



COMMONWEALTH of VIRGINIA

Office of the Governor

John M. Bennett
Secretary of Finance

P. O. Box 1475
Richmond, Virginia 23218

November 11, 2004

MEMORANDUM

TO: The Honorable Mark R. Warner

THROUGH: The Honorable William H. Leighty

FROM: John M. Bennett

SUBJECT: October Revenue Data

October is not a major collections month for general fund revenue. Normal monthly collections are due in withholding, sales taxes, public service corporations, and most other sources. Estimated corporate income tax payments for corporations with a February through January fiscal year -- mainly retailers -- are filed in October.

October is the first month that revenues include the sales and use tax increase enacted in House Bill 5018, as well as repeal of the sales tax exemption for public service corporations and common carriers. Of the one half percent sales tax increase, one-quarter percent is deposited to the general fund. The Appropriation Act treats the other one-quarter percent as a transfer from the SOQ/Property Tax Relief Fund to the general fund, and not as general fund revenue.

Total general fund revenue collections grew 10.5 percent in October, boosted by collections in individual nonwithholding, corporate income, and sales taxes. Recordation and estate taxes were also strong. About 1.7 percent of October's 10.5 percent growth was due to the sales tax increase enacted in HB 5018. Another 2.2 percent of October's growth was due to the increase in recordation taxes.

Through the first four months of the fiscal year, revenues have grown 11.5 percent above the same period last year, well ahead of the annual estimate of 4.5 percent growth.

National Economic Indicators

Current economic indicators are mixed, suggesting that the moderate pace of national economic growth will continue.

- Payroll employment in October increased by 337,000 jobs nationally -- the strongest gain in seven months. Payroll gains for August and September were also revised upwards by a combined 113,000 jobs. Jobs were gained primarily in services industries. Temporary employment increased, and activity in the wake of the hurricanes spurred construction employment.

Payroll gains over the past five months have averaged about 171,000 jobs -- slightly above the 150,000 level generally regarded as necessary to keep unemployment rates stable.

- Initial claims for unemployment fell to 332,000 during the last week of October. The four-week moving average fell to 342,000, the lowest level in six weeks -- indicating that a moderate labor market expansion will continue.
- Real GDP grew 3.7 percent during the third quarter of fiscal year 2004, driven by solid growth in consumer spending and business investment. Although healthy, the real GDP rate was slightly below what had been expected for the quarter.
- The Institute of Supply Management index, which tracks manufacturing output, fell to 56.8 in October -- the third consecutive monthly decline -- indicating again that the pace of the manufacturing expansion is slowing.
- The Conference Board's index of leading indicators fell for the fourth consecutive month in September, pushing the index 0.2 percent lower than it was six months ago. The slowing growth rate in the index suggests economic growth will continue, but remain below trend.
- The Conference Board's index of consumer confidence fell 3.9 points to 92.8 in October, marking its third consecutive monthly decline. The expectations component -- particularly the outlook for the job market -- accounted for most of the decline.

Virginia Economy

In Virginia, payroll employment grew 2.2 percent in September compared to the same month last year. Northern Virginia payrolls grew 3.2 percent, while Richmond-Petersburg employment increased 1.7 percent. The slowest job growth was in the Western Region, with a 0.9 percent gain. All regions in the Commonwealth have posted consecutive gains for the last seven months.

The Virginia Leading Economic Index increased 0.3 percent in September -- its third consecutive monthly gain. Regional indices rose in Northern Virginia, Hampton Roads, Richmond-Petersburg, Roanoke, and Charlottesville. The indices for Lynchburg, Bristol, and Danville declined in September.

October Revenue Collections

Total general fund revenues grew 10.5 percent in October, driven by strong growth in individual nonwithholding taxes, corporate, and sales taxes. Unusually strong collections in estate taxes and increases in recordation taxes further boosted growth. About 3.9 percent of the 10.5 percent growth for the month was due to tax policy changes which became effective on September 1.

Year-to-date growth through October is 11.5 percent, well ahead of the estimate of 4.5 percent.

Individual Income Tax Withholding (59% of general fund revenues): Collections of payroll withholding taxes fell 3.4 percent in October. The timing of withholding collections makes October appear weaker than it really was.

Electronic filing has made Wednesday the most significant collections day of the week for payroll withholding. This year, October contained four Wednesdays, but is being compared to collections last October, when October included five Wednesdays.

October's weak withholding revenue balances out the overstated withholding strength reported last month, when a five-Wednesday September was compared to last year's four-Wednesday September.

Year-to-date withholding growth is 6.4 percent, ahead of the 4.6 percent growth required to meet the annual forecast, but more in line with what available indicators of employment and income growth would suggest.

