

# **Governor McDonnell's Proposed Amendments to the 2012-2014 Budget**

## **Economic Outlook & Revenue Forecast**

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

*December 17, 2012*



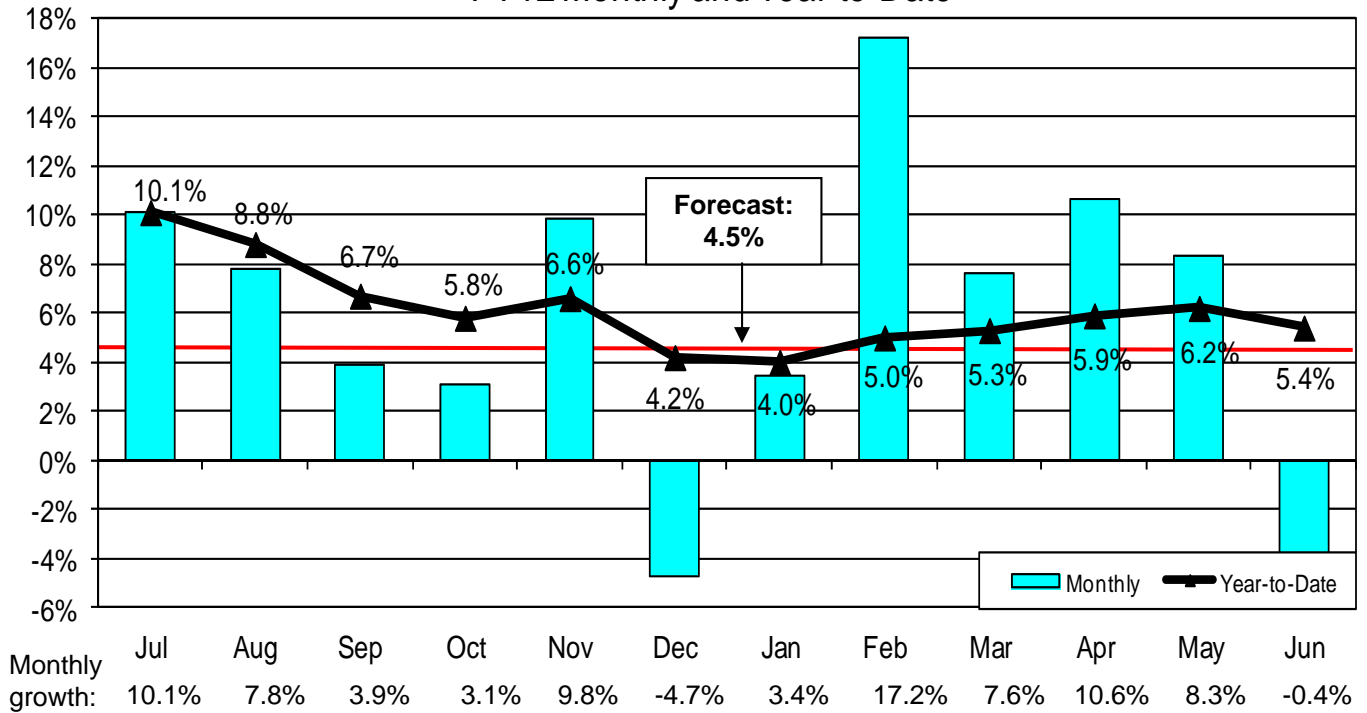
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## ***Outline...***

- Fiscal Year 2012 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

# Total General Fund Revenue Collections Exceeded The Forecast In All But Two Months...

## Growth in Total General Fund Revenue Collections FY12 Monthly and Year-to-Date



- Total general fund revenue collections exceeded the forecast by \$123.1 million in fiscal year 2012, a forecast variance of 0.8 percent.
- Total general fund revenue collections rose 5.4 percent, ahead of the revised annual forecast of 4.5 percent growth.
  - Adjusting for the accelerated sales tax (AST) program, total revenues grew 5.4 percent, ahead of the economic-base forecast of 4.7 percent growth.

# ***Fiscal Year 2012 Revenues And Transfers Finished \$129.2 Million (0.8 Percent) Above Forecast...***

## **Summary of Fiscal Year 2012 Revenue Collections (millions of dollars)**

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>% Growth Over FY11</u>	
			<u>Dollars</u>	<u>Percent</u>	<u>Forecast</u>	<u>Actual</u>
Withholding	\$ 10,006.0	\$ 10,039.7	\$ 33.7	0.3 %	3.8 %	4.2 %
Nonwithholding	2,452.2	2,357.9	(94.3)	(3.8)	12.6	8.2
Refunds	(1,931.8)	(1,784.7)	147.1	(7.6)	3.3	(4.5)
Net Individual	10,526.4	10,612.8	86.4	0.8	5.9	6.7
Sales	3,066.0	3,121.5	55.5	1.8	1.8	3.6
Corporate	827.8	859.9	32.1	3.9	0.7	4.6
Wills (Recordation)	322.9	322.1	(0.8)	(0.3)	10.8	10.5
Insurance	287.3	252.9	(34.4)	(12.0)	2.0	(10.2)
All Other Revenue	693.2	677.4	(15.8)	(2.3)	0.7	(1.6)
<b>Total Revenues</b>	<b>\$ 15,723.6</b>	<b>\$ 15,846.7</b>	<b>\$ 123.1</b>	<b>0.8 %</b>	<b>4.5 %</b>	<b>5.4 %</b>
ABC Profits	55.0	63.8	8.8	16.0	8.9	26.3
Sales Tax (0.25%)	216.1	214.1	(2.0)	(0.9)	5.9	4.9
Transfers	224.1	223.4	(0.7)	(0.3)	42.2	41.8
<b>Total Transfers</b>	<b>\$ 495.2</b>	<b>\$ 501.3</b>	<b>\$ 6.1</b>	<b>1.2 %</b>	<b>20.2 %</b>	<b>21.6 %</b>
<b>Total General Fund</b>	<b>\$ 16,218.8</b>	<b>\$ 16,348.0</b>	<b>\$ 129.2</b>	<b>0.8 %</b>	<b>5.0 %</b>	<b>5.8 %</b>

- Total revenues are back to fiscal year 2008 levels.
- With the revenue surplus, total revenue growth in fiscal year 2013 only needs to be 2.9 percent to meet the official forecast.

# ***All Surplus Dollars Are Either Reserved, Committed or Assigned...***

## **General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2012 (millions of dollars)**

<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 1,700.3	
Cash and Travel Advances	1.8	
Total Assets		<u>\$ 1,702.1</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Due to Other Funds	13.2	
Deposits Pending Distribution	5.5	
Total Liabilities	\$ 18.7	
Fund Equity:		
Reserved Fund Balance:		
Revenue Stabilization Reserve Fund	303.6	
Revenue Stabilization Reserve 2013	132.7	
Revenue Stabilization Reserve 2014	244.6	
Lottery Proceeds Fund	12.2	
Water Supply Assistance Grant Fund	14.3	
Total Reserved Fund Balance	707.4	
Commitments and Assignments:		
Reapp. 2010 Unexpended Bal. for Cap Outlay	7.0	
Central Capital Planning Fund	2.0	
Communication Sales and Use Tax	40.3	
3% Bonus for State Employees	77.2	
Natural Disaster Sum Sufficient	29.9	
Amount Required by Chapter 3	376.4	
Amt. Required for Mandatory Reapp.	98.0	
AST for Transportation Trust Fund	20.9	
Fed. Portion of Va. Power Rebate/Internal Service Fund	2.1	
Virginia WQIF - Part A	12.3	
Virginia WQIF - Part B	4.6	
Discretionary Reappropriations	41.8	
Federal Action Contingency Trust Fund	30.0	
Select NGF Balances	233.5	
Total Committed and Assigned Fund Balance	976.0	
Total Fund Equity	<u>\$ 1,683.4</u>	
Total Liabilities and Fund Balance		<u>\$ 1,702.1</u>

## ***Recent National and State Economic Indicators Continue to Show a Slowly Improving Economy...***

- Real GDP grew 2.7 percent in the third quarter of 2012, up from 1.3 percent in the second quarter and 2.0 percent in the first quarter.
- Payroll employment grew by 146,000 jobs in November, but September and October were revised down by a total of 49,000 jobs.
- The unemployment rate fell in November from 7.9 percent to 7.7 percent, the lowest rate since December 2008.
  - However, the decrease resulted from a decline in the labor force, possibly due to Hurricane Sandy.
- Payroll employment in Virginia grew 0.8 percent in October.
  - Employment increased 1.7 percent in Northern Virginia, 0.6 percent in Hampton Roads and 0.4 percent in Richmond-Petersburg.
- The unemployment rate in Virginia fell slightly in October from 5.6 percent to 5.4 percent, 0.6 percentage point below the October 2011 rate.
- During the week ending December 1, initial claims for unemployment fell by 25,000 to 370,000. This was the third consecutive weekly decrease following the post Hurricane Sandy increase of 90,000. The four-week moving average increased from 406,000 to 408,000 since it incorporates the large increase after the hurricane.
- The Conference Board's index of leading indicators rose 0.2 percent in October, its second consecutive monthly increase. The rise in the index is consistent with a continuing recovery.

## ***Recent National and State Economic Indicators Continue to Show a Slowly Improving Economy (continued)...***

- The Conference Board's index of consumer confidence rose 0.6 point in October to 73.7, its highest level since February 2008. This was the third consecutive monthly increase.
- Conditions in the manufacturing sector weakened in November, as the Institute of Supply Management index fell from 51.7 to 49.5. This is the fourth month since May that the index has fallen below the expansionary threshold of 50.0.
- The CPI rose 0.1 percent in October from the previous month and stands 2.2 percent above October of last year.
  - Core inflation (excluding food and energy prices) rose 0.2 percent, and has increased 2.0 percent from October 2011.
- According to RealtyTrac, U.S. foreclosure activity for October declined 19 percent from October 2011.
  - One in every 706 U.S. housing units received a foreclosure notice in October.
  - In Virginia, one in every 1,802 households received a foreclosure notice.
- The U.S. personal savings rate increased from 3.3 percent in September to 3.4 percent in October.
- The Federal Reserve announced at its October meeting that it will keep its purchases of mortgage-backed securities unchanged at \$40 billion per month and will keep the federal funds rate target unchanged at 0.0 to 0.25 percent.

***Global Insight's October U.S. Standard forecast is less optimistic about fiscal year 2013 due to the "window of uncertainty", but momentum builds afterwards....***

- Real GDP growth of 1.4 percent in the 3rd quarter (2.7 percent actual) and 1.6 percent in the 4th quarter of 2012.
  - Growth in fiscal year 2013 is projected to be 1.7 percent versus 1.8 percent in the official forecast.
  - Growth in fiscal year 2014 is projected to be 2.3 percent versus 3.2 percent in the official forecast.
- The biggest domestic risk is the fiscal cliff; however, Global Insight does not believe it will occur. Instead, they expect:
  - The lame-duck Congress will postpone the year-end fiscal cliff for a few months.
  - The new Congress and President will put together a new package of spending cuts and tax increases that will start in January 2014. (Specifically, they assume cuts in Medicare, Medicaid, Social Security and non-defense discretionary spending, and income tax increases.)
  - The Bush tax cuts will be extended for 2013.
- The biggest external risks are a deeper Eurozone recession and a harder landing in China.



# ***The Fall 2012 Consensus Forecasting Process...***

- The Joint Advisory Board of Economists (JABE) met in October.
  - Members were presented the September Standard economic outlook, a conservative forecast that had Virginia growing slower than the nation in fiscal years 2013 and 2014.
  - Members were split on the appropriate outlook for Virginia given the risk of the fiscal cliff:
    - Six members supported the Standard outlook, arguing that it was better to wait until there was more data available to adjust the forecast.
    - Seven supported the Standard minus, arguing that the forecast should be lowered given Virginia's dependence on the federal government.
    - Two supported the Pessimistic alternative, arguing that it was best to budget for the worst case scenario, even if they didn't believe it would happen.
  - An adjustment to the forecast was made to reflect the views of the Standard minus outlook.
- The Governor's Advisory Council on Revenue Estimates (GACRE) met in November.
  - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for the 2012-14 biennium.
  - Of the nine members who provided a recommendation, seven supported the standard minus forecast and two supported the standard.
  - Members of the General Assembly who provided a recommendation had similar beliefs: 10 supported the standard minus and one supported the standard.

## ***Following the GACRE meeting, Global Insight's U.S. November Forecast was incorporated into our models...***

- The Global Insight U.S. November 2012 standard economic forecast is essentially unchanged from the October forecast presented to GACRE.
  - Real GDP is at 1.9 percent for fiscal year 2013 as compared to 1.7 percent in the October forecast. Fiscal year 2014 is unchanged.
- As a result, the November 2012 Post-GACRE Virginia economic outlook is still a Standard Minus forecast.

### **Key Virginia Economic Indicators**

Official, October (Post-JABE) and November (Post-GACRE) Standard Forecasts  
Annual Percent Change

	11	12	13	14
<b>Employment</b>				
Official (Budget)	1.2	1.2	1.0	1.8
Oct 2012 (Post-JABE)	1.0	1.6	1.0	1.3
Nov 2012 (Post-GACRE)			1.2	1.4
<b>Personal Income</b>				
Official (Budget)	5.0	3.9	3.5	4.0
Oct 2012 (Post-JABE)	5.6	4.0	3.4	4.0
Nov 2012 (Post-GACRE)			3.4	4.1
<b>Wages &amp; Salaries</b>				
Official (Budget)	3.5	3.3	3.7	4.2
Oct 2012 (Post-JABE)	3.6	2.6	3.5	3.8
Nov 2012 (Post-GACRE)			3.7	3.9
<b>Average Wage</b>				
Official (Budget)	2.3	2.1	2.6	2.4
Oct 2012 (Post-JABE)	2.5	1.0	2.5	2.4
Nov 2012 (Post-GACRE)			2.5	2.5

# ***Fiscal Year 2013 Year-to-Date Revenue Collections Through November Are In Line with the Annual Estimates...***

## **November Year-to-Date Collections and Fiscal Year 2013 Forecasts**

(annual percent change)

<u>Major Source</u>	As a % of Total <u>Revenues</u>	Nov YTD <u>Actual</u>	Annual <u>Estimate</u>	Dec. <u>Estimate</u>	Dec-June Req'd <u>to Meet Dec Est.</u>
Withholding	63.7 %	1.5 %	3.5 %	3.3 %	4.4 %
Nonwithholding	15.0	7.1	3.6	6.8	6.7
Refunds	(11.8)	(8.6)	7.8	0.4	1.5
Net Individual	66.9	2.5	2.8	4.5	5.8
Sales	19.7	5.5	2.8	4.1	3.3
Corporate	5.4	(1.3)	3.0	(4.5)	(5.5)
Wills (Recordation)	2.0	16.3	0.3	4.5	(3.5)
Insurance	1.8	0.0	16.1	1.1	1.1
All Other Revenue	4.2	0.0	2.1	(2.2)	(3.4)
<b>Total</b>	<b>100.0 %</b>	<b>3.2 %</b>	<b>2.9 %</b>	<b>3.6 %</b>	<b>3.8 %</b>

Sales (x AST)	2.4 %	1.7 %	3.2 %	3.7 %
Total (x AST)	2.6 %	2.7 %	3.4 %	3.9 %

- In November, total revenues fell 3.3 percent.
  - This was mainly a result of November having one less Tuesday and Wednesday (when approximately 60 percent of weekly payroll withholding payments are received) than last year.
- Total revenues grew 3.2 percent through November, ahead of the official estimate of 2.9 percent.
  - Adjusting for AST, total revenues grew 2.6 percent, slightly behind the economic-base forecast of 2.7 percent growth.

## ***The December Revenue Forecast Has Been Revised Upward From the Official Forecast ...***

- Total general fund revenues have been increased by \$98.8 million over the 2012-14 biennium, with \$103.4 million coming from fiscal year 2013.
- The largest revenue source, payroll withholding, is virtually unchanged.
  - This source is 63 percent of total general fund revenues.
- Refunds contribute \$266 million over the biennium to the increase. In fiscal years 2013 and 2014, refunds are expected to be similar to fiscal year 2012 levels, instead of growing substantially as expected in the official forecast.
- Individual nonwithholding contributes \$130.5 million over the biennium to the increase. Growth is expected to be 6.8 percent in fiscal year 2013 and 4.4 percent in fiscal year 2014 compared to the official forecast of 3.6 percent and 5.2 percent.
  - Revenue model showing stronger growth due to:
    - 1) 1st quarter payments were up 4.1 percent;
    - 2) Higher growth of dividends, interest and rent in the November forecast than in the official; and
    - 3) Improvement in the S&P 500 yearly performance.
  - Also accounts for possibility that expiring capital gains tax rates have pulled nonwithholding activity into tax year 2012.

## ***The December Revenue Forecast Has Been Revised Upward From The Official Forecast (continued)...***

- Corporate, on the other hand, contributes \$132.5 million less over the biennium. In fiscal year 2013, collections are expected to fall 4.5 percent instead of increase 3.0 percent, as projected in the official forecast.
  - There was widespread weakness in the first estimated payment by large payers and as a result, first quarter payments were down 11.8 percent.
- Collections of insurance premiums also are expected to fall, contributing \$71.8 million less over the biennium.
  - Fiscal year 2012 collections came in 12.0 percent below expectations, lowering the base, as the commercial real estate market and lower business and housing valuations likely dampened growth. None of these are expected to significantly improve in fiscal year 2013.
- In the December forecast, total general fund revenues and transfers have been increased by \$111.0 million in fiscal year 2013 and \$6.6 million in fiscal year 2014.
  - Total biennium increase of \$117.6 million in total revenues and transfers.
- Revenues are expected to increase 3.6 percent in fiscal year 2013 and 3.8 percent in fiscal year 2014 compared with the official forecast of 2.9 percent and 4.5 percent growth.
  - Adjusted for the accelerated sales tax program, total revenues are projected to increase 3.4 percent in fiscal year 2013.

