

Governor Kaine's Proposed 2008-2010 Budget

Economic Outlook & Revenue Forecast

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

December 17, 2007



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Outline...

- Fiscal Year 2007 Year-end Revenue Results
- August Interim Revenue Forecast
- November Revenue Collections
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- Key Risks to the Outlook
- Proposed Budget Actions

Fiscal Year 2007 Year-end Revenue Results

Fiscal Year 2007 Revenues Finished \$234.4 Million (1.5%) Below Forecast...

Summary of Fiscal Year 2007 Revenue Collections (millions of dollars)

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Withholding	\$ 8,517.5	\$ 8,565.5	\$ 48.0	0.6 %	6.4 %
Nonwithholding	2,788.4	2,782.0	(6.4)	(0.2)	11.6
Refunds	<u>(1,337.1)</u>	<u>(1,559.8)</u>	<u>(222.7)</u>	<u>16.7</u>	<u>21.6</u>
Net Individual	9,968.8	9,787.6	(181.2)	(1.8)	5.6
Sales *	3,092.9	3,049.1	(43.8)	(1.4)	8.4
Corporate	901.4	879.6	(21.8)	(2.4)	1.4
Wills (Recordation)	554.4	582.9	28.5	5.1	(16.1)
Insurance	384.6	384.9	0.3	0.1	3.0
All Other Revenue	<u>898.1</u>	<u>881.7</u>	<u>(16.4)</u>	<u>(1.8)</u>	<u>7.4</u>
Total Revenues *	\$ 15,800.2	\$ 15,565.8	\$ (234.4)	(1.5) %	4.9 %
ABC Profits	27.3	27.6	0.3	0.9	(8.3)
Lottery Profits	406.3	434.9	28.6	7.0	(4.2)
Transfers	<u>360.8</u>	<u>357.8</u>	<u>(3.0)</u>	<u>(0.8)</u>	<u>(6.2)</u>
Total General Fund	\$ 16,594.6	\$ 16,386.1	\$ (208.5)	(1.3) %	4.4 %

* Not adjusted for the Accelerated Sales Tax (AST) program. Adjusted sales tax growth was 2.7 percent compared to a forecast of 4.2 percent. Adjusted total revenue growth was 3.8 percent compared to a forecast of 5.4 percent.

August Interim Revenue Forecast

The Interim Forecast Was Based On A Complete Revenue Forecasting Process Review...

- The August 2007 interim revenue forecast was based on the updated economic outlook for Virginia as approved by the Governor's Advisory Board of Economists (GABE).
 - ♦ GABE was presented with the May 2007 standard economic outlook for Virginia, which was based on the May 2007 Global Insight standard forecast for the U.S.
 - A majority of the Board supported slight upward revisions to employment and income growth.
- The interim forecast also incorporated input from leaders in the residential housing industry and was reviewed by the Governor's Advisory Council on Revenue Estimates (GACRE).

***The Combined Shortfall In Fiscal Year 2007 Of \$234.4 Million With
The Fiscal Year 2008 Forecast Reduction Of \$406.7 Million
Presented An Estimated Biennial Shortfall Of \$641.1 Million...***

**August Interim Revenue Forecast – Difference from Official
(millions of dollars)**

August Forecast	FY08	FY09	FY10
Withholding	34.7	31.2	68.9
Nonwithholding	125.7	139.7	155.9
Refunds	-282.0	-302.7	-256.0
Sales	-119.1	-133.3	-137.1
Corporate	-68.7	-99.0	-102.1
Wills	-24.4	-89.0	-75.7
Insurance	-15.0	-11.0	-11.2
<u>All Other</u>	<u>-57.8</u>	<u>-18.4</u>	<u>-9.4</u>
Total GF Revenue	-406.7	-482.4	-366.7
% of Official Forecast	-2.5%	-2.8%	-2.0%

<i>Annual % Change</i>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Revenue Base	3.0%	3.7%	6.5%
Economic Base	3.1%	5.7%	6.5%

Note: Economic base growth rates adjust for the repeal of the estate tax and the transfer of one-third of prior year insurance company premiums and \$0.03 of recordation tax to transportation beginning in FY09.

November Revenue Collections

Year-to-date Revenue Collections Through November Are Running Very Close To The Interim Forecast...

Summary of Fiscal Year 2008 Revenue Collections July through November

<u>Major Source</u>	As a % of Total <u>Revenues</u>	Percent Growth over Prior Year		
		<u>YTD Actual</u>	<u>August 2007 Estimate</u>	<u>Variance</u>
Withholding	56.7 %	5.0 %	6.1 %	(1.1) %
Nonwithholding	18.9	13.4	8.8	4.6
Refunds	<u>(10.8)</u>	<u>(7.5)</u>	<u>10.5</u>	<u>(18.0)</u>
Net Individual	64.9	6.8	6.2	0.6
Sales	19.6	2.8	2.8	0.0
Corporate	4.5	(26.7)	(17.4)	(9.3)
Wills (Recordation)	3.3	(15.3)	(9.0)	(6.3)
Insurance	2.5	5.8	2.9	2.9
All Other Revenue (a)	5.3	5.1	(4.4)	9.5
Total (a)	100.0 %	3.2 %	3.0 %	0.2 %

(a) Adjusted for nongeneral funds interest earnings for October and November that will be transferred in January. Not adjusted for the transfer, all other revenue growth is 11.7 percent and total general fund revenue growth is 3.6 percent.

U.S. and Virginia Economic Outlook

Over The Forecast Horizon, The October U.S. Forecast Is For Slower Growth Than Projected In The Interim Forecast...

- Tight credit conditions are expected to result in a deeper downturn in housing and more cautious consumers.

Key U.S. Economic Indicators Interim vs. October Standard Forecast (annual percent change)

	Fiscal Year				
	06	07	08	09	10
Real GDP					
Interim (May '07)	3.4	2.5	2.3	3.2	3.2
Standard (Oct '07)	3.2	2.1	2.1	2.5	2.9
Consumer Spending					
Interim (May '07)	3.3	3.2	2.8	2.9	3.1
Standard (Oct '07)	3.1	3.0	2.6	2.4	2.8
Employment					
Interim (May '07)	1.9	1.6	1.0	1.3	1.5
Standard (Oct '07)	1.9	1.6	0.9	1.0	1.3
Personal Income					
Interim (May '07)	5.7	5.8	5.5	5.6	6.0
Standard (Oct '07)	6.2	6.4	5.8	4.7	5.3

Source: Global Insight

The October Standard Forecast For Virginia Mirrored The Interim Forecast...

- Virginia is expected to outperform the nation over the forecast horizon.

Key Virginia Economic Indicators Interim vs. October Standard Forecast (annual percent change)

	Fiscal Year				
	06	07	08	09	10
Employment					
Interim (May '07)	2.1	1.4	1.3	1.6	1.8
Standard (Oct '07)	2.1	1.4	1.1	1.5	1.8
Personal Income					
Interim (May '07)	5.9	5.3	5.6	6.0	6.2
Standard (Oct '07)	6.4	5.2	5.6	5.9	6.2
Wages & Salaries					
Interim (May '07)	6.4	5.2	5.5	5.7	6.2
Standard (Oct '07)	6.2	5.4	5.5	5.2	6.0
Average Wage					
Interim (May '07)	4.2	3.7	4.1	4.1	4.3
Standard (Oct '07)	4.0	3.9	4.4	3.7	4.1

December Revenue Forecast

The December Revenue Forecast Reflects The Updated Economic Outlook And First Quarter Collections For Fiscal Year 2008...

- Over the next three fiscal years, the interim forecast for total general fund revenues has been revised up by 0.1 percent from the interim forecast.
 - ♦ Withholding and sales tax collections (75 percent of total revenues) -- revenue sources most closely tied to Virginia economic activity -- are marginally adjusted.
 - ♦ The revised forecast for the three most volatile revenue sources -- nonwithholding, corporate, and recordation -- is only 0.5 percent above the interim estimate for fiscal year 2008 through fiscal year 2010.

Withholding Has Been Revised Down From The Interim Forecast...

- The withholding revenue model is based on a relationship to wages and salaries in Virginia.

	Wage & Salary Growth	Withholding Growth
FY07 actual	5.4%	6.4%
FY08 forecast	5.5%	5.6%
FY09 forecast	5.2%	6.2%
FY10 forecast	6.0%	6.0%

- Given that year-to-date collections through November are trailing the annual estimate, the withholding forecast has been revised downward slightly.
- Revision: FY08 -\$49.1 million, FY09 -\$35.1 million, FY10 -\$56.6 million

The Outlook For Sales Tax Collections Is Essentially Unchanged Over The Forecast Horizon...

- The sales revenue model is based on a relationship to personal income in Virginia.

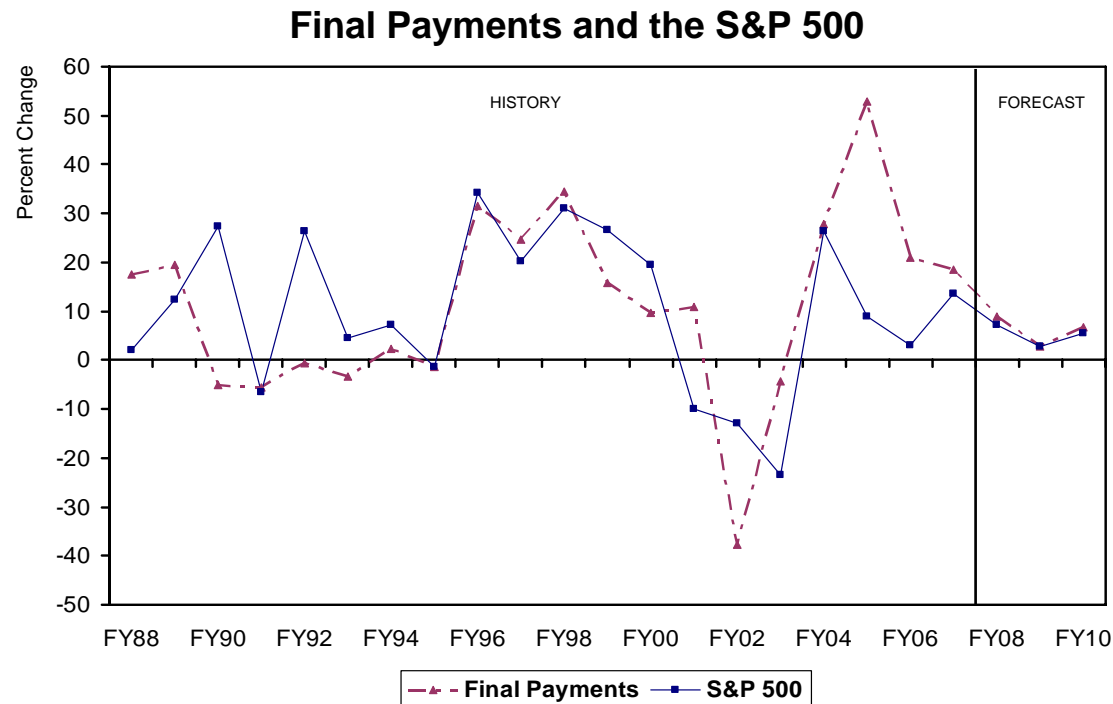
	Personal Income Growth	Sales Tax Growth *
FY07 actual	5.2%	2.7%
FY08 forecast	5.6%	2.8%
FY09 forecast	5.9%	5.3%
FY10 forecast	6.2%	5.7%

* FY07 adjusted for the end of the Accelerated Sales Tax Program in FY06.

- Growth in personal income is near the interim forecast.
- Actual growth for the first quarter of FY08 was 3.1%. The negative wealth effect from the downturn in housing and higher energy prices have hurt consumer confidence, leading to persistent weakness in collections.
- Revision: FY08 +\$0.0 million, FY09 -\$1.2 million, FY10 +\$4.9 million

Individual Nonwithholding Has Been Revised Upward From The Interim Forecast...

- Healthy growth in first quarter collections and slightly stronger growth in financial markets and non-wage income result in upward revisions over the next three years.
- Revision: FY08 +\$33.0 million, FY09 +\$10.6 million, FY10 +\$43.9 million



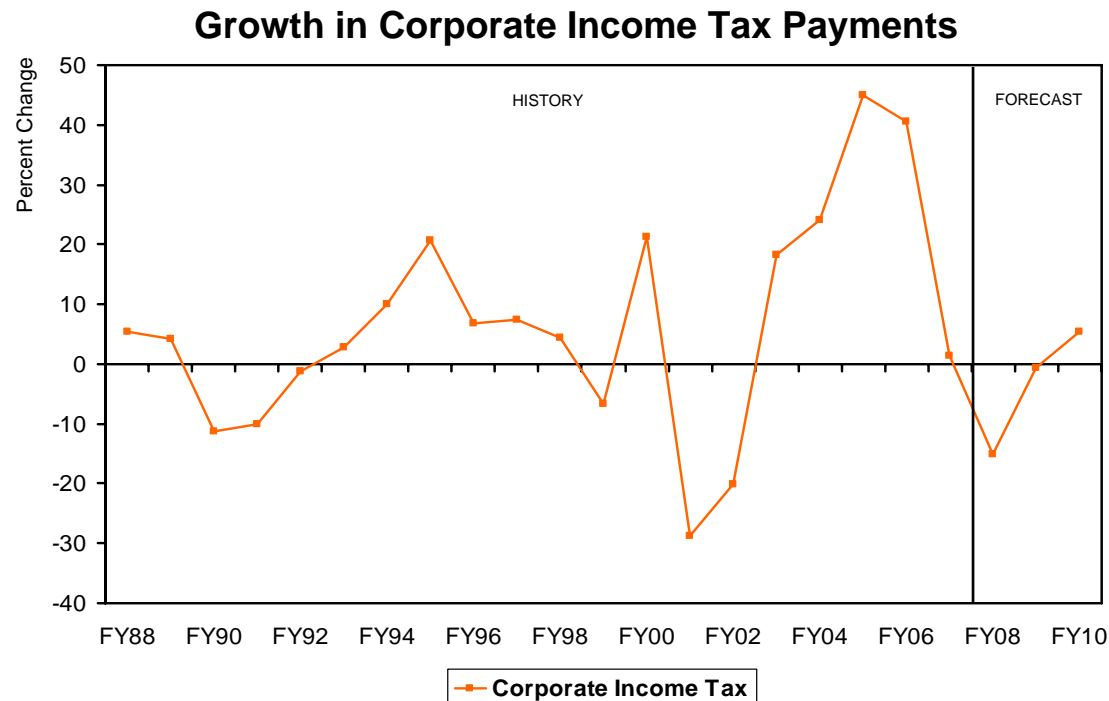
*S&P 500 growth is for the prior calendar year, i.e., FY07 is CY06.

