



GOVERNOR YOUNGKIN'S PROPOSED 2024-2026 BUDGET

Economic Outlook and Revenue Forecast

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

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TOPICS FOR DISCUSSION

FISCAL YEAR 2023 YEAR-IN-REVIEW

FISCAL YEAR 2024 YEAR-TO-DATE REVENUE COLLECTIONS

ECONOMIC OUTLOOK AND REVENUE FORECAST

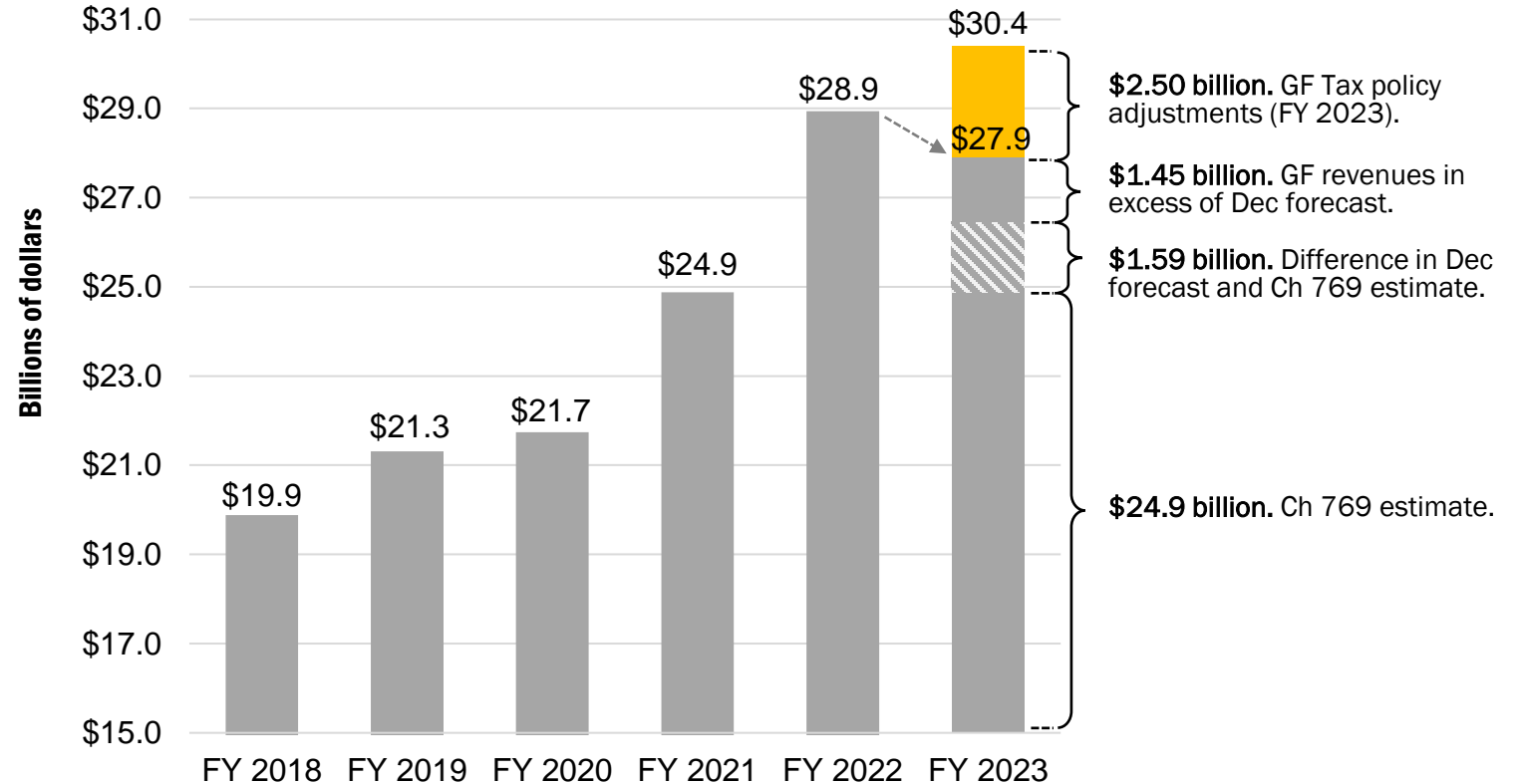
SUMMARY

- FY 2023 general fund revenue collections proved resilient despite increasing interest rates and persistently high inflation, exceeding the December 2022 forecast by \$1.5 billion.
- With concerns about macroeconomic risks and uncertainty around Pass-Through Entity Tax (PTET) refund liabilities, a prudent revenue outlook for FY 2024 was incorporated in the amended budget adopted in September (Chapter 1).
- Through November, FY 2024 collections have exceeded expectations. Compared to the forecast assumed in the current appropriations act, year-to-date revenues are ahead of projections by \$1.0 billion. However, two-thirds of this amount comes from volatile, and harder to project, nonwithholding revenues and refunds.
- Accounting for YTD revenues in excess of the forecast and based on the advice of the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE), the revised December FY 2024 forecast adds \$1.36 billion in additional GF revenues while maintaining a cautious outlook for the remainder of the fiscal year.
- The forecast for the 2024-26 biennium retains this prudent outlook by incorporating a mild recession, while providing for responsible tax relief and tax reform, and a structurally balanced budget.

LAST FISCAL YEAR, GENERAL FUND REVENUES EXCEEDED THE FORECAST BY A WIDE MARGIN

FY 2023 GF Revenues:

- \$1.0 billion below FY 2022 actuals (-3.5%).
- \$1.5 billion above FY 2022 actuals (+5.1%), adjusted for policy actions.
- \$3.0 billion higher than the Chapter 769 official estimate.
- \$1.5 billion greater than the December forecast.



Excludes GF transfers.

ADJUSTING FOR POLICY IMPACTS, GF REVENUES ARE UP 5.6 PERCENT YEAR-TO-DATE (YTD) COMPARED TO 2023 RESULTS

FY 2024 General Fund Revenue Growth
 Compared to FY 2023
 (GF dollars in millions)

	Unadjusted				Adjusted			
	November		Year-To-Date		November		Year-to-Date	
Withholding	59.7	4.4%	109.8	1.7%	59.7	4.4%	287.6	4.5%
Sales and Use Tax	(16.0)	-4.0%	(12.0)	-0.6%	6.5	1.6%	40.1	2.0%
Corporate Income Tax	15.0	72.2%	135.0	26.4%	15.0	72.2%	135.0	26.4%
Subtotal	58.6	3.3%	232.8	2.6%	81.2	4.6%	462.7	5.2%
Refunds	(180.0)	257.4%	324.8	-24.7%	(40.1)	64.9%	(185.4)	55.2%
Non-Withholding	13.4	13.1%	92.5	7.0%	13.4	13.1%	94.3	7.2%
Interest Income	80.5	222.8%	278.4	225.5%	80.5	222.8%	278.4	225.5%
All Other	(16.1)	-10.4%	(54.7)	-10.9%	(16.1)	-10.4%	(54.7)	-10.9%
Total	(43.6)	-2.2%	873.8	9.1%	118.8	5.9%	595.5	5.6%

- Unadjusted general fund revenues were down 2.2 percent year-over-year in November and are up 9.1 percent fiscal year-to-date.
- Adjusting for policy actions, general fund revenues were up 5.9 percent in November and are up 5.6 percent year-to-date.
- Revenue sources closely aligned with underlying economic growth – withholding, sales tax and corporate income tax – were up 4.6 percent in November and are up 5.2 percent year-over-year through November 30, on an adjusted basis.

FISCAL YEAR 2024 YTD RECEIPTS EXCEED CHAPTER 1 PROJECTIONS BY 11.1 PERCENT AND 3.8 PERCENT EXCLUDING NONWITHHOLDING AND REFUNDS

FY 2024 General Fund Revenues
 Compared to Chapter 1 Projections
 (GF dollars in millions)

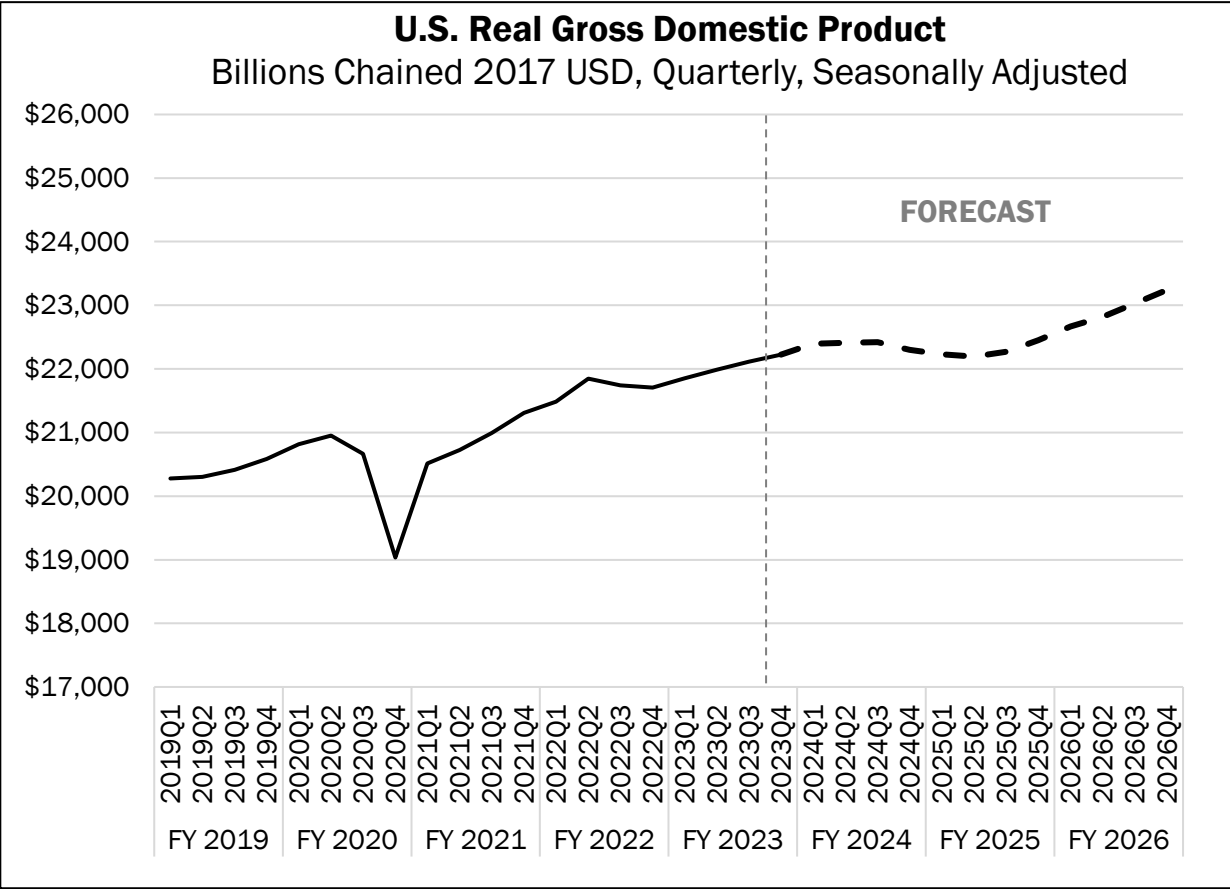
Unadjusted Revenues to Forecast			
SOURCE, \$ Mil	Chapter 1 Forecast FYTD		
	Projected	Variance \$	Variance %
Withholding	\$6,379.7	\$176.1	2.8%
Non-withholding	1,012.2	394.1	38.9%
Refunds	(1,271.8)	283.0	-22.3%
Net Individual Income	\$6,120.1	\$853.2	13.9%
Sales and Use Tax	1,939.2	36.0	1.9%
Corporate Income Tax	506.9	140.4	27.7%
Interest Income	370.4	31.5	8.5%
Total GF Revenues	\$9,397.5	\$1,045.5	11.1%
Total, Excl. NWH and Refunds	\$9,657.1	\$368.4	3.8%

- Excluding non-withholding collections and refunds, which continue to be distorted by PTET-related activity, year-to-date GF collections are ahead of the Chapter 1 forecast by \$368.4 million (3.8 percent).
- On a year-to-date basis, withholding collections are 2.8 percent above projections and corporate income tax collections are 27.7 percent higher than projected.
- Year-to-date, refunds are less than projected, primarily due to lower-than-expected PTET-related refunds to-date.

DOWNSIDE RISKS SUPPORT A CAUTIOUS OUTLOOK

- The economy has shown remarkable resilience despite higher interest rates. Third quarter real GDP rose by a seasonally adjusted annual rate of 5.2 percent (3.0 percent Q3/Q3). Current estimates are more than two percent in the fourth quarter.
- The Governor's proposed budget anticipates a mild three-quarter recession beginning in the fourth quarter of fiscal year 2024, consistent with the GACRE consensus outlook for a mild recession.
- The conservative outlook provides for the existence of downside economic risks that have the potential to impact state tax collections. Among these are:
 - The temporary budget deal in Congress splits the deadline for passing full-year appropriations bills to two dates – January 19 and February 2 – raising concerns about the risk of an extended federal government shutdown.
 - Continuing impact of high interest rates.
 - Declines in European and Asian economies will hurt U.S. exports and corporate earnings.
 - Escalating conflict in the middle east and OPEC+ oil production cuts could drive significantly higher energy prices.
 - The real estate crisis in China and the resulting impact on financial markets and the broader global economy.
 - Spend down of consumers' pandemic savings and the resumption of student loan repayments will impact consumer spending and likely dampen economic growth further.
- Slowing employment, wage, and spending growth, decelerating price inflation, and recent upticks in unemployment are consistent with our outlook of an economy that may be heading toward a recession.

THE FORECAST ASSUMES A MILD, THREE-QUARTER RECESSION BEGINNING IN THE 4TH QUARTER OF FY 2024



- The forecast assumes that the combination of a federal government shutdown, elevated inflation and interest rates, reduced credit accessibility, and rising geopolitical tensions cause the economy to fall into a recession in the second quarter of CY 2024 (fourth quarter of FY 2024).
- The recession lasts through the fourth quarter of CY 2024 (second quarter of FY 2025), with a peak to trough decline of 1.0 percent in GDP.