Individual Income Tax Nonwithholding (13% of general fund revenues): October is typically a slow month for nonwithholding collections. However, revenue in October included an unusually large level of payments from compliance programs, which seems to account for much of the strength in this source. Payments in October totaled \$52.6 million, compared with \$31.9 million in October of last year. Year-to-date collections in this source are up 24.5 percent, well ahead of the estimate of 6.9 percent growth.

Individual Income Tax Refunds: October is typically a slow month for issuing refunds. Fiscal year-to-date, \$123.2 million in refunds have been issued, compared with \$111.0 million in the same period last year. Growth of 11.0 percent exceeds the annual estimate of 3.8 percent.

Sales Tax (23% of general fund revenues): Collections of sales and use taxes grew 19.9 percent in October. Because October collections represent September sales, October was the first month that collections reflected the increase in the sales tax rate, which was effective September 1. Year-to-date growth of 11.0 percent is roughly tracking the forecast of 11.3 percent.

Underlying growth in sales tax collections was also strong. Adjusting for the one-quarter percent increase which is budgeted as general fund revenue, collections were up 12.3 percent for the month and 8.8 percent year-to-date.

Corporate Income Tax (3% of general fund revenues): October collections in corporate income tax represent estimated payments by corporations that have a fiscal year beginning in February, which mainly includes retailers. These corporations have estimated payments due in October rather than September.

October estimated payments totaled \$42.4 million, compared with \$22.6 million in October of last year. This balances out some of September's weakness in corporate collections. Taken together with September, the first estimated payment of the fiscal year is up 25.5 percent. Through the first four months of the fiscal year, corporate income tax collections grew 27.4 percent compared with the same period last year.

Insurance Premiums Tax (3% of general fund revenues): October is not a significant month for collections of the tax on insurance premiums, although the timing of refunds can produce large monthly swings in growth rates.

Year-to-date collections in this source are 29.9 percent above the same period last year -- ahead of the annual estimate of 8.5 percent growth. This unusually high growth rate is largely due to the fact that refunds of estimated payments went out last October, but will be sent out in November this year. About \$12 million in refunds will be issued.

Other Revenue Sources

The following list provides data on October collections for other revenue sources:

	<u>Year-to-Date</u>	<u>Required to Meet Estimate</u>
ABC Taxes (1.1% GF revenues)	-1.6%	-8.7%
Public Service Corporations (0.7% GF revenues)	6.6%	-0.7%
Interest Income (0.7% GF revenues)	8.9%	30.9%

All Other Revenue: All Other Revenue grew 32.4 percent in October. Two factors affected growth in this source. Collections in the largest component of all other revenue -- wills, suits, deeds and contract fees -- jumped 54.8 percent with the increased recordation tax rate. Of the \$48.6 million collected in this source, \$43.3 million was recordation tax receipts. Adjusting for the rate increase, receipts actually declined by 5.2 percent.

Several large estates were also settled in October, boosting growth in All Other Revenue. In October, \$21.3 million was collected in this source, compared with \$9.5 million in October of last year.

Year-to-date, collections of All Other Revenue are 31.6 percent above the same period last year - ahead of the estimate of a 13.1 percent decline.

Lottery Revenues: In October, Lottery net income increased 1.0 percent over last year due to higher sales in scratch and Mega Millions products. On a year-to-date basis, growth of 5.7 percent is well above the annual revenue estimate of a 3.2 percent decline.

Summary

October is the first month that revenues include the sales and use tax increase enacted in House Bill 5018, as well as repeal of the sales tax exemption for public service corporations and common carriers. Of the one-half percent sales tax increase, one-quarter percent is deposited to the general fund. The Appropriation Act treats the other one-quarter percent as a transfer from the SOQ/Property Tax Relief Fund to the general fund, and not as general fund revenue.

Total general fund revenue collections grew 10.5 percent in October. Strong collections in individual nonwithholding, corporate income, and sales taxes drove the increase, along with healthy increases in recordation and estate taxes. Some of the collections strength is explained by recordation and sales tax changes included in HB 5018. Without these changes, monthly revenue growth would have been about 6.6 percent

Through October, revenues have grown 11.5 percent above the same period last year, well ahead of the annual estimate of 4.5 percent growth.