# ***The December Revenue Forecast Has Been Revised Upward From The Official Forecast (continued)...***

## **Decomposition of the December Revenue Forecast**

Fiscal Years 2013 and 2014

(millions of dollars)

	FY13	FY14	2012-14 Biennium
<u>Official Revenue Forecast</u>	\$16,313.1	\$17,041.7	\$33,354.8
Total Revenue Growth: Official	2.9%	4.5%	
PLUS			
<u>GACRE Revenue Forecast</u>	\$109.6	\$101.3	\$210.9
Total Revenue Growth: GACRE	3.6%	4.4%	
<u>Post GACRE Adjustments</u>			
Nonwithholding	<u>0.0</u>	<u>(25.0)</u>	<u>(25.0)</u>
Total	0.0	(25.0)	(25.0)
Total Revenue Growth: Post GACRE	3.6%	4.2%	
<u>Policy Adjustments</u>			
Earned Income Tax Credit (conformity)	(7.0)	0.0	(7.0)
Sale of Property	(0.5)	(9.5)	(10.0)
Interest Income Adjustment	0.0	(3.8)	(3.8)
Accelerated Sales Tax (Additional Relief)	0.0	(20.8)	(20.8)
Transportation Sales Tax Change	0.0	(48.1)	(48.1)
<u>Minor</u>	<u>1.3</u>	<u>1.3</u>	<u>2.6</u>
Total	(6.2)	(80.9)	(87.1)
<b>Total General Fund Revenues</b>	<b>\$ 16,416.5</b>	<b>\$ 17,037.1</b>	<b>\$ 33,453.6</b>
<b>Total Revenue Growth: December</b>	<b>3.6%</b>	<b>3.8%</b>	

# ***The December Revenue Forecast Has Been Revised Upward From The Official Forecast (continued)...***

## **Summary of the December General Fund Revenue Forecast Fiscal Years 2013 and 2014 (millions of dollars)**

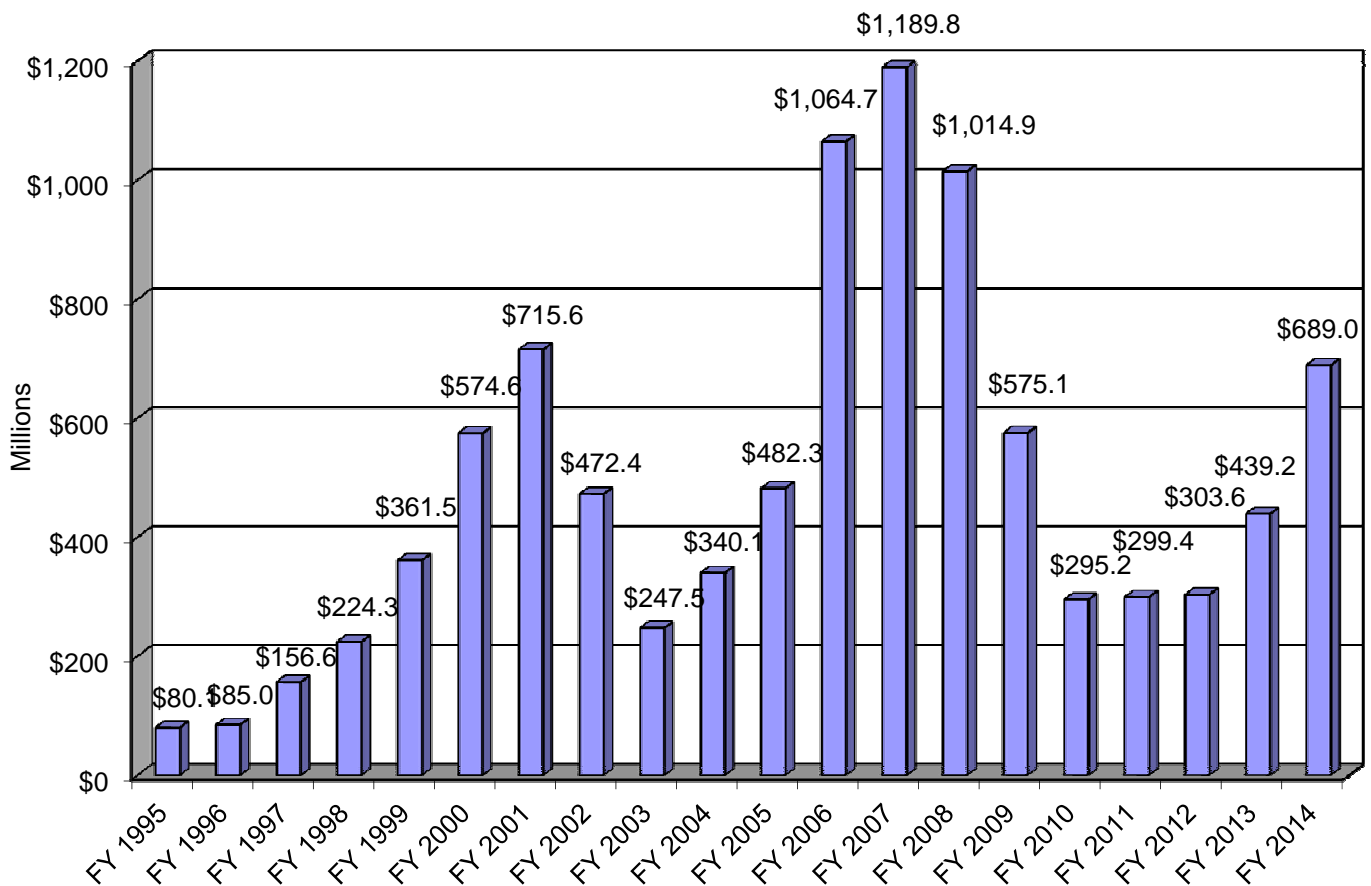
Major Source	Fiscal Year 2013			Fiscal Year 2014		
	Official*	December	\$ Change	Official*	December	\$ Change
Withholding	\$ 10,391.5	\$ 10,366.3	\$ (25.2)	\$ 10,843.9	\$ 10,809.8	\$ (34.1)
Nonwithholding	2,443.6	2,517.4	73.8	2,571.4	2,628.1	56.7
Refunds	<u>(1,923.8)</u>	<u>(1,791.3)</u>	<u>132.5</u>	<u>(1,960.6)</u>	<u>(1,827.1)</u>	<u>133.5</u>
Net Individual	\$ 10,911.3	\$ 11,092.4	\$ 181.1	\$ 11,454.7	\$ 11,610.8	\$ 156.1
Sales	\$ 3,207.9	\$ 3,248.8	\$ 40.9	\$ 3,331.5	\$ 3,303.5	\$ (28.0)
Corporate	886.0	820.9	(65.1)	907.2	839.8	(67.4)
Wills (Recordation)	322.9	336.5	13.6	322.9	336.5	13.6
Insurance	293.6	255.6	(38.0)	307.5	273.7	(33.8)
All Other Revenue	<u>691.4</u>	<u>662.3</u>	<u>(29.1)</u>	<u>717.9</u>	<u>672.8</u>	<u>(45.1)</u>
<b>Total Revenues</b>	<b>\$ 16,313.1</b>	<b>\$ 16,416.5</b>	<b>\$ 103.4</b>	<b>\$ 17,041.7</b>	<b>\$ 17,037.1</b>	<b>\$ (4.6)</b>
Percent Change for FY	2.9 %	3.6 %		4.5 %	3.8 %	(0.7)
ABC Profits	\$ 56.3	\$ 64.6	\$ 8.3	\$ 56.3	\$ 65.5	\$ 9.2
Sales Tax (0.25%)	226.1	222.8	(3.3)	235.0	230.4	(4.6)
Transfers	<u>115.4</u>	<u>118.0</u>	<u>2.6</u>	<u>122.8</u>	<u>129.4</u>	<u>6.6</u>
<b>Total Transfers</b>	<b>\$ 397.8</b>	<b>\$ 405.4</b>	<b>\$ 7.6</b>	<b>\$ 414.1</b>	<b>\$ 425.3</b>	<b>\$ 11.2</b>
<b>Total General Fund</b>	<b>\$ 16,710.9</b>	<b>\$ 16,821.9</b>	<b>\$ 111.0</b>	<b>\$ 17,455.8</b>	<b>\$ 17,462.4</b>	<b>\$ 6.6</b>

2012-14 Biennium	Official	December	\$ Change
Total Revenues	\$ 33,354.8	\$ 33,453.6	\$ 98.8
Total Transfers	<u>811.9</u>	<u>830.7</u>	<u>18.8</u>
<b>Total General Fund</b>	<b>\$ 34,166.7</b>	<b>\$ 34,284.3</b>	<b>\$ 117.6</b>

\* Chapter 3 Forecast

# ***Mandatory Deposits into the Revenue Stabilization Fund Will Double the Size of the Fund by the End of Fiscal Year 2014 Reaching \$689.0 Million ...***

**Revenue Stabilization Fund -- June 30 Balance**  
 FY 1995-2012 Actual and FY 2013-2014 Forecast  
 (millions of dollars)



- Mandatory deposits of \$132.7 million in fiscal year 2013 and \$244.6 in fiscal year 2014 are required.



## ***Next Steps In The Revenue Forecasting Process...***

- The mid-session review will incorporate the latest economic and revenue data.
  - Global Insight’s January U.S. economic outlook.
    - Impact of federal legislation, including extension of tax cuts and unemployment compensation.
    - Retail holiday sales.
  - Key additional revenue data will be available.
    - December 17: Due date for the fourth quarter corporate estimated income tax payment.
    - January 15: Due date for the fourth quarter individual estimated income tax payment.
    - Retail sales tax collections reflecting the main holiday shopping season.

# **APPENDIX**

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast for FY 2013 through FY 2020

Commonwealth Transportation Fund Forecast, FY 2013-2018

Virginia Health Care Fund Forecast, FY 2013 through 2020

GACRE November Standard Revenue Forecast

GACRE November Pessimistic Alternative Revenue Forecast

Growth in General Fund Revenues, FY 1961 through FY 2014

Nongeneral Fund Forecast for FY 2013 through FY 2018

November 2012 Revenue Report

**Fiscal Years 2011-2016 Official and November Forecasts**  
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Output, Income, and Spending (% Change)</u>							
Real GDP	Official (Nov '11)	2.6	1.7	1.8	3.2	3.6	3.0
	Nov Standard	2.2	2.0	1.9	2.3	3.3	3.1
	Nov Pessimistic			0.8	(0.1)	2.3	2.6
Total Personal Income	Official (Nov '11)	5.4	3.6	3.4	4.3	5.5	5.1
	Nov Standard	5.5	3.7	3.7	4.5	5.0	5.0
	Nov Pessimistic			2.8	1.8	3.4	4.5
Wages and Salaries (51%)	Official (Nov '11)	3.7	3.3	3.3	4.6	5.2	4.8
	Nov Standard	3.9	3.4	3.7	4.4	4.7	4.7
	Nov Pessimistic			3.0	1.6	2.9	4.1
Average Wage	Official (Nov '11)	3.2	2.3	2.3	2.8	3.0	2.9
	Nov Standard	3.2	2.0	2.3	2.6	2.8	2.7
	Nov Pessimistic			2.0	1.7	2.1	2.5
Real Consumer Spending	Official (Nov '11)	2.5	2.0	2.1	1.8	2.4	2.4
	Nov Standard	2.6	2.0	2.0	2.6	2.7	2.5
	Nov Pessimistic			1.4	0.9	1.3	1.1
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Nov '11)	0.1	0.0	0.1	0.5	2.3	3.7
	Nov Standard		0.0	0.1	0.1	0.2	1.7
	Nov Pessimistic			0.1	0.1	0.1	0.1
30-Year Treasury Bonds	Official (Nov '11)	4.2	3.3	3.5	4.1	4.7	5.3
	Nov Standard		3.2	2.9	3.5	4.0	4.5
	Nov Pessimistic			2.6	2.7	3.3	3.9
<u>Prices (% Change)</u>							
CPI	Official (Nov '11)	2.0	2.7	1.3	1.9	2.2	2.0
	Nov Standard		2.9	1.5	1.6	1.8	1.7
	Nov Pessimistic			1.2	1.1	2.1	2.3
GDP Deflator	Official (Nov '11)	1.7	2.0	1.0	1.4	1.8	1.9
	Nov Standard		2.0	1.8	1.5	1.6	1.6
	Nov Pessimistic			1.9	1.1	1.2	1.6

The Official forecast for FY12-FY16 is Global Insight's November 2011 U.S. standard scenario.

The Nov Standard forecast is Global Insight's November 2012 U.S. standard forecast.

The Nov Pessimistic forecast is Global Insight's November 2012 U.S. pessimistic alternative scenario.

**Fiscal Years 2011-2016 Official and November Forecasts**  
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '11)	0.6	0.9	1.0	1.8	2.1	1.9
	Nov Standard		1.4	1.4	1.7	1.9	1.9
	Nov Pessimistic			1.0	0.0	0.8	1.5
Construction (6%)	Official (Nov '11)	(2.6)	(0.8)	(2.2)	5.7	13.3	11.2
	Nov Standard		0.7	0.8	4.7	10.5	11.3
	Nov Pessimistic			0.1	(1.0)	4.4	9.6
Manufacturing (9%)	Official (Nov '11)	0.8	1.5	1.0	1.6	2.5	1.6
	Nov Standard		1.9	1.2	1.5	1.9	1.8
	Nov Pessimistic			0.8	(1.2)	1.0	2.6
Trade, Transportation, and Utilities (19%)	Official (Nov '11)	0.5	1.4	2.0	1.7	1.4	1.5
	Nov Standard		1.5	1.3	1.4	1.1	1.4
	Nov Pessimistic			0.7	(0.3)	0.1	0.5
Financial Activities (6%)	Official (Nov '11)	(0.8)	(0.4)	1.1	0.1	(0.3)	0.1
	Nov Standard		0.5	0.9	1.4	0.7	(0.5)
	Nov Pessimistic			0.0	0.5	(0.3)	(1.2)
Professional and Business Services (13%)	Official (Nov '11)	2.5	2.5	2.2	5.7	6.5	4.2
	Nov Standard		3.6	3.2	4.0	5.1	4.5
	Nov Pessimistic			1.8	(0.6)	3.8	4.5
Education and Health Services (13%)	Official (Nov '11)	2.1	2.2	1.7	1.3	1.1	1.9
	Nov Standard		2.1	1.9	1.5	1.6	2.1
	Nov Pessimistic			1.8	1.7	1.4	1.6
Leisure and Hospitality (10%)	Official (Nov '11)	0.9	1.6	1.7	0.1	(0.3)	(0.7)
	Nov Standard		2.3	2.3	1.7	(0.2)	(0.2)
	Nov Pessimistic			2.6	1.4	(1.1)	(0.8)
Government (16%)	Official (Nov '11)	(1.4)	(1.7)	(0.8)	0.3	0.6	0.8
	Nov Standard		(1.2)	(0.1)	0.0	0.3	0.7
	Nov Pessimistic			(0.3)	(1.3)	(0.6)	0.6
Unemployment Rate (%)	Official (Nov '11)	9.3	9.2	9.2	8.7	7.8	7.2
	Nov Standard		8.6	7.9	7.6	7.0	6.4
	Nov Pessimistic			8.1	8.8	8.8	8.3

The Official forecast for FY12-FY16 is Global Insight's November 2011 U.S. standard scenario.

The Nov Standard forecast is Global Insight's November 2012 U.S. standard forecast.

The Nov Pessimistic forecast is Global Insight's November 2012 U.S. pessimistic alternative scenario.

**Fiscal Years 2011-2016 Official and November Forecasts**  
Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '11)	1.2	1.2	1.0	1.8	2.6	2.1
	Nov Standard	1.0	1.6	1.2	1.4	2.0	2.0
	Nov Pessimistic			0.7	(0.1)	1.0	1.5
Construction and Mining (5%)	Official (Nov '11)	(0.3)	0.7	(0.2)	5.3	12.4	10.5
	Nov Standard	(1.1)	(1.8)	1.6	3.5	8.8	9.6
	Nov Pessimistic			0.9	(1.9)	2.9	7.8
Manufacturing (6%)	Official (Nov '11)	(1.1)	1.2	(0.3)	1.0	2.3	1.9
	Nov Standard	(1.4)	1.2	1.1	1.2	2.1	2.0
	Nov Pessimistic			0.7	(1.6)	1.1	2.8
Trade, Transportation, and Utilities (17%)	Official (Nov '11)	1.8	2.4	2.0	1.3	0.9	1.1
	Nov Standard	1.1	1.8	1.2	0.9	0.4	1.0
	Nov Pessimistic			0.6	(0.9)	(0.4)	0.0
Financial Activities (5%)	Official (Nov '11)	0.4	0.1	1.9	0.3	(0.4)	0.1
	Nov Standard	1.3	2.4	0.7	1.9	0.9	(0.6)
	Nov Pessimistic			(0.6)	0.6	(0.3)	(1.6)
Professional and Business Services (18%)	Official (Nov '11)	3.0	3.3	2.4	4.7	5.8	3.8
	Nov Standard	2.9	1.6	2.0	1.9	3.2	3.1
	Nov Pessimistic			0.9	(1.9)	1.7	2.9
Education and Health Services (13%)	Official (Nov '11)	2.2	1.6	2.0	1.5	1.3	2.2
	Nov Standard	2.0	3.4	2.0	1.2	1.8	2.5
	Nov Pessimistic			1.9	1.5	1.6	1.9
Leisure and Hospitality (9%)	Official (Nov '11)	1.8	1.3	1.6	0.1	(0.3)	(0.7)
	Nov Standard	1.8	2.7	2.4	2.6	0.7	0.4
	Nov Pessimistic			2.7	2.3	(0.2)	(0.2)
Government (19%)	Official (Nov '11)	(0.2)	(1.7)	(2.1)	(0.1)	2.2	1.6
	Nov Standard	0.4	0.8	(0.3)	0.0	1.6	1.3
	Nov Pessimistic			(0.4)	(0.2)	1.6	1.4
Unemployment Rate (%)	Official (Nov '11)	6.5	6.0	5.9	5.6	5.1	4.7
	Nov Standard	6.5	6.0	5.3	5.1	4.7	4.3
	Nov Pessimistic			5.5	6.0	6.0	5.7

The Official forecast for FY12-16 is based on Global Insight's November 2011 U.S. standard forecast.