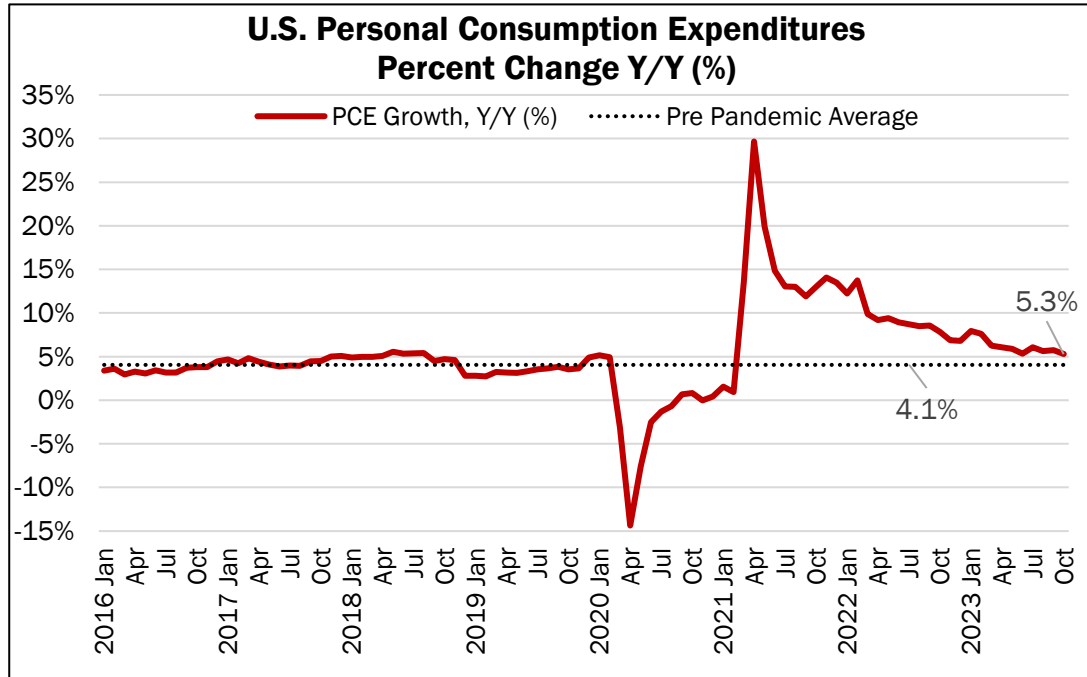
REAL GDP GREW MORE THAN EXPECTED IN Q3, WHILE CURRENT Q4 ESTIMATES ARE MORE MODERATE



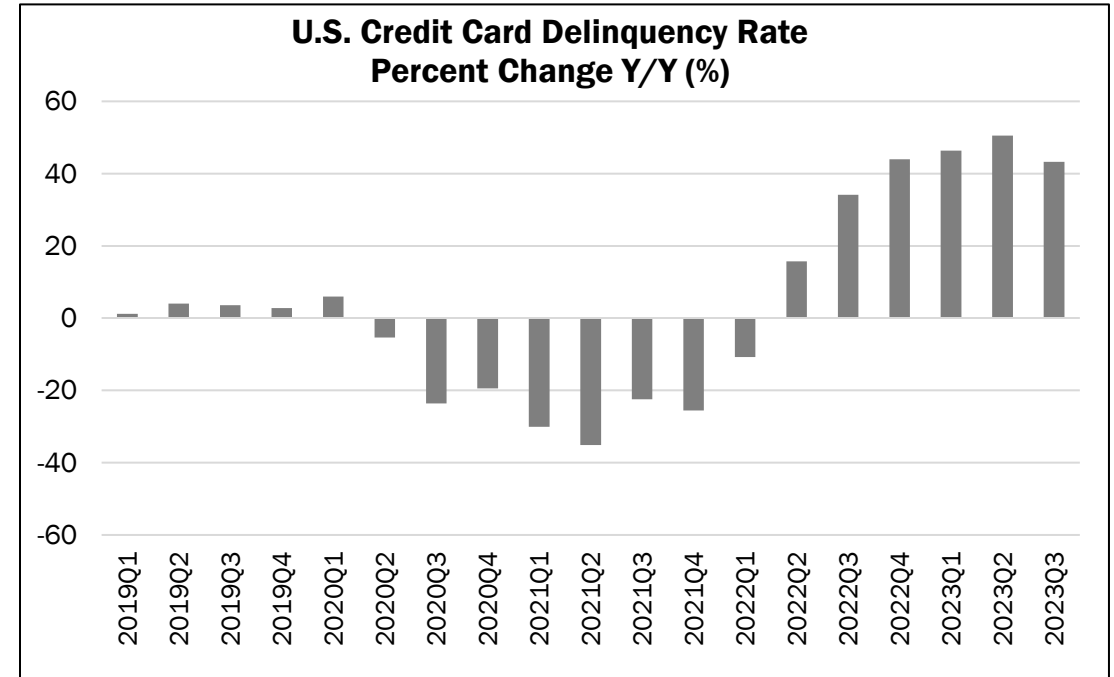
Source: US Bureau of Economic Analysis, Secretary of Finance staff estimates.

- Real GDP growth in Q3 was revised higher to a 5.2 percent seasonally adjusted annual rate.
- Current quarter estimates are pointing towards slower growth, The NY Fed “Nowcast” currently estimates Q4 GDP growth at 2.2 percent.
- Personal consumption is still the major driver of growth.

GROWTH IN CONSUMER SPENDING IS TRENDING DOWN, RISING CREDIT CARD DELINQUENCIES IS A CONCERN



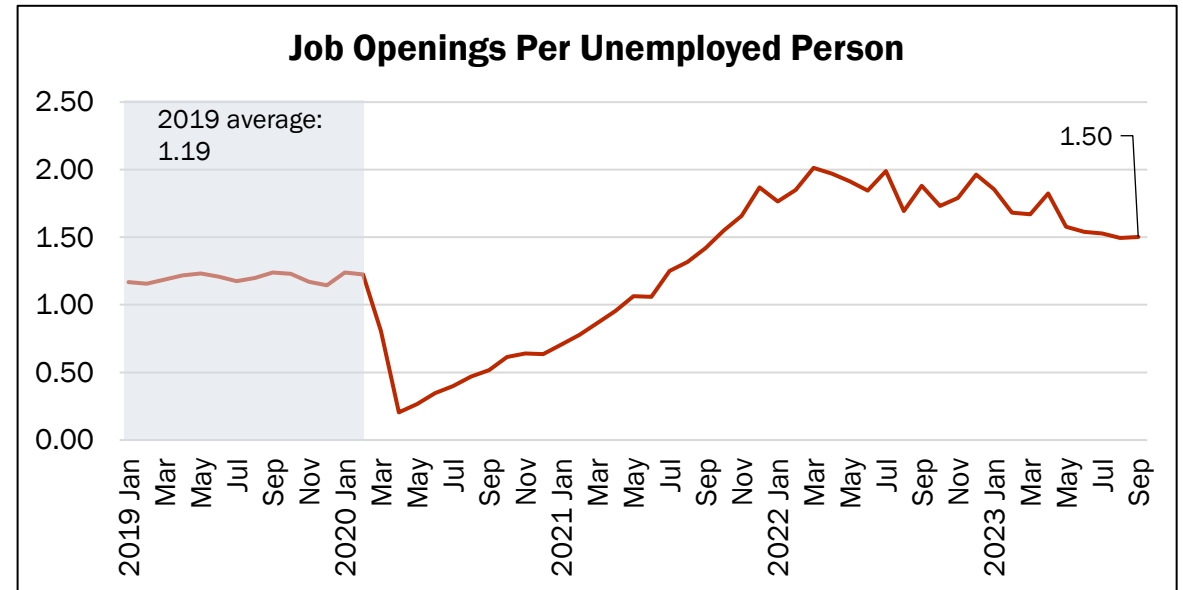
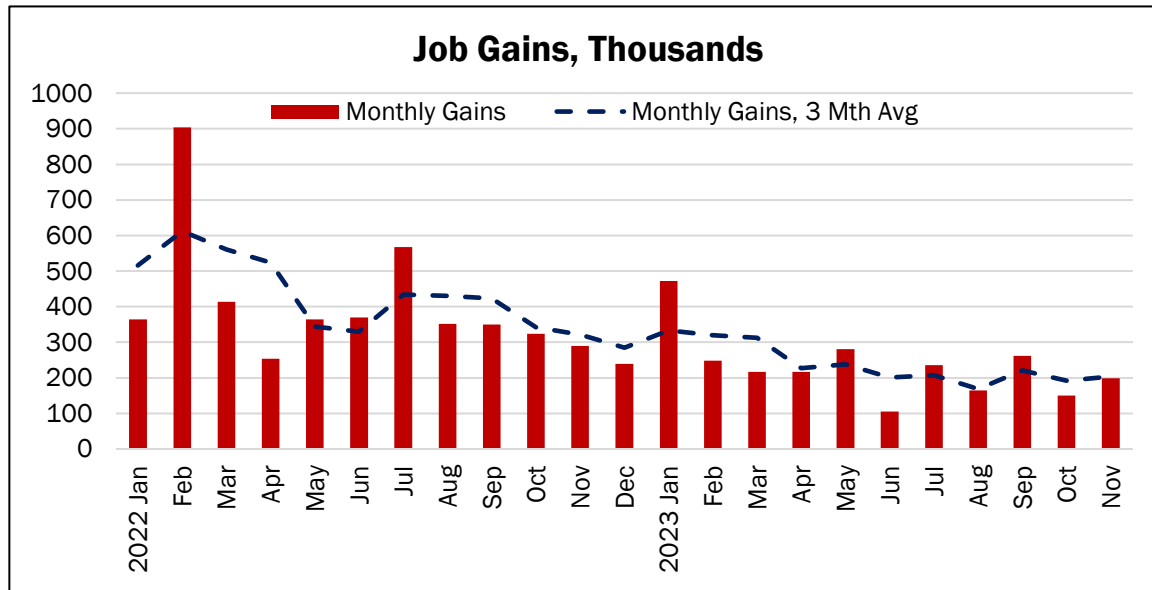
Source: US Bureau of Economic Analysis.



Source: Federal Reserve Bank of St. Louis.

- Consumer spending rose 0.2 percent in October, the slowest increase since May. Spending growth has been extraordinarily high since 2021, however the growth rate has been steadily slowing, approaching the pre-pandemic trend.
- Credit card delinquency rates are on the rise, suggesting that growth in spending may begin to soften as pandemic savings are spent down.

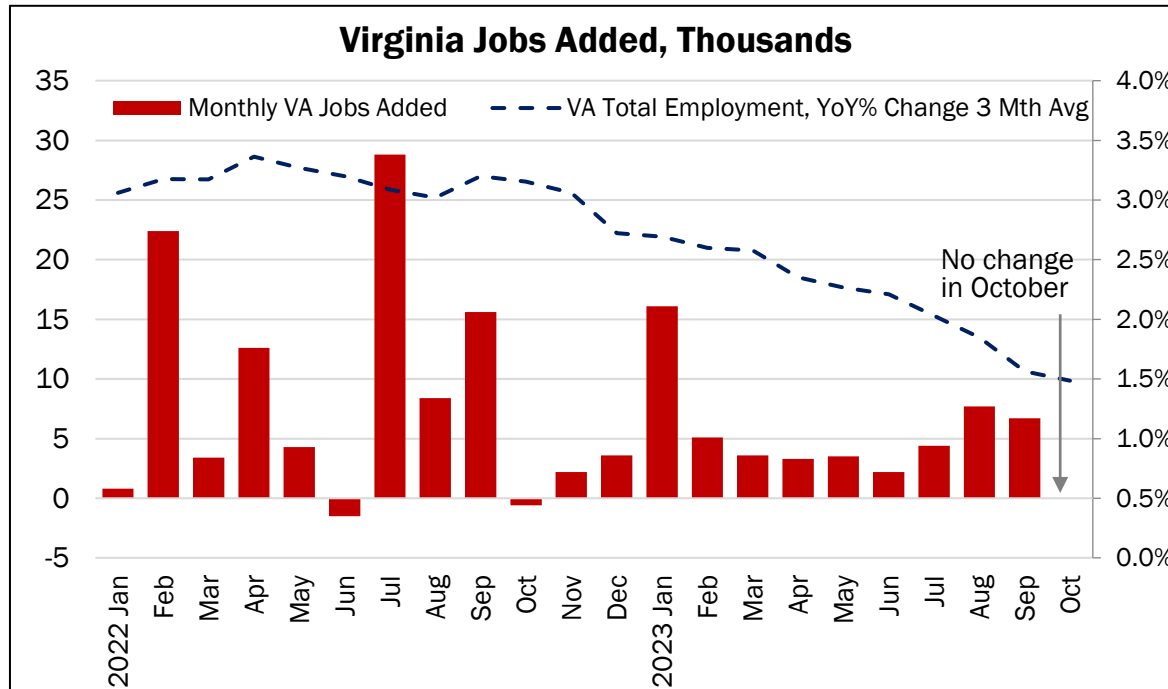
U.S. JOB GROWTH CONTINUES TO DECELERATE



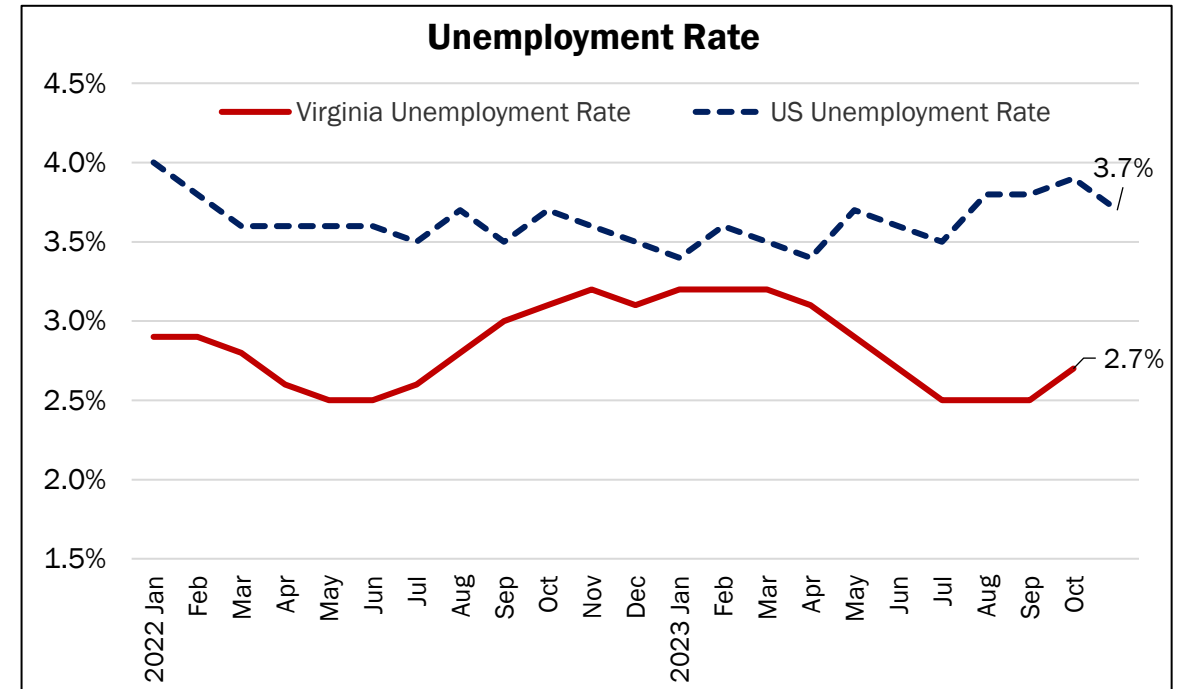
Sources: US BLS. Unless otherwise noted economic data is presented on a calendar year basis.