The fall revenue forecasting process has begun. The Governor's Advisory Board of Economists met in October to review the economic forecast for the Virginia economy over the next two biennia. The Governor's Advisory Committee on Revenue Estimates will meet in November to review the economic forecast and preliminary general fund revenue estimates. This forecast will serve as the basis for the revised revenue forecast to be presented by the Governor in December.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2005 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	FY 2005	October FY 2004	% Change	FY 2005	Year-To-Date FY 2004	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$7,366,000	57.34	\$586,417	\$607,340	(3.4)	\$2,354,456	\$2,213,344	6.4	4.6
Tax Dues/Estimated Payments	1,671,200	13.01	52,624	31,944	64.7	339,242	272,465	24.5	6.9
Gross Individual Income Tax	<u>\$9,037,200</u>	<u>70.35</u>	<u>\$639,041</u>	<u>\$639,284</u>	<u>0.0</u>	<u>\$2,693,698</u>	<u>\$2,485,809</u>	<u>8.4</u>	<u>5.1</u>
Individual and Fiduciary Income (Refunds)	(1,263,300)	(9.83)	(35,391)	(24,597)	43.9	(123,175)	(110,959)	11.0	3.8
Net Individual Income Tax	<u>\$7,773,900</u>	<u>60.52</u>	<u>\$603,650</u>	<u>\$614,687</u>	<u>(1.8)</u>	<u>\$2,570,523</u>	<u>\$2,374,850</u>	<u>8.2</u>	<u>5.3</u>
Sales and Use Tax	2,852,300	22.20	246,214	205,335	19.9	770,556	693,960	11.0	11.3
Corporations Income Tax	407,700	3.17	43,803	17,255	153.9	165,800	130,134	27.4	(4.2)
Public Service Corporations	86,300	0.67	6,329	6,191	2.2	26,578	24,924	6.6	(0.7)
Insurance Premiums	381,200	2.97	1,175	(11,107)	110.6	89,135	68,600	29.9	8.5
Interest Income (a)	80,400	0.63	(2,914)	(7,630)	61.8	24,188	22,203	8.9	30.9
Alcoholic Beverage Sales (b)	126,000	0.98	3,736	3,661	2.0	16,327	16,588	(1.6)	(8.7)
Tobacco Master Settlement	0	0.00	0	516	(100.0)	571	516	10.7	(100.0)
All Other Revenues	744,000	5.79	86,122	65,057	32.4	334,278	254,070	31.6	(13.1)
Total General Fund Revenues	<u>\$12,451,800</u>	<u>96.93</u>	<u>\$988,115</u>	<u>\$893,965</u>	<u>10.5</u>	<u>\$3,997,956</u>	<u>\$3,585,845</u>	<u>11.5</u>	<u>4.5</u>
Gross Lottery Revenue	\$1,262,500	9.82	\$105,569	\$99,198	6.4	\$409,728	\$376,485	8.8	0.0
Less: Expenses	(867,500)	(6.75)	(70,974)	(64,949)	9.3	(277,156)	(251,048)	10.4	1.5
Net Lottery Profits	<u>\$395,000</u>	<u>3.07</u>	<u>\$34,595</u>	<u>\$34,249</u>	<u>1.0</u>	<u>\$132,572</u>	<u>\$125,437</u>	<u>5.7</u>	<u>(3.2)</u>
Total General Fund Revenues and Net Lottery Profits	<u>\$12,846,800</u>	<u>100.00</u>	<u>\$1,022,710</u>	<u>\$928,214</u>	<u>10.2</u>	<u>\$4,130,528</u>	<u>\$3,711,282</u>	<u>11.3</u>	<u>4.2</u>

Percentage is greater than 1,000%.

(a) Interest Income for the July - September quarter attributable to nongeneral funds was transferred this month resulting in negative Interest Income for the month of October.