The Nov Standard forecast from the Department of Taxation is based on Global Insight's November 2012 U.S. standard forecast.

The Nov Pessimistic forecast from the Department of Taxation is based on Global Insight's November 2012 U.S. pessimistic alternative scenario.

**Fiscal Years 2011-2016 Official and November Forecasts**  
Virginia Economic Forecasts - Income

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Income (% Change)</u>							
Total Personal Income	Official (Nov '11)	5.0	3.9	3.5	4.0	5.3	5.3
	Nov Standard	5.6	4.0	3.4	4.1	4.6	4.7
	Nov Pessimistic			2.9	2.1	3.1	4.1
Wages and Salaries (58%)	Official (Nov '11)	3.5	3.3	3.7	4.2	4.9	4.8
	Nov Standard	3.6	2.6	3.7	3.9	4.4	4.2
	Nov Pessimistic			3.1	2.1	2.9	3.5
Average Wage	Official (Nov '11)	2.3	2.1	2.6	2.4	2.3	2.6
	Nov Standard	2.5	1.0	2.5	2.5	2.3	2.2
	Nov Pessimistic			2.3	2.2	1.9	2.0
Dividends, Interest, and Rent (16%)	Official (Nov '11)	7.2	3.0	3.2	2.8	7.7	7.6
	Nov Standard	7.2	6.8	4.5	5.6	6.0	6.8
	Nov Pessimistic			3.5	0.7	2.8	5.2
Supplements to Wages and Salaries (14%)	Official (Nov '11)	2.9	4.0	4.2	5.4	5.8	5.8
	Nov Standard	3.7	3.1	3.1	5.2	5.9	6.0
	Nov Pessimistic			3.3	5.0	5.1	4.8
Proprietor's Income (6%)	Official (Nov '11)	7.1	12.0	0.6	1.5	0.8	(0.2)
	Nov Standard	11.6	4.1	0.9	0.3	1.5	4.3
	Nov Pessimistic			0.5	(5.2)	(2.8)	4.1
Net Transfer Payments (4%)	Official (Nov '11)	19.9	5.8	4.4	5.1	6.5	8.6
	Nov Standard	19.8	11.2	4.1	4.3	3.8	2.5
	Nov Pessimistic			3.7	6.9	7.1	5.3

The Official forecast for FY12-16 is based on Global Insight's November 2011 U.S. standard forecast.

The Nov Standard forecast from the Department of Taxation is based on Global Insight's November 2012 U.S. standard forecast.

The Nov Pessimistic forecast from the Department of Taxation is based on Global Insight's November 2012 U.S. pessimistic alternative scenario.

**The Official to December Standard General Fund Forecast for Fiscal Year 2013**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2012		Fiscal Year 2013			% Growth Over FY 12	
	Actual	% Growth	Official Forecast	December Forecast	Change	Official	December
<b>MAJOR TAX SOURCES</b>							
Corporate Income	\$ 859.9	4.6 %	\$ 886.0	\$ 820.9	\$ (65.1)	3.0 %	(4.5) %
Individual Income Tax:							
Gross	12,397.6	4.9	12,835.1	12,883.7	48.6	3.5	3.9
Withholding	10,039.7	4.2	10,391.5	10,366.3	(25.2)	3.5	3.3
Nonwithholding	2,357.9	8.2	2,443.6	2,517.4	73.8	3.6	6.8
Refunds	<u>(1,784.7)</u>	<u>(4.5)</u>	<u>(1,923.8)</u>	<u>(1,791.3)</u>	<u>132.5</u>	<u>7.8</u>	<u>0.4</u>
Net	10,612.8	6.7	10,911.3	11,092.4	181.1	2.8	4.5
Insurance Company Premiums	252.9	(10.2)	293.6	255.6	(38.0)	16.1	1.1
State Sales & Use Tax	3,121.5	3.6	3,207.9	3,248.8	40.9	2.8	4.1
Wills, Suits, Deeds, & Contract Fees	<u>322.1</u>	<u>10.5</u>	<u>322.9</u>	<u>336.5</u>	<u>13.6</u>	<u>0.3</u>	<u>4.5</u>
Total Major Tax Sources	\$ 15,169.2	5.7 %	\$ 15,621.7	\$ 15,754.2	\$ 132.5	3.0 %	3.9 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>							
Alcoholic Beverage State Tax	\$ 143.4	5.4 %	\$ 141.5	\$ 148.3	\$ 6.8	(1.3) %	3.4 %
Bank Franchise Tax	18.9	(22.6)	19.3	17.0	(2.3)	2.2	(10.0)
Beer & Beverage Excise Tax	43.0	0.1	43.3	43.0	(0.3)	0.7	0.0
Corporate Franchise & Charter Fees	42.3	(4.7)	43.4	40.5	(2.9)	2.5	(4.3)
Excess & Other Fees from Officers	(8.7)	(0.5)	(7.5)	(8.7)	(1.2)	13.5	(0.3)
Estate & Gifts	0.3	(89.0)	0.0	0.0	0.0	(100.0)	(100.0)
Institutional Revenues	5.8	(9.4)	6.2	5.7	(0.5)	6.1	(2.4)
Interest & Rents	77.5	(4.8)	77.7	67.8	(9.9)	0.2	(12.6)
Licenses & Permits	4.2	(2.5)	4.3	4.3	0.0	1.4	1.4
Miscellaneous Taxes and Penalties	223.4	(1.1)	238.8	221.1	(17.7)	6.9	(1.0)
Other Miscellaneous Revenues	32.8	(4.8)	30.5	28.0	(2.5)	(6.9)	(14.6)
Public Service GR / Consumption Tax	<u>94.4</u>	<u>0.7</u>	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>(0.6)</u>	<u>0.9</u>
Total Misc. Taxes and Other Revenues	\$ 677.4	(1.6) %	\$ 691.4	\$ 662.3	\$ (29.1)	2.1 %	(2.2) %
<b>TOTAL GF REVENUES</b>	<b>\$ 15,846.7</b>	<b>5.4 %</b>	<b>\$ 16,313.1</b>	<b>\$ 16,416.5</b>	<b>\$ 103.4</b>	<b>2.9 %</b>	<b>3.6 %</b>
<b>TRANSFERS</b>							
A.B.C. Profits	\$ 63.8	26.3 %	\$ 56.3	\$ 64.6	\$ 8.3	(11.8) %	1.3 %
Sales Tax (0.25%)	214.1	4.9	226.1	222.8	(3.3)	5.6	4.1
Transfers Per Appropriations Act	<u>223.4</u>	<u>41.8</u>	<u>115.4</u>	<u>118.0</u>	<u>2.6</u>	<u>(48.3)</u>	<u>(47.2)</u>
Total Transfers	\$ 501.3	21.6 %	\$ 397.8	\$ 405.4	\$ 7.6	(20.6) %	(19.1) %
<b>TOTAL GENERAL FUND</b>	<b>\$ 16,348.0</b>	<b>5.8 %</b>	<b>\$ 16,710.9</b>	<b>\$ 16,821.9</b>	<b>\$ 111.0</b>	<b>2.2 %</b>	<b>2.9 %</b>

The Official forecast is based on the November 2011 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2012 General Assembly - Chapter 3.

The December Standard forecast is based on the November 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates GACRE's recommendations.

**The Official to December Standard General Fund Forecast for Fiscal Year 2014**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 December	Official Forecast	December Forecast	Change
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 907.2	\$ 839.8	\$ (67.4)	2.4 %	2.3 %	\$ 1,793.2	\$ 1,660.7	\$ (132.5)
Individual Income Tax:								
Gross	13,415.3	13,437.9	22.6	4.5	4.3	26,250.4	26,321.6	71.2
Withholding	10,843.9	10,809.8	(34.1)	4.4	4.3	21,235.4	21,176.1	(59.3)
Nonwithholding	2,571.4	2,628.1	56.7	5.2	4.4	5,015.0	5,145.5	130.5
Refunds	<u>(1,960.6)</u>	<u>(1,827.1)</u>	<u>133.5</u>	<u>1.9</u>	<u>2.0</u>	<u>(3,884.4)</u>	<u>(3,618.4)</u>	<u>266.0</u>
Net	11,454.7	11,610.8	156.1	5.0	4.7	22,366.0	22,703.2	337.2
Insurance Company Premiums	307.5	273.7	(33.8)	4.7	7.1	601.1	529.3	(71.8)
State Sales & Use Tax	3,331.5	3,303.5	(28.0)	3.9	1.7	6,539.4	6,552.3	12.9
Wills, Suits, Deeds, & Contract Fees	<u>322.9</u>	<u>336.5</u>	<u>13.6</u>	<u>0.0</u>	<u>0.0</u>	<u>645.8</u>	<u>673.0</u>	<u>27.2</u>
Total Major Tax Sources	\$ 16,323.8	\$ 16,364.3	\$ 40.5	4.5 %	3.9 %	\$ 31,945.5	\$ 32,118.5	\$ 173.0
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 144.3	\$ 151.0	\$ 6.7	2.0 %	1.8 %	\$ 285.8	\$ 299.3	\$ 13.5
Bank Franchise Tax	19.3	16.0	(3.3)	0.0	(5.9)	38.6	33.0	(5.6)
Beer & Beverage Excise Tax	43.3	43.0	(0.3)	0.0	0.0	86.6	86.0	(0.6)
Corporate Franchise & Charter Fees	43.4	40.5	(2.9)	0.0	0.0	86.8	81.0	(5.8)
Excess & Other Fees from Officers	(7.5)	(8.7)	(1.2)	0.0	0.0	(15.0)	(17.4)	(2.4)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	6.2	5.7	(0.5)	0.0	0.0	12.4	11.4	(1.0)
Interest & Rents	80.3	65.0	(15.3)	3.3	(4.1)	158.0	132.8	(25.2)
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0
Miscellaneous Taxes and Penalties	240.0	222.0	(18.0)	0.5	0.4	478.8	443.1	(35.7)
Other Miscellaneous Revenues	50.4	38.7	(11.7)	65.0	38.2	80.9	66.7	(14.2)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>0.0</u>	<u>0.0</u>	<u>187.8</u>	<u>190.6</u>	<u>2.8</u>
Total Misc. Taxes and Other Revenues	\$ 717.9	\$ 672.8	\$ (45.1)	3.8 %	1.6 %	\$ 1,409.3	\$ 1,335.1	\$ (74.2)
<b>TOTAL GF REVENUES</b>	<b>\$ 17,041.7</b>	<b>\$ 17,037.1</b>	<b>\$ (4.6)</b>	<b>4.5 %</b>	<b>3.8 %</b>	<b>\$ 33,354.8</b>	<b>\$ 33,453.6</b>	<b>\$ 98.8</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 56.3	\$ 65.5	\$ 9.2	0.0 %	1.4 %	\$ 112.6	\$ 130.1	\$ 17.5
Sales Tax (0.25%)	235.0	230.4	(4.6)	3.9	3.4	461.1	453.2	(7.9)
Transfers Per Appropriations Act	<u>122.8</u>	<u>129.4</u>	<u>6.6</u>	<u>6.4</u>	<u>9.7</u>	<u>238.2</u>	<u>247.4</u>	<u>9.2</u>
Total Transfers	\$ 414.1	\$ 425.3	\$ 11.2	4.1 %	4.9 %	\$ 811.9	\$ 830.7	\$ 18.8
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,455.8</b>	<b>\$ 17,462.4</b>	<b>\$ 6.6</b>	<b>4.5 %</b>	<b>3.8 %</b>	<b>\$ 34,166.7</b>	<b>\$ 34,284.3</b>	<b>\$ 117.6</b>

The December Standard forecast is based on the November 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates GACRE's recommendations.



**The December Standard General Fund Forecast for Fiscal Years 2015-2016**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	December Forecast	% Growth Over FY 14	December Forecast	% Growth Over FY 15	December Forecast	% Growth Over 12-14
<b>MAJOR TAX SOURCES</b>						
Corporate Income	\$ 830.3	(1.1) %	\$ 827.0	(0.4) %	\$ 1,657.3	(0.2) %
Individual Income Tax:						
Gross	14,134.6	5.2	14,807.7	4.8	28,942.3	10.0
Withholding	11,323.5	4.8	11,796.0	4.2	23,119.5	9.2
Nonwithholding	2,811.1	7.0	3,011.7	7.1	5,822.8	13.2
Refunds	<u>(1,882.4)</u>	3.0	<u>(2,048.6)</u>	<u>8.8</u>	<u>(3,930.9)</u>	<u>8.6</u>
Net	12,252.2	5.5	12,759.1	4.1	25,011.4	10.2
Insurance Company Premiums	289.7	5.8	301.0	3.9	590.7	11.6
State Sales & Use Tax	3,499.8	5.9	3,638.8	4.0	7,138.6	8.9
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>0.0</u>	<u>336.5</u>	<u>0.0</u>	<u>673.0</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,208.5	5.2 %	\$ 17,862.4	3.8 %	\$ 35,071.0	9.2 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>						
Alcoholic Beverage State Tax	\$ 143.2	(5.2) %	\$ 143.2	0.0 %	\$ 286.4	(4.3) %
Bank Franchise Tax	16.0	0.0	16.0	0.0	32.0	(3.0)
Beer & Beverage Excise Tax	43.0	0.0	43.0	0.0	86.0	0.0
Corporate Franchise & Charter Fees	42.4	4.7	42.4	0.0	84.8	4.7
Excess & Other Fees from Officers	(8.7)	0.0	(8.7)	0.0	(17.4)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.7	0.0	5.7	0.0	11.4	0.0
Interest & Rents	68.8	5.8	68.8	0.0	137.6	3.6
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	0.0
Miscellaneous Taxes and Penalties	222.6	0.3	222.9	0.1	445.5	0.5
Other Miscellaneous Revenues	26.0	(32.8)	26.0	0.0	52.0	(22.0)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>(1.5)</u>	<u>93.9</u>	<u>0.0</u>	<u>187.8</u>	<u>(1.5)</u>
Total Misc. Taxes and Other Revenues	\$ 657.2	(2.3) %	\$ 657.5	0.0 %	\$ 1,314.7	(1.5) %
<b>TOTAL GF REVENUES</b>	<b>\$ 17,865.7</b>	<b>4.9 %</b>	<b>\$ 18,519.9</b>	<b>3.7 %</b>	<b>\$ 36,385.7</b>	<b>8.8 %</b>
<b>TRANSFERS</b>						
A.B.C. Profits	\$ 65.7	0.3 %	\$ 65.7	0.0 %	\$ 131.4	1.0 %
Sales Tax (0.25%)	239.4	3.9	248.9	4.0	488.3	7.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>(7.3)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(3.0)</u>
Total Transfers	\$ 425.1	(0.0) %	\$ 434.6	2.2 %	\$ 859.7	3.5 %
<b>TOTAL GENERAL FUND</b>	<b>\$ 18,290.8</b>	<b>4.7 %</b>	<b>\$ 18,954.5</b>	<b>3.6 %</b>	<b>\$ 37,245.4</b>	<b>8.6 %</b>

The December Standard forecast is based on the November 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates GACRE's recommendations.