- U.S. nonfarm payrolls increased 199,000 in November. Payroll gains for September and October were revised down by a total of 35,000. The end of the auto workers' strike led to a 28,000 job gain in the manufacturing sector. Food service continues to grow with over 40,000 jobs added. Retail trade however declined by 38,000 jobs.
- Job openings per unemployed person has remained essentially flat since July. The Federal Reserve has specifically mentioned this as an indicator labor supply is still below demand.

VIRGINIA UNEMPLOYMENT RATE TICKED UP IN OCTOBER AS THE PACE OF JOB GROWTH CONTINUES TO SLOW



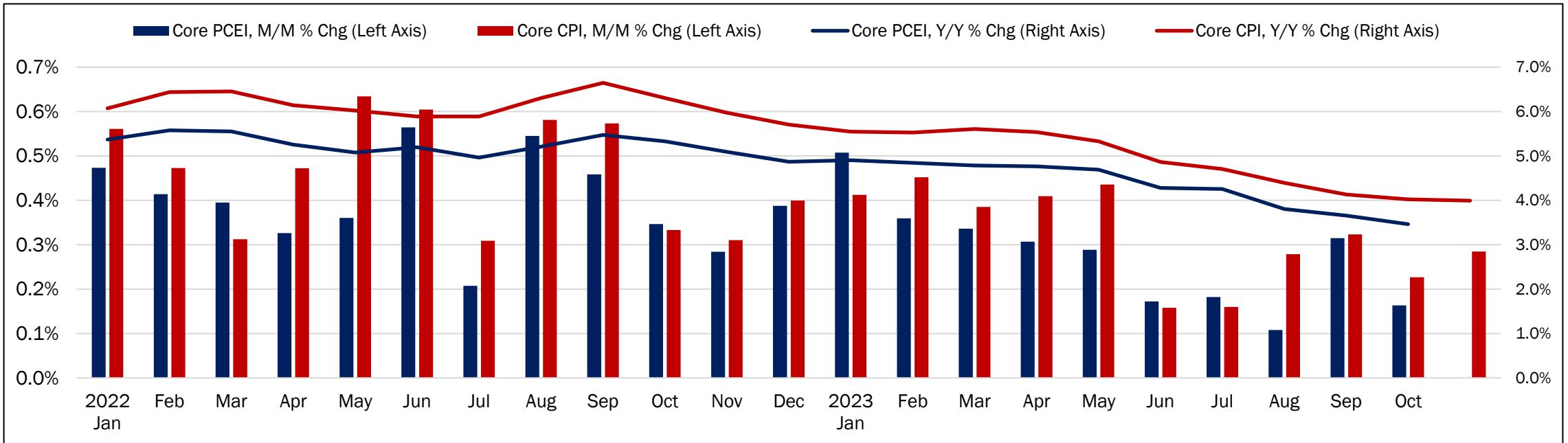
Source: Current Employment Statistics Survey, US Bureau of Labor Statistics.



Source: Current Population Survey, US Bureau of Labor Statistics.

- In October, Virginia’s nonagricultural employment, from the monthly establishment survey, remained unchanged at 4.16 million. Private sector employment increased by 3,700 while government employment decreased by 3,700. The three-month average year-over-year growth in Virginia employment continued to slow, measuring 1.5 percent in October.
- Virginia’s seasonally adjusted unemployment rate in October increased by 0.2 percentage points to 2.7 percent, 0.4 percentage points below the rate from a year ago.

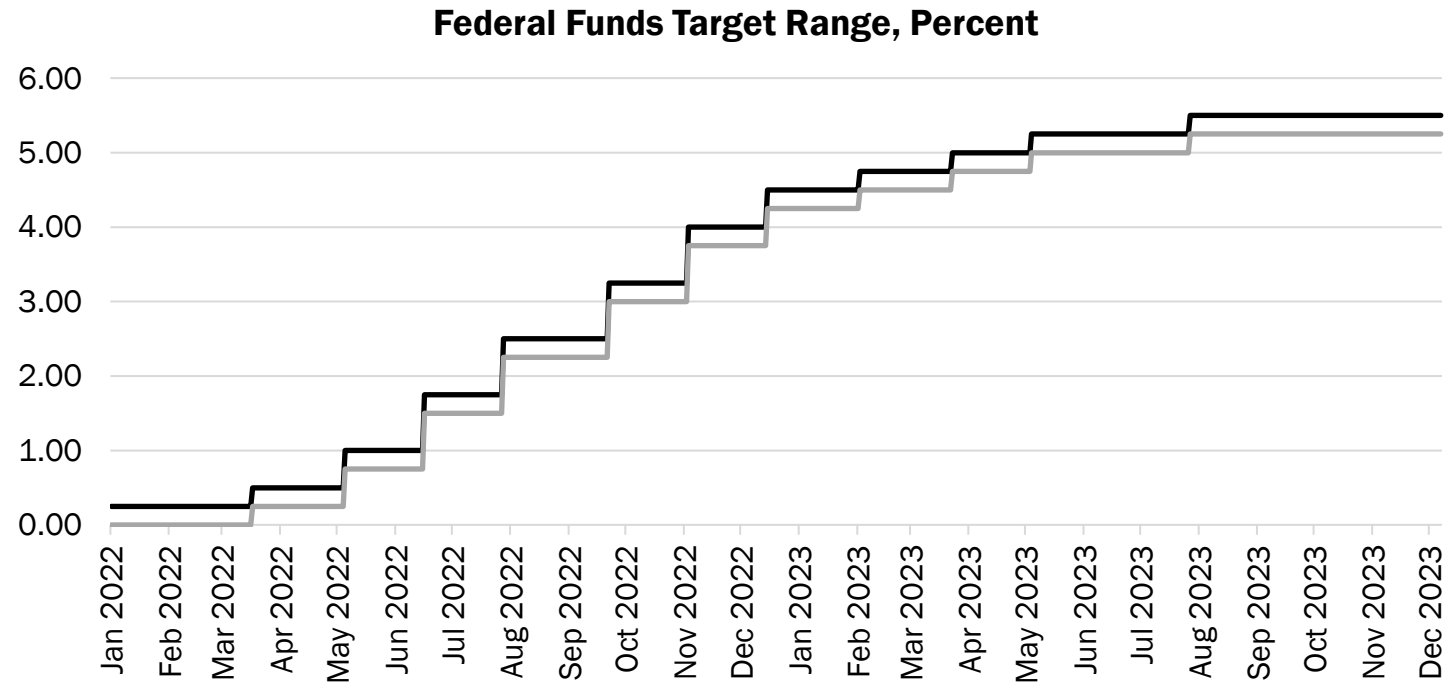
CORE INFLATION MEASURES CONTINUE DOWNWARD TREND, BUT REMAIN ELEVATED



Sources: US Bureau of Labor Statistics , US Bureau of Economic Analysis.

- In November, CPI was up 3.1% from a year ago.
- Core CPI, which excludes food and energy, indicates inflationary trends were essentially unchanged in November. Core CPI is up 4.0 percent over the last 12 months. The major cost increases consumers are facing is shelter, as nearly 70 percent of the increase in the CPI basket in November was in rent or rent equivalents. Shelter CPI is up 6.5 percent over the last 12 months.
- The twelve-month change in Core Personal Consumption Expenditure Price Index (Core PCE), the Federal Reserve’s preferred inflation measure, declined to 3.5 percent in October, though it is still well above the Fed’s two-percent target.

THE FED HELD INTEREST RATES STEADY AT THE DECEMBER MEETING



Source: Federal Reserve of St. Louis, Federal Reserve Board.

- The Federal Reserve held rates steady at their December 12-13 meeting and acknowledged that inflation had improved more quickly than anticipated.

\$1.36 BILLION INCREASE IN DECEMBER FY 2024 FORECAST REFLECTS STRONGER THAN EXPECTED YTD RESULTS AND A MILD RECESSION BEGINNING IN Q4 OF FY2024

Composition of the December Revenue Forecast

Fiscal Year 2024
(GF dollars in millions)

	FY 2023 (Actual)	FY 2024
General Fund Revenues: Chapter 1	\$27,909.9	\$26,369.3
General Fund Revenues: GACRE		\$27,697.7
Increase/(Decrease) Over Chapter 1: GACRE		\$1,328.4
Post-GACRE Adjustments:		
Economic Outlook Adjustments		\$ -
General Fund Revenues After Economic Adjustments		\$27,697.7
Recognize Revenues from Offshore Wind Agreement		\$35.0
General Fund Revenues: December		\$27,732.6
Increase Over Chapter 1: December		\$1,363.3

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

VIRGINIA'S JOB GROWTH HAS REBOUNDED BUT WE CONTINUE TO TRAIL IN TERMS OF OTHER ECONOMIC INDICATORS

- 230,000 new jobs created since January 2022.
- Domestic migration for Virginia continues to be negative but has reduced from 9-year average of 15,000 to 6,900 in 2023.
- Competitor states to our south (NC, TN, SC, GA, FL, TX) continue to account for 58 percent of positive domestic migration.
- Lower unemployment rate in Virginia is problematic for current and prospective employers — we must grow our workforce.
- Significant state tax reform is underway nationally and regionally, focused on attracting and retaining companies and workers by lowering the cost of living and 26 states reduced PIT between 2021 and 2023.
- As our U.S. economy has evolved, so too have tax policies to reflect the growing digital economy.
- Virginia has the narrowest services sales tax base of all our competitor states.
- Virginia will fall further behind the competition without real action.

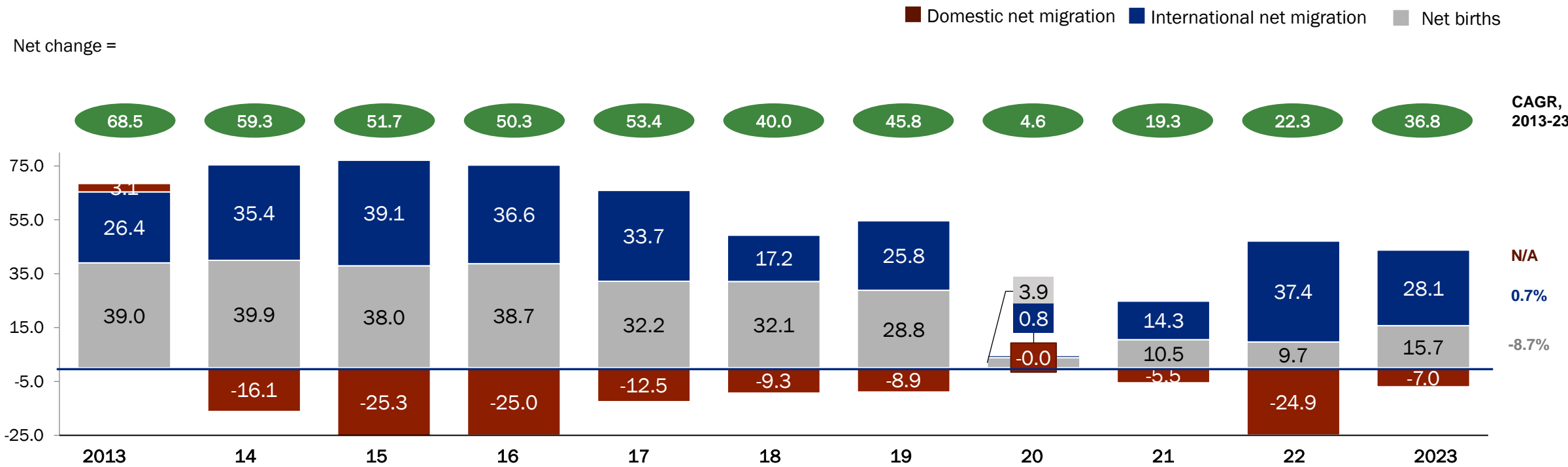
VIRGINIA'S GROWTH SIGNIFICANTLY LAGS COMPETITOR STATES THAT HAVE MORE COMPETITIVE TAX STRUCTURES

State	2013-2023				
	Job Growth	Population Growth	AGI Growth (\$ in millions)	GDP Growth	Cumulative Domestic Migration
Virginia	12.6%	5.6%	(\$10,832)	18.3%	(134,618)
North Carolina	18.0%	10.0%	\$22,202	26.5%	667,679
Florida	25.8%	15.6%	\$151,351	44.7%	1,812,202
Georgia	18.3%	10.6%	\$5,565	34.8%	413,387
South Carolina	18.6%	12.7%	\$21,186	31.3%	541,491
Texas	21.9%	15.2%	\$38,450	29.4%	1,400,065
Tennessee	14.7%	9.7%	\$14,749	34.0%	409,226
U.S. Average	N/A	6.0%	N/A	24.9%	N/A

Source: Ernst & Young, Tax Foundation, BLS, BEA, U.S. Census.
 Note: GDP Growth numbers 2013-2022.

