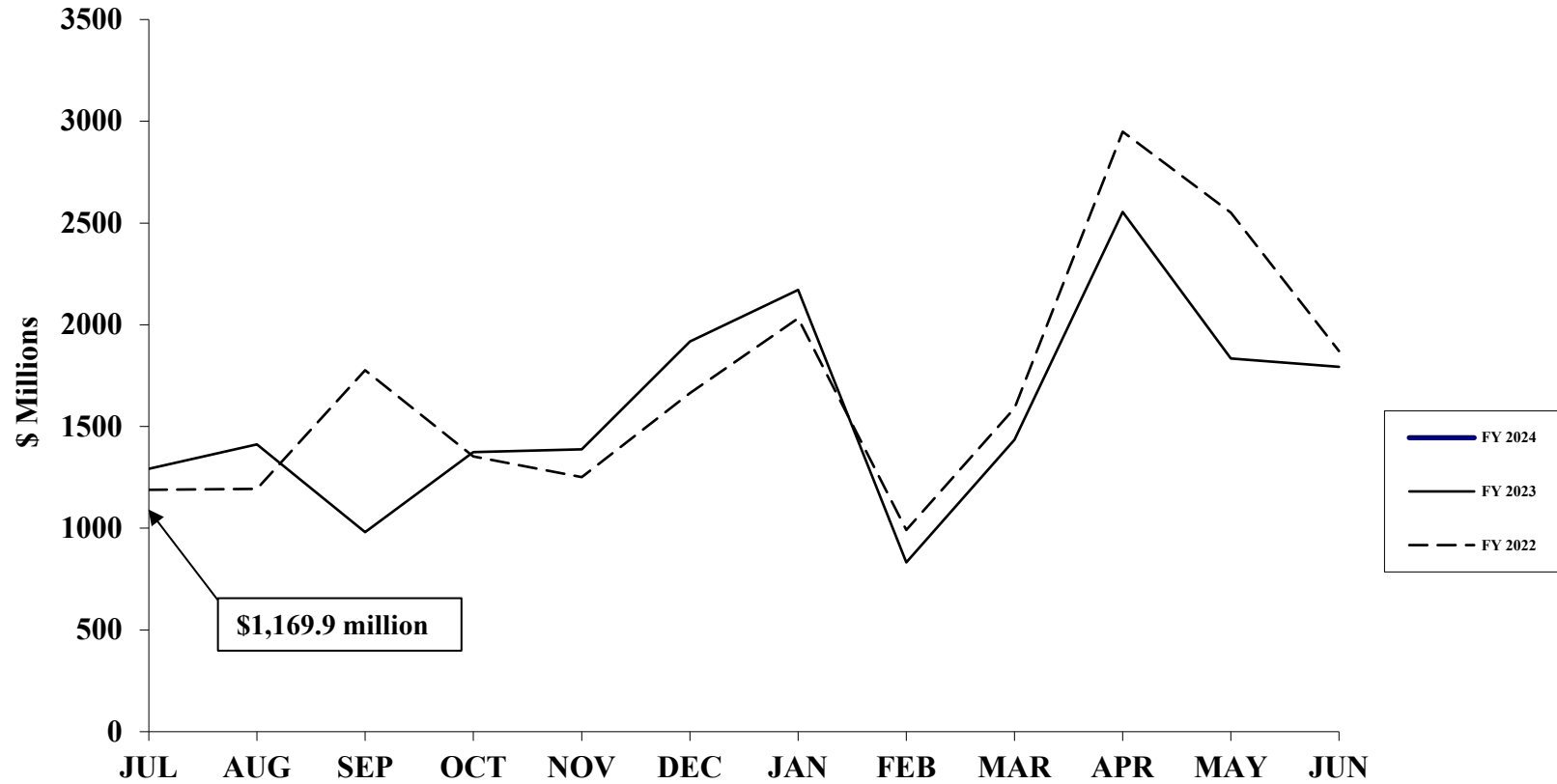
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