**The December Standard General Fund Forecast for Fiscal Years 2017-2020**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
<b>MAJOR TAX SOURCES</b>				
Corporate Income	\$ 819.4	\$ 821.4	\$ 834.1	\$ 848.3
Individual Income Tax:				
Gross	15,489.6	16,150.5	16,834.6	17,540.9
Withholding	12,295.6	12,803.0	13,311.4	13,830.6
Nonwithholding	3,194.0	3,347.5	3,523.2	3,710.3
Refunds	<u>(2,150.9)</u>	<u>(2,258.9)</u>	<u>(2,372.8)</u>	<u>(2,493.0)</u>
Net	13,338.7	13,891.6	14,461.8	15,047.9
Insurance Company Premiums	318.2	327.1	343.9	358.1
State Sales & Use Tax	3,780.1	3,908.7	4,041.2	4,178.6
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>336.5</u>	<u>336.5</u>	<u>336.5</u>
Total Major Tax Sources	\$ 18,592.9	\$ 19,285.3	\$ 20,017.5	\$ 20,769.4
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>				
Alcoholic Beverage State Tax	\$ 143.2	\$ 143.2	\$ 143.2	\$ 143.2
Bank Franchise Tax	16.0	16.0	16.0	16.0
Beer & Beverage Excise Tax	43.0	43.0	43.0	43.0
Corporate Franchise & Charter Fees	42.4	42.4	42.4	42.4
Excess & Other Fees from Officers	(8.7)	(8.7)	(8.7)	(8.7)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	5.7	5.7	5.7	5.7
Interest & Rents	68.8	68.8	68.8	68.8
Licenses & Permits	4.3	4.3	4.3	4.3
Miscellaneous Taxes and Penalties	223.2	223.5	223.5	223.5
Other Miscellaneous Revenues	26.0	26.0	26.0	26.0
Public Service GR / Consumption Tax	<u>93.9</u>	<u>93.9</u>	<u>93.9</u>	<u>93.9</u>
Total Misc. Taxes and Other Revenues	\$ 657.8	\$ 658.1	\$ 658.1	\$ 658.1
<b>TOTAL GF REVENUES</b>	<b>\$ 19,250.7</b>	<b>\$ 19,943.4</b>	<b>\$ 20,675.6</b>	<b>\$ 21,427.5</b>
<b>TRANSFERS</b>				
A.B.C. Profits	\$ 56.3	\$ 56.3	\$ 56.3	\$ 56.3
Sales Tax (0.25%)	258.4	267.2	276.3	285.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total Transfers	\$ 434.7	\$ 443.5	\$ 452.6	\$ 462.0
<b>TOTAL GENERAL FUND</b>	<b>\$ 19,685.4</b>	<b>\$ 20,386.9</b>	<b>\$ 21,128.2</b>	<b>\$ 21,889.5</b>
\$ Change From Previous Year	\$ 730.9	\$ 701.5	\$ 741.3	\$ 1,502.5
<b>TOTAL BIENNIUM GENERAL FUND</b>		<b>\$ 40,072.3</b>		<b>\$ 43,017.7</b>
\$ Change From Previous Biennium		\$ 2,826.9		\$ 2,945.3
% Growth From Previous Biennium		7.6		7.4 %

**The December Standard General Fund Forecast for Fiscal Years 2017-2020**  
(Dollars in Millions)

December 17, 2012

	FY 17 % Growth Over FY 16	FY 18 % Growth Over FY 17	FY 19 % Growth Over FY 18	FY 20 % Growth Over FY 19
<b>MAJOR TAX SOURCES</b>				
Corporate Income	(0.9) %	0.2 %	1.5 %	1.7 %
Individual Income Tax:				
Gross	4.6	4.3	4.2	4.2
Withholding	4.2	4.1	4.0	3.9
Nonwithholding	6.1	4.8	5.2	5.3
Refunds	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.1</u>
Net	4.5	4.1	4.1	4.1
Insurance Company Premiums	5.7	2.8	5.1	4.1
State Sales & Use Tax	3.9	3.4	3.4	3.4
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	4.1 %	3.7 %	3.8 %	3.8 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>				
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				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.1	0.1	0.0	0.0
Other Miscellaneous Revenues	0.0	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	0.0 %	0.0 %	0.0 %	0.0 %
<b>TOTAL GF REVENUES</b>	<b>3.9 %</b>	<b>3.6 %</b>	<b>3.7 %</b>	<b>3.6 %</b>
<b>TRANSFERS</b>				
A.B.C. Profits	(14.3) %	0.0 %	0.0 %	0.0 %
Sales Tax (0.25%)	3.8	3.4	3.4	3.4
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	0.0 %	2.0 %	2.1 %	2.1 %
<b>TOTAL GENERAL FUND</b>	<b><u>3.9 %</u></b>	<b><u>3.6 %</u></b>	<b><u>3.6 %</u></b>	<b><u>3.6 %</u></b>

**The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2013**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2012		Fiscal Year 2013			% Growth over FY 12	
	Actual	% Growth	Official Forecast	December Forecast	Change	Official	December
<b>Highway Maintenance &amp; Operating Fund</b>							
Motor Fuels Tax	\$ 716.7	(0.8) %	\$ 729.0	\$ 722.5	\$ (6.5)	1.7 %	0.8 %
Road Tax	1.0	(74.4)	5.1	(0.6)	(5.7)	410.0	*
Motor Vehicle Sales And Use Tax	357.4	10.0	354.1	382.0	27.9	(0.9)	6.9
Motor Vehicle License Fees	214.5	(1.0)	220.4	215.8	(4.6)	2.8	0.6
Retail Sales and Use Tax	0.0	n/a	0.0	0.0	0.0	n/a	n/a
International Registration Plan	62.6	2.5	62.6	63.8	1.2	0.0	1.9
Recordation Tax (1 cent)	13.0	11.1	12.8	13.5	0.7	(1.5)	3.8
Miscellaneous	12.3	(4.7)	14.8	14.8	0.0	20.3	20.3
<b>Total State Taxes and Fees</b>	<b>\$ 1,377.5</b>	<b>1.8 %</b>	<b>\$ 1,398.8</b>	<b>\$ 1,411.8</b>	<b>\$ 13.0</b>	<b>1.5 %</b>	<b>2.5 %</b>
<b>Transportation Trust Fund</b>							
Motor Fuels Tax	\$ 106.0	(2.1) %	\$ 108.0	\$ 106.2	\$ (1.8)	1.9 %	0.2 %
Priority Transportation Trust Fund	157.3	4.7	161.8	150.1	(11.7)	2.9	(4.6)
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	137.3	5.4	141.8	130.1	(11.7)	3.3	(5.2)
Road Tax	7.4	(2.6)	7.4	7.9	0.5	0.0	6.8
Motor Vehicle Sales And Use Tax	189.8	8.0	188.8	203.3	14.5	(0.5)	7.1
Motor Vehicle License Fees	21.1	(0.5)	21.4	21.5	0.1	1.4	1.9
Retail Sales and Use Tax	503.1	5.4	526.3	533.0	6.7	4.6	5.9
Recordation Tax (2 cents)	26.1	12.0	25.6	27.0	1.4	(1.9)	3.4
Interest Earnings	14.0	(23.5)	17.6	9.9	(7.7)	25.7	(29.3)
Rental Tax	33.3	5.4	33.3	33.9	0.6	0.0	1.8
Aviation Fuels Tax	2.1	16.7	2.2	2.1	(0.1)	4.8	0.0
<b>Total State Taxes and Fees</b>	<b>\$ 1,060.2</b>	<b>4.4 %</b>	<b>\$ 1,092.4</b>	<b>\$ 1,094.9</b>	<b>\$ 2.5</b>	<b>3.0 %</b>	<b>3.3 %</b>
<b>Total HMOF And TTF</b>							
Motor Fuels Tax	\$ 822.7	(1.0) %	\$ 837.0	\$ 828.7	\$ (8.3)	1.7 %	0.7 %
Priority Transportation Trust Fund	157.3	4.7	161.8	150.1	(11.7)	2.9	(4.6)
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	137.3	5.4	141.8	130.1	(11.7)	3.3	(5.2)
Road Tax	8.4	(27.0)	12.5	7.3	(5.2)	48.8	(13.1)
Motor Vehicle Sales and Use Tax	547.2	9.3	542.9	585.3	42.4	(0.8)	7.0
Motor Vehicle License Fees	235.6	(1.0)	241.8	237.3	(4.5)	2.6	0.7
International Registration Plan	62.6	2.5	62.6	63.8	1.2	0.0	1.9
Retail Sales and Use Tax	503.1	5.4	526.3	533.0	6.7	4.6	5.9
Recordation Tax (3 cents)	39.1	11.7	38.4	40.5	2.1	(1.8)	3.6
Interest Earnings	14.0	(23.5)	17.6	9.9	(7.7)	25.7	(29.3)
Rental Tax	33.3	5.4	33.3	33.9	0.6	0.0	1.8
Aviation Fuels Tax	2.1	16.7	2.2	2.1	(0.1)	4.8	0.0
Miscellaneous	12.3	(4.7)	14.8	14.8	0.0	20.3	20.3
<b>Total State Taxes and Fees</b>	<b>\$ 2,437.7</b>	<b>2.9 %</b>	<b>\$ 2,491.2</b>	<b>\$ 2,506.7</b>	<b>\$ 15.5</b>	<b>2.2 %</b>	<b>2.8 %</b>
<b>Transfers per the Appropriations Act</b>							
Retail Sales Tax - AST (TTF)	26.0	n/a	17.0	20.9	3.9	(34.6)	(19.6)
<b>Total Transfers</b>	<b>\$ 26.0</b>	<b>n/a</b>	<b>\$ 17.0</b>	<b>\$ 20.9</b>	<b>\$ 3.9</b>	<b>(34.6)</b>	<b>(19.6) %</b>
<b>Total Transportation Fund</b>	<b>\$ 2,463.7</b>	<b>2.8</b>	<b>\$ 2,508.2</b>	<b>\$ 2,527.6</b>	<b>\$ 19.4</b>	<b>1.8 %</b>	<b>2.6 %</b>

The official forecast is based on the November 2011 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and updated for actions of the 2012 session of the General Assembly.

The December forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

**The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2014**  
(Dollars in Millions)

December 17, 2012

	Fiscal Year 2014				
	Official Forecast	December Forecast	Change	% Growth over FY 13 Official	December
<b>Highway Maintenance &amp; Operating Fund</b>					
Motor Fuels Tax	\$ 748.1	\$ 735.4	\$ (12.7)	2.6 %	1.8 %
Road Tax	5.0	(0.2)	(5.2)	(2.0)	(66.7)
Motor Vehicle Sales And Use Tax	375.3	401.0	25.7	6.0	5.0
Motor Vehicle License Fees	223.6	215.9	(7.7)	1.5	0.0
Retail Sales and Use Tax	0.0	48.1	48.1	n/a	n/a
International Registration Plan	63.8	65.3	1.5	1.9	2.4
Recordation Tax (1 cent)	12.8	13.5	0.7	0.0	0.0
Miscellaneous	17.4	17.4	0.0	17.6	17.6
<b>Total State Taxes and Fees (HMOF)</b>	<b>\$ 1,446.0</b>	<b>\$ 1,496.4</b>	<b>\$ 50.4</b>	<b>3.4 %</b>	<b>6.0 %</b>
<b>Transportation Trust Fund</b>					
Motor Fuels Tax	\$ 110.3	\$ 108.5	\$ (1.8)	2.1 %	2.2 %
Priority Transportation Trust Fund	167.2	151.0	(16.2)	3.3	0.6
Base	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	147.2	131.0	(16.2)	3.8	0.7
Road Tax	7.8	8.2	0.4	5.4	3.8
Motor Vehicle Sales And Use Tax	200.1	213.4	13.3	6.0	5.0
Motor Vehicle License Fees	21.8	21.5	(0.3)	1.9	0.0
Retail Sales and Use Tax	546.2	552.1	5.9	3.8	3.6
Recordation Tax (2 cents)	25.6	27.0	1.4	0.0	0.0
Interest Earnings	17.8	11.9	(5.9)	1.1	20.2
Rental Tax	34.7	35.3	0.6	4.2	4.1
Aviation Fuels Tax	2.3	2.2	(0.1)	4.5	4.8
<b>Total State Taxes and Fees (TTF)</b>	<b>\$ 1,133.8</b>	<b>\$ 1,131.1</b>	<b>\$ (2.7)</b>	<b>3.8 %</b>	<b>3.3 %</b>
<b>Total HMOF And TTF</b>					
Motor Fuels Tax	\$ 858.4	\$ 843.9	\$ (14.5)	2.6 %	1.8 %
Priority Transportation Trust Fund	167.2	151.0	(16.2)	3.3	0.6
Base	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	147.2	131.0	(16.2)	3.8	0.7
Road Tax	12.8	8.0	(4.8)	2.4	9.6
Motor Vehicle Sales and Use Tax	575.4	614.4	39.0	6.0	5.0
Motor Vehicle License Fees	245.4	237.4	(8.0)	1.5	0.0
International Registration Plan	63.8	65.3	1.5	1.9	2.4
Retail Sales and Use Tax	546.2	600.2	54.0	3.8	12.6
Recordation Tax (3 cents)	38.4	40.5	2.1	0.0	0.0
Interest Earnings	17.8	11.9	(5.9)	1.1	20.2
Rental Tax	34.7	35.3	0.6	4.2	4.1
Aviation Fuels Tax	2.3	2.2	(0.1)	4.5	4.8
Miscellaneous	17.4	17.4	0.0	17.6	17.6
<b>Total State Taxes and Fees</b>	<b>\$ 2,579.8</b>	<b>\$ 2,627.5</b>	<b>\$ 47.7</b>	<b>3.6 %</b>	<b>4.8 %</b>
<b>Transfers per the Appropriations Act</b>					
Retail Sales Tax - AST (TTF)	17.7	21.8	4.1	4.1	4.3
<b>Total Transfers</b>	<b>\$ 17.7</b>	<b>\$ 21.8</b>	<b>\$ 4.1</b>	<b>4.1 %</b>	<b>4.3 %</b>
<b>Total Transportation Fund</b>	<b>\$ 2,597.5</b>	<b>\$ 2,649.3</b>	<b>\$ 51.8</b>	<b>3.6 %</b>	<b>4.8 %</b>

The official forecast is based on the November 2011 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and updated for actions of the 2012 session of the General Assembly.

The December forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

**The December Commonwealth Transportation Fund Forecast for Fiscal Years 2015 through 2018**  
(Dollars in Millions)

December 17, 2012

	Fiscal Years 2015 through 2018							
	FY 15 Forecast	% Growth	FY 16 Forecast	% Growth	FY 17 Forecast	% Growth	FY 18 Forecast	% Growth
<b>Highway Maintenance &amp; Operating Fund</b>								
Motor Fuels Tax	\$ 751.6	2.2	\$ 767.5	2.1	\$ 781.3	1.8	\$ 795.4	1.8
Road Tax	0.8	(500.0)	0.8	0.0	0.7	(12.5)	0.6	(14.3)
Motor Vehicle Sales And Use Tax	406.4	1.3	413.9	1.8	427.3	3.2	427.6	0.1
Motor Vehicle License Fees	217.4	0.7	217.4	0.0	218.6	0.6	218.6	0.0
Retail Sales and Use Tax	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a
International Registration Plan	66.9	2.5	68.5	2.4	70.2	2.5	71.9	2.4
Recordation Tax (1 cent)	13.5	0.0	13.5	0.0	13.5	0.0	13.5	0.0
Miscellaneous	17.4	0.0	17.4	0.0	17.4	0.0	17.4	0.0
<b>Total State Taxes and Fees (HMOF)</b>	<b>\$ 1,474.0</b>	<b>(1.5)</b>	<b>\$ 1,499.0</b>	<b>1.7%</b>	<b>\$ 1,529.0</b>	<b>2.0%</b>	<b>\$ 1,545.0</b>	<b>1.0%</b>
<b>Transportation Trust Fund</b>								
Motor Fuels Tax	110.4	1.8	112.4	1.8	113.7	1.2	115.1	1.2
Priority Transportation Trust Fund	157.0	4.0	164.3	4.6	170.5	3.8	178.3	4.6
Base	20.0	0.0	20.0	0.0	20.0	0.0	20.0	0.0
Insurance Premiums Tax (1/3)	137.0	4.6	144.3	5.3	150.5	4.3	158.3	5.2
Road Tax	8.7	6.1	9.1	4.6	9.6	5.5	10.0	4.2
Motor Vehicle Sales And Use Tax	216.2	1.3	220.2	1.9	227.4	3.3	227.5	0.0
Motor Vehicle License Fees	21.8	1.4	21.8	0.0	22.0	0.9	22.0	0.0
Retail Sales and Use Tax	575.5	4.2	597.9	3.9	620.2	3.7	641.0	3.4
Recordation Tax (2 cents)	27.0	0.0	27.0	0.0	27.0	0.0	27.0	0.0
Interest Earnings	10.6	(10.9)	7.8	(26.4)	6.1	(21.8)	6.2	1.6
Rental Tax	36.9	4.5	37.5	1.6	38.1	1.6	38.8	1.8
Aviation Fuels Tax	2.2	0.0	2.3	4.5	2.3	0.0	2.3	0.0
<b>Total State Taxes and Fees (TTF)</b>	<b>\$ 1,166.3</b>	<b>3.1</b>	<b>\$ 1,200.3</b>	<b>2.9%</b>	<b>\$ 1,236.9</b>	<b>3.0%</b>	<b>\$ 1,268.2</b>	<b>2.5%</b>
<b>Total HMOF And TTF</b>								
Motor Fuels Tax	862.0	2.1	879.9	2.1	895.0	1.7	910.5	1.7
Priority Transportation Trust Fund	157.0	4.0	164.3	4.6	170.5	3.8	178.3	4.6
Base	20.0	0.0	20.0	0.0	20.0	0.0	20.0	0.0
Insurance Premiums Tax (1/3)	137.0	4.6	144.3	5.3	150.5	4.3	158.3	5.2
Road Tax	9.5	18.8	9.9	4.2	10.3	4.0	10.6	2.9
Motor Vehicle Sales and Use Tax	622.6	1.3	634.1	1.8	654.7	3.2	655.1	0.1
Motor Vehicle License Fees	239.2	0.8	239.2	0.0	240.6	0.6	240.6	0.0
International Registration Plan	66.9	2.5	68.5	2.4	70.2	2.5	71.9	2.4
Retail Sales and Use Tax	575.5	(4.1)	597.9	3.9	620.2	3.7	641.0	3.4
Recordation Tax (3 cents)	40.5	0.0	40.5	0.0	40.5	0.0	40.5	0.0
Interest Earnings	10.6	(10.9)	7.8	(26.4)	6.1	(21.8)	6.2	1.6
Rental Tax	36.9	4.5	37.5	1.6	38.1	1.6	38.8	1.8
Aviation Fuels Tax	2.2	0.0	2.3	4.5	2.3	0.0	2.3	0.0
Miscellaneous	17.4	0.0	17.4	0.0	17.4	0.0	17.4	0.0
<b>Total State Taxes and Fees</b>	<b>\$ 2,640.3</b>	<b>0.5</b>	<b>\$ 2,699.3</b>	<b>2.2%</b>	<b>\$ 2,765.9</b>	<b>2.5%</b>	<b>\$ 2,813.2</b>	<b>1.7%</b>
<b>Transfers per the Appropriations Act</b>								
Retail Sales Tax - AST (TTF)	20.3	(6.9)	21.1	3.9	22.1	4.7	23.0	4.1
<b>Total Transfers</b>	<b>\$ 20.3</b>	<b>(6.9)</b>	<b>\$ 21.1</b>	<b>3.9</b>	<b>\$ 22.1</b>	<b>4.7</b>	<b>\$ 23.0</b>	<b>4.1</b>
<b>Total Transportation Fund</b>	<b>\$ 2,660.6</b>	<b>0.4</b>	<b>\$ 2,720.4</b>	<b>2.2%</b>	<b>\$ 2,788.0</b>	<b>2.5%</b>	<b>\$ 2,836.2</b>	<b>1.7%</b>