VIRGINIA HAS EXPERIENCED NEGATIVE DOMESTIC NET MIGRATION EACH OF THE PAST 10 YEARS TOTALING 134,500

Virginia's population growth drivers, 2012-2023, Thousands



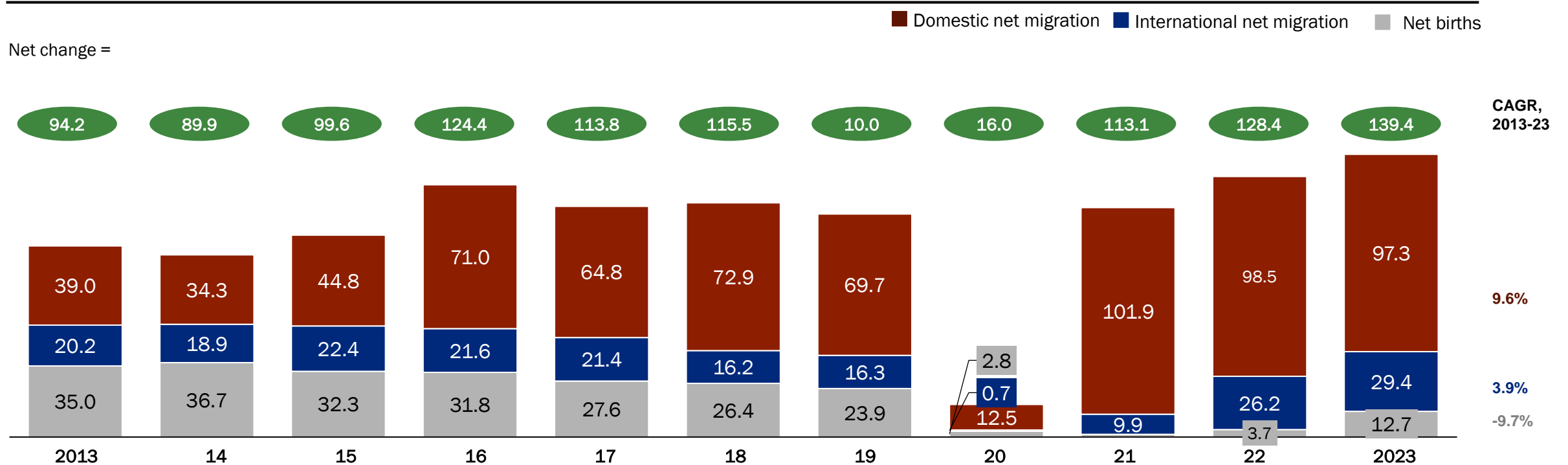
Net Changes Totaled 450,000 Between 2013 and 2023

Source: U.S. Census PEP Survey, 2023.

Note: Figures may not add due to rounding. Excludes residual changes in population and impacts of decennial re-survey.

BY COMPARISON, N.C. HAS EXPERIENCED POSITIVE DOMESTIC NET MIGRATION TOTALING 667,000 OVER THE SAME 10 YEARS

North Carolina's population growth drivers, 2012-2023, Thousands



Net Changes Totaled 1.1 Million Between 2013 and 2023

Source: U.S. Census PEP Survey, 2023.

Note: Figures may not add due to rounding. Excludes residual changes in population and impacts of decennial re-survey.

HISTORY OF NORTH CAROLINA TAX REFORMS

- Focused on decreases in personal income and corporate tax rates and increases in the standard deduction
- Partially offset by expansions of the sales tax base.

Year of reform	Taxes covered	Major changes
2022	Individual	Individual - Drop rate to 4.5% in 2024 with further drops scheduled, reaching 2.49% in 2030
2021	Corporate Sales Individual	Corporate - Phases out corporate tax beginning in 2025 - Simplifies corporate franchise tax Individual - Lowers rate from 5.25% to 4.99% in 2022 - Increase standard deduction, child deduction - Re-enacts or expands certain credits
2017	Individual Corporate	Individual - Reduce rate in 2019 from 5.499% to 5.25% - Increase standard deduction from \$17,500 to \$20,000 Corporate - Reduce rate from 3 to 2.5% in 2019 - Reduce franchise tax for S corporations
2015	Individual Sales	Individual - Reduced rate from 5.75% to 5.499% - Increased standard deduction from \$15,000 to \$15,500 for married filers Sales - Expand base to include service contracts
2013	Individual Corporate Sales	Individual - Flattened brackets to 5.8% for all taxpayers (compared to prior top rate of 7.75%) - Increased standard deduction and repealed personal exemption - Reduced number of tax expenditures Corporate - Reduced rate from 6.9% to 5% - Option to reduce rate further if revenue targets met Sales - Eliminate 2 tax holidays - Expand base

Source: Ernst & Young analysis.

TAX MODERNIZATION PLAN SAVES TAXPAYERS \$1 BILLION OVER THE BIENNIUM AND WILL SPUR ECONOMIC GROWTH

Tax Policy Adjustments

2024-2026 Biennium

(GF dollars in millions)

Tax Policy	FY 2025	FY 2026	2024-26 Biennium
Reduce Individual Rates by 12% (5.10%, 4.40%, 2.65%, and 1.75%)	(\$1,118.9)	(\$2,339.8)	(\$3,458.7)
Increase Statewide Sales Tax Rate by 0.9 Percentage Points	\$520.1	\$1,299.3	\$1,819.4
Expand Sales Tax Base to “New Economy” Products*	\$203.4	\$510.7	\$714.0
Expand EITC from 20% to 25% of Federal Credit	\$ -	(\$29.0)	(\$29.0)
Double Dealer Discount	(\$10.1)	(\$25.2)	(\$35.3)
Increase Annual Cap on EISTC from \$25.0 to \$30.0 million	(\$5.0)	(\$5.0)	(\$10.0)
Total General Fund Revenue Impact	(\$410.5)	(\$589.0)	(\$999.5)

Totals may not sum due to rounding.

**General fund, excluding transfers.*

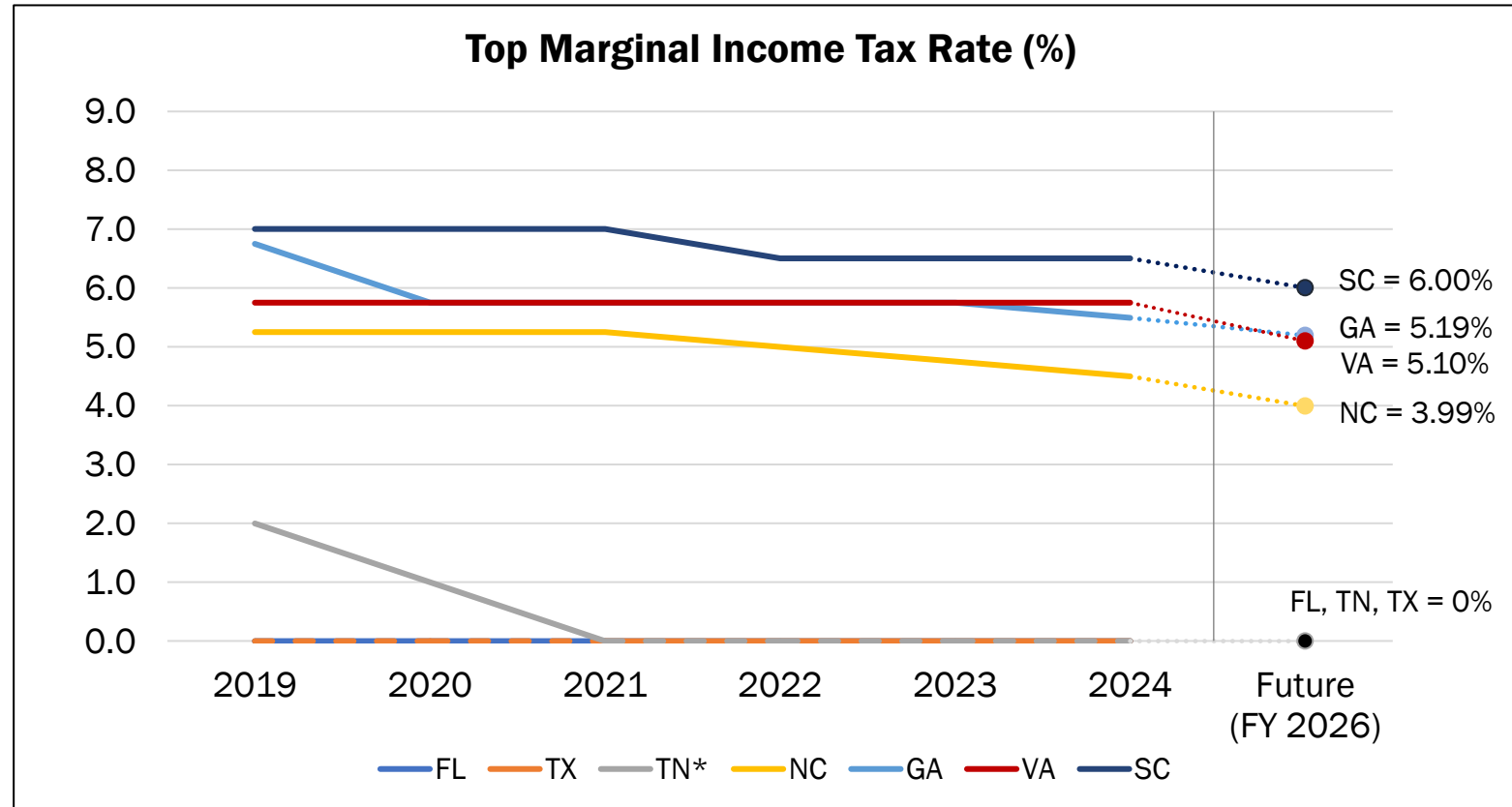
SUMMARY OF TAX POLICY CHANGES

- **Individual income tax rates:** reduced by approximately 12 percent across all tax brackets:

Reduced Tax Rates			
<u>Bracket</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent Reduction</u>
\$0 - \$3,000	2%	1.75%	-13%
\$3,000 - \$5,000	3%	2.65%	-12%
\$5,000 - \$17,000	5%	4.40%	-12%
\$17,001+	5.75%	5.10%	-11%
<i>Average Reduction</i>			-12%

- **Statewide sales tax rate:** increased by 0.9 percentage points.
- **Expand the sales tax base:** to include “New Economy” services (e.g. digital downloads, streaming music and videos, computer services, etc.).
- **Expand the non-refundable Virginia Earned Income Tax Credit (EITC):** from 20 percent to 25 percent of the federal EITC.
- **Double the dealer discount:** that applies to qualifying retail sales and use tax dealers as compensation for accounting for and remitting the sales tax.
- **Increase the annual cap on the Education Improvement Scholarship Tax Credit:** from \$25.0 to \$30.0 million.

VIRGINIA'S TOP MARGINAL INCOME TAX RATE IS AMONG THE HIGHEST OF OUR COMPETITOR STATES



- Several of our competitor states have no income tax at all.
- Several of our competitor states will see further rate reductions in the next few years when certain triggers are met.

VIRGINIA HAS THE LOWEST COMBINED STATE AND LOCAL AVERAGE SALES TAX RATE AND THE NARROWEST SERVICES SALES TAX BASE AMONG PEER STATES

State	State sales tax rate	Avg local sales rate	Combined S&L rate	% services spending in sales tax base
Virginia*	4.30%	1.47%	5.77%	13%
North Carolina	4.75%	2.25%	7.00%	24%
Florida	6.00%	1.02%	7.02%	23%
Georgia	4.00%	3.39%	7.39%	22%
South Carolina	6.00%	1.50%	7.50%	21%
Texas	6.25%	1.95%	8.20%	19%
Tennessee	7.00%	2.55%	9.55%	23%

Source: Tax Foundation, *State & Local Sales Tax Rates as of July 1, 2023*. [Nikhita Airi](#) and Frank Sammartino, "How Broad are State Sales Taxes?", *Brookings Tax Policy Center*, 2018.

- Sales taxes do not apply to food purchased for human consumption and essential personal hygiene products.
- An estimated 12.5 percent of Virginia sales subject to the retail sales and use tax is attributable to non-residents.

SALES TAX MODERNIZATION: “NEW ECONOMY” PRODUCTS

Service	# states taxing	VA Current	VA Proposed	FL	GA	NC	SC	TN	TX
Digital downloads	32	Exempt	Taxable	Taxable	Taxable*	Taxable	Exempt**	Taxable	Taxable
Software application services***	19	Exempt	Taxable	Exempt	Exempt	Taxable	Taxable	Taxable	Exempt
Computer-related services	27	Exempt	Taxable	Exempt	Exempt	Taxable	Taxable	Taxable	Taxable
Website hosting and design****	8	Exempt	Taxable	Exempt	Exempt	Exempt	Exempt	Taxable	Taxable
Data storage*****	9	Exempt	Taxable	Exempt	Exempt	Exempt	No Specific Guidance	Taxable	Taxable
Streaming music & video	33	Exempt	Taxable	Taxable	Exempt	Taxable	Taxable	Taxable	Taxable

Source: Ernst & Young; ; CCH Multistate Sales Tax Guide, Thomson Reuters Sales/Use Tax State Charts as of 30 October 2023.

* Georgia provides an exemption for software downloads, while other digital downloads are taxable.