(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 2004 and 2005

Revenue	(Dollars in Thousands)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2005 Estimate	As a % of Total Gen Fund Rev	FY 2005	October FY 2004	% Change	FY 2005	Year-To-Date FY 2004	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$7,366,000	59.16	\$586,417	\$607,340	(3.4)	\$2,354,456	\$2,213,344	6.4	4.6
Tax Dues/Estimated Payments	1,671,200	13.42	52,624	31,944	64.7	339,242	272,465	24.5	6.9
Gross Individual Income Tax	\$9,037,200	72.58	\$639,041	\$639,284	0.0	\$2,693,698	\$2,485,809	8.4	5.1
Individ and Fiduc Income (Refunds)	(1,263,300)	(10.15)	(35,391)	(24,597)	43.9	(123,175)	(110,959)	11.0	3.8
Net Individual Income Tax	\$7,773,900	62.43	\$603,650	\$614,687	(1.8)	\$2,570,523	\$2,374,850	8.2	5.3
Sales and Use Tax	2,852,300	22.91	246,214	205,335	19.9	770,556	693,960	11.0	11.3
Corporations Income	407,700	3.28	43,803	17,255	153.9	165,800	130,134	27.4	(4.2)
Public Service Corporations	86,300	0.69	6,329	6,191	2.2	26,578	24,924	6.6	(0.7)
Insurance Premiums	381,200	3.06	1,175	(11,107)	110.6	89,135	68,600	29.9	8.5
Alcoholic Beverage Excise	93,300	0.75	0	0	-	962	1,305	(26.3)	(2.7)
Beer and Beverage Excise	32,700	0.26	3,736	3,661	2.0	15,365	15,283	0.5	(22.5)
Wills, Suits, Deeds, Contracts	325,100	2.61	48,571	31,373	54.8	162,338	125,014	29.9	(4.5)
Inheritance, Gift, and Estate	119,300	0.96	21,329	9,496	124.6	67,497	44,019	53.3	(20.3)
Tobacco Products	0	0.00	0	1,396	(100.0)	6,334	5,529	14.6	(100.0)
Bank Franchise	10,300	0.08	0	1	(100.0)	719	64	#	19.0
Other Taxes	30,800	0.25	(145)	1,342	(110.8)	6,969	3,245	114.8	101.8
Total Taxes	\$12,112,900	97.28	\$974,662	\$879,630	10.8	\$3,882,776	\$3,486,927	11.4	5.5
Rights and Privileges:									
Licenses and Permits	\$1,600	0.01	\$253	\$217	16.6	\$1,362	\$1,333	2.2	(65.3)
Corp. Franchise and Charters	38,000	0.30	538	615	(12.5)	2,306	2,414	(4.5)	(2.7)
Fees for Practice of Prof	1,000	0.01	0	18	(100.0)	0	76	(100.0)	(12.7)
Fees for Misc. Privileges & Services	12,100	0.10	1,379	1,313	5.0	3,480	4,140	(15.9)	0.9
Total Rights and Privileges	\$52,700	0.42	\$2,170	\$2,163	0.3	\$7,148	\$7,963	(10.2)	(7.3)
Other Revenues:									
Sales of Property & Commodities	\$100	0.00	\$0	\$454	(100.0)	\$11,188	\$724	#	(95.1)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	23	37	(37.8)	125	116	7.8	30.7
Institutional Revenue	9,300	0.08	935	2,481	(62.3)	2,473	4,562	(45.8)	(3.5)
Interest (a)	80,400	0.65	(2,914)	(7,630)	61.8	24,188	22,203	8.9	30.9
Dividends and Rent	300	0.00	20	26	(23.1)	116	121	(4.1)	13.2
Fines, Forfeitures & Fees	217,200	1.74	17,423	17,476	(0.3)	70,935	65,788	7.8	5.1
Other Revenue	(11,100)	(0.09)	(2,346)	925	(353.6)	9,301	9,369	(0.7)	(114.6)
Excess Fees	(20,000)	(0.16)	(2,667)	(2,864)	6.9	(13,665)	(15,082)	9.4	42.6
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	9,600	0.08	809	751	7.7	2,800	2,638	6.1	7.1
Tobacco Master Settlement	0	0.00	0	516	(100.0)	571	516	10.7	(100.0)
Total Other Revenues	\$286,200	2.30	\$11,283	\$12,172	(7.3)	\$108,032	\$90,955	18.8	(25.0)
Total General Fund Revenues	\$12,451,800	100.00	\$988,115	\$893,965	10.5	\$3,997,956	\$3,585,845	11.5	4.5

Percentage is greater than 1,000%.

(a) Interest Income for the July - September quarter attributable to nongeneral funds was transferred this month resulting in negative Interest Income for the month of October.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)**

	FY 2005 Estimate (d)	October			Year-To-Date			% Annual Growth Required By Estimate
		FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change (b)	
Lottery Collections								
Lotto South	\$71,100	\$5,332	\$5,577	(4.4)	\$22,024	\$22,980	(4.2)	(2.6)
Cash 5	26,500	2,307	2,333	(1.1)	9,326	9,084	2.7	(5.5)
Pick 4	159,000	13,284	13,037	1.9	53,032	49,509	7.1	1.3
Pick 3	240,100	19,463	19,491	(0.1)	78,602	77,141	1.9	(0.5)
Mega Millions	115,700	9,672	6,996	38.3	44,587	33,672	32.4	(12.4)
Scratch	650,100	55,511	51,764	7.2	202,157	184,099	9.8	3.0
Gross Lottery Revenue	<u>1,262,500</u>	<u>105,569</u>	<u>99,198</u>	<u>6.4</u>	<u>409,728</u>	<u>376,485</u>	<u>8.8</u>	<u>0.0</u>
Expenses (c)	<u>867,500</u>	<u>70,974 (a)</u>	<u>64,949</u>	<u>9.3</u>	<u>277,156 (a)</u>	<u>251,048</u>	<u>10.4</u>	<u>1.5</u>
Net Lottery Ticket Profits	<u>\$395,000</u>	<u>\$34,595 (a)</u>	<u>\$34,249</u>	<u>1.0</u>	<u>\$132,572 (a)</u>	<u>\$125,437</u>	<u>5.7</u>	<u>(3.2)</u>

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

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

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

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

(d) Estimate established in December 2003.