The December forecast is based on the November 2012 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

## Virginia Health Care Fund

\$ in millions

December 17, 2012

	Actual			Forecast							
	FY2010*	FY2011**	FY2012***	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Tobacco Taxes:											
Total Cigarette Taxes	158.4	155.7	173.9	168.8	163.7	158.8	154.1	154.1	154.1	154.1	154.1
Other Tobacco Products	<u>17.7</u>	<u>18.0</u>	<u>18.5</u>	<u>19.0</u>	<u>19.5</u>	<u>20.0</u>	<u>20.5</u>	<u>21.0</u>	<u>21.5</u>	<u>22.0</u>	<u>22.6</u>
<b>Total Tobacco Taxes</b>	<b>\$ 176.1</b>	<b>\$ 173.7</b>	<b>\$ 192.5</b>	<b>\$ 187.8</b>	<b>\$ 183.2</b>	<b>\$ 178.8</b>	<b>\$ 174.5</b>	<b>\$ 175.0</b>	<b>\$ 175.6</b>	<b>\$ 176.1</b>	<b>\$ 176.7</b>
Tobacco Settlement Funds:											
Master Settlement	49.2	48.2	49.1	49.7	50.4	50.4	50.4	50.4	50.4	50.4	50.4
Other Revenue:											
Medicaid Recoveries	<u>67.5</u>	<u>61.5</u>	<u>137.3</u>	<u>124.1</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>
<b>TOTAL FUND</b>	<b>\$ 292.8</b>	<b>\$ 283.4</b>	<b>\$ 378.9</b>	<b>\$ 361.6</b>	<b>\$ 356.5</b>	<b>\$ 352.1</b>	<b>\$ 347.8</b>	<b>\$ 348.3</b>	<b>\$ 348.9</b>	<b>\$ 349.4</b>	<b>\$ 350.0</b>
Official Forecast	\$ 291.6	\$ 297.4	\$ 299.7	\$ 295.8							
Difference	1.2	(14.0)	79.2	65.8							

\* Medicaid Cost Recoveries for FY 2010 include \$15.25 million not recorded as revenue in CARS but was transferred by DMAS to the Health Care Fund.

\*\* Medicaid Cost Recoveries for FY 2011 include \$5.6 million not recorded as revenue in CARS but was transferred by DMAS to the Health Care Fund.

\*\*\* Medicaid Cost Recoveries for FY 2012 include \$12.3 million not recorded as revenue in CARS but was transferred by DMAS to the Health Care Fund.

**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The Official and November Standard General Fund Forecast for Fiscal Year 2013**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2012		Fiscal Year 2013			% Growth Over FY 12	
	Actual	% Growth	Official Forecast	November Forecast	Change	Official	November
<b>MAJOR TAX SOURCES</b>							
Corporate Income	\$ 859.9	4.6 %	\$ 886.0	\$ 820.9	\$ (65.1)	3.0 %	(4.5) %
Individual Income Tax:							
Gross	12,397.6	4.9	12,835.1	12,883.7	48.6	3.5	3.9
Withholding	10,039.7	4.2	10,391.5	10,366.3	(25.2)	3.5	3.3
Nonwithholding	2,357.9	8.2	2,443.6	2,517.4	73.8	3.6	6.8
Refunds	<u>(1,784.7)</u>	<u>(4.5)</u>	<u>(1,923.8)</u>	<u>(1,784.3)</u>	<u>139.5</u>	<u>7.8</u>	<u>(0.0)</u>
Net	10,612.8	6.7	10,911.3	11,099.4	188.1	2.8	4.6
Insurance Company Premiums	252.9	(10.2)	293.6	255.6	(38.0)	16.1	1.1
State Sales & Use Tax	3,121.5	3.6	3,207.9	3,248.8	40.9	2.8	4.1
Wills, Suits, Deeds, & Contract Fees	<u>322.1</u>	<u>10.5</u>	<u>322.9</u>	<u>336.5</u>	<u>13.6</u>	<u>0.3</u>	<u>4.5</u>
Total Major Tax Sources	\$ 15,169.2	5.7 %	\$ 15,621.7	\$ 15,761.2	\$ 139.5	3.0 %	3.9 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>							
Alcoholic Beverage State Tax	\$ 143.4	5.4 %	\$ 141.5	\$ 148.3	\$ 6.8	(1.3) %	3.4 %
Bank Franchise Tax	18.9	(22.6)	19.3	17.0	(2.3)	2.2	(10.0)
Beer & Beverage Excise Tax	43.0	0.1	43.3	43.0	(0.3)	0.7	0.0
Corporate Franchise & Charter Fees	42.3	(4.7)	43.4	40.5	(2.9)	2.5	(4.3)
Excess & Other Fees from Officers	(8.7)	(0.5)	(7.5)	(8.7)	(1.2)	13.5	(0.3)
Estate & Gifts	0.3	(89.0)	0.0	0.0	0.0	(100.0)	(100.0)
Institutional Revenues	5.8	(9.4)	6.2	5.7	(0.5)	6.1	(2.4)
Interest & Rents	77.5	(4.8)	77.7	67.8	(9.9)	0.2	(12.6)
Licenses & Permits	4.2	(2.5)	4.3	4.3	0.0	1.4	1.4
Miscellaneous Taxes and Penalties	223.4	(1.1)	238.8	221.1	(17.7)	6.9	(1.0)
Other Miscellaneous Revenues	32.8	(4.8)	30.5	27.2	(3.3)	(6.9)	(17.1)
Public Service GR / Consumption Tax	<u>94.4</u>	<u>0.7</u>	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>(0.6)</u>	<u>0.9</u>
Total Misc. Taxes and Other Revenues	\$ 677.4	(1.6) %	\$ 691.4	\$ 661.5	\$ (29.9)	2.1 %	(2.4) %
<b>TOTAL GF REVENUES</b>	<b>\$ 15,846.7</b>	<b>5.4 %</b>	<b>\$ 16,313.1</b>	<b>\$ 16,422.7</b>	<b>\$ 109.6</b>	<b>2.9 %</b>	<b>3.6 %</b>
<b>TRANSFERS</b>							
A.B.C. Profits	\$ 63.8	26.3 %	\$ 56.3	\$ 64.6	\$ 8.3	(11.8) %	1.3 %
Sales Tax (0.25%)	214.1	4.9	226.1	222.8	(3.3)	5.6	4.1
Transfers Per Appropriations Act	<u>223.4</u>	<u>41.8</u>	<u>115.4</u>	<u>115.4</u>	<u>0.0</u>	<u>(48.3)</u>	<u>(48.3)</u>
Total Transfers	\$ 501.3	21.6 %	\$ 397.8	\$ 402.8	\$ 5.0	(20.6) %	(19.6) %
<b>TOTAL GENERAL FUND</b>	<b>\$ 16,348.0</b>	<b>5.8 %</b>	<b>\$ 16,710.9</b>	<b>\$ 16,825.5</b>	<b>\$ 114.6</b>	<b>2.2 %</b>	<b>2.9 %</b>

The Official forecast is based on the November 2011 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2012 General Assembly - Chapter 3.

The November Standard forecast is based on the October 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates JABE's recommendations.



**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The Official and November Standard General Fund Forecast for Fiscal Year 2014**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 November	Official Forecast	November Forecast	Change
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 907.2	\$ 839.8	\$ (67.4)	2.4 %	2.3 %	\$ 1,793.2	\$ 1,660.7	\$ (132.5)
Individual Income Tax:								
Gross	13,415.3	13,462.9	47.6	4.5	4.5	26,250.4	26,346.6	96.2
Withholding	10,843.9	10,809.8	(34.1)	4.4	4.3	21,235.4	21,176.1	(59.3)
Nonwithholding	2,571.4	2,653.1	81.7	5.2	5.4	5,015.0	5,170.5	155.5
Refunds	<u>(1,960.6)</u>	<u>(1,827.1)</u>	<u>133.5</u>	<u>1.9</u>	<u>2.4</u>	<u>(3,884.4)</u>	<u>(3,611.4)</u>	<u>273.0</u>
Net	11,454.7	11,635.8	181.1	5.0	4.8	22,366.0	22,735.2	369.2
Insurance Company Premiums	307.5	273.7	(33.8)	4.7	7.1	601.1	529.3	(71.8)
State Sales & Use Tax	3,331.5	3,372.4	40.9	3.9	3.8	6,539.4	6,621.2	81.8
Wills, Suits, Deeds, & Contract Fees	<u>322.9</u>	<u>336.5</u>	<u>13.6</u>	<u>0.0</u>	<u>0.0</u>	<u>645.8</u>	<u>673.0</u>	<u>27.2</u>
Total Major Tax Sources	\$ 16,323.8	\$ 16,458.2	\$ 134.4	4.5 %	4.4 %	\$ 31,945.5	\$ 32,219.4	\$ 273.9
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 144.3	\$ 151.0	\$ 6.7	2.0 %	1.8 %	\$ 285.8	\$ 299.3	\$ 13.5
Bank Franchise Tax	19.3	16.0	(3.3)	0.0	(5.9)	38.6	33.0	(5.6)
Beer & Beverage Excise Tax	43.3	43.0	(0.3)	0.0	0.0	86.6	86.0	(0.6)
Corporate Franchise & Charter Fees	43.4	40.5	(2.9)	0.0	0.0	86.8	81.0	(5.8)
Excess & Other Fees from Officers	(7.5)	(8.7)	(1.2)	0.0	0.0	(15.0)	(17.4)	(2.4)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	6.2	5.7	(0.5)	0.0	0.0	12.4	11.4	(1.0)
Interest & Rents	80.3	68.8	(11.5)	3.3	1.5	158.0	136.6	(21.4)
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0
Miscellaneous Taxes and Penalties	240.0	221.8	(18.2)	0.5	0.3	478.8	442.9	(35.9)
Other Miscellaneous Revenues	50.4	47.1	(3.3)	65.0	73.2	80.9	74.3	(6.6)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>0.0</u>	<u>0.0</u>	<u>187.8</u>	<u>190.6</u>	<u>2.8</u>
Total Misc. Taxes and Other Revenues	\$ 717.9	\$ 684.8	\$ (33.1)	3.8 %	3.5 %	\$ 1,409.3	\$ 1,346.3	\$ (63.0)
<b>TOTAL GF REVENUES</b>	<b>\$ 17,041.7</b>	<b>\$ 17,143.0</b>	<b>\$ 101.3</b>	<b>4.5 %</b>	<b>4.4 %</b>	<b>\$ 33,354.8</b>	<b>\$ 33,565.7</b>	<b>\$ 210.9</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 56.3	\$ 65.5	\$ 9.2	0.0 %	1.4 %	\$ 112.6	\$ 130.1	\$ 17.5
Sales Tax (0.25%)	235.0	230.4	(4.6)	3.9	3.4	461.1	453.2	(7.9)
Transfers Per Appropriations Act	<u>122.8</u>	<u>122.8</u>	<u>0.0</u>	<u>6.4</u>	<u>6.4</u>	<u>238.2</u>	<u>238.2</u>	<u>0.0</u>
Total Transfers	\$ 414.1	\$ 418.7	\$ 4.6	4.1 %	3.9 %	\$ 811.9	\$ 821.5	\$ 9.6
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,455.8</b>	<b>\$ 17,561.7</b>	<b>\$ 105.9</b>	<b>4.5 %</b>	<b>4.4 %</b>	<b>\$ 34,166.7</b>	<b>\$ 34,387.2</b>	<b>\$ 220.5</b>

The November Standard forecast is based on the October 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates JABE's recommendations.

**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The November Standard General Fund Forecast for Fiscal Years 2015-2016**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	November Forecast	% Growth Over FY 14	November Forecast	% Growth Over FY 15	November Forecast	% Growth Over 12-14
<b>MAJOR TAX SOURCES</b>						
Corporate Income	\$ 830.3	(1.1) %	\$ 827.0	(0.4) %	\$ 1,657.3	(0.2) %
Individual Income Tax:						
Gross	14,134.6	5.0	14,807.7	4.8	28,942.3	9.9
Withholding	11,323.5	4.8	11,796.0	4.2	23,119.5	9.2
Nonwithholding	2,811.1	6.0	3,011.7	7.1	5,822.8	12.6
Refunds	<u>(1,882.4)</u>	3.0	<u>(2,048.6)</u>	<u>8.8</u>	<u>(3,930.9)</u>	<u>8.8</u>
Net	12,252.2	5.3	12,759.1	4.1	25,011.4	10.0
Insurance Company Premiums	289.7	5.8	301.0	3.9	590.7	11.6
State Sales & Use Tax	3,502.6	3.9	3,641.6	4.0	7,144.2	7.9
Wills, Suits, Deeds, & Contract Fees	<u>336.5</u>	<u>0.0</u>	<u>336.5</u>	<u>0.0</u>	<u>673.0</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,211.3	4.6 %	\$ 17,865.2	3.8 %	\$ 35,076.6	8.9 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>						
Alcoholic Beverage State Tax	\$ 143.2	(5.2) %	\$ 143.2	0.0 %	\$ 286.4	(4.3) %
Bank Franchise Tax	16.0	0.0	16.0	0.0	32.0	(3.0)
Beer & Beverage Excise Tax	43.0	0.0	43.0	0.0	86.0	0.0
Corporate Franchise & Charter Fees	42.4	4.7	42.4	0.0	84.8	4.7
Excess & Other Fees from Officers	(8.7)	0.0	(8.7)	0.0	(17.4)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.7	0.0	5.7	0.0	11.4	0.0
Interest & Rents	68.8	0.0	68.8	0.0	137.6	0.7
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	0.0
Miscellaneous Taxes and Penalties	222.6	0.4	222.9	0.1	445.5	0.6
Other Miscellaneous Revenues	26.0	(44.8)	26.0	0.0	52.0	(30.0)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>(1.5)</u>	<u>93.9</u>	<u>0.0</u>	<u>187.8</u>	<u>(1.5)</u>
Total Misc. Taxes and Other Revenues	\$ 657.2	(4.0) %	\$ 657.5	0.0 %	\$ 1,314.7	(2.3) %
<b>TOTAL GF REVENUES</b>	<b>\$ 17,868.5</b>	<b>4.2 %</b>	<b>\$ 18,522.7</b>	<b>3.7 %</b>	<b>\$ 36,391.3</b>	<b>8.4 %</b>
<b>TRANSFERS</b>						
A.B.C. Profits	\$ 65.7	0.3 %	\$ 65.7	0.0 %	\$ 131.4	1.0 %
Sales Tax (0.25%)	239.4	3.9	248.9	4.0	488.3	7.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>(2.3)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>0.8</u>
Total Transfers	\$ 425.1	1.5 %	\$ 434.6	2.2 %	\$ 859.7	4.7 %
<b>TOTAL GENERAL FUND</b>	<b>\$ 18,293.6</b>	<b>4.2 %</b>	<b>\$ 18,957.3</b>	<b>3.6 %</b>	<b>\$ 37,251.0</b>	<b>8.3 %</b>

The November Standard forecast is based on the October 2012 Global Insight Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates JABE's recommendations.