** South Carolina taxes software downloads but provides an exemption for other digital downloads.

*** Software application services includes states that tax Software as a Service (SaaS)

**** Website hosting and design includes states that tax Platform as a Service (PaaS)

***** Data Storage includes states that tax Infrastructure as a Service (IaaS)

NEW ECONOMY PRODUCTS

➤ **Digital personal property**

- Digital products delivered electronically that the purchaser owns or has the ability to continually access without having to pay an additional subscription or usage fee to the seller after paying the initial purchase price, including:
 - Software
 - Digital audio and audiovisual products
 - Reading Materials
 - Other data or applications

➤ **Software application services**

- Custom software application design and development services
- Customization and integration of packaged software
- Application service provisioning

➤ **Website hosting and design**

➤ **Data storage**

➤ **Streaming services**

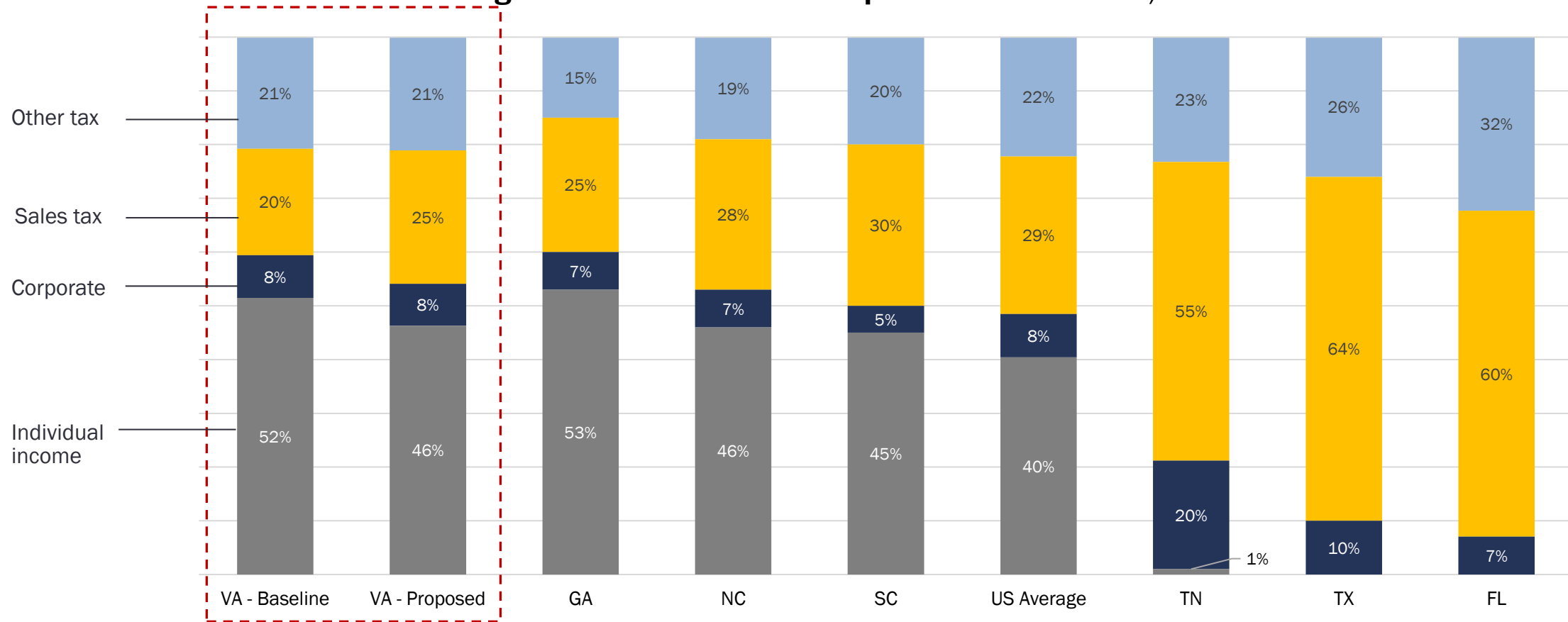
- Examples: Netflix or Hulu

➤ **Computer-related services**

- Application service provisioning
- Collocation services
- Computer systems design and development services
- Computer systems design services
- Computer systems integration services
- Customization and integration of packaged software
- Database design and development services
- IT infrastructure and network management services
- IT technical support services
- Network design and development services, except security
- Network security design and development services
- Other data processing or IT infrastructure provisioning services
- Video and audio streaming infrastructure provisioning services, except content streaming distribution services
- Website design and development services

TAX MODERNIZATION REDUCES VA'S RELIANCE ON THE INCOME TAX, MAKING THE TAX STRUCTURE MORE SIMILAR TO COMPETITOR STATES

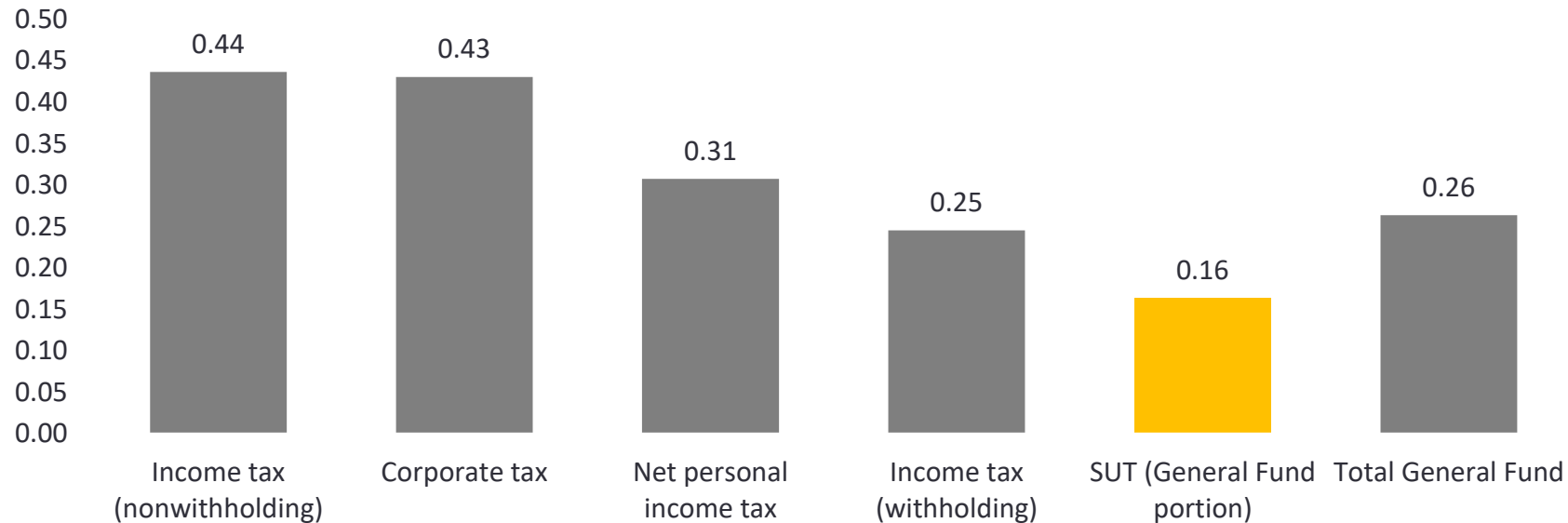
Virginia's Revenue Profile Compared to Other States, FY21 Levels



Source: Ernst & Young; U.S. Census Bureau, Quarterly Summary of State and Local Government Tax Revenue (FY21), VA Dept of Taxation.

THE SALES TAX IS A MORE STABLE SOURCE OF REVENUE THAN OTHER MAJOR SOURCES

Coefficient of variation across revenue streams in Virginia (FY 2002-2022)



Note: The coefficient of variation is calculated as the standard deviation divided by the mean. It was calculated using data covering fiscal years 2002-2022 in Virginia. Total sales tax revenue, for which data is readily available from 2012-2022 has the same CV as the general fund portion.

Data Source: Ernst & Young; Virginia Department of Taxation, "The Economic Outlook and Revenue Forecast through Fiscal Year 2026."

- The sales tax is historically a stable source of revenue, exhibiting less volatility relative to other sources.
- Supplanting other tax streams adds stability and diversity to Virginia's revenue collections.
- The coefficient of variation is a measure of volatility, showing the extent of variability relative to the average.

SAVES A TYPICAL VIRGINIA FAMILY...



Category	Single Parent	Young Individual	Middle-Class Family
AGI	\$35,000	\$50,000	\$75,000
Filing Status	Single	Single	Married
Children	1	None	2
Claims standard deduction?	Yes	Yes	Yes
Estimated Tax Savings*	(\$141)	(\$151)	(\$243)

*Based on Ernst & Young households' calculations. The estimated tax savings includes the estimated impact of income tax and the sales and use tax changes. Sales tax does not account for the regional taxes.

DECEMBER GENERAL FUND REVENUE FORECAST FOR FISCAL YEARS 2025-26

Composition of the December Revenue Forecast

2024-2026 Biennium
(GF dollars in millions)

	FY 2025	FY 2026	2024-26 Biennium
General Fund Revenues: GACRE	\$28,531.9	\$30,385.9	\$58,917.8
Post-GACRE Adjustments:			
Economic Outlook Adjustments	\$ -	(\$150.0)	(\$150.0)
General Fund Revenues After Economic Adjustments	\$28,531.9	\$30,235.9	\$58,767.8
Policy Adjustments	(\$410.5)	(\$589.0)	(\$999.5)
General Fund Revenues: December	\$28,121.4	\$29,646.9	\$57,768.3

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

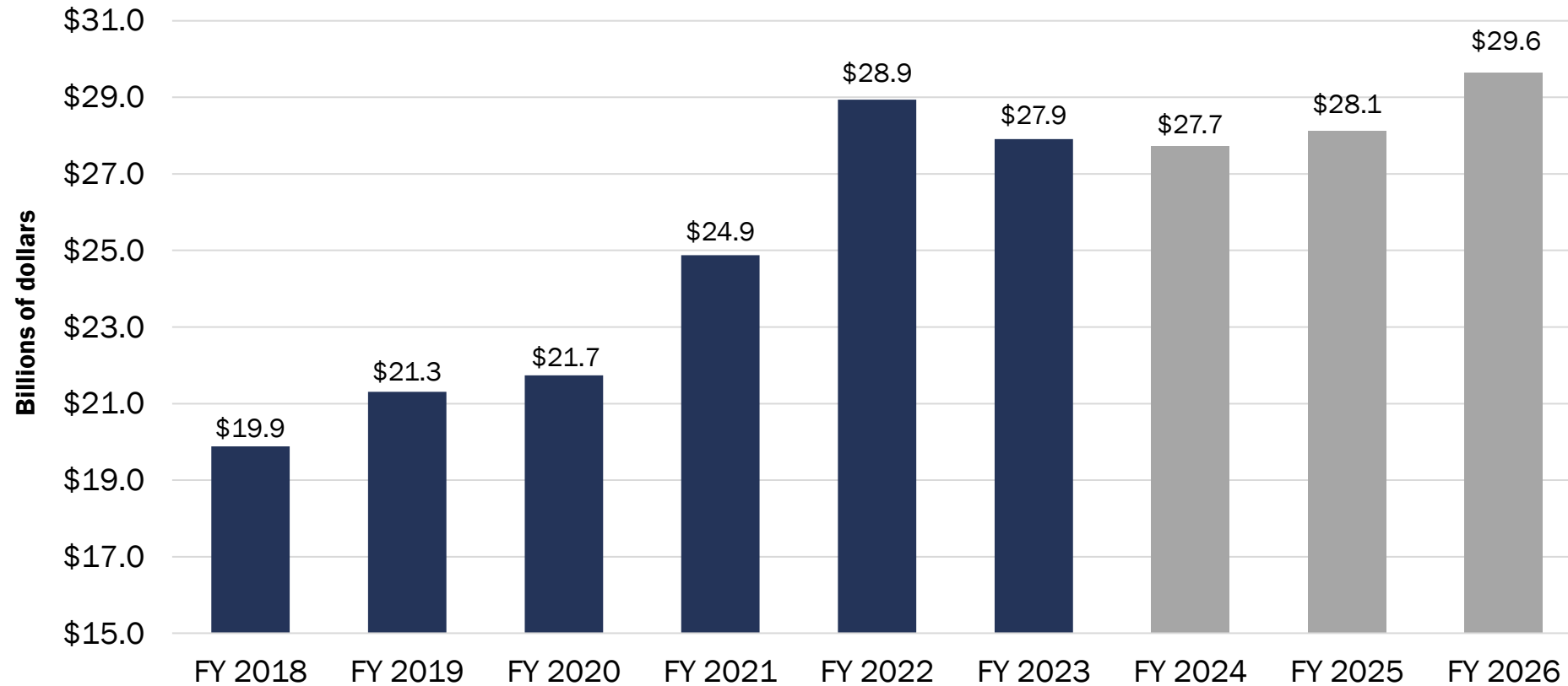
- Following the advice of GACRE, the fiscal year 2026 revenue estimate was reduced by \$150.0 million.

SUMMARY OF DECEMBER REVENUE FORECAST FOR FISCAL YEARS 2024-2026

December General Fund Forecast by Major Source (GF dollars in millions)

	FY 2023		FY 2024		FY 2025		FY 2026	
	Actual	December Forecast	% Growth Over FY23	December Forecast	% Growth Over FY24	December Forecast	% Growth Over FY25	
	REVENUE (\$ mil.)							
Withholding	\$15,957.2	\$16,038.5	0.5%	\$15,958.1	-0.5%	\$16,102.0	0.9%	
Nonwithholding	6,629.2	5,813.8	-12.3%	5,397.0	-7.2%	5,225.8	-3.2%	
Refunds	(3,602.8)	(3,336.2)	-7.4%	(3,254.6)	-2.4%	(3,027.7)	-7.0%	
Sales & Use Tax	4,734.6	4,515.8	-4.6%	5,400.9	19.6%	6,664.5	23.4%	
Corporate Income	2,031.1	2,213.5	9.0%	2,063.8	-6.8%	2,161.3	4.7%	
All Other Sources	2,160.6	2,487.3	15.1%	2,556.3	2.8%	2,520.9	-1.4%	
TOTAL GF REVENUES	\$27,909.9	\$27,732.6	-0.6%	\$28,121.4	1.4%	\$29,646.9	5.4%	
Total Transfers	815.6	(50.4)	-106.2%	1,744.0	-3560.3%	1,073.2	-38.5%	
TOTAL GENERAL FUND	\$28,725.5	\$27,682.2	-3.6%	\$29,865.4	7.9%	\$30,720.1	2.9%	

FISCAL YEAR 2024-26 REVENUE FORECAST COMPARED TO PRIOR YEARS



Excludes GF transfers.

LONGER-TERM OUTLOOK CONFIRMS STRUCTURAL BALANCE

- *Va. Code* §§ 2.2-1503 and 2.2-1503.1 require the Governor to prepare a long-term revenue forecast (annually) and a six-year financial plan (biennially).
- The Governor asked the Department of Planning and Budget (DPB) to update the six-year plan to take into account the December Post-GACRE forecast and proposed spending and tax policies in HB/SB 29 and HB/SB 30.
- Among other things, the spending projections include the continuation of Chapter 1, 2023 Special Session I amounts, ongoing costs of the Right Help Right Now initiative, increases in Medicaid, Children's Services Act, and other forecast items, as well as pay increases for public school teachers, state employees, and other state supported local employees.
- Results indicate continued structural balance through FY 2030.