The Forecast For Individual Refunds Has Been Revised Down Slightly Over The Forecast Horizon...

- In the interim revenue forecast, individual refunds were adjusted to reflect:
 - ♦ The higher refund base due to overpayment of estimated income taxes by individuals who are not adjusting payments as their incomes fall.
 - ♦ The increasing cost of the land preservation tax credit.
- A double-digit decline in the first quarter of fiscal year 2008 and updated withholding tax estimates suggest a downward revision over the forecast horizon, resulting in an increase in revenues.
 - ♦ The outlook for the land preservation credit is unchanged from the interim forecast.
 - As expected, about one in every three dollars refunded through November is attributable to land preservation credit.
- Revision: FY08 -\$43.4 million, FY09 -\$43.8 million, FY10 -\$44.1 million

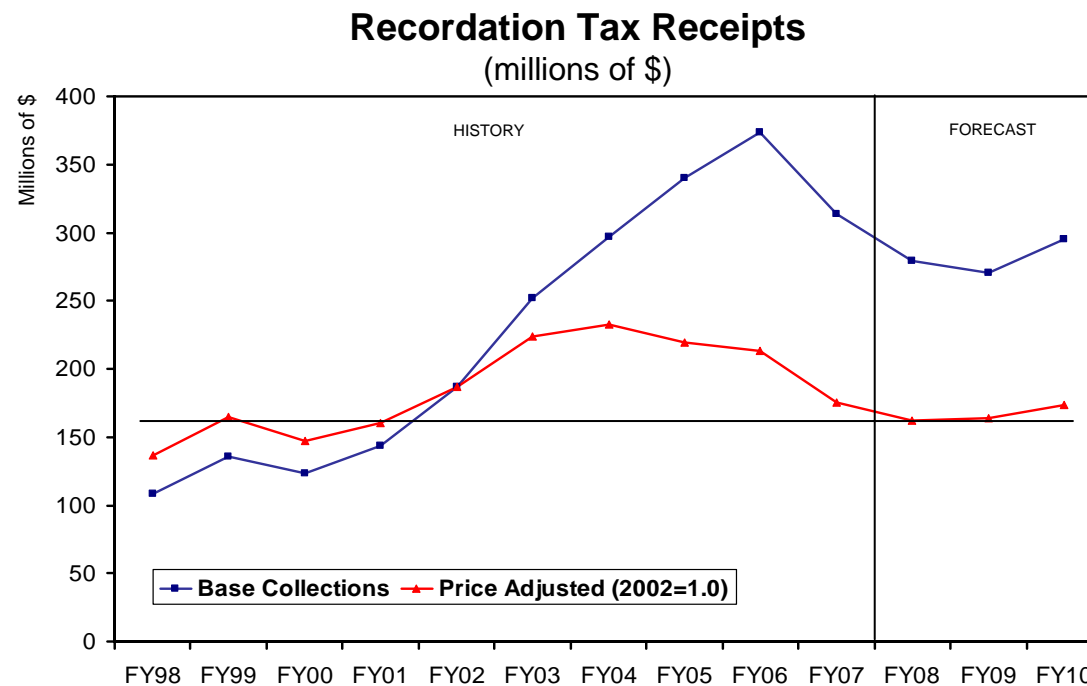
The Outlook For Corporate Income Tax Collections Has Been Revised Upward In Fiscal Year 2008 And Down In Fiscal Year 2009 And Fiscal Year 2010...

- Similar to the interim estimate, the November forecast relies on the U.S. low-growth scenario to better capture the projected downturn in corporate income tax receipts from the slowdown in housing.
- Revision: FY08 +\$21.7 million, FY09 -\$21.7 million, FY10 -\$12.1 million



Recordation Tax Receipts Are Expected To Decline Further...

- The revenue model supports the interim revenue forecast for fiscal year 2008; however, due to weaker collections for the first quarter of the year, model results are adjusted down.
- Revision: FY08 -\$10.2 million, FY09 +\$3.2 million, FY10 +\$3.5 million



The December Forecast Is Essentially Unchanged From The August Interim Revenue Forecast...

Summary of the December 2007 Revenue Forecast (millions of dollars)

Major Source	As a % of Total Revenues	Fiscal Year 2008		Fiscal Year 2009		Fiscal Year 2010	
		\$ Amount	\$ Change	\$ Amount	\$ Change	\$ Amount	\$ Change
Withholding	56.2 %	\$ 9,042.3	\$ (49.1)	\$ 9,601.8	\$ (35.1)	\$ 10,177.8	\$ (56.6)
Nonwithholding	19.0	3,059.4	33.0	3,279.5	10.6	3,545.8	43.9
Refunds	(10.4)	(1,680.6)	(43.4)	(1,795.3)	(43.8)	(1,833.2)	(44.1)
Net Individual	64.8 %	\$ 10,421.1	\$ 27.4	\$ 11,086.0	\$ 19.3	\$ 11,890.4	\$ 31.4
Sales	19.5 %	\$ 3,136.0	\$ 0.0	\$ 3,300.9	\$ (1.2)	\$ 3,488.7	\$ 4.9
Corporate	4.6	747.9	21.7	743.7	(21.7)	783.9	(12.1)
Wills (Recordation)	3.2	520.3	(10.2)	449.4	3.2	489.8	3.5
Insurance	2.5	403.4	7.3	284.2	(0.0)	305.9	8.9
All Other Revenue	5.3	858.6	15.3	746.5	(12.6)	766.0	(11.8)
Total	100.0 %	\$ 16,087.3	\$ 61.6	\$ 16,610.8	\$ (13.0)	\$ 17,724.7	\$ 24.8

The December Forecast Is Essentially Unchanged From The August Interim Revenue Forecast (continued)...

Summary of the December 2007 Revenue Forecast (millions of dollars)

Major Source	As a % of Total Revenues	Fiscal Year 2008 (a)		Fiscal Year 2009 (b)		Fiscal Year 2010	
		\$ Amount	% Growth	\$ Amount	% Growth	\$ Amount	% Growth
Withholding	56.2 %	\$ 9,042.3	5.6 %	\$ 9,601.8	6.2 %	\$ 10,177.8	6.0 %
Nonwithholding	19.0	3,059.4	10.0	3,279.5	7.2	3,545.8	8.1
Refunds	(10.4)	(1,680.6)	7.7	(1,795.3)	6.8	(1,833.2)	2.1
Net Individual	64.8 %	\$ 10,421.1	6.5 %	\$ 11,086.0	6.4 %	\$ 11,890.4	7.3 %
Sales	19.5 %	\$ 3,136.0	2.8 %	\$ 3,300.9	5.3 %	\$ 3,488.7	5.7 %
Corporate	4.6	747.9	(15.0)	743.7	(0.6)	783.9	5.4
Wills (Recordation)	3.2	520.3	(10.7)	449.4	(13.6)	489.8	9.0
Insurance	2.5	403.4	4.8	284.2	(29.5)	305.9	7.6
All Other Revenue	5.3	858.6	(2.6)	746.5	(13.1)	766.0	2.6
Total	100.0 %	\$ 16,087.3	3.3 %	\$ 16,610.8	3.3 %	\$ 17,724.7	6.7 %

Notes:

a) Adjusted for the Estate Tax repeal, underlying growth is 3.6% for fiscal year 2008.

b) Adjusted for the Estate Tax repeal and HB 3202 (Transportation Plan), underlying growth is 5.2% for fiscal year 2009.

The December Revenue Forecast Reflects An Economy That Continues To Expand Over The Forecast Horizon...

- Economic-based revenue growth is expected to improve over the next biennium.

Total General Fund Revenues (annual percent change)

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Revenue Base	3.3%	3.3%	6.7%
Economic Base	3.6%	5.2%	6.7%

Tax Policy Reductions That Reduce Or Reallocate General Fund Revenues Are Affecting Revenue Resources...

Tax Policy Changes Affecting General Fund Revenues (millions of dollars)

December Forecast	FY08	FY09	FY10
Increase Filing Threshold/Personal Exemption	-13.5	-27.1	-26.9
Sales Tax Holiday -- Hurricane/Energy Efficient	-1.6	-1.7	-1.8
Estate Tax Repeal	-42.2	-140.0	-140.0
1/3 Insurance Premiums to Transportation	0.0	-134.5	-139.6
\$0.03 Recordation Tax to Transportation	<u>0.0</u>	<u>-53.9</u>	<u>-58.8</u>
Total	-57.3	-357.2	-367.1

- Tax policy changes remove \$724.3 million from General Fund Revenue in the 2008-2010 biennial budget.

Year-to-date Revenue Collections Through November Are Running Very Close To The December Forecast...

Summary of Fiscal Year 2008 Revenue Collections July through November

<u>Major Source</u>	As a % of Total <u>Revenues</u>	Percent Growth over Prior Year		
		YTD <u>Actual</u>	December 2007 <u>Estimate</u>	<u>Variance</u>
Withholding	56.2 %	5.0 %	5.6 %	(0.6) %
Nonwithholding	19.0	13.4	10.0	3.4
Refunds	(10.4)	(7.5)	7.7	(15.2)
Net Individual	64.8	6.8	6.5	0.3
Sales	19.5	2.8	2.8	0.0
Corporate	4.6	(26.7)	(15.0)	(11.7)
Wills (Recordation)	3.2	(15.3)	(10.7)	(4.6)
Insurance	2.5	5.8	4.8	1.0
All Other Revenue (a)	5.3	5.1	(2.6)	7.7
Total (a)	100.0 %	3.2 %	3.3 %	(0.1) %

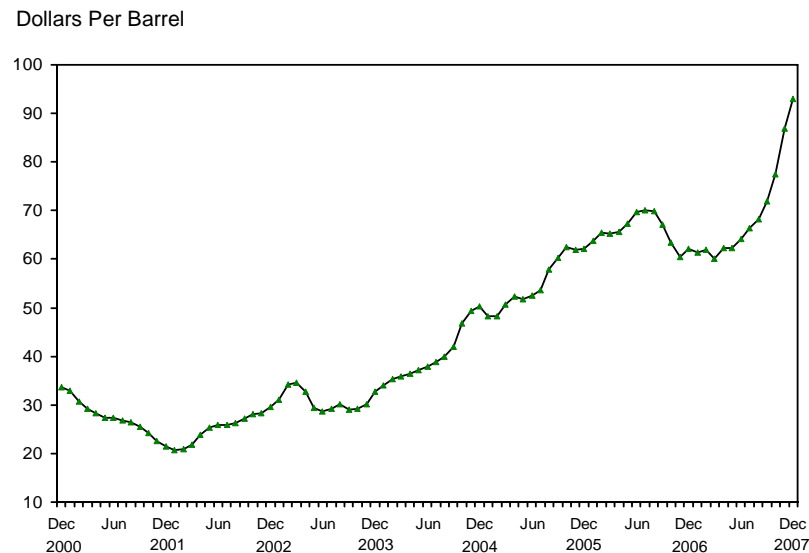
(a) Adjusted for nongeneral funds interest earnings for October and November that will be transferred in January. Not adjusted for the transfer, all other revenue growth is 11.7 percent and total general fund revenue growth is 3.6 percent.

Key Risks to the Outlook

The National And Virginia Economies Face Significant Risks...

- There are downside risks that members of the Governor's Advisory Board of Economists (GABE) and Governor's Advisory Council on Revenue Estimates (GACRE) highlighted:
 - ♦ Housing Market – not expected to recover until early calendar 2009
 - ♦ Energy Prices – oil prices over \$90 per barrel could stall the economy
 - ♦ Federal Government Spending – future spending priorities unknown

Price of West Texas Intermediate Crude
Seasonally-adjusted 3-month moving average



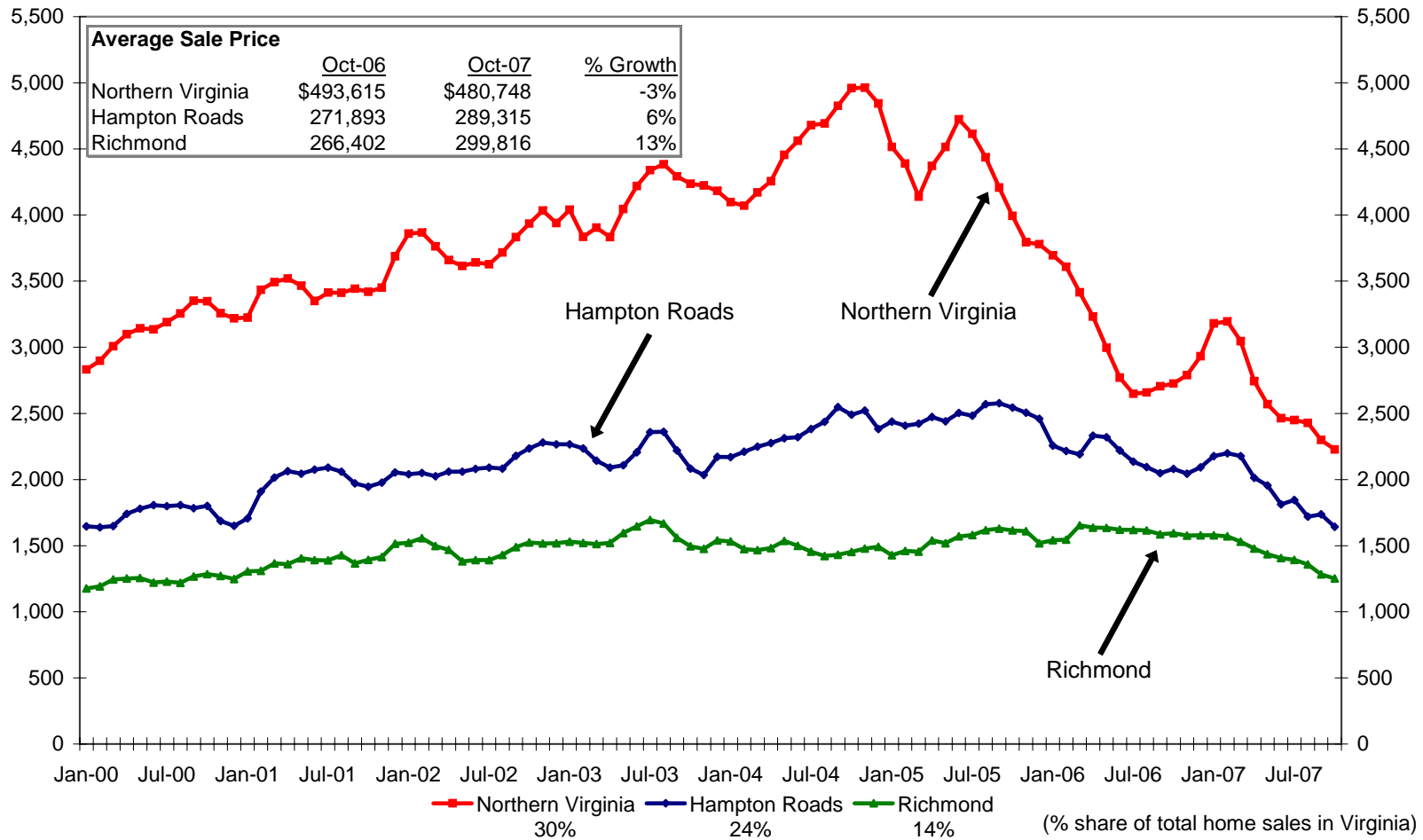
One Key Risk To Economic Growth Is From The Slowdown In The Housing Market...