**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The Official and November Pessimistic Alternative General Fund Forecast for Fiscal Year 2013**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2012		Fiscal Year 2013			% Growth Over FY 12	
	Actual	% Growth	Official Forecast	Nov Alt Forecast	Change	Official	Nov Alt
<b>MAJOR TAX SOURCES</b>							
Corporate Income	\$ 859.9	4.6 %	\$ 886.0	\$ 798.2	\$ (87.8)	3.0 %	(7.2) %
Individual Income Tax:							
Gross	12,397.6	4.9	12,835.1	12,746.9	(88.2)	3.5	2.8
Withholding	10,039.7	4.2	10,391.5	10,302.2	(89.3)	3.5	2.6
Nonwithholding	2,357.9	8.2	2,443.6	2,444.7	1.1	3.6	3.7
Refunds	<u>(1,784.7)</u>	<u>(4.5)</u>	<u>(1,923.8)</u>	<u>(1,778.4)</u>	<u>145.4</u>	<u>7.8</u>	<u>(0.4)</u>
Net	10,612.8	6.7	10,911.3	10,968.5	57.2	2.8	3.4
Insurance Company Premiums	252.9	(10.2)	293.6	252.8	(40.8)	16.1	(0.0)
State Sales & Use Tax	3,121.5	3.6	3,207.9	3,234.0	26.1	2.8	3.6
Wills, Suits, Deeds, & Contract Fees	<u>322.1</u>	<u>10.5</u>	<u>322.9</u>	<u>344.0</u>	<u>21.1</u>	<u>0.3</u>	<u>6.8</u>
Total Major Tax Sources	\$ 15,169.2	5.7 %	\$ 15,621.7	\$ 15,597.5	\$ (24.2)	3.0 %	2.8 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>							
Alcoholic Beverage State Tax	\$ 143.4	5.4 %	\$ 141.5	\$ 148.3	\$ 6.8	(1.3) %	3.4 %
Bank Franchise Tax	18.9	(22.6)	19.3	17.0	(2.3)	2.2	(10.0)
Beer & Beverage Excise Tax	43.0	0.1	43.3	43.0	(0.3)	0.7	0.0
Corporate Franchise & Charter Fees	42.3	(4.7)	43.4	40.5	(2.9)	2.5	(4.3)
Excess & Other Fees from Officers	(8.7)	(0.5)	(7.5)	(8.7)	(1.2)	13.5	(0.3)
Estate & Gifts	0.3	(89.0)	0.0	0.0	0.0	(100.0)	(100.0)
Institutional Revenues	5.8	(9.4)	6.2	5.7	(0.5)	6.1	(2.4)
Interest & Rents	77.5	(4.8)	77.7	67.8	(9.9)	0.2	(12.6)
Licenses & Permits	4.2	(2.5)	4.3	4.3	0.0	1.4	1.4
Miscellaneous Taxes and Penalties	223.4	(1.1)	238.8	221.1	(17.7)	6.9	(1.0)
Other Miscellaneous Revenues	32.8	(4.8)	30.5	27.2	(3.3)	(6.9)	(17.1)
Public Service GR / Consumption Tax	<u>94.4</u>	<u>0.7</u>	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>(0.6)</u>	<u>0.9</u>
Total Misc. Taxes and Other Revenues	\$ 677.4	(1.6) %	\$ 691.4	\$ 661.5	\$ (29.9)	2.1 %	(2.4) %
<b>TOTAL GF REVENUES</b>	<b>\$ 15,846.7</b>	<b>5.4 %</b>	<b>\$ 16,313.1</b>	<b>\$ 16,259.0</b>	<b>\$ (54.1)</b>	<b>2.9 %</b>	<b>2.6 %</b>
<b>TRANSFERS</b>							
A.B.C. Profits	\$ 63.8	26.3 %	\$ 56.3	\$ 64.6	\$ 8.3	(11.8) %	1.3 %
Sales Tax (0.25%)	214.1	4.9	226.1	222.8	(3.3)	5.6	4.1
Transfers Per Appropriations Act	<u>223.4</u>	<u>41.8</u>	<u>115.4</u>	<u>115.4</u>	<u>0.0</u>	<u>(48.3)</u>	<u>(48.3)</u>
Total Transfers	\$ 501.3	21.6 %	\$ 397.8	\$ 402.8	\$ 5.0	(20.6) %	(19.6) %
<b>TOTAL GENERAL FUND</b>	<b>\$ 16,348.0</b>	<b>5.8 %</b>	<b>\$ 16,710.9</b>	<b>\$ 16,661.8</b>	<b>\$ (49.1)</b>	<b>2.2 %</b>	<b>1.9 %</b>

The Official forecast is based on the November 2011 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2012 General Assembly - Chapter 3.

The November Pessimistic Alternative forecast is based on the October 2012 Global Insight Pessimistic Alternative outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The Official and November Pessimistic Alternative General Fund Forecast for Fiscal Year 2014**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2014					2012-2014 Biennium		
	Official Forecast	Nov Alt Forecast	Change	% Growth Over FY 13 Official	% Growth Over FY 13 Nov Alt	Official Forecast	Nov Alt Forecast	Change
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 907.2	\$ 801.8	\$ (105.4)	2.4 %	0.5 %	\$ 1,793.2	\$ 1,600.0	\$ (193.2)
Individual Income Tax:								
Gross	13,415.3	12,782.2	(633.1)	4.5	0.3	26,250.4	25,529.1	(721.3)
Withholding	10,843.9	10,517.7	(326.2)	4.4	2.1	21,235.4	20,819.9	(415.5)
Nonwithholding	2,571.4	2,264.5	(306.9)	5.2	(7.4)	5,015.0	4,709.2	(305.8)
Refunds	<u>(1,960.6)</u>	<u>(1,759.5)</u>	<u>201.1</u>	<u>1.9</u>	<u>(1.1)</u>	<u>(3,884.4)</u>	<u>(3,537.9)</u>	<u>346.5</u>
Net	11,454.7	11,022.7	(432.0)	5.0	0.5	22,366.0	21,991.2	(374.8)
Insurance Company Premiums	307.5	263.0	(44.5)	4.7	4.0	601.1	515.8	(85.3)
State Sales & Use Tax	3,331.5	3,305.5	(26.0)	3.9	2.2	6,539.4	6,539.5	0.1
Wills, Suits, Deeds, & Contract Fees	<u>322.9</u>	<u>344.0</u>	<u>21.1</u>	<u>0.0</u>	<u>0.0</u>	<u>645.8</u>	<u>688.0</u>	<u>42.2</u>
Total Major Tax Sources	\$ 16,323.8	\$ 15,737.0	\$ (586.8)	4.5 %	0.9 %	\$ 31,945.5	\$ 31,334.5	\$ (611.0)
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 144.3	\$ 151.0	\$ 6.7	2.0 %	1.8 %	\$ 285.8	\$ 299.3	\$ 13.5
Bank Franchise Tax	19.3	16.0	(3.3)	0.0	(5.9)	38.6	33.0	(5.6)
Beer & Beverage Excise Tax	43.3	43.0	(0.3)	0.0	0.0	86.6	86.0	(0.6)
Corporate Franchise & Charter Fees	43.4	40.5	(2.9)	0.0	0.0	86.8	81.0	(5.8)
Excess & Other Fees from Officers	(7.5)	(8.7)	(1.2)	0.0	0.0	(15.0)	(17.4)	(2.4)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	6.2	5.7	(0.5)	0.0	0.0	12.4	11.4	(1.0)
Interest & Rents	80.3	68.8	(11.5)	3.3	1.5	158.0	136.6	(21.4)
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0
Miscellaneous Taxes and Penalties	240.0	221.8	(18.2)	0.5	0.3	478.8	442.9	(35.9)
Other Miscellaneous Revenues	50.4	47.1	(3.3)	65.0	73.2	80.9	74.3	(6.6)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>95.3</u>	<u>1.4</u>	<u>0.0</u>	<u>0.0</u>	<u>187.8</u>	<u>190.6</u>	<u>2.8</u>
Total Misc. Taxes and Other Revenues	\$ 717.9	\$ 684.8	\$ (33.1)	3.8 %	3.5 %	\$ 1,409.3	\$ 1,346.3	\$ (63.0)
<b>TOTAL GF REVENUES</b>	<b>\$ 17,041.7</b>	<b>\$ 16,421.8</b>	<b>\$ (619.9)</b>	<b>4.5 %</b>	<b>1.0 %</b>	<b>\$ 33,354.8</b>	<b>\$ 32,680.8</b>	<b>\$ (674.0)</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 56.3	\$ 65.5	\$ 9.2	0.0 %	1.4 %	\$ 112.6	\$ 130.1	\$ 17.5
Sales Tax (0.25%)	235.0	230.4	(4.6)	3.9	3.4	461.1	453.2	(7.9)
Transfers Per Appropriations Act	<u>122.8</u>	<u>122.8</u>	<u>0.0</u>	<u>6.4</u>	<u>6.4</u>	<u>238.2</u>	<u>238.2</u>	<u>0.0</u>
Total Transfers	\$ 414.1	\$ 418.7	\$ 4.6	4.1 %	3.9 %	\$ 811.9	\$ 821.5	\$ 9.6
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,455.8</b>	<b>\$ 16,840.5</b>	<b>\$ (615.3)</b>	<b>4.5 %</b>	<b>1.1 %</b>	<b>\$ 34,166.7</b>	<b>\$ 33,502.3</b>	<b>\$ (664.4)</b>

The Official forecast is based on the November 2011 Global Insight US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2012 General Assembly - Chapter 3.

The November Pessimistic Alternative forecast is based on the October 2012 Global Insight Pessimistic Alternative outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

**(Presented to the Governor's Advisory Council on Revenue Estimates)**  
**The November Pessimistic Alternative General Fund Forecast for Fiscal Years 2015-2016**  
(Dollars in Millions)

November 1, 2012

	Fiscal Year 2015		Fiscal Year 2016		2014-2016 Biennium	
	Nov Alt Forecast	% Growth Over FY 14	Nov Alt Forecast	% Growth Over FY 15	Nov Alt Forecast	% Growth Over 12-14
<b>MAJOR TAX SOURCES</b>						
Corporate Income	\$ 791.2	(1.3) %	\$ 785.7	(0.7) %	\$ 1,576.9	(1.4) %
Individual Income Tax:						
Gross	13,311.3	4.1	13,884.1	4.3	27,195.4	6.5
Withholding	10,927.6	3.9	11,336.3	3.7	22,263.9	6.9
Nonwithholding	2,383.7	5.3	2,547.8	6.9	4,931.5	4.7
Refunds	<u>(1,789.7)</u>	1.7	<u>(1,933.9)</u>	<u>8.1</u>	<u>(3,723.6)</u>	<u>5.2</u>
Net	11,521.6	4.5	11,950.2	3.7	23,471.8	6.7
Insurance Company Premiums	274.7	4.4	284.3	3.5	559.0	8.4
State Sales & Use Tax	3,394.2	2.7	3,509.6	3.4	6,903.8	5.6
Wills, Suits, Deeds, & Contract Fees	<u>344.0</u>	<u>0.0</u>	<u>344.0</u>	<u>0.0</u>	<u>688.0</u>	<u>0.0</u>
Total Major Tax Sources	\$ 16,325.7	3.7 %	\$ 16,873.8	3.4 %	\$ 33,199.5	6.0 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>						
Alcoholic Beverage State Tax	\$ 143.2	(5.2) %	\$ 143.2	0.0 %	\$ 286.4	(4.3) %
Bank Franchise Tax	16.0	0.0	16.0	0.0	32.0	(3.0)
Beer & Beverage Excise Tax	43.0	0.0	43.0	0.0	86.0	0.0
Corporate Franchise & Charter Fees	42.4	4.7	42.4	0.0	84.8	4.7
Excess & Other Fees from Officers	(8.7)	0.0	(8.7)	0.0	(17.4)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.7	0.0	5.7	0.0	11.4	0.0
Interest & Rents	68.8	0.0	68.8	0.0	137.6	0.7
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	0.0
Miscellaneous Taxes and Penalties	222.6	0.4	222.9	0.1	445.5	0.6
Other Miscellaneous Revenues	26.0	(44.8)	26.0	0.0	52.0	(30.0)
Public Service GR / Consumption Tax	<u>93.9</u>	<u>(1.5)</u>	<u>93.9</u>	<u>0.0</u>	<u>187.8</u>	<u>(1.5)</u>
Total Misc. Taxes and Other Revenues	\$ 657.2	(4.0) %	\$ 657.5	0.0 %	\$ 1,314.7	(2.3) %
<b>TOTAL GF REVENUES</b>	<b>\$ 16,982.9</b>	<b>3.4 %</b>	<b>\$ 17,531.3</b>	<b>3.2 %</b>	<b>\$ 34,514.2</b>	<b>5.6 %</b>
<b>TRANSFERS</b>						
A.B.C. Profits	\$ 65.7	0.3 %	\$ 65.7	0.0 %	\$ 131.4	1.0 %
Sales Tax (0.25%)	239.4	3.9	248.9	4.0	488.3	7.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>(2.3)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>0.8</u>
Total Transfers	\$ 425.1	1.5 %	\$ 434.6	2.2 %	\$ 859.7	4.7 %
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,408.0</b>	<b>3.4 %</b>	<b>\$ 17,965.9</b>	<b>3.2 %</b>	<b>\$ 35,373.9</b>	<b>5.6 %</b>

The November Pessimistic Alternative forecast is based on the October 2012 Global Insight Pessimistic Alternative outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

## Growth in Total General Fund Revenues

### Fiscal Year 1961 - Fiscal Year 2014

(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	-	88	5,054,382,000	10.1%
62	242,144,567	4.8%	89	5,478,912,000	8.4%
63	286,304,265	18.2%	90	5,494,884,000	0.3%
64	298,033,919	4.1%	91	5,471,879,000	-0.4%
65	323,213,412	8.4%	92	5,623,213,000	2.8%
66	365,129,776	13.0%	93	6,133,637,000	9.1%
67	414,755,644	13.6%	94	6,503,368,000	6.0%
68	533,597,744	28.7%	95	6,881,145,000	5.8%
69	706,254,374	32.4%	96	7,356,110,000	6.9%
70	743,721,322	5.3%	97	7,949,327,000	8.1%
71	807,954,651	8.6%	98	8,773,520,000	10.4%
72	922,653,686	14.2%	99	9,702,747,000	10.6%
73	1,054,469,443	14.3%	00	10,788,482,000	11.2%
74	1,168,562,871	10.8%	01	11,105,275,000	2.9%
75	1,303,178,893	11.5%	02	10,678,954,000	-3.8%
76	1,428,421,157	9.6%	03	10,867,149,000	1.8%
77	1,636,301,819	14.6%	04	11,917,867,000	9.7%
78	1,923,085,084	17.5%	05	13,687,252,000	14.8%
79	2,115,211,522	10.0%	06	14,834,298,000	8.4%
80	2,344,928,934	10.9%	07	15,565,827,000	4.9%
81	2,579,663,941	10.0%	08	15,766,951,000	1.3%
82	2,796,458,741	8.4%	09	14,315,060,000	-9.2%
83	2,975,687,935	6.4%	10	14,219,477,000	-0.7%
84	3,397,710,261	14.2%	11	15,040,200,000	5.8%
85	3,790,816,000	11.6%	12	15,846,665,000	5.4%
86	4,131,778,000	9.0%	13*	16,416,500,000	3.6%
87	4,590,434,000	11.1%	14*	17,037,100,000	3.8%

\* December 17, 2012 Forecast (Excludes Transfers)

## Growth in Total General Fund Revenues

### Fiscal Year 1961 - Fiscal Year 2014

(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	1,231,994,064	-	88	7,799,972,222	6.0%
62	1,281,188,185	4.0%	89	8,095,917,252	3.8%
63	1,495,061,436	16.7%	90	7,799,693,400	-3.7%
64	1,534,280,149	2.6%	91	7,427,049,881	-4.8%
65	1,642,761,942	7.1%	92	7,408,712,780	-0.2%
66	1,823,369,668	11.0%	93	7,873,731,707	6.3%
67	2,015,823,300	10.6%	94	8,190,639,798	4.0%
68	2,516,970,491	24.9%	95	8,469,101,538	3.4%
69	3,192,110,165	26.8%	96	8,870,798,915	4.7%
70	3,209,153,493	0.5%	97	9,379,736,873	5.7%
71	3,338,655,583	4.0%	98	10,222,569,181	9.0%
72	3,672,253,477	10.0%	99	11,175,061,330	9.3%
73	4,043,986,359	10.1%	00	12,159,461,257	8.8%
74	4,151,200,252	2.7%	01	12,223,747,936	0.5%
75	4,190,285,830	0.9%	02	11,613,870,582	-5.0%
76	4,312,214,814	2.9%	03	11,588,535,324	-0.2%
77	4,671,811,046	8.3%	04	12,443,609,501	7.4%
78	5,145,378,151	10.1%	05	13,902,744,540	11.7%
79	5,255,183,906	2.1%	06	14,607,875,923	5.1%
80	5,284,346,894	0.6%	07	14,963,544,340	2.4%
81	5,275,386,382	-0.2%	08	14,684,005,588	-1.9%
82	5,346,957,440	1.4%	09	13,148,160,735	-10.5%
83	5,427,611,373	1.5%	10	12,903,336,661	-1.9%
84	5,955,670,922	9.7%	11	13,392,876,224	3.8%
85	6,422,390,512	7.8%	12	13,788,701,327	3.0%
86	6,804,080,692	5.9%	13*	14,100,493,880	2.3%
87	7,359,413,226	8.2%	14*	14,444,340,822	2.4%

\* December 17, 2012 Forecast (Excludes Transfers)