LONGER-TERM OUTLOOK CONFIRMS STRUCTURAL BALANCE

GENERAL FUND RESOURCES	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Prior Year Balance	\$1,449.6	\$2,353.8	\$0.6	\$8.7	\$442.6	\$1,176.8	\$2,133.0
Revenue							
Net Individual Income Tax	18,516.1	18,100.5	18,300.1	\$19,237.1	\$19,803.9	\$20,237.4	\$21,050.2
Sales and Use Tax	4,515.8	5,400.9	6,664.5	\$7,021.1	\$7,413.0	\$7,678.1	\$7,931.5
Corporate Income Tax	2,213.5	2,063.8	2,161.3	\$2,267.1	\$2,386.0	\$2,491.3	\$2,599.7
All Other Sources	2,487.3	2,556.2	2,521.0	\$2,504.6	\$2,545.7	\$2,580.6	\$2,609.6
Total Revenue	27,732.6	28,121.4	29,646.9	31,029.9	32,148.6	32,987.5	34,191.0
Adjustments to Balance	\$4,315.7	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)
Transfers	(50.4)	1,744.0	1,073.2	1,088.1	1,157.0	1,145.5	1,199.1
Total General Fund Resources	\$33,447.5	\$32,218.7	\$30,720.2	\$32,126.2	\$33,747.7	\$35,309.3	\$37,522.5
GENERAL FUND APPROPRIATION	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Legislative Appropriation (FY 24) / Base Budgets	\$31,083.7	\$28,835.3	\$28,835.3	\$28,835.3	\$28,835.3	\$28,835.3	\$28,835.3
Base Adjustments	0.0	(611.5)	(611.5)	(611.5)	(611.5)	(611.5)	(611.5)
Chapter 1 Continuation	0.0	1,304.0	1,177.9	1,232.4	1,232.4	1,232.4	1,232.4
Other Amendments	(392.5)	1,773.6	1,309.8	2,027.3	2,914.6	3,520.0	4,341.0
Total Operating	\$30,691.1	\$31,301.5	\$30,711.5	\$31,483.6	\$32,370.9	\$32,976.3	\$33,797.2
Capital Outlay	\$402.7	\$916.6	\$0.0	\$200.0	\$200.0	\$200.0	\$200.0
Total GF Appropriation	\$31,093.8	\$32,218.1	\$30,711.5	\$31,683.6	\$32,570.9	\$33,176.3	\$33,997.2
GF BALANCE (RESOURCES LESS APPROPRIATION)							
Resources Less Approp - Annual Balance	\$904.2	\$0.6	\$8.1	\$442.6	\$734.2	\$2,133.0	\$1,392.3
Resources Less Approp - Cumulative/Biennium	\$2,353.8		\$8.7		\$1,176.8		\$3,525.3

Source: VA Department of Planning and Budget.

Totals may not sum due to rounding..

APPENDIX

- U.S. Economic Indicators
- Virginia Economic Indicators
- General Fund Forecast: Fiscal Year 2024 to 2030
- Commonwealth Transportation Fund Forecast: Fiscal Year 2024 to 2030
- Virginia Health Care Fund Forecast: Fiscal Year 2024 to 2030
- GACRE November Mild Recession General Fund Revenue Forecast
- GACRE November Severe Recession General Fund Revenue Forecast
- Growth in Total General Fund Revenues, Fiscal Years 1961 to 2026
- Non-general Fund Forecast: Fiscal Year 2024 to 2029
- November 2023 Revenue Report

Table 1.2 - Fiscal Years 2024-2026 Actual and October Forecasts

U.S. Economic Forecasts - Income and Other Indicators (% Change)

		<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Output, Income, and Spending</u>				
Real GDP	Mild Recession	1.5	(0.4)	2.9
	Severe Recession	0.3	(0.8)	2.4
Total Personal Income	Mild Recession	3.7	2.9	4.3
	Severe Recession	3.2	1.0	3.6
Wages and Salaries	Mild Recession	4.5	3.1	5.2
	Severe Recession	3.9	1.5	4.5
Average Wage	Mild Recession	4.7	3.4	3.1
	Severe Recession	5.2	3.6	2.5
Real Consumer Spending	Mild Recession	1.5	1.2	2.5
	Severe Recession	0.6	0.3	2.9
<u>Interest Rates (%)</u>				
Effective Federal Funds	Mild Recession	5.0	2.9	2.3
	Severe Recession	4.9	2.4	1.2
10-Year Treasury Bonds	Mild Recession	3.2	2.7	3.6
	Severe Recession	2.9	2.5	3.3
<u>Prices (% of Total)</u>				
CPI	Mild Recession	3.1	2.0	2.1
	Severe Recession	2.9	1.3	1.8

The 'Mild Recession' forecast is Moody's October 2023 U.S. Downside 75th Percentile forecast and our estimates.

The 'Severe Recession' forecast is Moody's October 2023 U.S. Downside 90th Percentile forecast.

Table 1.3 - Fiscal Years 2024-2026 Actual and October Forecasts
U.S. Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Employment and Labor Markets</u>				
Total Nonagricultural Employment	Mild Recession	(0.2)	(0.4)	2.1
	Severe Recession	(1.2)	(2.1)	1.9
Construction	Mild Recession	(0.8)	(1.7)	3.3
	Severe Recession	(2.4)	(5.4)	2.9
Manufacturing	Mild Recession	(1.4)	(0.3)	2.0
	Severe Recession	(2.4)	(2.3)	2.0
Trade, Transportation, and Utilities	Mild Recession	(1.3)	(0.1)	2.1
	Severe Recession	(2.2)	(1.5)	2.0
Financial Activities	Mild Recession	(1.0)	(0.7)	1.5
	Severe Recession	(1.8)	(2.2)	1.0
Professional and Business Services	Mild Recession	(1.0)	(0.7)	2.8
	Severe Recession	(2.0)	(2.3)	2.5
Education and Health Services	Mild Recession	1.2	0.2	2.3
	Severe Recession	0.2	(1.4)	2.3
Leisure and Hospitality	Mild Recession	0.5	(1.1)	2.3
	Severe Recession	(0.9)	(3.1)	2.0
Government	Mild Recession	1.7	0.3	1.0
	Severe Recession	1.0	(1.1)	0.8
Unemployment Rate (%)	Mild Recession	5.0	5.9	4.3
	Severe Recession	5.8	7.6	6.5

The 'Mild Recession' forecast is Moody's October 2023 U.S. Downside 75th Percentile forecast.

The 'Severe Recession' forecast is Moody's October 2023 U.S. Downside 90th Percentile forecast.

Table 2.2 - FY 2024-2026 October Forecasts
 Virginia Economic Forecasts - Employment and Labor Markets (% Change)

		FY24	FY25	FY26
<u>Employment and Labor Markets</u>				
Total Nonagricultural Employment	Mild Recession	0.1	(0.1)	2.5
	Severe Recession	(1.4)	(1.8)	1.9
Construction and Mining	Mild Recession	(2.4)	(1.7)	3.1
	Severe Recession	(3.9)	(5.3)	2.8
Manufacturing	Mild Recession	(1.5)	(0.3)	1.7
	Severe Recession	(2.5)	(2.1)	1.8
Trade, Transportation, and Utilities	Mild Recession	(1.3)	0.1	1.9
	Severe Recession	(2.0)	(1.1)	1.8
Financial Activities	Mild Recession	(1.3)	(0.7)	1.7
	Severe Recession	(2.2)	(2.3)	1.2
Professional and Business Services	Mild Recession	1.3	(0.1)	4.9
	Severe Recession	(2.4)	(2.1)	2.8
Education and Health Services	Mild Recession	0.6	0.3	2.5
	Severe Recession	(0.4)	(1.3)	2.5
Leisure and Hospitality	Mild Recession	(0.3)	(0.3)	2.0
	Severe Recession	(1.4)	(2.0)	1.9
Government	Mild Recession	2.1	0.3	0.9
	Severe Recession	1.5	(0.9)	0.8
Unemployment Rate	Mild Recession	3.0	3.6	4.4
	Severe Recession	3.0	4.2	5.7

The 'Mild Recession' forecast is Moody's October 2023 VA Downside 75th Percentile scenario and our estimates.

The 'Severe Recession' Pessimistic forecast is Moody's October 2023 VA Downside 90th Percentile forecast.

Table 2.3 - FY 2024-2026 October Forecasts
 Virginia Economic Forecasts - Income (% Change)

		<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<u>Income</u>				
Real Gross State Product	Mild Recession	1.4	0.8	2.7
	Severe Recession	0.6	(0.4)	2.3
Total Personal Income	Mild Recession	3.9	3.2	4.4
	Severe Recession	3.5	1.5	3.8
Wages and Salaries	Mild Recession	4.6	3.5	5.9
	Severe Recession	3.9	1.9	4.5
Average Wage	Mild Recession	5.0	3.6	3.7
	Severe Recession	5.4	3.7	2.5

The 'Mild Recession' forecast is Moody's October 2023 VA Downside 75th Percentile scenario and our estimates.

The 'Severe Recession' Pessimistic forecast is Moody's October 2023 VA Downside 90th Percentile forecast.

The Official to December Revenue Forecast for Fiscal Year 2024
(Dollars in Millions)

December 20, 2023

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	Dec Forecast	Change	% Growth Over FY23 Official Dec		Official Forecast	Dec Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,896.1	\$ 2,213.5	\$ 317.4	(6.6) %	9.0 %	\$ 3,927.2	\$ 4,244.6	\$ 317.4
Individual Income Tax:								
Gross	20,540.5	21,852.3	1,311.8	(9.1)	(3.3)	43,126.9	44,438.7	1,311.8
Withholding	15,852.9	16,038.5	185.6	(0.7)	0.5	31,810.1	31,995.7	185.6
Nonwithholding	4,687.6	5,813.8	1,126.2	(29.3)	(12.3)	11,316.8	12,443.0	1,126.2
Refunds	<u>(2,834.8)</u>	<u>(3,336.2)</u>	<u>(501.4)</u>	<u>(21.3)</u>	<u>(7.4)</u>	<u>(6,437.6)</u>	<u>(6,939.0)</u>	<u>(501.4)</u>
Net	17,705.7	18,516.1	810.4	(6.7)	(2.5)	36,689.3	37,499.7	810.4
Insurance Company Premiums	429.7	446.3	16.6	(4.7)	(1.0)	880.6	897.2	16.6
State Sales & Use Tax	4,418.2	4,515.8	97.6	(6.7)	(4.6)	9,152.7	9,250.3	97.6
Wills, Suits, Deeds, & Contract Fees	<u>374.9</u>	<u>425.6</u>	<u>50.7</u>	<u>(12.9)</u>	<u>(1.2)</u>	<u>805.5</u>	<u>856.2</u>	<u>50.7</u>
Total Major Tax Sources	\$ 24,824.6	\$ 26,117.2	\$ 1,292.6	(6.8) %	(1.9) %	\$ 51,455.3	\$ 52,747.9	\$ 1,292.6
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 277.9	\$ 284.0	\$ 6.1	3.3 %	5.6 %	\$ 546.8	\$ 552.9	\$ 6.1
Bank Franchise Tax	38.4	30.4	(8.0)	22.3	(3.2)	69.8	61.8	(8.0)
Beer & Beverage Excise Tax	41.0	40.0	(1.0)	6.2	3.6	79.6	78.6	(1.0)
Corporate Franchise & Charter Fees	79.4	83.0	3.6	(4.6)	(0.2)	162.6	166.2	3.6
Sports Betting Taxes	67.3	74.1	6.8	0.0	10.1	134.6	134.6	0.0
Interest & Rents	635.3	672.9	37.6	73.9	84.2	1,000.6	1,038.2	37.6
Miscellaneous Taxes and Penalties	270.2	244.4	(25.8)	3.3	(6.6)	328.7	506.0	177.3
Other Miscellaneous Revenues	29.3	82.3	53.0	(49.9)	40.7	87.8	140.8	53.0
Public Service GR / Consumption Tax	<u>105.9</u>	<u>104.3</u>	<u>(1.6)</u>	<u>1.4</u>	<u>(0.1)</u>	<u>210.3</u>	<u>208.7</u>	<u>(1.6)</u>
Total Misc. Taxes and Other Revenues	\$ 1,544.7	\$ 1,615.4	\$ 70.7	20.8 %	26.3 %	\$ 2,823.9	\$ 2,894.6	\$ 70.7
TOTAL GF REVENUES	\$ 26,369.3	\$ 27,732.6	\$ 1,363.3	(5.5) %	(0.6) %	\$ 54,279.2	\$ 55,642.5	\$ 1,363.3
TRANSFERS								
A.B.C. Profits	\$ 153.6	\$ 174.1	\$ 20.5	(6.5) %	6.0 %	\$ 317.9	\$ 338.4	\$ 20.5
Sales Tax (0.375%)	521.5	550.9	29.4	(6.4)	(1.1)	1,078.5	1,107.9	29.4
Transfers Per Appropriations Act	<u>(804.9)</u>	<u>(775.4)</u>	<u>29.5</u>	<u>(953.6)</u>	<u>(922.3)</u>	<u>(710.6)</u>	<u>(681.1)</u>	<u>29.5</u>
Total Transfers	\$ (129.8)	\$ (50.4)	\$ 79.4	(115.9) %	(106.2) %	\$ 685.8	\$ 765.2	\$ 79.4
TOTAL GENERAL FUND	\$ 26,239.5	\$ 27,682.2	\$ 1,442.7	(8.7) %	(3.6) %	\$ 54,965.0	\$ 56,407.7	\$ 1,442.7

The official forecast is based on the July 2023 S&P Global pessimistic economic outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2023 special session. Chapter 1.

The December forecast is based on the October 2023 Moody's Analytics Mild Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists, the Governor's Advisory Board on Revenue Estimates, and proposed policies.