- Recent data reveal a significant slowdown in housing-related economic activity.
 - ♦ The seasonally-adjusted, three-month moving average of home sales fell 22% in October. Pending home sales in Northern Virginia were down 18%.
 - Sales volume in Northern Virginia is 56% below the October 2004 level.
 - ♦ The average sale price declined 2.8% in October, the third consecutive monthly year-over-year decline.
 - The average sale price has declined in 4 out of the last 6 months. Over the last 10 years, it has declined in only 8 months.

Pending Home Sales, A Leading Indicator Of Future Closings, Illustrate The Weakness In Housing...

Pending Home Sales in Northern Virginia, Hampton Roads, and Richmond Levels

Seasonally-adjusted 3-month moving average



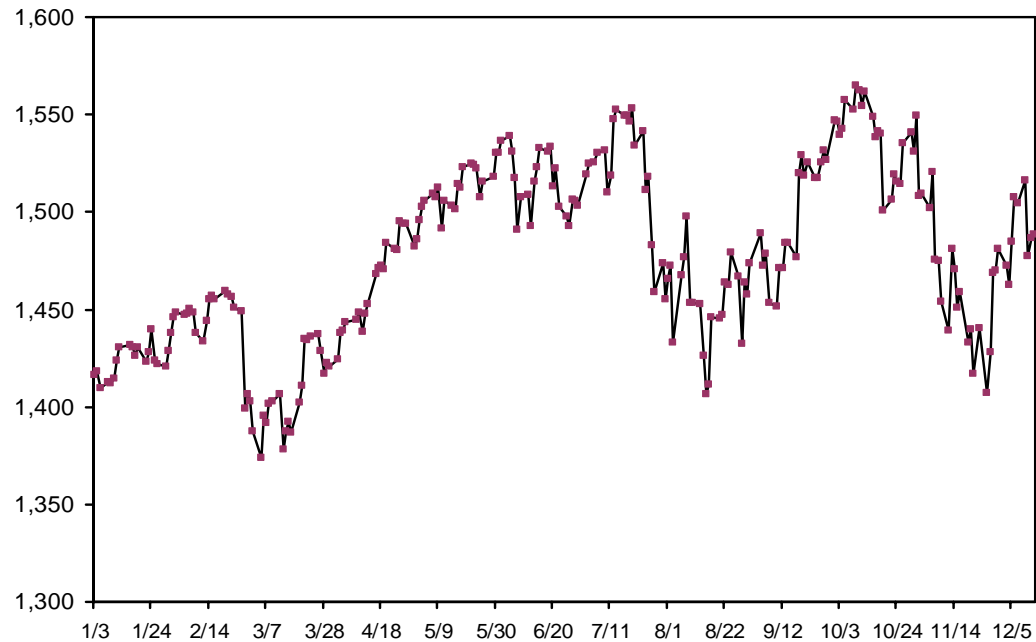
The Risk From The Slowdown In The Housing Market Is That It Could Spread To The Overall Economy...

- The general slowdown in housing and the subprime mortgage meltdown broaden risks to overall economic growth.
 - ♦ Tighter credit requirements for consumers and businesses.
 - ♦ Negatively impacts consumer spending.
 - ♦ Weakens related sectors of the economy.

Other Key Risks For The Fiscal Year 2008-10 Forecast...

- Other factors will influence economic and revenue growth:
 - ◆ Stock market volatility

S&P 500 Index – Calendar Year 2007



- ◆ Defense and federal procurement spending
- ◆ International instability

The December Global Insight National Economic Outlook Is Signaling Caution...

- The latest monthly forecast put probability of recession at 40%.
 - The October probability was 30%.
 - A recession would delay the recovery well into fiscal year 2009.
- Moody's Economy.com puts the probability of recession at 48%.

Proposed Budget Actions

Steps Taken To Close The Fiscal Year 2008 Budget Shortfall...

- Agency-based budget reductions contained in the Governor's Budget Reduction Plan released October 1, 2007.
- Carryforward of unexpended appropriations from fiscal year 2007.
- Transfer funds from the Revenue Stabilization Fund.

What Can We Use The Revenue Stabilization Fund For?

- | | |
|---|-----|
| 1. A shortfall in current enacted budget | YES |
| 2. A projected severe downturn in economy
in next biennium | NO |
| 3. An emergency spending event
(i.e. natural disaster or terrorist attack) | NO |

How Much Can Be Withdrawn From The Revenue Stabilization Fund?

A Withdrawal From The Revenue Stabilization Fund May Be Possible In
The Event Of A Revenue Shortfall
(\$ in millions)

Rule #1 – The General Assembly may appropriate a withdrawal from the Revenue Stabilization Fund if there is a revenue shortfall of 2 percent or greater in certified tax revenue (\$278.8 million for FY2007).

FY2008 calculation – uses data from FY2007

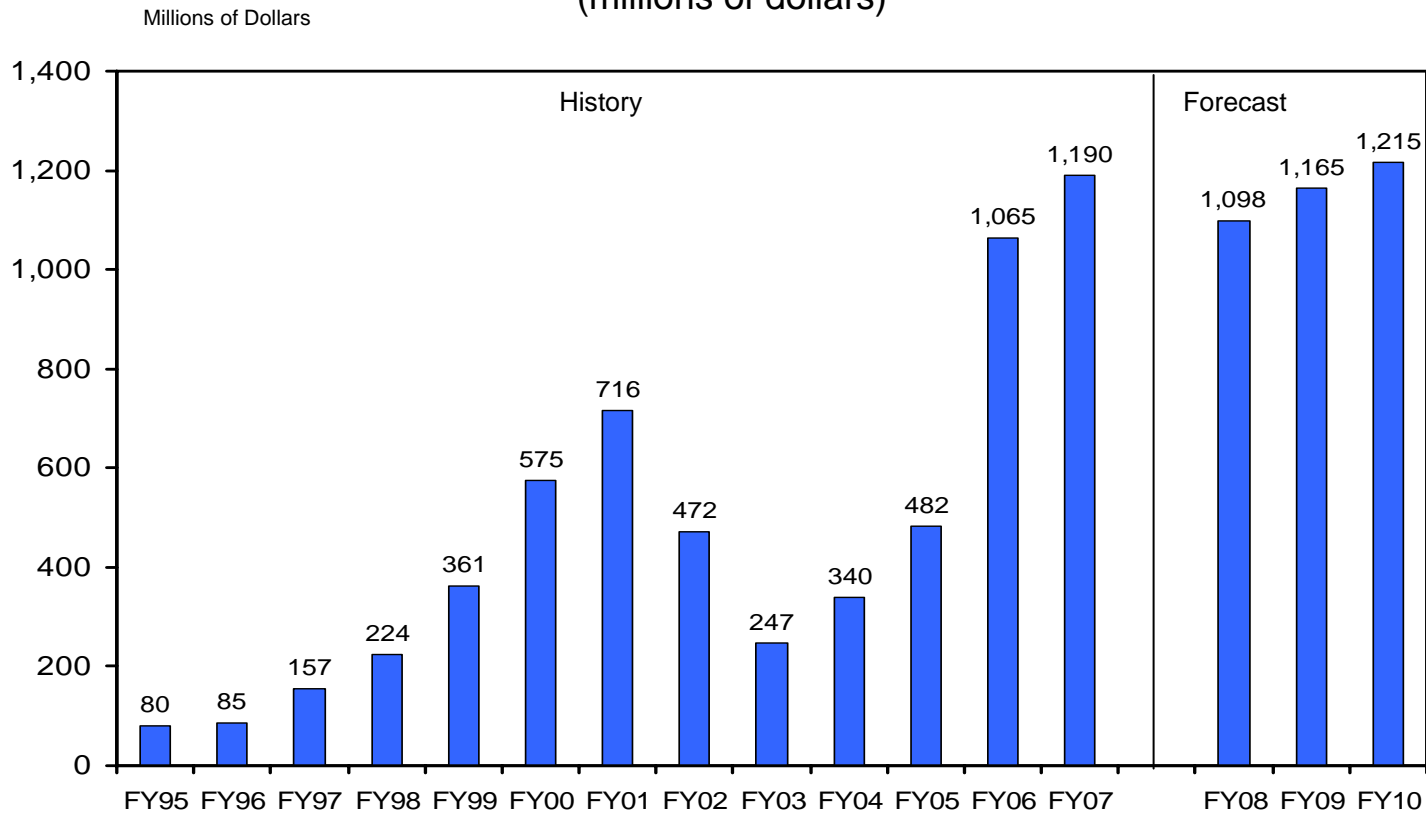
$$\begin{array}{rcccccc}
 \textbf{Individual Income} & + & \textbf{Corporate Income} & + & \textbf{Sales Tax} & = & \textbf{Total} & \times & \textbf{2\% Shortfall} \\
 \$9,787.8 & & \$879.6 & & \$3,274.3 & & \$13,941.6 & & \$278.8
 \end{array}$$

Rule #2 – The withdrawal cannot exceed ½ of the revenue shortfall (\$522.3 million).

$$\begin{array}{rcccc}
 \textbf{Shortfall} & & & & \textbf{Potential Withdrawal} \\
 \$522.3 & & \div 2 & = & \$261.1
 \end{array}$$

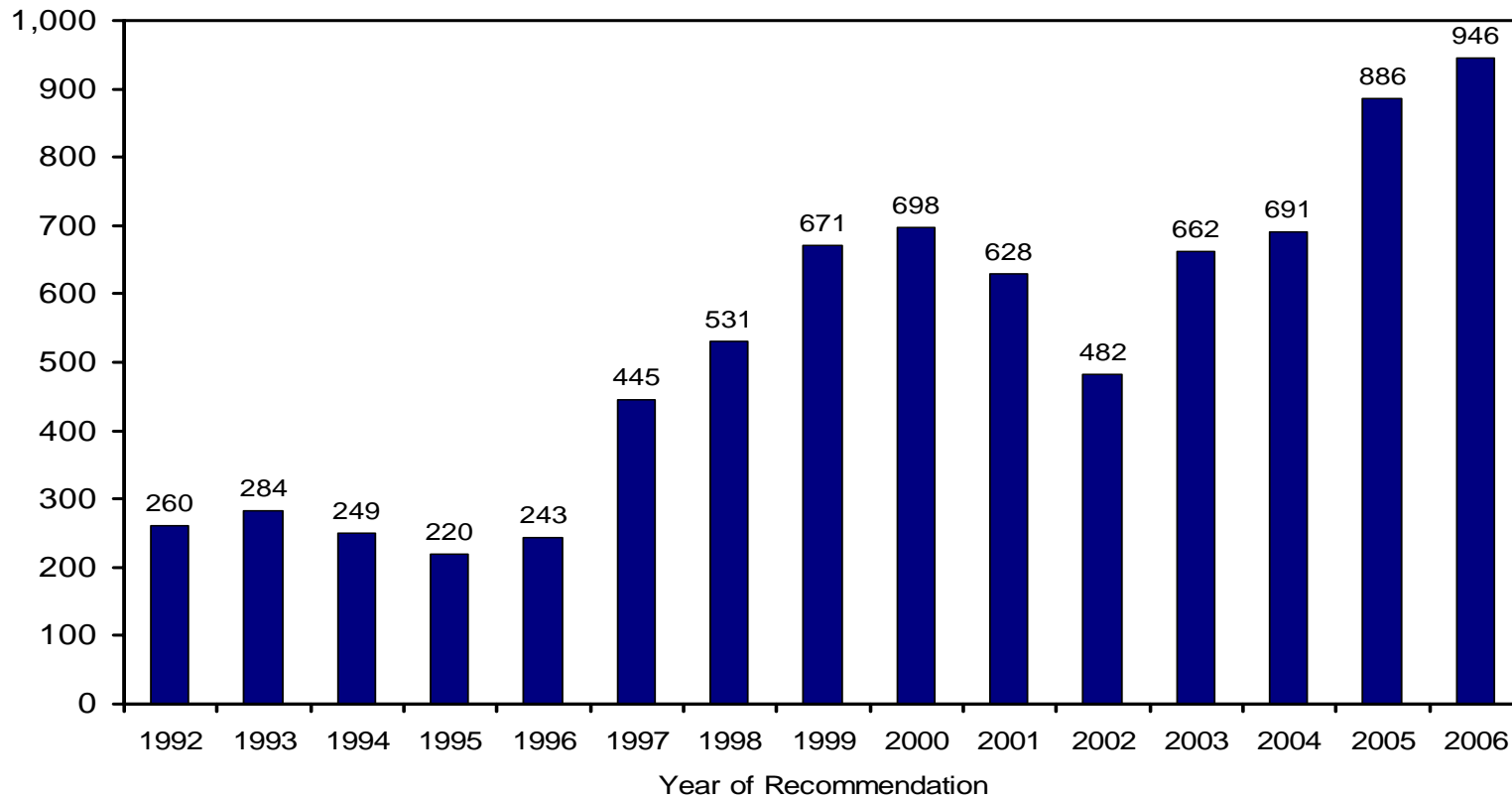
The Governor Is Proposing A \$261.1 Million Withdrawal From The Revenue Stabilization Fund In Fiscal Year 2008...