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

**NONGENERAL FUND REVENUE PROJECTIONS**  
**For Fiscal Years 2013 Through 2018**  
 \$ (Millions)

	<b>Actual</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Taxes:</b>							
Motor vehicle fuel tax	\$890.8	\$1,023.0	\$1,041.9	\$1,064.9	\$1,086.7	\$1,104.9	\$1,123.4
Unemployment compensation payroll tax	\$750.4	\$825.7	\$808.9	\$751.6	\$614.9	\$496.3	\$424.2
Special highway tax from sales tax	\$503.1	\$679.1	\$700.7	\$727.8	\$756.2	\$784.7	\$810.4
Motor vehicle sales tax and use tax	\$547.2	\$618.4	\$647.7	\$657.2	\$670.0	\$691.9	\$693.3
Other taxes	\$1,231.5	\$935.0	\$925.6	\$930.1	\$934.6	\$939.2	\$944.1
<b>Total</b>	<b>\$3,922.9</b>	<b>\$4,081.2</b>	<b>\$4,124.8</b>	<b>\$4,131.6</b>	<b>\$4,062.4</b>	<b>\$4,017.0</b>	<b>\$3,995.5</b>
<b>Rights and privileges:</b>							
Motor Vehicle Licenses	\$241.6	\$250.4	\$250.3	\$252.8	\$252.7	\$254.8	\$254.6
Other Rights & Privileges	\$723.5	\$823.9	\$811.2	\$818.6	\$825.7	\$870.1	\$881.2
<b>Total</b>	<b>\$965.2</b>	<b>\$1,074.2</b>	<b>\$1,061.4</b>	<b>\$1,071.5</b>	<b>\$1,078.4</b>	<b>\$1,124.8</b>	<b>\$1,135.8</b>
<b>Sales of property and commodities:</b>							
Alocoholic Beverage Sales	\$609.5	\$634.0	\$647.9	\$661.6	\$675.3	\$688.8	\$702.6
Other Sales	\$435.2	\$877.6	\$875.5	\$892.7	\$910.7	\$929.6	\$949.3
<b>Total</b>	<b>\$1,044.7</b>	<b>\$1,511.6</b>	<b>\$1,523.4</b>	<b>\$1,554.3</b>	<b>\$1,586.0</b>	<b>\$1,618.4</b>	<b>\$1,651.9</b>
<b>Assessment &amp; Receipts for Support of Special Services:</b>	<b>\$191.0</b>	<b>\$396.5</b>	<b>\$402.0</b>	<b>\$411.1</b>	<b>\$413.0</b>	<b>\$415.0</b>	<b>\$416.6</b>
<b>Institutional revenue:</b>							
Institutions of Higher Education <sup>2</sup>	\$2,158.6	\$4,794.7	\$4,987.8	\$5,188.5	\$5,397.3	\$5,614.4	\$5,840.4
Other Educational Institutions	\$3.8	\$10.3	\$10.5	\$10.4	\$10.4	\$10.4	\$10.4
Medical Hospitals <sup>2</sup>	\$0.0	\$1,328.1	\$1,373.0	\$1,493.4	\$1,524.0	\$1,584.8	\$1,659.6
Mental Hospitals	\$324.9	\$355.1	\$325.2	\$277.8	\$230.5	\$229.2	\$228.0
Corrections	\$75.0	\$61.6	\$62.0	\$61.9	\$61.9	\$61.9	\$61.9
Other Institutions	\$45.2	\$44.7	\$44.8	\$44.2	\$44.4	\$44.8	\$45.0
<b>Total</b>	<b>\$2,607.4</b>	<b>\$6,594.5</b>	<b>\$6,803.2</b>	<b>\$7,076.0</b>	<b>\$7,268.5</b>	<b>\$7,545.4</b>	<b>\$7,845.3</b>
<b>Interest dividends and rents:</b>	<b>\$125.6</b>	<b>\$88.6</b>	<b>\$103.4</b>	<b>\$121.8</b>	<b>\$140.7</b>	<b>\$155.9</b>	<b>\$164.5</b>
<b>Grants and donations:</b>							
Federal grants and contracts	\$9,380.5	\$9,452.5	\$9,132.8	\$9,594.4	\$10,055.8	\$10,550.5	\$11,111.9
Other grants & contracts	\$38.6	\$274.6	\$251.9	\$249.1	\$252.0	\$255.6	\$259.7
<b>Total</b>	<b>\$9,419.1</b>	<b>\$9,727.0</b>	<b>\$9,384.6</b>	<b>\$9,843.5</b>	<b>\$10,307.7</b>	<b>\$10,806.1</b>	<b>\$11,371.5</b>
<b>Other Revenue:</b>	<b>\$1,500.2</b>	<b>\$1,601.5</b>	<b>\$1,624.5</b>	<b>\$1,578.7</b>	<b>\$1,594.8</b>	<b>\$1,611.7</b>	<b>\$1,630.5</b>
<b>Total Nongeneral Fund Revenue <sup>1</sup>:</b>	<b>\$19,776.1</b>	<b>\$25,075.1</b>	<b>\$25,027.4</b>	<b>\$25,788.5</b>	<b>\$26,451.5</b>	<b>\$27,294.4</b>	<b>\$28,211.6</b>
<b>\$ Amount change from previous year</b>		<b>\$5,299.0</b>	<b>(47.7)</b>	<b>\$761.1</b>	<b>\$663.0</b>	<b>\$842.9</b>	<b>\$917.2</b>
<b>% Change from previous year</b>		<b>26.8%</b>	<b>-0.2%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>3.2%</b>	<b>3.4%</b>

<sup>1</sup> Page 1 totals adjusted to reflect lottery proceeds being listed separately.

<sup>2</sup> Per the Management Agreement between the tier 3 schools and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly, the type 3 schools are not required to report actual revenue collections in CARS.



Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund Revenue Collections  
For the Fiscal Years 2012 and 2013  
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2013 Estimate	As a % of Gen Fund Rev	November FY 2013	November FY 2012	% Change	Year-To-Date FY 2013	Year-To-Date FY 2012	% Change	% Annual Growth Req By Est
<b>Individual Income Tax:</b>									
<b>Withholding</b>	\$10,391,500	63.70	\$797,950	\$835,880	(4.5)	\$4,012,215	\$3,954,647	1.5	3.5
<b>Tax Dues/Estimated Payments</b>	2,443,600	14.98	34,964	44,446	(21.3)	487,504	455,368	7.1	3.6
<b>Gross Individual Income Tax</b>	\$12,835,100	78.68	\$832,914	\$880,326	(5.4)	\$4,499,719	\$4,410,015	2.0	3.5
<b>Individual and Fiduciary Income (Refunds)</b>	(1,923,800)	(11.79)	(31,720)	(37,693)	(15.8)	(183,917)	(201,192)	(8.6)	7.8
<b>Net Individual Income Tax</b>	\$10,911,300	66.89	\$801,194	\$842,633	(4.9)	\$4,315,802	\$4,208,823	2.5	2.8
<b>Sales and Use Tax</b>	\$3,207,900	19.65	\$249,544	\$254,531	(2.0)	\$1,197,865	\$1,135,672	5.5	2.8
<b>Corporations Income Tax</b>	886,000	5.43	(19,972)	(14,853)	(34.5)	191,597	194,039	(1.3)	3.0
<b>Wills, Suits, Deeds, Contracts</b>	322,900	1.98	30,872	25,196	22.5	150,817	129,719	16.3	0.3
<b>Insurance Premiums</b>	293,600	1.80	0	0	-	0	0	-	16.1
<b>Interest Income (a)</b>	77,400	0.47	8,679	10,999	(21.1)	36,377	37,513	(3.0)	0.3
<b>Alcoholic Beverage Sales (b)</b>	184,800	1.14	39,335	37,735	4.2	58,341	55,342	5.4	(0.8)
<b>All Other Revenues</b>	429,200	2.64	32,468	24,381	33.2	140,196	142,140	(1.4)	3.7
<b>Total General Fund Revenues</b>	\$16,313,100	100.00	\$1,142,120	\$1,180,622	(3.3)	\$6,090,995	\$5,903,248	3.2	2.9

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

- (a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2012 Virginia Acts of Assembly.
- (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 2012 and 2013

(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2013 Estimate	As a % of Total Gen Fund Rev	November FY 2013	November FY 2012	% Change	Year-To-Date FY 2013	Year-To-Date FY 2012	% Change	% Annual Growth Req By Est
<b>Taxes:</b>									
Individual Income Tax - Withholding	\$10,391,500	63.70	\$797,950	\$835,880	(4.5)	\$4,012,215	\$3,954,647	1.5	3.5
Tax Dues/Estimated Payments	2,443,600	14.98	34,964	44,446	(21.3)	487,504	455,368	7.1	3.6
Gross Individual Income Tax	\$12,835,100	78.68	\$832,914	\$880,326	(5.4)	\$4,499,719	\$4,410,015	2.0	3.5
Individ and Fiduc Income (Refunds)	(1,923,800)	(11.79)	(31,720)	(37,693)	(15.8)	(183,917)	(201,192)	(8.6)	7.8
Net Individual Income Tax	\$10,911,300	66.89	\$801,194	\$842,633	(4.9)	\$4,315,802	\$4,208,823	2.5	2.8
Sales and Use Tax	3,207,900	19.65	249,544	254,531	(2.0)	1,197,865	1,135,672	5.5	2.8
Corporations Income	886,000	5.43	(19,972)	(14,853)	(34.5)	191,597	194,039	(1.3)	3.0
Public Service Corporations	93,900	0.58	9,946	5,359	85.6	33,765	37,541	(10.1)	(0.6)
Insurance Premiums	293,600	1.80	0	0	-	0	0	-	16.1
Alcoholic Beverage Excise	141,500	0.87	35,836	34,556	3.7	39,509	36,332	8.7	(1.3)
Beer and Beverage Excise	43,300	0.27	3,499	3,179	10.1	18,832	19,010	(0.9)	0.7
Wills, Suits, Deeds, Contracts	322,900	1.98	30,872	25,196	22.5	150,817	129,719	16.3	0.3
Inheritance, Gift, and Estate	0	0.00	3	(327)	100.9	68	(452)	115.0	(100.0)
Bank Franchise	19,300	0.12	0	0	-	79	217	(63.6)	2.2
Other Taxes	2,500	0.02	1,501	(1,326)	213.2	3,006	(488)	716.0	132.6
<b>Total Taxes</b>	<b>\$15,922,200</b>	<b>97.61</b>	<b>\$1,112,423</b>	<b>\$1,148,948</b>	<b>(3.2)</b>	<b>\$5,951,340</b>	<b>\$5,760,413</b>	<b>3.3</b>	<b>2.9</b>
<b>Rights and Privileges:</b>									
Licenses and Permits	\$4,300	0.03	\$423	\$386	9.6	\$1,681	\$1,687	(0.4)	1.4
Corp. Franchise and Charters	43,400	0.26	479	448	6.9	2,406	2,384	0.9	2.5
Fees for Misc. Privileges & Services	11,700	0.07	775	477	62.5	3,963	3,711	6.8	11.9
<b>Total Rights and Privileges</b>	<b>\$59,400</b>	<b>0.36</b>	<b>\$1,677</b>	<b>\$1,311</b>	<b>27.9</b>	<b>\$8,050</b>	<b>\$7,782</b>	<b>3.4</b>	<b>4.2</b>
<b>Other Revenues:</b>									
Sales of Property & Commodities	\$500	0.00	\$0	\$0	-	\$0	\$1,011	(100.0)	(88.6)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	84	69	21.7	108	204	(47.1)	14.3
Institutional Revenue	6,200	0.04	474	491	(3.5)	2,696	2,433	10.8	6.1
Interest (a)	77,400	0.47	8,679	10,999	(21.1)	36,377	37,513	(3.0)	0.3
Dividends and Rent	300	0.00	9	20	(55.0)	191	238	(19.7)	(22.9)
Fines, Forfeitures & Fees	236,300	1.45	17,537	17,932	(2.2)	91,498	90,438	1.2	6.3
Other Revenue	8,300	0.05	1,303	725	79.7	2,074	3,300	(37.2)	(5.0)
Excess Fees	(7,500)	(0.05)	(761)	(695)	(9.5)	(4,395)	(3,593)	(22.3)	13.5
Private Donations, Gifts & Cont.	0	0.00	0	1	(100.0)	0	9	(100.0)	(100.0)
Cities, Counties, and Towns	9,600	0.07	695	821	(15.3)	3,056	3,500	(12.7)	8.3
<b>Total Other Revenues</b>	<b>\$331,500</b>	<b>2.03</b>	<b>\$28,020</b>	<b>\$30,363</b>	<b>(7.7)</b>	<b>\$131,605</b>	<b>\$135,053</b>	<b>(2.6)</b>	<b>3.8</b>
<b>Total General Fund Revenues</b>	<b>\$16,313,100</b>	<b>100.00</b>	<b>\$1,142,120</b>	<b>\$1,180,622</b>	<b>(3.3)</b>	<b>\$6,090,995</b>	<b>\$5,903,248</b>	<b>3.2</b>	<b>2.9</b>

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2012 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery  
Summary Report on Lottery Collections  
For the Fiscal Years 2012 and 2013  
(Dollars in Thousands)**

	<b>FY 2013 Estimate</b>	<b>(a)</b>	<b>November</b>			<b>Year-To-Date</b>			<b>% Annual Growth Required By Estimate</b>
			<b>FY 2013</b>	<b>FY 2012</b>	<b>% Change</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>% Change (b)</b>	
Lottery Collections									
Total Lottery Sales	\$1,592,400		\$152,139	\$128,770	18.1	\$671,034	\$616,045	8.9	(1.5)
Other Income	1,300		225 (c)	339	(33.6)	777 (c)	1,011	(23.1)	(33.7)
Total Income	<u>\$1,593,700</u>		<u>\$152,364</u>	<u>\$129,109</u>	<u>18.0</u>	<u>\$671,811</u>	<u>\$617,056</u>	<u>8.9</u>	<u>(1.5)</u>
Less:									
Prize Expenses	\$963,400		\$86,840	\$84,536	2.7	\$397,074	\$373,622	6.3	0.1
Retailer Commissions	90,100		8,474	7,341	15.4	37,492	35,038	7.0	(0.6)
Operating Expenses	82,900		7,222	7,770	(7.1)	34,428	29,299	17.5	6.4
Total Expenses	<u>\$1,136,400</u>		<u>\$102,536</u> (c)	<u>\$99,647</u>	<u>2.9</u>	<u>\$468,994</u> (c)	<u>\$437,959</u>	<u>7.1</u>	<u>0.5</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$457,300		\$49,828	\$29,462	69.1	\$202,817	\$179,097	13.2	(1.5)
Prior Year Residual Profit Transfer	-		0	0	-	22,971	9,011	154.9	-
Available to Lottery Proceeds Fund	<u>\$457,300</u>		<u>\$49,828</u>	<u>\$29,462</u>	<u>69.1</u>	<u>\$225,788</u>	<u>\$188,108</u>	<u>20.0</u>	<u>(3.3)</u>

(a) Estimate established by Chapter 3, 2012 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$22,971,151 was made on August 15, 2012.

The Residual Profit Transfer from FY 2012 will be included in the Lottery's revised FY 2013 revenue estimate in the Governor's Revised Budget in December 2012.

(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) Other Income, Prize Expenses, Retailer Commissions, and Operating Expenses are accrual-based estimates (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 2012 and 2013**  
**(Dollars in Thousands)**

Revenue	FY 2013 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
<b>Motor Fuel Taxes</b>	\$851,700	22.73	\$67,923	\$70,612	(3.8)	\$296,366	\$294,585	0.6	2.2
<b>Priority Transportation Fund (PTF)</b>	161,800	4.31	4,219	4,695	(10.1)	118,622	110,546	7.3	2.9
<b>Motor Vehicle Sales and Use Tax</b>	576,200	15.38	45,350	43,400	4.5	258,160	235,014	9.8	(0.7)
<b>State Sales and Use Tax</b>	526,300	14.05	42,890	43,226	(0.8)	204,696	192,890	6.1	4.6
<b>Motor Vehicle License Fees</b>	241,800	6.45	18,397	16,536	11.3	103,341	98,383	5.0	2.6
<b>International Registration Plan</b>	62,600	1.67	3,552	4,027	(11.8)	18,768	19,150	(2.0)	0.1
<b>Recordation Tax</b>	38,400	1.02	3,780	3,042	24.3	18,411	15,733	17.0	(1.9)
<b>Interest Earnings</b>	17,600	0.47	25	20	25.0	2,613	4,799	(45.6)	25.9
<b>Misc. Taxes, Fees, and Revenues</b>	14,800	0.39	1,126	1,139	(1.1)	5,394	5,252	2.7	19.8
<b>Total State Taxes and Fees</b>	<u>\$2,491,200</u>	<u>66.47</u>	<u>\$187,262</u>	<u>\$186,697</u>	<u>0.3</u>	<u>\$1,026,371</u>	<u>\$976,352</u>	<u>5.1</u>	<u>2.2</u>