The Official to December Revenue Forecast for Fiscal Years 2025 and 2026
(Dollars in Millions)

December 20, 2023

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	Dec Forecast	% Growth Over FY 24	Dec Forecast	% Growth Over FY 25	Dec Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 2,063.8	(6.8) %	\$ 2,161.3	4.7 %	\$ 4,225.1	(0.5) %
Individual Income Tax:						
Gross	21,355.1	(2.3)	21,327.9	(0.1)	42,683.0	(4.0)
Withholding	15,958.1	(0.5)	16,102.0	0.9	32,060.1	0.2
Nonwithholding	5,397.0	(7.2)	5,225.8	(3.2)	10,622.9	(14.6)
Refunds	<u>(3,254.6)</u>	<u>(2.4)</u>	<u>(3,027.7)</u>	<u>(7.0)</u>	<u>(6,282.4)</u>	<u>(9.5)</u>
Net	18,100.4	(2.2)	18,300.1	1.1	36,400.6	(2.9)
Insurance Company Premiums	439.3	(1.6)	452.3	3.0	891.6	(0.6)
State Sales & Use Tax	5,400.9	19.6	6,664.5	23.4	12,065.4	30.4
Wills, Suits, Deeds, & Contract Fees	<u>456.7</u>	<u>7.3</u>	<u>457.2</u>	<u>0.1</u>	<u>913.9</u>	<u>6.7</u>
Total Major Tax Sources	\$ 26,461.1	1.3 %	\$ 28,035.5	5.9 %	\$ 54,496.6	3.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 297.2	4.6 %	\$ 311.2	4.7 %	\$ 608.4	10.0 %
Bank Franchise Tax	30.4	0.0	30.4	0.0	60.8	(1.6)
Beer & Beverage Excise Tax	40.0	0.0	40.0	0.0	80.0	1.8
Corporate Franchise & Charter Fees	83.0	0.0	83.0	0.0	166.0	(0.1)
Excess & Other Fees from Officers	78.0	5.3	78.0	0.0	156.0	15.9
Interest & Rents	724.5	7.7	652.2	(10.0)	1,376.7	32.6
Miscellaneous Taxes and Penalties	254.0	3.9	260.3	2.5	514.3	1.6
Other Miscellaneous Revenues	47.3	(42.5)	48.7	3.0	96.0	(31.8)
Public Service GR / Consumption Tax	<u>105.9</u>	<u>1.5</u>	<u>107.7</u>	<u>1.7</u>	<u>213.6</u>	<u>2.3</u>
Total Misc. Taxes and Other Revenues	\$ 1,660.3	2.8 %	\$ 1,611.5	(2.9) %	\$ 3,271.8	13.0 %
TOTAL GF REVENUES	\$ 28,121.4	1.4 %	\$ 29,646.9	5.4 %	\$ 57,768.3	3.8 %
TRANSFERS						
A.B.C. Profits	\$ 206.2	18.4 %	\$ 231.0	12.0 %	\$ 437.2	29.2 %
Sales Tax (0.375%)	590.7	7.2	648.9	9.9	1,239.6	11.9
Transfers Per Appropriations Act	<u>947.1</u>	<u>(222.1)</u>	<u>193.3</u>	<u>(79.6)</u>	<u>1,140.4</u>	<u>(267.4)</u>
Total Transfers	\$ 1,744.0	(3,560.3) %	\$ 1,073.2	(38.5) %	\$ 2,817.2	268.2 %
TOTAL GENERAL FUND	\$ 29,865.4	7.9 %	\$ 30,720.1	2.9 %	\$ 60,585.5	7.4 %

The December forecast is based on the October 2023 Moody's Analytics Mild Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists, the Governor's Advisory Board on Revenue Estimates, and proposed policies.

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

December 20, 2023

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
MAJOR TAX SOURCES				
Corporate Income	\$ 2,267.1	\$ 2,386.0	\$ 2,491.3	\$ 2,599.7
Individual Income Tax:				
Gross	22,220.0	22,814.3	23,265.8	24,092.5
Withholding	16,713.8	17,495.2	18,304.9	19,076.8
Nonwithholding	5,506.2	5,319.0	4,960.9	5,015.7
Refunds	<u>(2,982.9)</u>	<u>(3,010.3)</u>	<u>(3,028.4)</u>	<u>(3,042.3)</u>
Net	19,237.1	19,804.0	20,237.4	21,050.1
Insurance Company Premiums	457.6	464.7	472.1	478.3
State Sales & Use Tax	7,021.1	7,413.0	7,678.1	7,931.5
Wills, Suits, Deeds, & Contract Fees	<u>457.3</u>	<u>478.7</u>	<u>504.1</u>	<u>524.8</u>
Total Major Tax Sources	\$ 29,440.2	\$ 30,546.3	\$ 31,383.0	\$ 32,584.4
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 311.2	\$ 311.2	\$ 311.2	\$ 311.2
Bank Franchise Tax	30.4	30.4	30.4	30.4
Beer & Beverage Excise Tax	40.0	40.0	40.0	40.0
Corporate Franchise & Charter Fees	83.0	83.0	83.0	83.0
Excess & Other Fees from Officers	78.0	78.0	78.0	78.0
Interest & Rents	652.2	652.2	652.2	652.2
Miscellaneous Taxes and Penalties	236.7	247.7	248.1	248.6
Other Miscellaneous Revenues	48.9	48.9	48.9	48.9
Public Service GR / Consumption Tax	<u>109.3</u>	<u>111.0</u>	<u>112.6</u>	<u>114.3</u>
Total Misc. Taxes and Other Revenues	\$ 1,589.7	\$ 1,602.3	\$ 1,604.4	\$ 1,606.6
TOTAL GF REVENUES	\$ 31,029.9	\$ 32,148.6	\$ 32,987.5	\$ 34,191.0
TRANSFERS				
A.B.C. Profits	\$ 256.3	\$ 277.1	\$ 304.6	\$ 334.0
Sales Tax (0.375%)	673.0	710.7	740.4	764.6
Transfers Per Appropriations Act	<u>158.8</u>	<u>169.2</u>	<u>100.5</u>	<u>100.5</u>
Total Transfers	\$ 1,088.1	\$ 1,157.0	\$ 1,145.5	\$ 1,199.1
TOTAL GENERAL FUND	\$ 32,118.0	\$ 33,305.6	\$ 34,133.0	\$ 35,390.1
\$ Change From Previous Year	\$ 1,397.9	\$ 1,187.6	\$ 827.3	\$ 1,257.1
TOTAL BIENNIUM GENERAL FUND		\$ 65,423.7		\$ 69,523.0
\$ Change From Previous Biennium		\$ 4,838.1		\$ 4,099.4
% Growth From Previous Biennium		8.0		6.3 %

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

December 20, 2023

	FY 27 % Growth Over FY 26	FY 28 % Growth Over FY 27	FY 29 % Growth Over FY 28	FY 30 % Growth Over FY 29
MAJOR TAX SOURCES				
Corporate Income	4.9 %	5.2 %	4.4 %	4.4 %
Individual Income Tax:				
Gross	4.2	2.7	2.0	3.6
Withholding	3.8	4.7	4.6	4.2
Nonwithholding	5.4	(3.4)	(6.7)	1.1
Refunds	(1.5)	0.9	0.6	0.5
Net	5.1	2.9	2.2	4.0
Insurance Company Premiums	1.2	1.6	1.6	1.3
State Sales & Use Tax	5.4	5.6	3.6	3.3
Wills, Suits, Deeds, & Contract Fees	0.0	4.7	5.3	4.1
Total Major Tax Sources	5.0 %	3.8 %	2.7 %	3.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	(9.1)	4.6	0.2	0.2
Other Miscellaneous Revenues	0.4	0.0	0.0	0.0
Public Service GR / Consumption Tax	1.5	1.5	1.5	1.5
Total Misc. Taxes and Other Revenues	(1.4) %	0.8 %	0.1 %	0.1 %
TOTAL GF REVENUES	4.7 %	3.6 %	2.6 %	3.6 %
TRANSFERS				
A.B.C. Profits	11.0 %	8.1 %	9.9 %	9.7 %
Sales Tax (0.375%)	3.7	5.6	4.2	3.3
Transfers Per Appropriations Act	(17.8)	6.5	(40.6)	0.0
Total Transfers	1.4 %	6.3 %	(1.0) %	4.7 %
TOTAL GENERAL FUND	4.6 %	3.7 %	2.5 %	3.7 %

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

December 20, 2023

	Fiscal Year 2023		Fiscal Year 2024					
	Forecast	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 23		
						Official	December	
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,382.8	13.8 %	\$ 1,499.5	\$ 1,450.8	\$ (48.7)	8.4 %	4.9 %	
Road Tax	87.6	23.0	71.2	85.4	14.2	(18.7)	(2.5)	
Aviation Fuels Tax	2.0	33.3	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,208.6	0.7	1,078.2	1,178.9	100.7	(10.8)	(2.5)	
Motor Vehicle Rental Tax(1)	53.8	10.2	51.9	55.5	3.6	(3.5)	3.2	
Motor Vehicle License Fees	196.6	(14.9)	218.4	225.6	7.2	11.1	14.8	
Highway User Fee	58.4	8.6	64.4	61.8	(2.6)	10.3	5.8	
International Registration Plan	115.1	(3.0)	118.2	114.1	(4.1)	2.7	(0.9)	
Retail Sales and Use Tax	1,416.7	3.5	1,388.2	1,372.1	(16.1)	(2.0)	(3.1)	
Recordation Tax (3 cents)	52.6	(35.5)	52.4	52.5	0.1	(0.4)	(0.2)	
Insurance Premiums Tax (1/3)	202.5	12.1	217.8	217.8	0.0	7.6	7.6	
Interest Earnings	21.2	1,147.1	3.2	14.2	11.0	(84.9)	(33.0)	
Miscellaneous	19.8	(7.0)	17.6	18.6	1.0	(11.1)	(6.1)	
Total State Taxes and Fees	\$ 4,817.7	4.9 %	\$ 4,783.0	\$ 4,849.3	\$ 66.3	(0.7) %	0.7 %	

The Official forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2023 session of the General Assembly.

The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Council on Revenue Estimates.

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

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

December 20, 2023

	Fiscal Year 2025					
	Official Forecast	December Forecast	Change	% Growth over FY 24		
				Official	December	
Commonwealth Transportation Fund						
Motor Fuels Tax	\$ 1,561.2	\$ 1,504.3	\$ (56.9)	4.1 %	3.7 %	
Road Tax	72.0	85.1	13.1	1.1	(0.4)	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,218.2	1,193.5	(24.7)	13.0	1.2	
Motor Vehicle Rental Tax(1)	51.3	54.9	3.6	(1.2)	(1.1)	
Motor Vehicle License Fees	219.5	219.5	0.0	0.5	(2.7)	
Highway User Fee	66.3	65.4	(0.9)	3.0	5.8	
International Registration Plan	119.6	119.6	0.0	1.2	4.8	
Retail Sales and Use Tax	1,435.4	1,435.9	0.5	3.4	4.6	
Recordation Tax (3 cents)	54.5	55.9	1.4	4.0	6.5	
Insurance Premiums Tax (1/3)	223.5	221.3	(2.2)	2.6	1.6	
Interest Earnings	3.2	14.2	11.0	0.0	0.0	
Miscellaneous	17.6	18.6	1.0	0.0	0.0	
Total State Taxes and Fees	\$ 5,044.3	\$ 4,990.2	\$ (54.1)	5.5 %	2.9 %	

The Official forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2023 session of the General Assembly.
The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

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

December 20, 2023

	Fiscal Year 2026					
	Official Forecast	December Forecast	Change	% Growth over FY 25		
				Official	December	
Commonwealth Transportation Fund						
Motor Fuels Tax	\$ 1,611.7	\$ 1,554.6	\$ (57.1)	3.2 %	3.3 %	
Road Tax	72.7	82.9	10.2	1.0	(2.6)	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,249.6	1,220.6	(29.0)	2.6	2.3	
Motor Vehicle Rental Tax(1)	51.3	55.7	4.4	0.0	1.5	
Motor Vehicle License Fees	221.4	221.9	0.5	0.9	1.1	
Highway User Fee	68.3	67.9	(0.4)	3.0	3.8	
International Registration Plan	120.0	120.0	0.0	0.3	0.3	
Retail Sales and Use Tax	1,472.7	1,562.0	89.3	2.6	8.8	
Recordation Tax (3 cents)	56.7	56.0	(0.7)	4.0	0.2	
Insurance Premiums Tax (1/3)	235.2	220.2	(15.0)	5.2	(0.5)	
Interest Earnings	3.2	14.2	11.0	0.0	0.0	
Miscellaneous	17.6	18.6	1.0	0.0	0.0	
Total State Taxes and Fees	\$ 5,182.4	\$ 5,196.6	\$ 14.2	2.7 %	4.1 %	

The Official forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation adjusted for actions of the 2023 session of the General Assembly.
The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Council on Revenue Estimates.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

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

December 20, 2023

	Fiscal Years 2027 through 2030							
	FY 27 Forecast	% Growth	FY 28 Forecast	% Growth	FY 29 Forecast	% Growth	FY 30 Forecast	% Growth
Commonwealth Transportation Fund								
Motor Fuels Tax	1,599.8	2.9	1,644.6	2.8	1,689.4	2.7	1,733.0	2.6
Road Tax	84.0	1.3	83.8	(0.2)	83.5	(0.4)	83.2	(0.4)
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,215.2	(0.4)	1,209.9	(0.4)	1,202.4	(0.6)	1,199.4	(0.2)
Motor Vehicle Rental Tax(1)	55.8	0.0	55.8	0.0	56.1	0.6	56.3	0.4
Motor Vehicle License Fees	220.3	(0.7)	222.3	0.9	222.7	0.2	226.4	1.7
Highway User Fee	68.5	0.9	69.2	1.0	69.9	1.0	70.6	1.0
International Registration Plan	120.3	0.2	120.7	0.3	121.0	0.2	121.4	0.3
Retail Sales and Use Tax	1,623.6	3.9	1,684.6	3.8	1,744.8	3.6	1,802.2	3.3
Recordation Tax (3 cents)	56.0	0.0	58.5	4.5	61.5	5.1	63.9	3.9
Insurance Premiums Tax (1/3)	224.2	1.8	227.2	1.3	230.6	1.5	234.2	1.6
Interest Earnings	14.2	0.0	14.2	0.0	14.2	0.0	14.2	0.0
Miscellaneous	18.6	0.0	18.6	0.0	18.6	0.0	18.6	0.0
Total State Taxes and Fees	\$ 5,302.5	2.0%	\$ 5,411.4	2.1%	\$ 5,516.7	1.9%	\$ 5,625.5	2.0%

The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Council on Revenue Estimates.