Revenue Stabilization Fund -- June 30 Balance
 FY 1995-07 Actual and FY 2008-10 Forecast
 (millions of dollars)



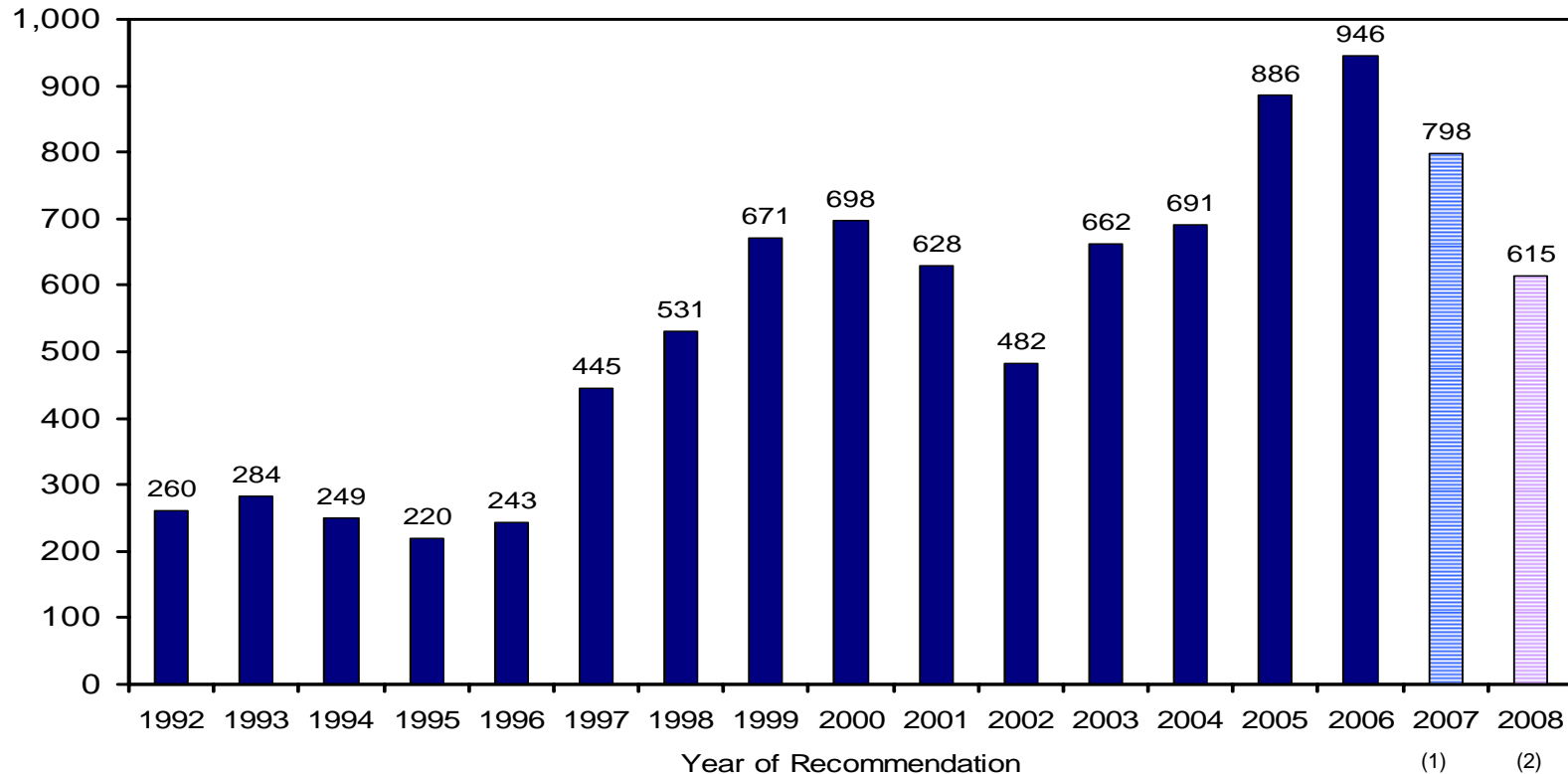
Virginia's Fiscal Health And Financial Management Practices Are Reflected In Our "AAA" Bond Rating...

Historic Debt Capacity
(millions of dollars)



The Governor's Proposal For Higher Education Improvements Will Still Leave Virginia With Debt Capacity...

Historic Debt Capacity Plus New and Potential Authorization
(millions of dollars)

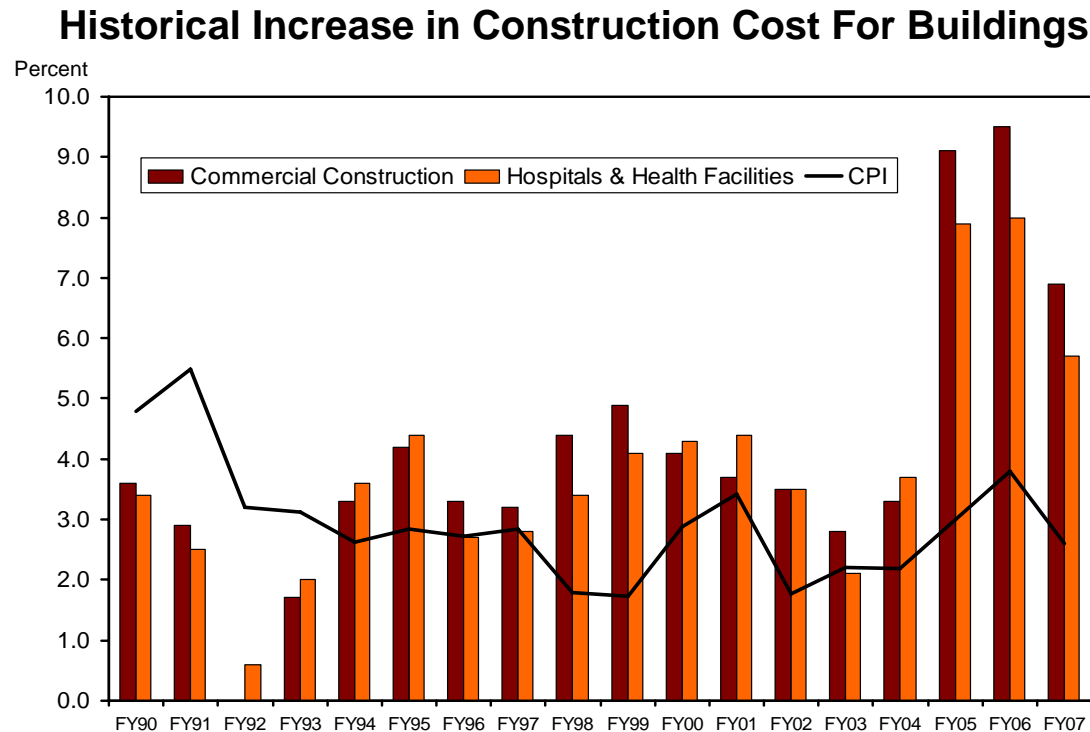


Notes:

- (1) Represents 2006 Base Capacity plus debt authorized during 2007 Session.
- (2) Represents 2006 Base Capacity plus 2007 authorization plus potential 2008 Proposed Authorization (\$1.5 Billion of General Obligation Bonds and \$700 Million of VCBA/VPBA Bonds)

Constructing The Higher Education Buildings Now Will Save Money Over The Long Term...

- Construction costs have historically outpaced inflation.



- Breakout of type of building:
 - ♦ \$728.3 million is related to the sciences/technology
 - ♦ \$896.2 million to classroom and administrative space
 - ♦ \$27.5 million is infrastructure

Appendix

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast for FY 2008 through FY 2014

Growth in General Fund Revenues, FY 1961 through FY 2010

Nongeneral Fund Forecast for FY 2008 through FY 2014

November 2007 Revenue Report

Fiscal Years 2005-2010 October & Interim Forecasts
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
<u>Output, Income and Spending (% Change)</u>							
GDP	-October Std.	6.3	6.6	5.1	4.2	4.3	5.0
	-Interim	6.4	6.7	5.2	4.6	5.2	5.4
Real GDP	-October Std.	3.1	3.2	2.1	2.1	2.5	2.9
	-Interim	3.3	3.4	2.5	2.3	3.2	3.2
Total Personal Income	-October Std.	6.5	6.2	6.4	5.8	4.7	5.3
	-Interim	6.1	5.7	5.8	5.5	5.6	6.0
Wages and Salaries (56%)*	-October Std.	5.6	5.7	6.1	5.4	4.5	4.9
	-Interim	5.3	6.1	5.2	4.7	5.1	5.6
Average Wage (Nonag. Employ.)	-October Std.	4.0	3.7	4.4	4.4	3.5	3.6
	-Interim	3.8	4.1	3.5	3.7	3.7	4.0
Real Consumer Spending	-October Std.	3.3	3.1	3.0	2.6	2.4	2.8
	-Interim	3.7	3.3	3.2	2.8	2.9	3.1
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	-October Std.	2.2	4.1	4.9	3.8	4.1	4.6
	-Interim	2.2	4.1	4.9	4.9	4.9	4.9
30-Year Treasury Bonds	-October Std.	4.8	4.7	4.9	4.8	5.0	5.5
	-Interim	4.8	4.7	4.8	5.0	5.5	5.7
<u>Prices (% Change)</u>							
CPI	-October Std.	3.0	3.8	2.6	2.5	1.6	1.9
	-Interim	3.0	3.8	2.5	1.8	1.9	2.0
GDP Deflator	-October Std.	3.1	3.3	2.9	2.0	1.8	2.0
	-Interim	3.0	3.1	2.7	2.1	2.0	2.1

The October Std. forecast is Global Insight's October 2007 U.S. standard forecast, incorporating the most recent data from the Bureau of Economic Analysis (BEA).

The Interim forecast is Global Insight's May 2007 U.S. standard forecast.

* Represents the percentage share of total.

Fiscal Years 2005-2010 October & Interim Forecasts
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	-October Std.	1.5	1.9	1.6	0.9	1.0	1.3
	-Interim	1.5	1.9	1.6	1.0	1.3	1.5
Manufacturing (11%)*	-October Std.	(0.2)	(0.6)	(0.5)	(1.2)	(1.8)	(0.2)
	-Interim	(0.2)	(0.6)	(0.5)	(1.3)	(0.9)	0.1
Construction (6%)	-October Std.	4.3	6.0	1.6	(3.1)	(2.3)	0.5
	-Interim	4.3	6.0	1.6	(2.3)	0.1	2.7
Trade, Transportation, and Utilities (19%)	-October Std.	1.5	1.6	0.8	1.0	1.3	1.3
	-Interim	1.5	1.6	0.8	1.2	1.7	1.3
Information (2%)	-October Std.	(2.2)	(0.8)	0.5	0.1	0.1	(0.5)
	-Interim	(2.2)	(0.8)	0.5	(1.6)	0.3	0.8
Financial Activities (6%)	-October Std.	0.9	2.3	2.0	0.1	0.6	1.9
	-Interim	0.9	2.3	2.0	0.1	0.9	1.6
Professional and Business Services (13%)	-October Std.	3.0	3.9	2.8	1.5	3.2	4.0
	-Interim	3.0	3.9	2.8	2.6	4.6	4.4
Education and Health Services (13%)	-October Std.	2.3	2.7	2.7	2.8	2.2	1.4
	-Interim	2.3	2.7	2.7	2.3	1.8	1.2
Leisure and Hospitality (10%)	-October Std.	2.6	2.4	3.2	2.5	2.0	0.9
	-Interim	2.6	2.4	3.1	2.2	1.4	1.2
Other Services (4%)	-October Std.	(0.2)	0.3	0.8	1.5	0.0	(0.9)
	-Interim	(0.2)	0.3	0.8	0.7	(0.4)	(0.1)
Government (16%)	-October Std.	0.7	0.8	1.2	0.7	0.7	0.9
	-Interim	0.7	0.8	1.2	1.0	0.4	1.0
Unemployment Rate (%)	-October Std.	5.3	4.8	4.5	4.8	5.0	4.8
	-Interim	5.3	4.8	4.6	4.8	4.8	4.5

The October Std. forecast is Global Insight's October 2007 U.S. standard forecast.

The Interim forecast is Global Insight's May 2007 U.S. standard forecast.

* Represents the percentage share of total.