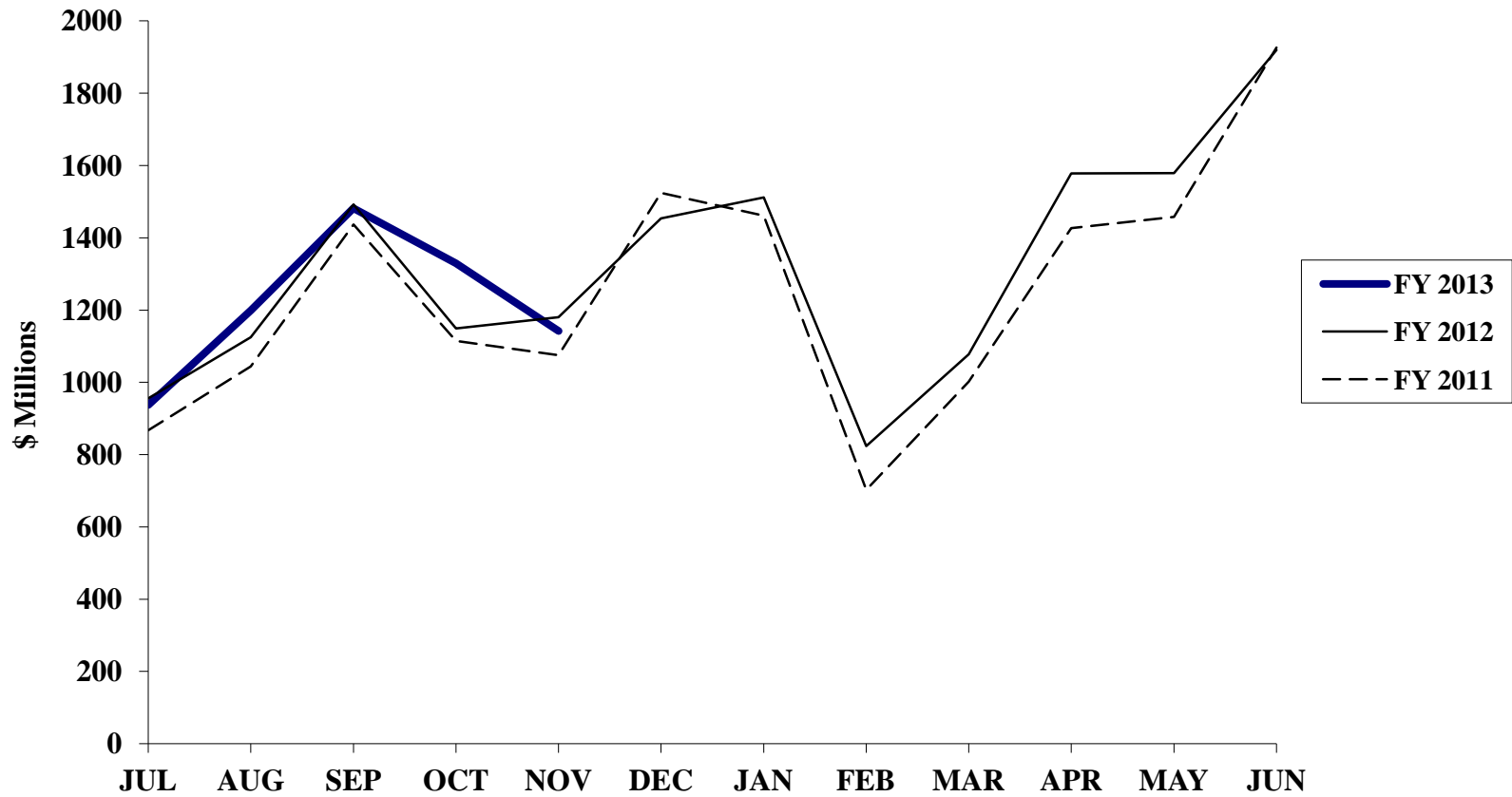
# Percentage is greater than or equal to 1,000%.

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 2012 and 2013  
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$734,100	19.59	\$59,921	\$63,556	(5.7)	\$256,469	\$256,673	(0.1)	2.3
Motor Vehicle Sales and Use Tax	354,100	9.45	26,560	29,020	(8.5)	158,898	145,998	8.8	(0.9)
Motor Vehicle License Fees	220,400	5.88	16,671	15,321	8.8	94,204	89,810	4.9	2.8
International Registration Plan	62,600	1.67	3,552	4,027	(11.8)	18,768	19,150	(2.0)	0.1
Recordation Tax (1 cent)	12,800	0.34	1,260	1,014	24.3	6,137	5,244	17.0	(1.9)
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,126	1,139	(1.1)	5,394	5,252	2.7	19.8
<b>Total State Taxes and Fees</b>	<b>\$1,398,800</b>	<b>37.32</b>	<b>\$109,090</b>	<b>\$114,077</b>	<b>(4.4)</b>	<b>\$539,870</b>	<b>\$522,127</b>	<b>3.4</b>	<b>1.5</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,754	\$1,569	11.8	\$11,816	\$9,974	18.5	(100.0)
Miscellaneous Revenues	10,604	0.29	1,083	1,817	(40.4)	6,780	7,965	(14.9)	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.70	20,000	0	-	90,000	100,340	(10.3)	(17.7)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,772,955</b>	<b>47.31</b>	<b>\$131,927</b>	<b>\$117,463</b>	<b>12.3</b>	<b>\$648,466</b>	<b>\$640,406</b>	<b>1.3</b>	<b>(4.8)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,600	3.14	\$8,002	\$7,056	13.4	\$39,897	\$37,912	5.2	1.8
PTF Motor Fuels	20,000	0.53	2,000	0	-	6,000	4,000	50.0	0.0
PTF Insurance Premiums Tax	141,800	3.78	2,219	4,695	(52.7)	112,622	106,546	5.7	3.3
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	222,100	5.93	18,790	14,380	30.7	99,262	89,016	11.5	(0.4)
State Sales and Use Tax	526,300	14.05	42,890	43,226	(0.8)	204,696	192,890	6.1	4.6
Motor Vehicle License Fees	21,400	0.57	1,726	1,215	42.1	9,137	8,573	6.6	1.3
Recordation Tax (2 cents)	25,600	0.68	2,520	2,028	24.3	12,274	10,489	17.0	(1.9)
Interest Earnings	17,600	0.47	25	20	25.0	2,613	4,799	(45.6)	25.9
<b>Total State Taxes and Fees</b>	<b>\$1,092,400</b>	<b>29.15</b>	<b>\$78,172</b>	<b>\$72,620</b>	<b>7.6</b>	<b>\$486,501</b>	<b>\$454,225</b>	<b>7.1</b>	<b>3.0</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$996,925	26.60	\$92,403	\$41,478	122.8	\$731,057	\$392,198	86.4	3.6
Receipts from Cities/Counties	210,651	5.62	5,894	(601)	#	34,892	10,565	230.3	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	847	854	(0.8)	5,028	5,252	(4.3)	68.2
Miscellaneous Revenues	7,953	0.21	2,617	436	500.2	30,678	12,154	152.4	(78.5)
<b>Total Other Revenues</b>	<b>\$1,245,841</b>	<b>33.24</b>	<b>\$101,761</b>	<b>\$42,167</b>	<b>141.3</b>	<b>\$801,655</b>	<b>\$420,169</b>	<b>90.8</b>	<b>20.0</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$363,551)	(9.70)	(\$20,000)	\$0	-	(\$90,000)	(\$100,340)	10.3	17.7
<b>Total Transportation Trust Fund</b>	<b>\$1,974,690</b>	<b>52.69</b>	<b>\$159,933</b>	<b>\$114,787</b>	<b>39.3</b>	<b>\$1,198,156</b>	<b>\$774,054</b>	<b>54.8</b>	<b>19.2</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,747,645</b>	<b>100.00</b>	<b>\$291,860</b>	<b>\$232,250</b>	<b>25.7</b>	<b>\$1,846,622</b>	<b>\$1,414,460</b>	<b>30.6</b>	<b>6.5</b>

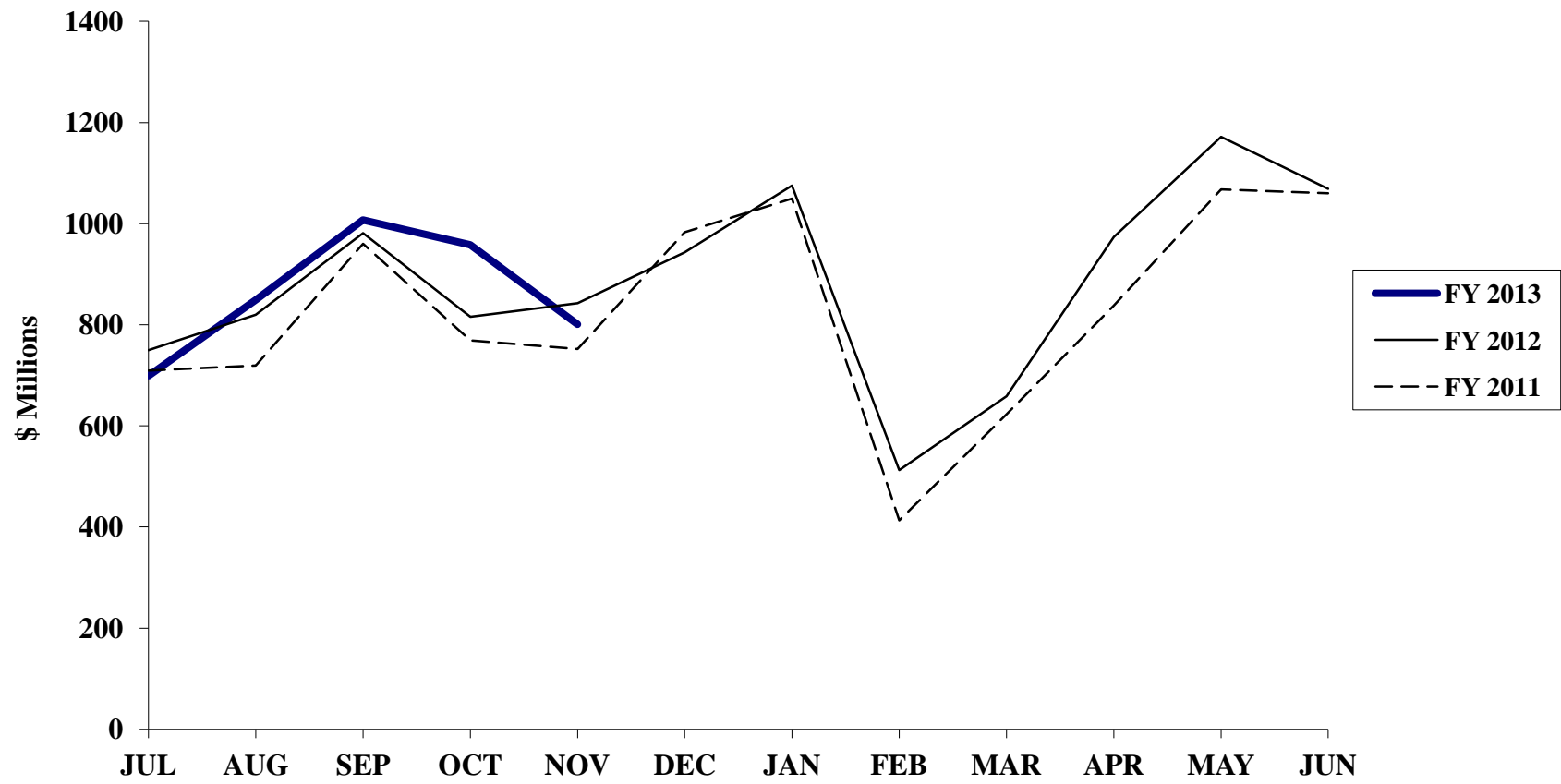
# Percentage is greater than or equal to 1,000%.

# Total General Fund Revenues



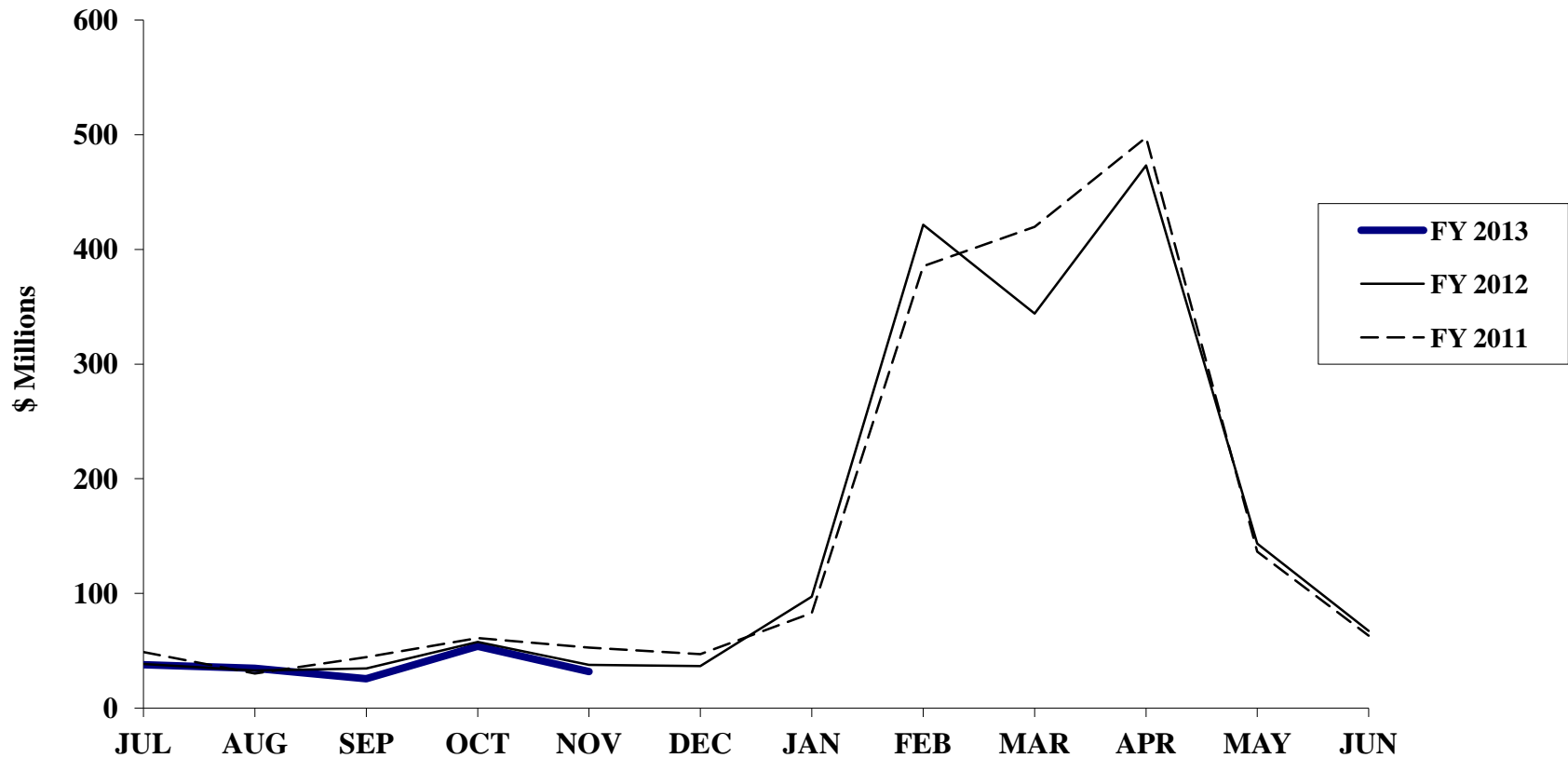
**FY 2011 Actual = \$15,040.2 Million**  
**FY 2012 Actual = \$15,846.7 Million**  
**FY 2013 Estimate = \$16,313.1 Million**

# Net Individual Income Tax



**FY 2011 Actual = \$9,944.4 Million**  
**FY 2012 Actual = \$10,612.8 Million**  
**FY 2013 Estimate = \$10,911.3 Million**

## Individual and Fiduciary Income Tax Refunds



**FY 2011 Actual = \$1,869.3 Million**  
**FY 2012 Actual = \$1,784.7 Million**  
**FY 2013 Estimate = \$1,923.8 Million**



## DEPARTMENT OF THE TREASURY

General Account Investment Portfolio  
 Monthly Average Balances and Rates  
 For the Fiscal Year 2013  
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY <sup>1</sup>
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	Yield
<b>July, 2012</b>	\$3,859.5	0.35%	\$1,355.6	14.19%	\$5,215.1	3.95%	0.19%
<b>August</b>	\$3,211.0	0.19% <sup>2</sup>	\$1,364.9	2.81%	\$4,575.9	0.97% <sup>2</sup>	0.18%
<b>September</b>	\$3,507.9	0.30%	\$1,368.3	3.46%	\$4,876.2	1.19%	0.18%
<b>October</b>	\$3,814.2	0.30%	\$1,371.9	3.48%	\$5,186.1	1.14%	0.18%
<b>November</b>	\$3,434.9	0.32%	\$1,375.1	2.51%	\$4,810.0	0.95%	0.18%
<b>December</b>							
<b>January, 2013</b>							
<b>February</b>							
<b>March</b>							
<b>April</b>							
<b>May</b>							
<b>June</b>							
<b>Year-to-Date Average</b>	\$3,565.5	0.29%	\$1,367.2	5.30%	\$4,932.7	1.68%	0.18%

• 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.

<sup>1</sup> Federal Reserve Bank H.15 Release.

<sup>2</sup> The Primary Liquidity Yield of 0.19% reflects a \$381,340.44 write down of Morgan Stanley 2007-HE5 in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.33% and the Composite Rate was 1.07%.

**Commonwealth of Virginia/Department of Accounts  
Report on the Revenue Stabilization Fund  
For the Fiscal Year 2013**

<b>Month</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Allocated (A)</b>	<b>Ending Balance</b>
<b>July</b>	\$303,574,094	\$0	\$0	\$0	\$303,574,094
<b>August</b>	\$303,574,094	\$0	\$0	\$0	\$303,574,094
<b>September</b>	\$303,574,094	\$0	\$0	\$0	\$303,574,094
<b>October</b>	\$303,574,094	\$0	\$0	\$1,020,010	\$304,594,104
<b>November</b>	\$304,594,104	\$0	\$0	\$0	\$304,594,104
<b>December</b>					
<b>January</b>					
<b>February</b>					
<b>March</b>					
<b>April</b>					
<b>May</b>					
<b>June</b>					

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