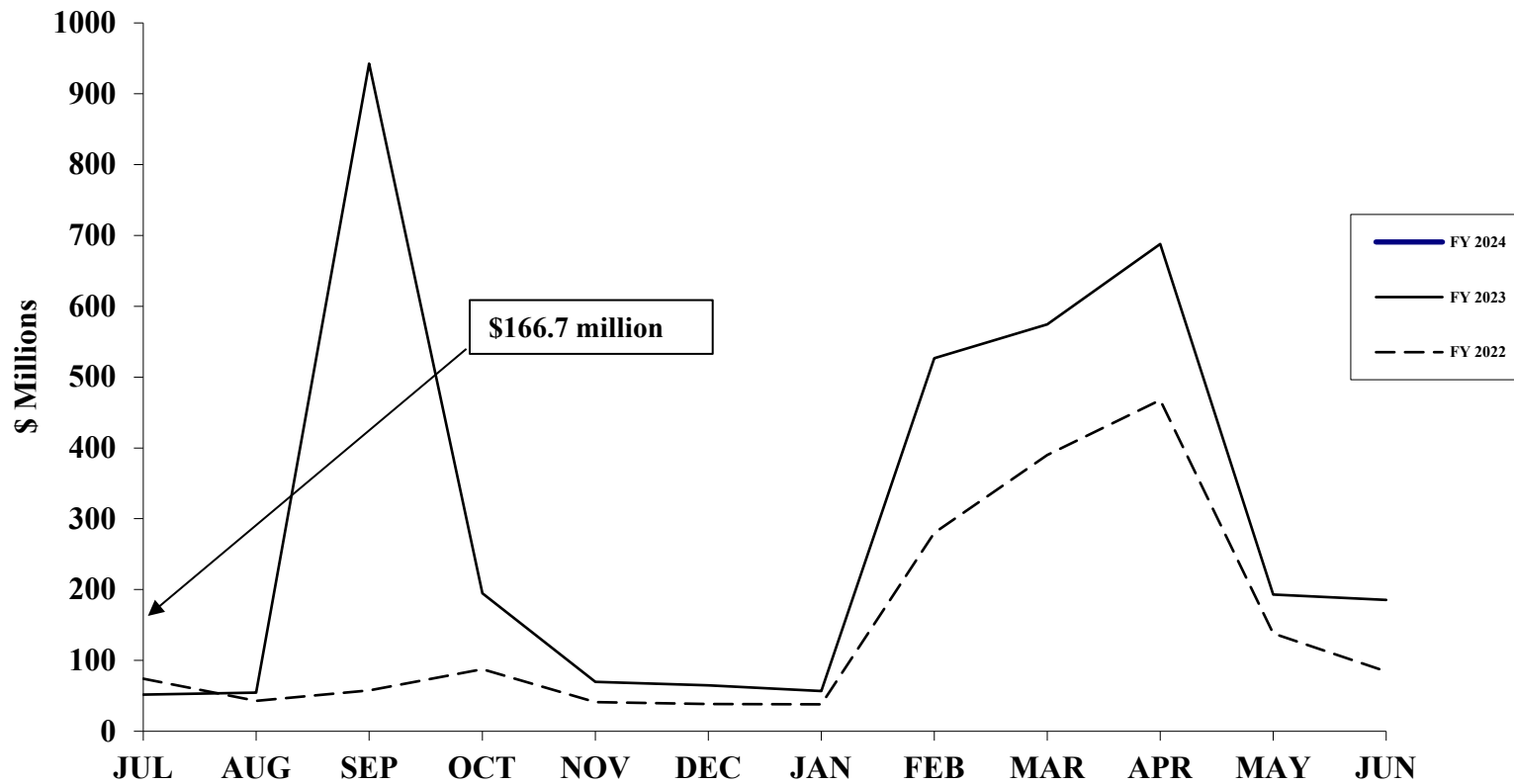
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million
FY 2024 Estimate = \$27,286.4 Million

Net Individual Income Tax



FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million
FY 2024 Estimate = \$19,080.9 Million

Individual and Fiduciary Income Tax Refunds



FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 Million
FY 2024 Estimate = \$2,287.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2024
 (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	Rate
July, 2023	\$23,322.6	4.42%	4.88%	\$5,497.6	2.74%	\$28,820.2	4.10%
August							
September							
October							
November							
December							
January, 2024							
February							
March							
April							
May							
June							
Year-to-Date Average	\$23,322.6	4.42 %	4.88%	\$5,497.6	2.74%	\$28,820.2	4.10%

▪ 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 2024**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
August					
September					
October					
November					
December					
January					
February					
March					
April					
May					
June					

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