Fiscal Years 2005-2010 October & Interim Forecast
Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
<u>Employment (% Change)</u>							
Total Nonagricultural Employment	-October Std.	2.6	2.1	1.4	1.1	1.5	1.8
	-Interim	2.6	2.1	1.4	1.3	1.6	1.8
Manufacturing (8%)	-October Std.	(0.4)	(1.8)	(3.1)	(1.6)	(0.5)	0.1
	-Interim	(0.4)	(1.8)	(2.0)	0.3	0.4	0.4
Construction & Mining (7%)	-October Std.	5.6	5.0	(0.1)	(1.3)	0.9	1.9
	-Interim	5.6	5.0	0.1	0.4	1.3	2.6
Trade, Transportation, and Utilities (18%)	-October Std.	1.6	1.5	1.1	1.1	1.0	1.1
	-Interim	1.6	1.5	1.1	1.7	1.2	0.7
Information (3%)	-October Std.	(5.8)	(3.0)	(1.0)	(1.6)	1.5	1.8
	-Interim	(5.8)	(2.9)	0.1	(0.5)	1.2	1.6
Financial Activities (5%)	-October Std.	1.7	1.7	1.1	1.3	1.9	2.5
	-Interim	1.7	1.7	1.7	1.2	1.6	2.4
Professional and Business Services (16%)	-October Std.	5.7	4.2	3.1	3.3	4.4	4.5
	-Interim	5.7	4.2	3.1	3.2	4.2	4.4
Education and Health Services (11%)	-October Std.	3.4	3.2	4.0	2.1	1.9	1.2
	-Interim	3.4	3.2	2.8	1.9	2.0	1.3
Leisure and Hospitality (9%)	-October Std.	3.4	2.8	2.6	0.8	1.4	1.8
	-Interim	3.4	2.8	2.1	1.4	1.4	1.8
Other Services (5%)	-October Std.	2.0	0.5	0.9	0.9	(0.7)	0.5
	-Interim	2.0	0.5	1.8	(1.2)	(1.1)	0.4
Government (18%)	-October Std.	2.0	1.8	1.2	0.7	0.4	1.0
	-Interim	2.0	1.8	1.1	0.7	0.5	1.0
Unemployment Rate (%)	-October Std.	3.6	3.2	3.0	3.1	2.7	2.7
	-Interim	3.6	3.2	3.1	3.4	3.0	3.0

The October Std. forecast from the Department of Taxation is based on Global Insight's October 2007 U.S. standard forecast.

The Interim forecast from the Department of Taxation is based on Global Insight's May 2007 U.S. standard forecast and incorporates recommendations from the June 13, 2007 GABE Meeting.

* Represents the percentage share of total.

Fiscal Years 2005-2010 October & Interim Forecast
Virginia Economic Forecasts - Income and Other Indicators

			<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
<u>Income (% Change)</u>								
Total Personal Income	-October Std.		7.4	6.4	5.2	5.6	5.9	6.2
	-Interim		6.8	5.9	5.3	5.6	6.0	6.2
Real Personal Income	-October Std.		4.4	3.1	2.8	3.3	4.2	4.3
	-Interim		3.9	2.7	2.9	3.6	4.0	4.1
Wages and Salaries (58%)*	-October Std.		7.5	6.2	5.4	5.5	5.2	6.0
	-Interim		7.2	6.4	5.2	5.5	5.7	6.2
Average Wage (Nonag. Employ.)	-October Std.		4.8	4.0	3.9	4.4	3.7	4.1
	-Interim		4.5	4.2	3.7	4.1	4.1	4.3
Dividends, Interest, and Rent (16%)	-October Std.		6.1	6.0	4.2	7.2	7.9	9.3
	-Interim		2.1	4.3	6.7	6.1	7.9	9.1
Supplements to Wages and Salaries (15%)	-October Std.		8.8	6.8	4.8	5.4	6.3	6.7
	-Interim		9.9	6.2	5.5	6.5	6.4	7.0
Proprietor's Income (7%)	-October Std.		11.8	7.2	(0.3)	3.3	7.5	3.4
	-Interim		11.1	7.1	0.8	3.3	6.0	2.3
<u>Migration and Housing (Thousands)</u>								
Net Migration	-October Std.		44.4	31.9	35.5	39.4	41.4	42.0
	-Interim		44.4	31.9	35.7	39.5	41.6	42.3
Single Family Housing Starts	-October Std.		51.5	48.2	34.5	29.9	34.0	36.1
	-Interim		51.7	46.5	36.7	35.4	38.7	40.8
Multi-Family Housing Starts	-October Std.		9.0	8.9	5.2	4.2	4.5	4.6
	-Interim		9.0	8.9	5.8	6.1	6.6	6.8

The October Std. forecast from the Department of Taxation is based on Global Insight's October 2007 U.S. standard forecast.

The Interim forecast from the Department of Taxation is based on Global Insight's May 2007 U.S. standard forecast and incorporates recommendations from the June 13, 2007 GABE Meeting.

* Represents the percentage share of total.

The Interim and December Standard General Fund Forecast for Fiscal Year 2008
(Dollars in Millions)

December 17, 2007

	Fiscal Year 2008					2006-2008 Biennium		
	Interim Forecast	December Forecast	Change	% Growth Over FY 07 Interim December		Interim Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 726.2	\$ 747.9	\$ 21.7	(17.4) %	(15.0) %	\$ 1,605.8	\$ 1,627.5	\$ 21.7
Individual Income Tax:								
Gross	12,117.7	12,101.7	(16.0)	6.8	6.6	23,465.1	23,449.1	(16.0)
Withholding	9,091.4	9,042.3	(49.1)	6.1	5.6	17,656.9	17,607.8	(49.1)
Nonwithholding	3,026.3	3,059.4	33.0	8.8	10.0	5,808.3	5,841.3	33.0
Refunds	<u>(1,724.0)</u>	<u>(1,680.6)</u>	<u>43.4</u>	<u>10.5</u>	<u>7.7</u>	<u>(3,283.8)</u>	<u>(3,240.4)</u>	<u>43.4</u>
Net	10,393.7	10,421.1	27.4	6.2	6.5	20,181.3	20,208.7	27.4
Insurance Company Premiums	396.1	403.4	7.3	2.9	4.8	780.9	788.3	7.3
State Sales & Use Tax	3,136.0	3,136.0	0.0	2.8	2.8	6,185.1	6,185.1	0.0
Wills, Suits, Deeds, & Contract Fees	<u>530.5</u>	<u>520.3</u>	<u>(10.2)</u>	<u>(9.0)</u>	<u>(10.7)</u>	<u>1,113.4</u>	<u>1,103.2</u>	<u>(10.2)</u>
Total Major Tax Sources	\$ 15,182.4	\$ 15,228.7	\$ 46.3	3.4 %	3.7 %	\$ 29,866.5	\$ 29,912.8	\$ 46.3
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 119.0	\$ 126.0	\$ 7.0	0.2 %	6.1 %	\$ 237.7	\$ 244.7	\$ 7.0
Bank Franchise Tax	13.3	13.1	(0.2)	5.8	4.2	25.9	25.7	(0.2)
Beer & Beverage Excise Tax	44.0	44.0	0.0	2.0	2.0	87.1	87.1	0.0
Corporate Franchise & Charter Fees	46.3	47.9	1.6	(3.4)	(0.1)	94.2	95.8	1.6
Excess & Other Fees from Officers	(32.0)	(29.6)	2.4	3.4	10.7	(65.1)	(62.7)	2.4
Estate & Gifts	129.4	118.5	(10.9)	(15.3)	(22.5)	282.3	271.4	(10.9)
Institutional Revenues	8.8	7.5	(1.3)	22.8	4.6	16.0	14.7	(1.3)
Interest & Rents	137.1	175.1	38.0	(22.2)	(0.6)	313.3	351.3	38.0
Licenses & Permits	5.0	5.0	0.0	3.5	3.5	9.8	9.8	0.0
Miscellaneous Taxes and Penalties	244.5	232.5	(12.0)	4.8	(0.4)	477.9	465.9	(12.0)
Other Miscellaneous Revenues	32.8	30.6	(2.2)	9.1	1.7	62.9	60.7	(2.2)
Public Service GR / Consumption Tax	<u>95.1</u>	<u>88.0</u>	<u>(7.1)</u>	<u>8.1</u>	<u>0.0</u>	<u>183.1</u>	<u>176.0</u>	<u>(7.1)</u>
Total Misc. Taxes and Other Revenues	\$ 843.3	\$ 858.6	\$ 15.3	(4.4) %	(2.6) %	\$ 1,725.0	\$ 1,740.3	\$ 15.3
TOTAL GF REVENUES	\$ 16,025.7	\$ 16,087.3	\$ 61.6	3.0 %	3.3 %	\$ 31,591.5	\$ 31,653.1	\$ 61.6
TRANSFERS								
A.B.C. Profits	\$ 29.1	\$ 34.3	\$ 5.2	5.6 %	24.5 %	\$ 56.7	\$ 61.9	\$ 5.2
Lottery Proceeds Fund	405.4	453.2	47.8	(6.8)	4.2	840.3	888.1	47.8
Transfers Per Appropriations Act	<u>456.3</u>	<u>318.8</u>	<u>(137.5)</u>	<u>27.5</u>	<u>(10.9)</u>	<u>814.1</u>	<u>676.6</u>	<u>(137.5)</u>
Total Transfers	\$ 890.8	\$ 806.3	\$ (84.5)	8.6 %	(1.7) %	\$ 1,711.1	\$ 1,626.6	\$ (84.5)
TOTAL GENERAL FUND	\$ 16,916.5	\$ 16,893.6	\$ (22.9)	3.2 %	3.1 %	\$ 33,302.6	\$ 33,279.7	\$ (22.9)

The Interim forecast is based on the May 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE, housing industry experts, and the GACRE.

The December Standard forecast is based on the October 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE and GACRE.

The Interim and December Standard General Fund Forecast for Fiscal Year 2009

(Dollars in Millions)

December 17, 2007

	Fiscal Year 2009				
	Interim Forecast	December Forecast	Change	% Growth Over FY 08 Interim	% Growth Over FY 08 December
MAJOR TAX SOURCES					
Corporate Income	\$ 765.4	\$ 743.7	\$ (21.7)	5.4 %	(0.6) %
Individual Income Tax:					
Gross	12,905.8	12,881.3	(24.5)	6.5	6.4
Withholding	9,636.9	9,601.8	(35.1)	6.0	6.2
Nonwithholding	3,268.9	3,279.5	10.6	8.0	7.2
Refunds	<u>(1,839.1)</u>	<u>(1,795.3)</u>	<u>43.8</u>	<u>6.7</u>	<u>6.8</u>
Net	11,066.7	11,086.0	19.3	6.5	6.4
Insurance Company Premiums	284.2	284.2	(0.0)	(28.2)	(29.5)
State Sales & Use Tax	3,302.1	3,300.9	(1.2)	5.3	5.3
Wills, Suits, Deeds, & Contract Fees	<u>446.2</u>	<u>449.4</u>	<u>3.2</u>	<u>(15.9)</u>	<u>(13.6)</u>
Total Major Tax Sources	\$ 15,864.7	\$ 15,864.3	\$ (0.4)	4.5 %	4.2 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 123.8	\$ 131.0	\$ 7.2	4.0 %	4.0 %
Bank Franchise Tax	13.7	13.5	(0.2)	3.0	3.1
Beer & Beverage Excise Tax	44.0	44.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	46.3	47.9	1.6	0.0	0.0
Excess & Other Fees from Officers	(33.0)	(28.1)	4.9	(3.1)	5.1
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	8.8	7.5	(1.3)	0.0	0.0
Interest & Rents	171.9	165.0	(6.9)	25.4	(5.8)
Licenses & Permits	5.0	5.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	245.3	240.5	(4.8)	0.3	3.5
Other Miscellaneous Revenues	35.6	31.3	(4.3)	8.5	2.3
Public Service GR / Consumption Tax	<u>97.7</u>	<u>88.9</u>	<u>(8.8)</u>	<u>2.7</u>	<u>1.0</u>
Total Misc. Taxes and Other Revenues	\$ 759.1	\$ 746.5	\$ (12.6)	(10.0) %	(13.1) %
TOTAL GF REVENUES	\$ 16,623.8	\$ 16,610.8	\$ (13.0)	3.7 %	3.3 %
TRANSFERS					
A.B.C. Profits	\$ 29.1	\$ 34.6	\$ 5.5	0.0 %	0.9 %
Lottery Proceeds Fund	405.4	450.0	44.6	0.0	(0.7)
Transfers Per Appropriations Act	<u>341.4</u>	<u>335.9</u>	<u>(5.5)</u>	<u>(25.2)</u>	<u>5.4</u>
Total Transfers	\$ 775.9	\$ 820.5	\$ 44.6	(12.9) %	1.8 %
TOTAL GENERAL FUND	\$ 17,399.7	\$ 17,431.3	\$ 31.6	2.9 %	3.2 %

The Interim forecast is based on the May 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE, housing industry experts, and the GACRE.

The December Standard forecast is based on the October 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE and GACRE.

Chapter 896 (HB 3202) requires the Comptroller to deposit one-third of insurance company premiums tax collected in the most recently ended fiscal year and the revenues collected from \$0.03 of the recordation tax to various transportation funds beginning in FY09.