Commonwealth of Virginia/Department of Accounts

Summary Statement of Revenue Estimates & Collections
 For the Fiscal Years 2004 and 2005
 (Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Estimate
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
Motor Fuel Taxes	\$860,500	28.51	\$73,901	\$74,223	(0.4)	\$223,748	\$220,808	1.3	1.7
Priority Transportation Fund	20,000	0.66	2,000	2,000	0.0	4,000	4,000	0.0	0.0
Motor Vehicle Sales and Use Tax	600,200	19.90	52,590	52,147	0.8	214,888	213,938	0.4	(0.6)
State Sales and Use Tax	417,500	13.84	39,553	36,390	8.7	129,831	120,237	8.0	0.6
Motor Vehicle License Fees	146,700	4.86	12,780	13,571	(5.8)	54,532	56,331	(3.2)	(9.9)
International Registration Plan	61,500	2.04	2,403	2,274	5.7	10,715	10,392	3.1	13.2
Interest Earnings	15,400	0.51	3,629	3,475	4.4	3,491	3,480	0.3	44.3
Misc. Taxes, Fees, and Revenues	18,600	0.62	1,893	2,981	(36.5)	9,390	7,930	18.4	(13.0)
Total State Taxes and Fees	\$2,140,400	70.94	\$188,749	\$187,061	0.9	\$650,595	\$637,116	2.1	0.3

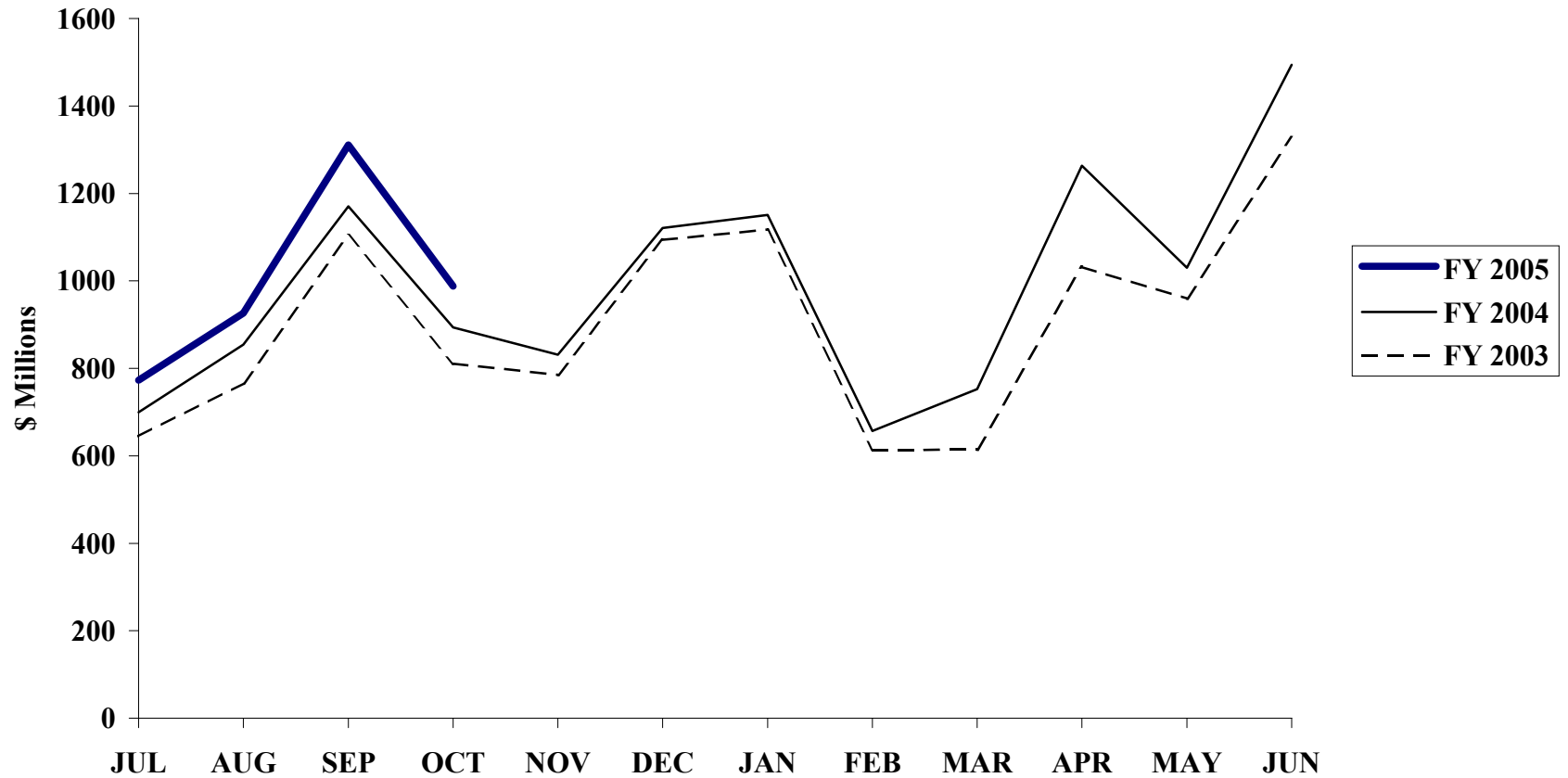
Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2004 and 2005
(Dollars in Thousands)