The Interim and December Standard General Fund Forecast for Fiscal Year 2010
(Dollars in Millions)

December 17, 2007

	Fiscal Year 2010					2008-2010 Biennium		
	Interim Forecast	December Forecast	Change	% Growth Over FY 09 Interim December		Interim Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 796.0	\$ 783.9	\$ (12.1)	4.0 %	5.4 %	\$ 1,561.4	\$ 1,527.6	\$ (33.8)
Individual Income Tax:								
Gross	13,736.2	13,723.6	(12.7)	6.4	6.5	26,642.0	26,604.9	(37.1)
Withholding	10,234.4	10,177.8	(56.6)	6.2	6.0	19,871.2	19,779.6	(91.6)
Nonwithholding	3,501.8	3,545.8	43.9	7.1	8.1	6,770.8	6,825.3	54.5
Refunds	<u>(1,877.3)</u>	<u>(1,833.2)</u>	<u>44.1</u>	<u>2.1</u>	<u>2.1</u>	<u>(3,716.4)</u>	<u>(3,628.5)</u>	<u>87.9</u>
Net	11,858.9	11,890.4	31.4	7.2	7.3	22,925.6	22,976.4	50.8
Insurance Company Premiums	297.1	305.9	8.9	4.5	7.6	581.3	590.2	8.9
State Sales & Use Tax	3,483.8	3,488.7	4.9	5.5	5.7	6,785.9	6,789.6	3.7
Wills, Suits, Deeds, & Contract Fees	<u>486.3</u>	<u>489.8</u>	<u>3.5</u>	<u>9.0</u>	<u>9.0</u>	<u>932.5</u>	<u>939.2</u>	<u>6.7</u>
Total Major Tax Sources	\$ 16,922.1	\$ 16,958.7	\$ 36.6	6.7 %	6.9 %	\$ 32,786.8	\$ 32,823.0	\$ 36.2
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 128.7	\$ 136.0	\$ 7.3	4.0 %	3.8 %	\$ 252.5	\$ 267.0	\$ 14.5
Bank Franchise Tax	14.1	13.9	(0.2)	2.9	3.0	27.8	27.4	(0.4)
Beer & Beverage Excise Tax	44.0	44.0	0.0	0.0	0.0	88.0	88.0	0.0
Corporate Franchise & Charter Fees	46.3	47.9	1.6	0.0	0.0	92.6	95.8	3.2
Excess & Other Fees from Officers	(33.0)	(30.6)	2.4	0.0	(8.9)	(66.0)	(58.7)	7.3
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	0.0
Institutional Revenues	8.8	7.5	(1.3)	0.0	0.0	17.6	15.0	(2.6)
Interest & Rents	180.9	170.7	(10.2)	5.2	3.5	352.8	335.7	(17.1)
Licenses & Permits	5.0	5.0	0.0	0.0	0.0	10.0	10.0	0.0
Miscellaneous Taxes and Penalties	246.2	248.9	2.7	0.4	3.5	491.5	489.4	(2.1)
Other Miscellaneous Revenues	36.3	32.0	(4.3)	2.0	2.2	71.9	63.3	(8.6)
Public Service GR / Consumption Tax	<u>100.5</u>	<u>90.7</u>	<u>(9.8)</u>	<u>2.9</u>	<u>2.0</u>	<u>198.2</u>	<u>179.6</u>	<u>(18.6)</u>
Total Misc. Taxes and Other Revenues	\$ 777.8	\$ 766.0	\$ (11.8)	2.5 %	2.6 %	\$ 1,536.9	\$ 1,512.5	\$ (24.4)
TOTAL GF REVENUES	\$ 17,699.9	\$ 17,724.7	\$ 24.8	6.5 %	6.7 %	\$ 34,323.7	\$ 34,335.5	\$ 11.8
TRANSFERS								
A.B.C. Profits	\$ 29.1	\$ 34.5	\$ 5.4	0.0 %	(0.3) %	\$ 58.2	\$ 69.1	\$ 10.9
Lottery Proceeds Fund	405.4	450.0	44.6	0.0	0.0	810.8	900.0	89.2
Transfers Per Appropriations Act	<u>339.4</u>	<u>338.1</u>	<u>(1.3)</u>	<u>(0.6)</u>	<u>0.7</u>	<u>680.8</u>	<u>674.0</u>	<u>(6.8)</u>
Total Transfers	\$ 773.9	\$ 822.6	\$ 48.7	(0.3) %	0.3 %	\$ 1,549.8	\$ 1,643.1	\$ 93.3
TOTAL GENERAL FUND	\$ 18,473.8	\$ 18,547.3	\$ 73.5	6.2 %	6.4 %	\$ 35,873.5	\$ 35,978.6	\$ 105.1

The Interim forecast is based on the May 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE, housing industry experts, and the GACRE.

The December Standard forecast is based on the October 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates recommendations from the GABE and GACRE.

Chapter 896 (HB 3202) requires the Comptroller to deposit one-third of insurance company premiums tax collected in the most recently ended fiscal year and the revenues collected from \$0.03 of the recordation tax to various transportation funds beginning in FY09.

The December Standard General Fund Forecast for Fiscal Years 2011-2014
(Dollars in Millions)

December 17, 2007

	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
MAJOR TAX SOURCES				
Corporate Income	\$ 805.6	\$ 811.6	\$ 802.0	\$ 793.0
Individual Income Tax:				
Gross	14,495.0	15,237.1	15,993.2	16,659.1
Withholding	10,676.5	11,171.0	11,665.0	12,060.5
Nonwithholding	3,818.5	4,066.1	4,328.2	4,598.6
Refunds	<u>(1,863.4)</u>	<u>(1,956.8)</u>	<u>(2,060.0)</u>	<u>(2,146.5)</u>
Net	12,631.6	13,280.3	13,933.2	14,512.6
Insurance Company Premiums	313.9	328.2	342.2	358.5
State Sales & Use Tax	3,650.9	3,804.4	3,957.5	4,093.4
Wills, Suits, Deeds, & Contract Fees	<u>483.5</u>	<u>482.0</u>	<u>483.5</u>	<u>490.2</u>
Total Major Tax Sources	\$ 17,885.5	\$ 18,706.5	\$ 19,518.4	\$ 20,247.8
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 136.0	\$ 136.0	\$ 136.0	\$ 136.0
Bank Franchise Tax	13.9	13.9	13.9	13.9
Beer & Beverage Excise Tax	44.0	44.0	44.0	44.0
Corporate Franchise & Charter Fees	47.9	47.9	47.9	47.9
Excess & Other Fees from Officers	(30.6)	(30.6)	(30.6)	(30.6)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	7.5	7.5	7.5	7.5
Interest & Rents	178.3	178.3	178.3	178.3
Licenses & Permits	5.0	5.0	5.0	5.0
Miscellaneous Taxes and Penalties	248.9	248.9	248.9	248.9
Other Miscellaneous Revenues	32.1	32.1	32.1	32.1
Public Service GR / Consumption Tax	<u>90.7</u>	<u>90.7</u>	<u>90.7</u>	<u>90.7</u>
Total Misc. Taxes and Other Revenues	\$ 773.7	\$ 773.7	\$ 773.7	\$ 773.7
TOTAL GF REVENUES	\$ 18,659.1	\$ 19,480.2	\$ 20,292.1	\$ 21,021.4
TRANSFERS				
A.B.C. Profits	\$ 34.5	\$ 34.5	\$ 34.5	\$ 34.5
Lottery Proceeds Fund	450.0	450.0	450.0	450.0
Transfers Per Appropriations Act	<u>350.1</u>	<u>361.5</u>	<u>372.8</u>	<u>382.8</u>
Total Transfers	\$ 834.6	\$ 846.0	\$ 857.3	\$ 867.3
TOTAL GENERAL FUND	\$ 19,493.7	\$ 20,326.2	\$ 21,149.4	\$ 21,888.7
\$ Change From Previous Year	\$ 946.4	\$ 832.4	\$ 823.2	\$ 739.4
TOTAL BIENNIUM GENERAL FUND		\$ 39,819.9		\$ 43,038.1
\$ Change From Previous Biennium		\$ 3,841.3		\$ 3,218.2
% Growth From Previous Biennium		10.7 %		8.1 %

The December Standard General Fund Forecast for Fiscal Years 2011-2014
(Dollars in Millions)

December 17, 2007

	FY 11 % Growth Over FY 10	FY 12 % Growth Over FY 11	FY 13 % Growth Over FY 12	FY 14 % Growth Over FY 13
MAJOR TAX SOURCES				
Corporate Income	2.8 %	0.7 %	(1.2) %	(1.1) %
Individual Income Tax:				
Gross	5.6	5.1	5.0	4.2
Withholding	4.9	4.6	4.4	3.4
Nonwithholding	7.7	6.5	6.4	6.2
Refunds	<u>1.6</u>	<u>5.0</u>	<u>5.3</u>	<u>4.2</u>
Net	6.2	5.1	4.9	4.2
Insurance Company Premiums	2.6	4.5	4.3	4.8
State Sales & Use Tax	4.6	4.2	4.0	3.4
Wills, Suits, Deeds, & Contract Fees	<u>(1.3)</u>	<u>(0.3)</u>	<u>0.3</u>	<u>1.4</u>
Total Major Tax Sources	5.5 %	4.6 %	4.3 %	3.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts	n/a	n/a	n/a	n/a
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	4.5	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.3	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	1.0 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	5.3 %	4.4 %	4.2 %	3.6 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Lottery Proceeds Fund	0.0	0.0	0.0	0.0
Transfers Per Appropriations Act	<u>3.5</u>	<u>3.3</u>	<u>3.1</u>	<u>2.7</u>
Total Transfers	1.5 %	1.4 %	1.3 %	1.2 %
TOTAL GENERAL FUND	<u>5.1 %</u>	<u>4.3 %</u>	<u>4.1 %</u>	<u>3.5 %</u>

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2010

(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	-	86	4,131,778,000	9.0%
62	242,144,567	4.8%	87	4,590,434,000	11.1%
63	286,304,265	18.2%	88	5,054,382,000	10.1%
64	298,033,919	4.1%	89	5,478,912,000	8.4%
65	323,213,412	8.4%	90	5,494,884,000	0.3%
66	365,129,776	13.0%	91	5,471,879,000	-0.4%
67	414,755,644	13.6%	92	5,623,213,000	2.8%
68	533,597,744	28.7%	93	6,133,637,000	9.1%
69	706,254,374	32.4%	94	6,503,368,000	6.0%
70	743,721,322	5.3%	95	6,881,145,000	5.8%
71	807,954,651	8.6%	96	7,356,110,000	6.9%
72	922,653,686	14.2%	97	7,949,327,000	8.1%
73	1,054,469,443	14.3%	98	8,773,520,000	10.4%
74	1,168,562,871	10.8%	99	9,702,747,000	10.6%
75	1,303,178,893	11.5%	00	10,788,482,000	11.2%
76	1,428,421,157	9.6%	01	11,105,275,000	2.9%
77	1,636,301,819	14.6%	02	10,678,954,000	-3.8%
78	1,923,085,084	17.5%	03	10,867,149,000	1.8%
79	2,115,211,522	10.0%	04	11,917,867,000	9.7%
80	2,344,928,934	10.9%	05	13,687,252,000	14.8%
81	2,579,663,941	10.0%	06	14,834,298,000	8.4%
82	2,796,458,741	8.4%	07	15,565,827,000	4.9%
83	2,975,687,935	6.4%	08*	16,087,270,000	3.3%
84	3,397,710,261	14.2%	09*	16,610,793,333	3.3%
85	3,790,816,000	11.6%	10*	17,724,698,153	6.7%

* December 17, 2007 Forecast (Excludes Transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2010

(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	1,105,191,733	-	86	6,094,629,667	5.9%
62	1,147,672,573	3.8%	87	6,593,414,391	8.2%
63	1,341,176,334	16.9%	88	6,993,554,904	6.1%
64	1,377,315,783	2.7%	89	7,261,814,555	3.8%
65	1,473,522,206	7.0%	90	6,993,393,363	-3.7%
66	1,634,604,481	10.9%	91	6,660,149,589	-4.8%
67	1,807,647,340	10.6%	92	6,644,938,788	-0.2%
68	2,255,225,984	24.8%	93	7,058,595,332	6.2%
69	2,862,313,440	26.9%	94	7,338,198,108	4.0%
70	2,875,507,740	0.5%	95	7,585,391,732	3.4%
71	2,989,435,198	4.0%	96	7,950,488,522	4.8%
72	3,287,677,045	10.0%	97	8,416,016,135	5.9%
73	3,619,315,392	10.1%	98	9,183,686,394	9.1%
74	3,711,520,247	2.5%	99	10,040,691,577	9.3%
75	3,754,666,089	1.2%	00	10,914,931,481	8.7%
76	3,861,354,338	2.8%	01	10,979,721,880	0.6%
77	4,181,893,693	8.3%	02	10,398,556,913	-5.3%
78	4,607,295,362	10.2%	03	10,389,169,294	-0.1%
79	4,703,501,194	2.1%	04	11,152,916,350	7.4%
80	4,733,739,634	0.6%	05	12,460,514,361	11.7%
81	4,728,534,726	-0.1%	06	13,088,778,499	5.0%
82	4,791,882,452	1.3%	07	13,418,151,255	2.5%
83	4,861,698,971	1.5%	08*	13,574,088,537	1.2%
84	5,334,762,539	9.7%	09*	13,784,772,604	1.6%
85	5,753,904,299	7.9%	10*	14,441,194,758	4.8%

* December 17, 2007 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2007 Through 2014
(\$ Millions)

	Actual							
	2007	2008	2009	2010	2011	2012	2013	2014
Taxes:								
Motor vehicle fuel tax	921.1	962.6	967.2	979.6	1,001.1	1,020.9	1,044.0	1,051.8
Unemployment compensation payroll tax	437.5	366.9	353.0	363.1	383.5	392.1	394.0	406.5
Special highway tax from sales tax	517.3	586.6	655.8	689.0	697.9	745.0	771.5	796.2
Motor vehicle sales tax and use tax	597.6	618.8	649.0	679.7	688.6	704.5	721.4	729.2
Other taxes	302.9	320.6	559.4	573.2	579.3	591.6	601.2	611.5
Total	2,776.5	2,855.4	3,184.5	3,284.7	3,350.4	3,454.1	3,532.1	3,595.1
Rights and privileges:								
Motor Vehicle Licenses	238.2	265.2	267.9	273.5	274.9	275.9	278.9	281.2
Other Rights & Privileges	539.0	628.5	642.7	651.6	668.2	675.2	689.0	696.3
Total	777.2	893.7	910.7	925.1	943.0	951.0	967.9	977.5
Sales of property and commodities:								
Alocoholic Beverage Sales	502.4	527.0	548.0	570.0	593.0	617.0	641.0	667.0
Other Sales	253.5	260.1	257.0	254.2	251.9	246.3	241.0	239.6
Total	755.9	787.1	805.0	824.2	844.9	863.3	882.0	906.6
Assessment & Receipts for Support of Special Services:	468.1	426.0	440.9	455.0	470.2	485.5	500.9	516.9
Institutional revenue:								
Institutions of Higher Education	2,778.4	3,054.1	3,277.9	3,517.0	3,811.4	4,130.1	4,476.7	4,870.2
Other Educational Institutions	6.3	6.4	6.2	6.0	5.7	5.7	5.7	5.7
Medical Hospitals	918.5	976.8	1,029.7	1,090.9	1,155.8	1,222.0	1,291.8	1,365.6
Mental Hospitals	310.6	320.3	321.2	322.2	323.2	324.2	325.3	326.5
Corrections	56.3	56.8	73.0	74.6	55.7	55.2	55.7	56.2
Other Institutions	40.4	46.6	64.8	42.4	34.6	35.2	36.2	37.0
Total	4,110.5	4,461.0	4,772.8	5,053.1	5,386.4	5,772.6	6,191.4	6,661.2
Interest dividends and rents:	184.3	158.7	146.8	142.9	140.7	140.2	139.9	140.0
Grants and donations:								
Federal grants and contracts	6,339.0	7,452.9	7,674.3	7,748.9	7,972.9	8,276.1	8,603.4	8,916.9
Other grants & contracts	163.9	384.3	464.4	326.3	315.8	262.6	259.9	267.4
Total	6,502.9	7,837.2	8,138.6	8,075.3	8,288.7	8,538.7	8,863.2	9,184.3
Other Revenue:	1,257.1	1,415.2	1,484.3	1,505.9	1,511.0	1,544.8	1,573.0	1,596.4
Total Nongeneral Fund Revenue	16,832.5	18,834.3	19,883.6	20,266.2	20,935.4	21,750.3	22,650.5	23,577.9
\$ Amount change from previous year		2,001.8	1,049.3	382.5	669.2	814.9	900.2	927.5
% Change from previous year		11.9%	5.6%	1.9%	3.3%	3.9%	4.1%	4.1%

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2008 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	November			Year-To-Date			% Annual Growth Req By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
Individual Income Tax:									
Withholding (a)	\$9,091,394	55.33	\$695,750	\$696,088	0.0	\$3,522,026	\$3,353,556	5.0	6.1
Tax Dues/Estimated Payments (a)	3,026,321	18.42	45,849	34,705	32.1	541,259	477,427	13.4	8.8
Gross Individual Income Tax (a)	<u>\$12,117,715</u>	<u>73.75</u>	<u>\$741,599</u>	<u>\$730,793</u>	<u>1.5</u>	<u>\$4,063,285</u>	<u>\$3,830,983</u>	<u>6.1</u>	<u>6.8</u>
Individual and Fiduciary Income (Refunds)	(1,724,000)	(10.49)	(35,749)	(40,138)	(10.9)	(184,063)	(199,021)	(7.5)	10.5
Net Individual Income Tax (a)	<u>\$10,393,715</u>	<u>63.26</u>	<u>\$705,850</u>	<u>\$690,655</u>	<u>2.2</u>	<u>\$3,879,222</u>	<u>\$3,631,962</u>	<u>6.8</u>	<u>6.2</u>
Sales and Use Tax	\$3,135,958	19.09	\$254,843	\$247,772	2.9	\$1,303,089	\$1,267,246	2.8	2.8
Corporations Income Tax (a)	726,193	4.42	(31,292)	158	#	219,143	298,981	(26.7)	(17.4)
Wills, Suits, Deeds, Contracts	530,481	3.23	34,066	45,790	(25.6)	206,264	243,665	(15.3)	(9.0)
Insurance Premiums	396,056	2.41	(31,242)	8,835	(453.6)	72,025	68,046	5.8	2.9
Interest Income (a) (b)	136,800	0.82	55,818	33,181	68.2	136,592	107,014	27.6	(22.2)
Alcoholic Beverage Sales (c)	163,000	0.99	32,794	30,957	5.9	50,003	48,671	2.7	0.7
All Other Revenues (a)	543,500	3.31	41,188	37,098	11.0	218,875	207,431	5.5	(0.1)
Total General Fund Revenues	<u>\$16,025,703</u>	<u>97.53</u>	<u>\$1,062,025</u>	<u>\$1,094,446</u>	<u>(3.0)</u>	<u>\$6,085,213</u>	<u>\$5,873,016</u>	<u>3.6</u>	<u>3.0</u>
Gross Lottery Revenue	\$1,304,430	7.94	\$105,684	\$104,948	0.7	\$551,797	\$525,448	5.0	(4.3)
Less: Expenses	(899,030)	(5.47)	(70,060)	(69,959)	0.1	(358,661)	(357,869)	0.2	(2.8)
Net Lottery Profits	<u>\$405,400</u>	<u>2.47</u>	<u>\$35,624</u>	<u>\$34,989</u>	<u>1.8</u>	<u>\$193,136</u>	<u>\$167,579</u>	<u>15.3</u>	<u>(7.3)</u>
Total General Fund Revenues and Net Lottery Profits	<u>\$16,431,103</u>	<u>100.00</u>	<u>\$1,097,649</u>	<u>\$1,129,435</u>	<u>(2.8)</u>	<u>\$6,278,349</u>	<u>\$6,040,595</u>	<u>3.9</u>	<u>2.7</u>

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

(a) Certain revenue reclassifications among line items were made by the Department of Taxation to the monthly and year-to-date amounts for Fiscal Year 2007 and the first four months of Fiscal Year 2008. Total revenue was unchanged.

(b) Approximately 65% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

(c) 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 2007 and 2008
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2008 Estimate	As a % of Total Gen Fund Rev	FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding (a)	\$9,091,394	56.73	\$695,750	\$696,088	0.0	\$3,522,026	\$3,353,556	5.0	6.1
Tax Dues/Estimated Payments (a)	3,026,321	18.88	45,849	34,705	32.1	541,259	477,427	13.4	8.8
Gross Individual Income Tax (a)	\$12,117,715	75.61	\$741,599	\$730,793	1.5	\$4,063,285	\$3,830,983	6.1	6.8
Individ and Fiduc Income (Refunds)	(1,724,000)	(10.75)	(35,749)	(40,138)	(10.9)	(184,063)	(199,021)	(7.5)	10.5
Net Individual Income Tax (a)	\$10,393,715	64.86	\$705,850	\$690,655	2.2	\$3,879,222	\$3,631,962	6.8	6.2
Sales and Use Tax	3,135,958	19.57	254,843	247,772	2.9	1,303,089	1,267,246	2.8	2.8
Corporations Income (a)	726,193	4.53	(31,292)	158	#	219,143	298,981	(26.7)	(17.4)
Public Service Corporations	95,100	0.59	6,336	5,750	10.2	38,385	33,432	14.8	8.1
Insurance Premiums	396,056	2.47	(31,242)	8,835	(453.6)	72,025	68,046	5.8	2.9
Alcoholic Beverage Excise	119,000	0.75	29,029	27,598	5.2	30,506	29,610	3.0	0.2
Beer and Beverage Excise	44,000	0.27	3,765	3,359	12.1	19,497	19,061	2.3	2.0
Wills, Suits, Deeds, Contracts	530,481	3.31	34,066	45,790	(25.6)	206,264	243,665	(15.3)	(9.0)
Inheritance, Gift, and Estate	129,400	0.81	15,210	11,062	37.5	76,336	75,222	1.5	(15.3)
Bank Franchise	13,300	0.08	5	(3)	266.7	57	62	(8.1)	5.8
Other Taxes	14,300	0.09	102	1,085	(90.6)	4,117	4,328	(4.9)	114.8
Total Taxes (a)	\$15,597,503	97.33	\$986,672	\$1,042,061	(5.3)	\$5,848,641	\$5,671,615	3.1	3.3
Rights and Privileges:									
Licenses and Permits	\$5,000	0.03	\$422	\$246	71.5	\$1,847	\$1,666	10.9	3.5
Corp. Franchise and Charters	46,300	0.29	537	546	(1.6)	2,766	2,814	(1.7)	(3.4)
Fees for Misc. Privileges & Services	15,300	0.10	772	844	(8.5)	5,008	4,985	0.5	(2.2)
Total Rights and Privileges	\$66,600	0.42	\$1,731	\$1,636	5.8	\$9,621	\$9,465	1.6	(2.6)
Other Revenues:									
Sales of Property & Commodities	\$100	0.00	\$40	\$0	-	\$41	\$1	#	#
Assessmts & Rcpts for Support of Special Svcs	400	0.00	69	5	#	166	84	97.6	78.6
Institutional Revenue	8,800	0.05	417	509	(18.1)	2,980	2,898	2.8	22.8
Interest (a) (b)	136,800	0.85	55,818	33,181	68.2	136,592	107,014	27.6	(22.2)
Dividends and Rent	300	0.00	27	13	107.7	200	151	32.5	9.9
Fines, Forfeitures & Fees (a)	230,200	1.44	18,024	18,834	(4.3)	94,206	91,887	2.5	1.5
Other Revenue	6,800	0.05	311	67	364.2	1,085	1,361	(20.3)	73.6
Excess Fees	(32,000)	(0.20)	(2,028)	(2,710)	25.2	(12,293)	(15,539)	20.9	3.4
Private Donations, Gifts & Cont.	0	0.00	0	0	-	30	5	500.0	(100.0)
Cities, Counties, and Towns	10,200	0.06	944	850	11.1	3,944	4,074	(3.2)	(0.8)
Total Other Revenues (a)	\$361,600	2.25	\$73,622	\$50,749	45.1	\$226,951	\$191,936	18.2	(7.6)
Total General Fund Revenues	\$16,025,703	100.00	\$1,062,025	\$1,094,446	(3.0)	\$6,085,213	\$5,873,016	3.6	3.0

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

(a) Certain revenue reclassifications among line items were made by the Department of Taxation to the monthly and year-to-date amounts for Fiscal Year 2007 and the first four months of Fiscal Year 2008. Total revenue was unchanged.

(b) Approximately 65% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)**

	FY 2008 Estimate (a)	November			Year-To-Date			% Annual Growth Required By Estimate
		FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change (b)	
Lottery Collections								
Win for Life	\$45,136	\$2,795	\$3,489	(19.9)	\$15,217	\$18,437	(17.5)	9.2
Cash 5	25,121	2,351	2,195	7.1	11,818	10,961	7.8	(8.7)
Pick 4	167,717	14,297	14,123	1.2	73,511	69,834	5.3	(6.8)
Pick 3	251,279	19,710	21,148	(6.8)	104,330	105,023	(0.7)	(5.3)
Mega Millions	122,553	10,228	7,816	30.9	66,443	43,375	53.2	(5.9)
Scratch/Bingo/Raffle (c)	692,624	56,303	56,177	0.2	280,478	277,818	1.0	(3.5)
Gross Lottery Revenue	<u>1,304,430</u>	<u>105,684</u>	<u>104,948</u>	<u>0.7</u>	<u>551,797</u>	<u>525,448</u>	<u>5.0</u>	<u>(4.3)</u>
Expenses (d)	<u>899,030</u>	<u>70,060</u> (e)	<u>69,959</u>	<u>0.1</u>	<u>358,661</u> (e)	<u>357,869</u>	<u>0.2</u>	<u>(2.8)</u>
Net Lottery Ticket Profits	<u>\$405,400</u>	<u>\$35,624</u> (e)	<u>\$34,989</u>	<u>1.8</u>	<u>\$193,136</u> (e)	<u>\$167,579</u>	<u>15.3</u>	<u>(7.3)</u>

(a) Estimate established in December 2006.

(b) The current-year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year.

Lottery revenues can have dramatic swings up and down month-to-month depending on the lotto jackpots, prize expense, and game related administrative expenses.

(c) Fast Play Bingo began on February 4, 2007. Fast Play Bingo is an online game which plays like a Scratch game. Millionaire Raffle began on April 15, 2007, and drawing occurred on June 14, 2007.

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

(e) Current month includes operating expenses estimated (unaudited closing).

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
Motor Fuel Taxes	\$897,500	23.64	\$69,740	\$69,848	(0.2)	\$304,692	\$298,234	2.2	4.4
Priority Transportation Fund	20,000	0.53	4,000	2,000	100.0	8,000	6,000	33.3	0.0
Motor Vehicle Sales and Use Tax	637,300	16.78	44,742	48,712	(8.1)	257,214	267,373	(3.8)	1.4
State Sales and Use Tax	536,000	14.12	44,018	42,218	4.3	222,418	215,090	3.4	3.6
Motor Vehicle License Fees	262,900	6.93	19,276	12,497	54.2	102,953	71,582	43.8	55.2
International Registration Plan	64,500	1.70	2,589	5,091	(49.1)	28,619	19,453	47.1	19.5
Interest Earnings	52,600	1.38	69	51	35.3	15,814	12,254	29.1	(2.5)
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,286	902	42.6	6,383	4,861	31.3	32.9
Total State Taxes and Fees (a)	\$2,487,200	65.51	\$185,720	\$181,319	2.4	\$946,093	\$894,847	5.7	7.4

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

(a) Certain Fiscal Year 2007 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