Revenue	FY 2005 Estimate	As a % of Total Fund	October			Year-To-Date			% Annual Growth Required By Est
			FY 2005	FY 2004	% Change	FY 2005	FY 2004	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$733,700	24.31	\$64,021	\$67,569	(5.3)	\$194,750	\$190,868	2.0	0.8
Motor Vehicle Sales and Use Tax	385,800	12.79	33,770	34,881	(3.2)	138,727	138,158	0.4	(0.8)
Motor Vehicle License Fees	125,400	4.15	11,199	11,861	(5.6)	47,904	49,280	(2.8)	(11.8)
International Registration Plan	61,500	2.04	2,403	2,274	5.7	10,715	10,392	3.1	13.2
Misc. Taxes, Fees, and Revenues	18,600	0.62	1,893	2,981	(36.5)	9,390	7,930	18.4	(13.0)
Total State Taxes and Fees	\$1,325,000	43.91	\$113,286	\$119,566	(5.3)	\$401,486	\$396,628	1.2	(0.7)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,404	\$1,583	(11.3)	\$5,918	\$3,957	49.6	(100.0)
Transfer (to) / from Transportation Trust Fund	\$244,600	8.11	\$24,462	\$0	-	\$170,515	\$20,177	745.1	329.9
Total Highway Maintenance and Operating Fund	\$1,569,600	52.02	\$139,152	\$121,149	14.9	\$577,919	\$420,762	37.4	11.7
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$126,800	4.20	\$9,880	\$6,654	48.5	\$28,998	\$29,940	(3.1)	7.3
Priority Transportation Fund	20,000	0.66	2,000	2,000	0.0	4,000	4,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	214,400	7.11	18,820	17,266	9.0	76,161	75,780	0.5	(0.4)
State Sales and Use Tax	417,500	13.84	39,553	36,390	8.7	129,831	120,237	8.0	0.6
Motor Vehicle License Fees	21,300	0.71	1,581	1,710	(7.5)	6,628	7,051	(6.0)	3.8
Interest Earnings	15,400	0.51	3,629	3,475	4.4	3,491	3,480	0.3	44.3
Total State Taxes and Fees	\$815,400	27.03	\$75,463	\$67,495	11.8	\$249,109	\$240,488	3.6	2.0
Other Revenues:									
Federal Grants and Contracts	\$764,800	25.35	\$18,892	\$99,461	(81.0)	\$183,256	\$311,317	(41.1)	19.7
Receipts from Cities/Counties	43,700	1.45	(90)	1,996	(104.5)	13,402	16,859	(20.5)	37.9
Toll Revenues (Includes Route 28)	62,900	2.08	9,425	5,350	76.2	35,756	21,707	64.7	(15.6)
Miscellaneous Revenues	5,500	0.18	1,031	1,259	(18.1)	15,818	5,653	179.8	(70.0)
Total Other Revenues	\$876,900	29.06	\$29,258	\$108,066	(72.9)	\$248,232	\$355,536	(30.2)	14.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$244,600)	(8.11)	(\$24,462)	\$0	-	(\$170,515)	(\$20,177)	(745.1)	(329.9)
Total Transportation Trust Fund	\$1,447,700	47.98	\$80,259	\$175,561	(54.3)	\$326,826	\$575,847	(43.2)	(3.9)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,017,300	100.00	\$219,411	\$296,710	(26.1)	\$904,745	\$996,609	(9.2)	3.6