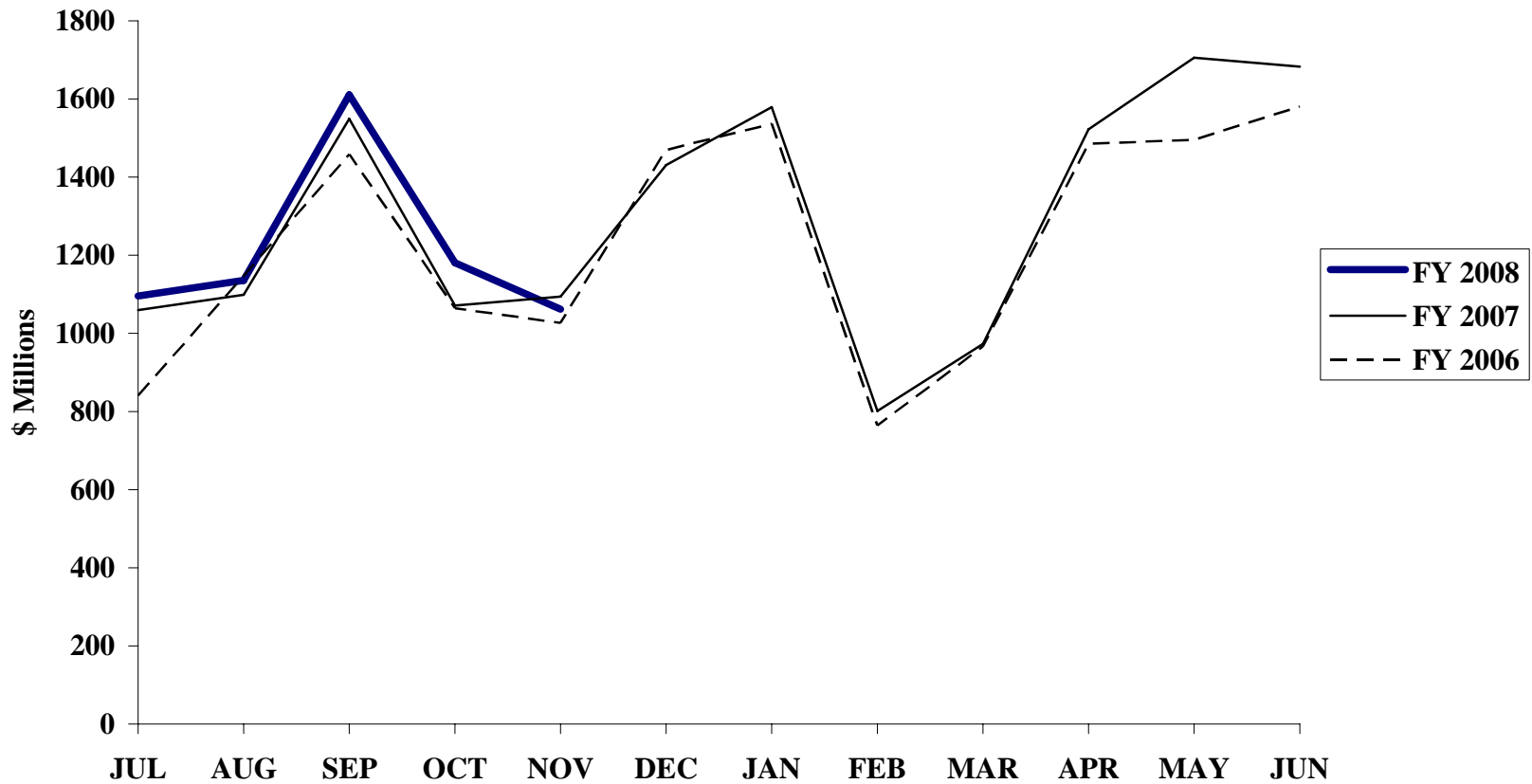
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$777,400	20.48	\$58,510	\$60,933	(4.0)	\$258,875	\$259,334	(0.2)	4.8
Motor Vehicle Sales and Use Tax	393,900	10.37	27,398	29,608	(7.5)	159,770	165,610	(3.5)	1.0
Motor Vehicle License Fees	241,300	6.36	17,544	10,876	61.3	94,149	62,453	50.8	62.8
International Registration Plan	64,500	1.70	2,589	5,091	(49.1)	28,619	19,453	47.1	19.5
Misc. Taxes, Fees, and Revenues (a)	16,400	0.43	1,286	902	42.6	6,383	4,861	31.3	32.9
Total State Taxes and Fees	\$1,493,500	39.34	\$107,327	\$107,410	(0.1)	\$547,796	\$511,711	7.1	11.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$10,576	\$2,053	415.1	\$16,524	\$10,595	56.0	(100.0)
Miscellaneous Revenues (a)	16,937	0.45	1,174	1,434	(18.1)	6,962	8,394	(17.1)	0.1
Transfer (to) / from Transportation Trust Fund	262,570	6.91	0	53,205	(100.0)	200,000	239,144	(16.4)	13.6
Total Highway Maintenance and Operating Fund	\$1,773,007	46.70	\$119,077	\$164,102	(27.4)	\$771,282	\$769,844	0.2	9.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,100	3.16	\$11,230	\$8,915	26.0	\$45,817	\$38,900	17.8	1.8
Priority Transportation Fund	20,000	0.53	4,000	2,000	100.0	8,000	6,000	33.3	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	243,400	6.41	17,344	19,104	(9.2)	97,444	101,763	(4.2)	2.0
State Sales and Use Tax	536,000	14.12	44,018	42,218	4.3	222,418	215,090	3.4	3.6
Motor Vehicle License Fees	21,600	0.57	1,732	1,621	6.8	8,804	9,129	(3.6)	1.7
Interest Earnings	52,600	1.38	69	51	35.3	15,814	12,254	29.1	(2.5)
Total State Taxes and Fees	\$993,700	26.17	\$78,393	\$73,909	6.1	\$398,297	\$383,136	4.0	2.5
Other Revenues:									
Federal Grants and Contracts	\$1,100,568	28.98	\$79,543	\$47,546	67.3	\$382,862	\$278,056	37.7	77.9
Receipts from Cities/Counties (a)	78,428	2.07	1,796	5,600	(67.9)	28,812	23,540	22.4	86.4
Toll Revenues (Includes Route 28)	100,598	2.65	6,607	7,890	(16.3)	46,700	40,774	14.5	(3.0)
Miscellaneous Revenues	12,854	0.34	2,243	568	294.9	6,602	3,793	74.1	(40.4)
Total Other Revenues	\$1,292,448	34.04	\$90,189	\$61,604	46.4	\$464,976	\$346,163	34.3	64.5
Transfer (to) / from Highway Maintenance and Operating Fund	(\$262,570)	(6.91)	\$0	(\$53,205)	100.0	(\$200,000)	(\$239,144)	16.4	(13.6)
Total Transportation Trust Fund	\$2,023,578	53.30	\$168,582	\$82,308	104.8	\$663,273	\$490,155	35.3	32.8
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,796,585	100.00	\$287,659	\$246,410	16.7	\$1,434,555	\$1,259,999	13.9	20.6

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

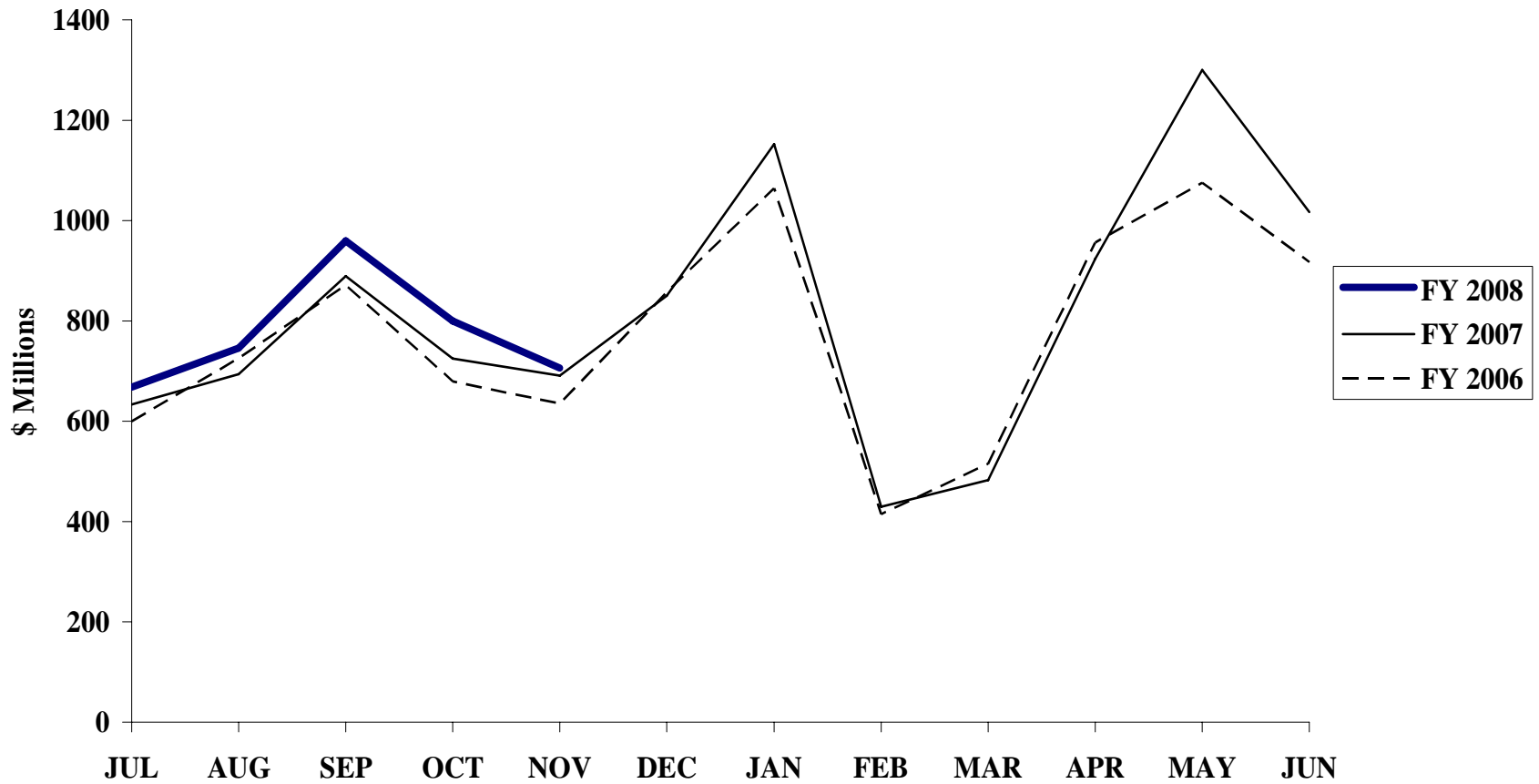
(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast in FY 2007. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues". In order to provide comparable data, the Fiscal Year 2007 monthly and year-to-date amounts were likewise reclassified.

Total General Fund Revenues



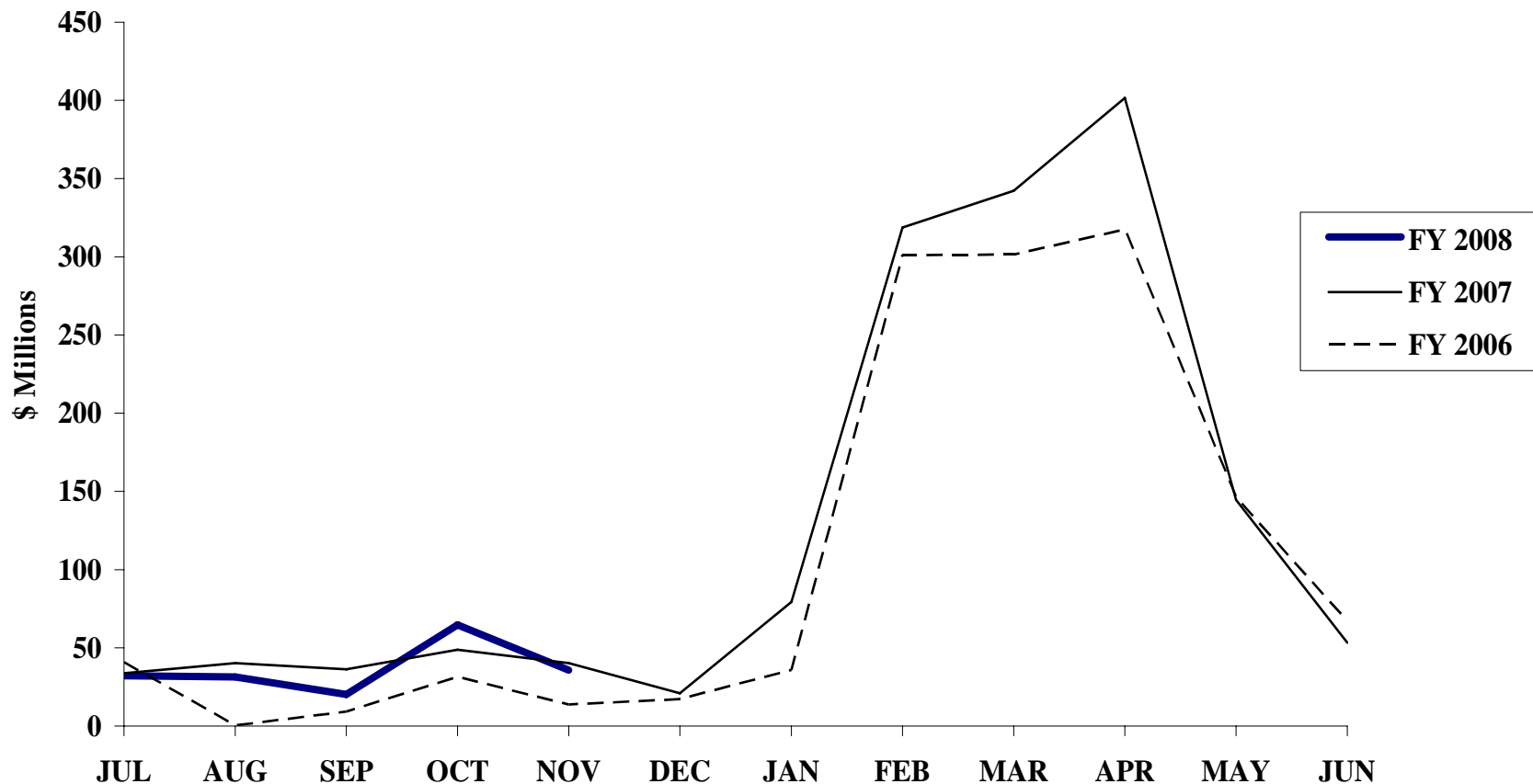
FY 2006 Actual = \$14,834.3 Million
FY 2007 Actual = \$15,565.8 Million
FY 2008 Estimate = \$16,025.7 Million

Net Individual Income Tax



FY 2006 Actual = \$9,308.6 Million
FY 2007 Actual = \$9,787.6 Million
FY 2008 Estimate = \$10,393.7 Million

Individual and Fiduciary Income Tax Refunds



FY 2006 Actual = \$1,282.6 Million
FY 2007 Actual = \$1,559.8 Million
FY 2008 Estimate = \$1,724.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2008

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2007	\$5,727.9	5.35%	\$1,723.0	9.69%	\$7,450.9	6.35%
August	\$5,110.8	5.45%	\$1,737.9	11.29%	\$6,848.7	6.93%
September	\$5,243.4	5.58%	\$1,752.3	8.79%	\$6,995.7	6.38%
October	\$5,492.7	5.47%	\$1,764.6	8.48%	\$7,257.3	6.20%
November	\$5,180.7	5.48%	\$1,783.7	17.87%	\$6,964.4	8.65%
December						
January, 2008						
February						
March						
April						
May						
June						
Year-to-Date Average	\$5,351.1	5.46%	\$1,752.3	11.21%	\$7,103.4	6.88%

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

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2008**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
August	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
September	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
October	\$1,189,834,417	\$0	\$0	\$15,138,454	\$1,204,972,871
November	\$1,204,972,871	\$0	\$0	\$0	\$1,204,972,871
December					
January					
February					
March					
April					
May					
June					

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