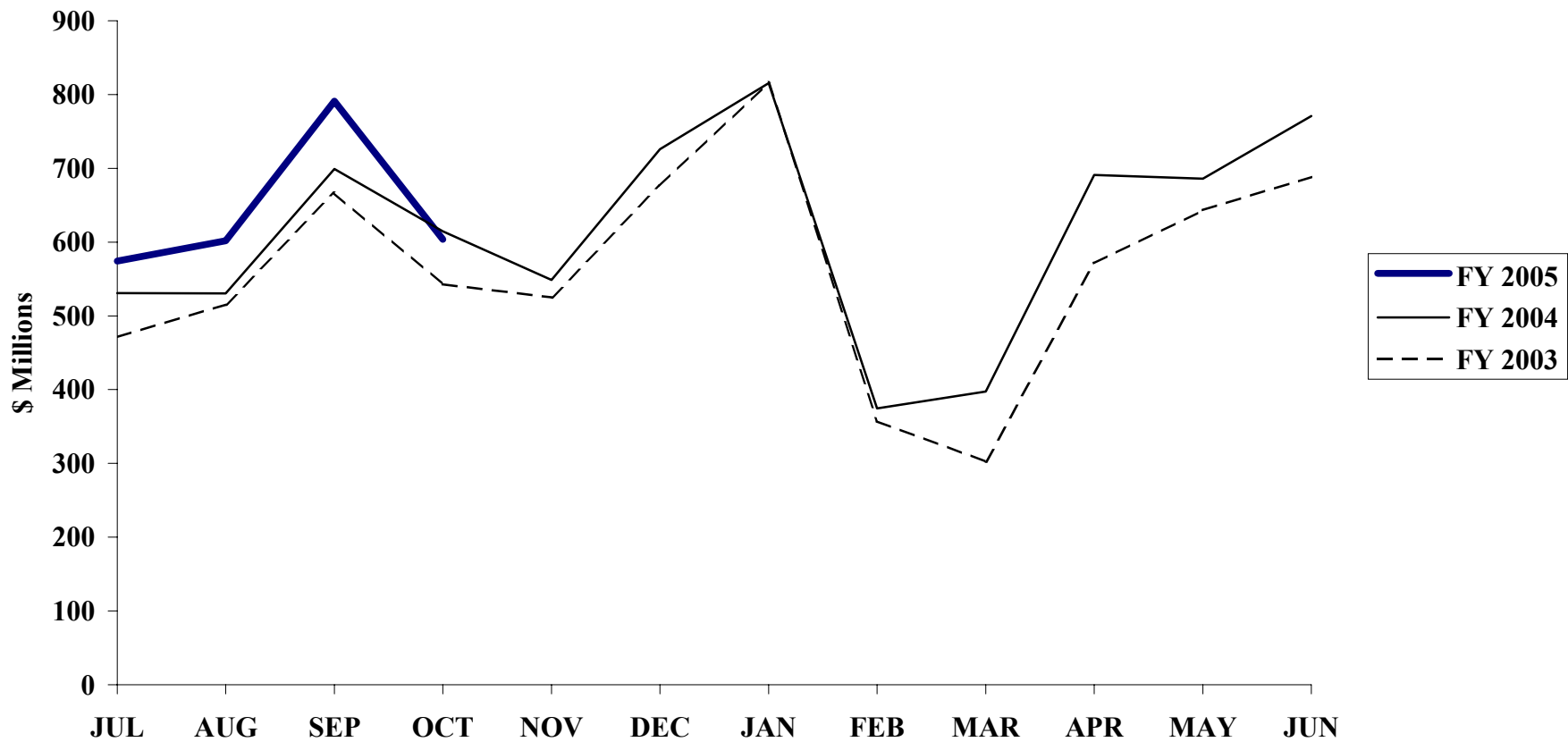
Percentage is greater than 1,000%.

Total General Fund Revenues



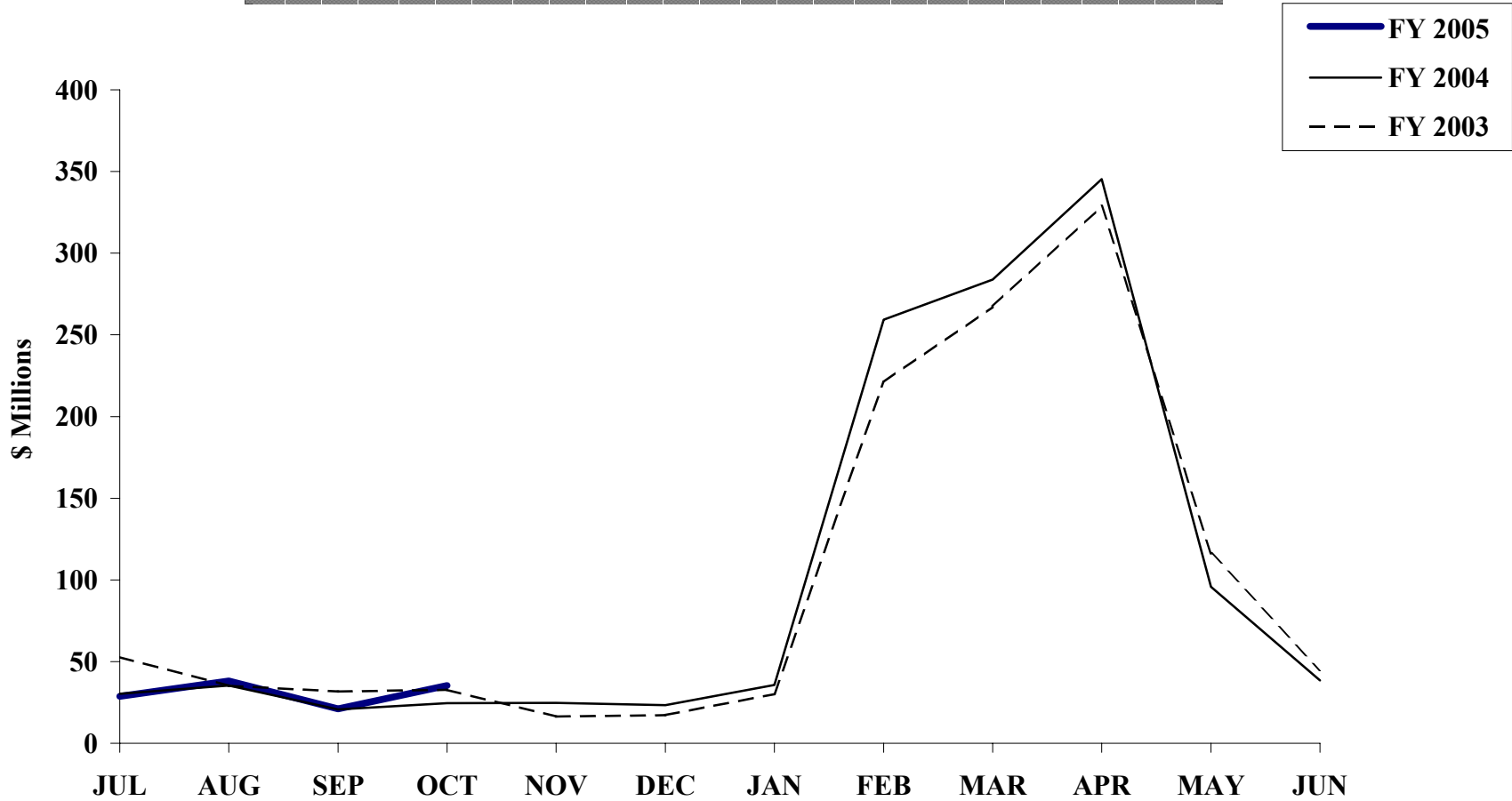
FY 2003 Actual = \$10,867.1 Million
FY 2004 Actual = \$11,917.8 Million
FY 2005 Estimate = \$12,451.8 Million

Net Individual Income Tax



FY 2003 Actual = \$6,775.7 Million
FY 2004 Actual = \$7,384.8 Million
FY 2005 Estimate = \$7,773.9 Million

Individual and Fiduciary Income Tax Refunds



FY 2003 Actual = \$1,194.4 Million
FY 2004 Actual = \$1,217.2 Million
FY 2005 Estimate = \$1,263.3 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2005
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION ^{1, 2}		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2004	\$3,038.8	1.66%	\$842.2	9.21%	\$3,881.0	3.30%
August	\$3,001.2	1.77%	\$852.1	19.27%	\$3,853.3	5.64%
September	\$3,214.6	1.87%	\$859.5	1.93%	\$4,074.1	1.88%
October	\$3,237.2	1.93%	\$862.7	7.44%	\$4,099.9	3.09%
November						
December						
January, 2005						
February						
March						
April						
May						
June						
Year-to-Date Average	\$3,123.0	1.81%	\$854.1	9.44%	\$3,977.1	3.45%
Latest 12-month Average	\$2,910.9	1.66%	\$845.6	4.30%	\$3,756.6	2.25%

¹ 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.

² Unaudited.

**Commonwealth of Virginia/Department of Accounts
 Report on the Revenue Stabilization Fund
 For the Fiscal Year 2005
 (Dollars in Thousands)**

Month	Beginning Balance	Deposits/(Withdrawals)	Interest Allocated (A)	Ending Balance
July	\$340,067	\$0	\$0	\$340,067
August	\$340,067	\$0	\$0	\$340,067
September	\$340,067	\$0	\$0	\$340,067
October	\$340,067	\$0	\$1,624	\$341,691
November				
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.