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

Virginia Health Care Fund Revenue Forecast*

\$ in millions

12/9/2023

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Master Settlement Agreement	62.8	57.0	57.0	55.0	55.0	55.0	55.0	55.0	55.0
Tobacco Taxes:									
Total Cigarette Taxes	219.8	188.7	164.9	159.6	154.5	149.7	145.2	140.9	136.6
Other Tobacco Products	<u>58.8</u>	<u>57.4</u>	<u>55.9</u>	<u>58.1</u>	<u>60.3</u>	<u>62.7</u>	<u>65.1</u>	<u>67.6</u>	<u>70.3</u>
Total Tobacco Taxes	278.6	246.1	220.8	217.7	214.8	212.4	210.3	208.5	206.9
Medicaid Recoveries:									
Rev Max Cash Transfer In**	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Regular Recoveries***	217.8	261.2	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Pharmacy Rebates (Prior Year)*	<u>110.9</u>	<u>128.6</u>	<u>121.0</u>	<u>129.0</u>	<u>134.0</u>	<u>134.0</u>	<u>134.0</u>	<u>134.0</u>	<u>134.0</u>
Total Recoveries	343.7	404.8	160.0	168.0	173.0	173.0	173.0	173.0	173.0
TOTAL FUND**	685.1	707.9	437.8	440.7	442.8	440.4	438.3	436.5	434.9

NOTES:

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

The Official to November Mild Recession Forecast for Fiscal Year 2024
(Dollars in Millions)

November 20, 2023

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY23		Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,896.1	\$ 2,213.5	\$ 317.4	(6.6) %	9.0 %	\$ 3,927.2	\$ 4,244.6	\$ 317.4
Individual Income Tax:								
Gross	20,540.5	21,852.3	1,311.8	(9.1)	(3.3)	43,126.9	44,438.7	1,311.8
Withholding	15,852.9	16,038.5	185.6	(0.7)	0.5	31,810.1	31,995.7	185.6
Nonwithholding	4,687.6	5,813.8	1,126.2	(29.3)	(12.3)	11,316.8	12,443.0	1,126.2
Refunds	<u>(2,834.8)</u>	<u>(3,336.2)</u>	<u>(501.4)</u>	<u>(21.3)</u>	<u>(7.4)</u>	<u>(6,437.6)</u>	<u>(6,939.0)</u>	<u>(501.4)</u>
Net	17,705.7	18,516.1	810.4	(6.7)	(2.5)	36,689.3	37,499.7	810.4
Insurance Company Premiums	429.7	446.3	16.6	(4.7)	(1.0)	880.6	897.2	16.6
State Sales & Use Tax	4,418.2	4,515.8	97.6	(6.7)	(4.6)	9,152.7	9,250.3	97.6
Wills, Suits, Deeds, & Contract Fees	<u>374.9</u>	<u>425.6</u>	<u>50.7</u>	<u>(12.9)</u>	<u>(1.2)</u>	<u>805.5</u>	<u>856.2</u>	<u>50.7</u>
Total Major Tax Sources	\$ 24,824.6	\$ 26,117.3	\$ 1,292.7	(6.8) %	(1.9) %	\$ 51,455.3	\$ 52,748.0	\$ 1,292.7
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 277.9	\$ 284.0	\$ 6.1	3.3 %	5.6 %	\$ 546.8	\$ 552.9	\$ 6.1
Bank Franchise Tax	38.4	30.4	(8.0)	22.3	(3.2)	69.8	61.8	(8.0)
Beer & Beverage Excise Tax	41.0	40.0	(1.0)	6.2	3.6	79.6	78.6	(1.0)
Corporate Franchise & Charter Fees	79.4	83.0	3.6	(4.6)	(0.2)	162.6	166.2	3.6
Sports Betting Taxes	67.3	74.1	6.8	0.0	10.1	134.6	134.6	0.0
Interest & Rents	635.3	672.9	37.6	73.9	84.2	1,000.6	1,038.2	37.6
Miscellaneous Taxes and Penalties	270.2	244.4	(25.8)	3.3	(6.6)	328.7	506.0	177.3
Other Miscellaneous Revenues	29.3	47.3	18.0	(49.9)	(19.1)	87.8	105.8	18.0
Public Service GR / Consumption Tax	<u>105.9</u>	<u>104.3</u>	<u>(1.6)</u>	<u>1.4</u>	<u>(0.1)</u>	<u>210.3</u>	<u>208.7</u>	<u>(1.6)</u>
Total Misc. Taxes and Other Revenues	\$ 1,544.7	\$ 1,580.4	\$ 35.7	20.8 %	23.5 %	\$ 2,823.9	\$ 2,859.6	\$ 35.7
TOTAL GF REVENUES	\$ 26,369.3	\$ 27,697.7	\$ 1,328.4	(5.5) %	(0.8) %	\$ 54,279.2	\$ 55,607.6	\$ 1,328.4
TRANSFERS								
A.B.C. Profits	\$ 153.6	\$ 174.1	\$ 20.5	(6.5) %	6.0 %	\$ 317.9	\$ 338.4	\$ 20.5
Sales Tax (0.375%)	521.5	550.8	29.3	(6.4)	(1.1)	1,078.5	1,107.8	29.3
Transfers Per Appropriations Act	<u>(804.9)</u>	<u>(804.9)</u>	<u>0.0</u>	<u>(953.6)</u>	<u>(953.6)</u>	<u>(710.6)</u>	<u>(710.6)</u>	<u>0.0</u>
Total Transfers	\$ (129.8)	\$ (80.0)	\$ 49.8	(115.9) %	(109.8) %	\$ 685.8	\$ 735.6	\$ 49.8
TOTAL GENERAL FUND	\$ 26,239.5	\$ 27,617.7	\$ 1,378.2	(8.7) %	(3.9) %	\$ 54,965.0	\$ 56,343.2	\$ 1,378.2

The official forecast is based on the July 2023 S&P Global pessimistic economic outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2023 special session. Chapter 1.

The November forecast is based on the October 2023 Moody's Analytics Mild Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists.

The Official to November Mild Recession Forecast for Fiscal Years 2025 and 2026
(Dollars in Millions)

November 20, 2023

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	November Forecast	% Growth Over FY 24	November Forecast	% Growth Over FY 25	November Forecast	% Growth Over 22-24
MAJOR TAX SOURCES						
Corporate Income	\$ 2,063.8	(6.8) %	\$ 2,161.3	4.7 %	\$ 4,225.1	(0.5) %
Individual Income Tax:						
Gross	22,250.2	1.8	23,533.7	5.8	45,783.9	3.0
Withholding	16,629.4	3.7	17,739.9	6.7	34,369.3	7.4
Nonwithholding	5,620.8	(3.3)	5,793.8	3.1	11,414.6	(8.3)
Refunds	<u>(3,025.9)</u>	<u>(9.3)</u>	<u>(2,759.8)</u>	<u>(8.8)</u>	<u>(5,785.7)</u>	<u>(16.6)</u>
Net	19,224.3	3.8	20,773.9	8.1	39,998.2	6.7
Insurance Company Premiums	439.3	(1.6)	452.3	3.0	891.6	(0.6)
State Sales & Use Tax	4,687.5	3.8	4,929.7	5.2	9,617.2	4.0
Wills, Suits, Deeds, & Contract Fees	<u>456.7</u>	<u>7.3</u>	<u>457.2</u>	<u>0.1</u>	<u>913.9</u>	<u>6.7</u>
Total Major Tax Sources	\$ 26,871.6	2.9 %	\$ 28,774.4	7.1 %	\$ 55,646.0	5.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 297.2	4.6 %	\$ 311.2	4.7 %	\$ 608.4	10.0 %
Bank Franchise Tax	30.4	0.0	30.4	0.0	60.8	(1.6)
Beer & Beverage Excise Tax	40.0	0.0	40.0	0.0	80.0	1.8
Corporate Franchise & Charter Fees	83.0	0.0	83.0	0.0	166.0	(0.1)
Excess & Other Fees from Officers	78.0	5.3	78.0	0.0	156.0	15.9
Interest & Rents	724.5	7.7	652.2	(10.0)	1,376.7	32.6
Miscellaneous Taxes and Penalties	254.0	3.9	260.3	2.5	514.3	1.6
Other Miscellaneous Revenues	47.3	0.0	48.7	3.0	96.0	(9.3)
Public Service GR / Consumption Tax	<u>105.9</u>	<u>1.5</u>	<u>107.7</u>	<u>1.7</u>	<u>213.6</u>	<u>2.3</u>
Total Misc. Taxes and Other Revenues	\$ 1,660.3	5.1 %	\$ 1,611.5	(2.9) %	\$ 3,271.8	14.4 %
TOTAL GF REVENUES	\$ 28,531.9	3.0 %	\$ 30,385.9	6.5 %	\$ 58,917.8	6.0 %
TRANSFERS						
A.B.C. Profits	\$ 206.2	18.4 %	\$ 231.0	12.0 %	\$ 437.2	29.2 %
Sales Tax (0.375%)	571.9	3.8	613.7	7.3	1,185.6	7.0
Transfers Per Appropriations Act	<u>95.9</u>	<u>(111.9)</u>	<u>97.1</u>	<u>1.3</u>	<u>193.0</u>	<u>(127.2)</u>
Total Transfers	\$ 874.0	(1,192.5) %	\$ 941.8	7.8 %	\$ 1,815.8	146.8 %
TOTAL GENERAL FUND	\$ 29,405.9	6.5 %	\$ 31,327.7	6.5 %	\$ 60,733.6	7.8 %

The November forecast is based on the October 2023 Moody's Analytics Mild Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists.

The Official and November Severe Recession Forecast for Fiscal Year 2024
(Dollars in Millions)

November 20, 2023

	Fiscal Year 2024					2022-2024 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY23 Official	% Growth Over FY23 November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,896.1	\$ 1,982.8	\$ 86.7	(6.6) %	(2.4) %	\$ 3,927.2	\$ 4,013.9	\$ 86.7
Individual Income Tax:								
Gross	20,540.5	20,684.5	144.0	(9.1)	(8.4)	43,126.9	43,270.9	144.0
Withholding	15,852.9	15,930.7	77.8	(0.7)	(0.2)	31,810.1	31,887.9	77.8
Nonwithholding	4,687.6	4,753.8	66.2	(29.3)	(28.3)	11,316.8	11,383.0	66.2
Refunds	<u>(2,834.8)</u>	<u>(3,336.2)</u>	<u>(501.4)</u>	<u>(21.3)</u>	<u>(7.4)</u>	<u>(6,437.6)</u>	<u>(6,939.0)</u>	<u>(501.4)</u>
Net	17,705.7	17,348.3	(357.4)	(6.7)	(8.6)	36,689.3	36,331.9	(357.4)
Insurance Company Premiums	429.7	437.3	7.6	(4.7)	(3.0)	880.6	888.2	7.6
State Sales & Use Tax	4,418.2	4,387.9	(30.3)	(6.7)	(7.3)	9,152.7	9,122.4	(30.3)
Wills, Suits, Deeds, & Contract Fees	<u>374.9</u>	<u>358.0</u>	<u>(16.9)</u>	<u>(12.9)</u>	<u>(16.9)</u>	<u>805.5</u>	<u>788.6</u>	<u>(16.9)</u>
Total Major Tax Sources	\$ 24,824.6	\$ 24,514.2	\$ (310.4)	(6.8) %	(7.9) %	\$ 51,455.3	\$ 51,144.9	\$ (310.4)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 277.9	\$ 284.0	\$ 6.1	3.3 %	5.6 %	\$ 546.8	\$ 552.9	\$ 6.1
Bank Franchise Tax	38.4	30.4	(8.0)	22.3	(3.2)	69.8	61.8	(8.0)
Beer & Beverage Excise Tax	41.0	40.0	(1.0)	6.2	3.6	79.6	78.6	(1.0)
Corporate Franchise & Charter Fees	79.4	83.0	3.6	(4.6)	(0.2)	162.6	166.2	3.6
Sports Betting Taxes	67.3	74.1	6.8	0.0	10.1	134.6	134.6	0.0
Interest & Rents	635.3	672.9	37.6	73.9	84.2	1,000.6	1,038.2	37.6
Miscellaneous Taxes and Penalties	270.2	244.4	(25.8)	3.3	(6.6)	328.7	506.0	177.3
Other Miscellaneous Revenues	29.3	47.3	18.0	(49.9)	(19.1)	87.8	105.8	18.0
Public Service GR / Consumption Tax	<u>105.9</u>	<u>104.3</u>	<u>(1.6)</u>	<u>1.4</u>	<u>(0.1)</u>	<u>210.3</u>	<u>208.7</u>	<u>(1.6)</u>
Total Misc. Taxes and Other Revenues	\$ 1,544.7	\$ 1,580.4	\$ 35.7	20.8 %	23.5 %	\$ 2,823.9	\$ 2,859.6	\$ 35.7
TOTAL GF REVENUES	\$ 26,369.3	\$ 26,094.6	\$ (274.7)	(5.5) %	(6.5) %	\$ 54,279.2	\$ 54,004.5	\$ (274.7)
TRANSFERS								
A.B.C. Profits	\$ 153.6	\$ 174.1	\$ 20.5	(6.5) %	6.0 %	\$ 317.9	\$ 338.4	\$ 20.5
Sales Tax (0.375%)	521.5	534.9	13.4	(6.4)	(4.0)	1,078.5	1,091.9	13.4
Transfers Per Appropriations Act	<u>(804.9)</u>	<u>(804.9)</u>	<u>0.0</u>	<u>(953.6)</u>	<u>(953.6)</u>	<u>(710.6)</u>	<u>(710.6)</u>	<u>0.0</u>
Total Transfers	\$ (129.8)	\$ (95.9)	\$ 33.9	(115.9) %	(111.8) %	\$ 685.8	\$ 719.7	\$ 33.9
TOTAL GENERAL FUND	\$ 26,239.5	\$ 25,998.7	\$ (240.8)	(8.7) %	(9.5) %	\$ 54,965.0	\$ 54,724.2	\$ (240.8)

The official forecast is based on the July 2023 S&P Global pessimistic economic outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2023 special session. Chapter 1.

The November Alternative forecast is based on the October 2023 Moody's Analytics Severe Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists.

The November Severe Recession Forecast for Fiscal Years 2025-26
(Dollars in Millions)

November 20, 2023

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	<u>November Forecast</u>	<u>% Growth Over FY 24</u>	<u>November Forecast</u>	<u>% Growth Over FY 25</u>	<u>November Forecast</u>	<u>% Growth Over 22-24</u>
MAJOR TAX SOURCES						
Corporate Income	\$ 1,721.7	(13.2) %	\$ 1,878.7	9.1 %	\$ 3,600.4	(10.3) %
Individual Income Tax:						
Gross	20,932.6	1.2	21,616.8	3.3	42,549.4	(1.7)
Withholding	16,281.6	2.2	17,137.7	5.3	33,419.3	4.8
Nonwithholding	4,651.0	(2.2)	4,479.1	(3.7)	9,130.1	(19.8)
Refunds	<u>(2,962.4)</u>	<u>(11.2)</u>	<u>(2,666.0)</u>	<u>(10.0)</u>	<u>(5,628.3)</u>	<u>(18.9)</u>
Net	17,970.2	3.6	18,950.8	5.5	36,921.1	1.6
Insurance Company Premiums	430.5	(1.6)	443.3	3.0	873.8	(1.6)
State Sales & Use Tax	4,356.3	(0.7)	4,588.1	5.3	8,944.5	(2.0)
Wills, Suits, Deeds, & Contract Fees	<u>368.3</u>	<u>2.9</u>	<u>377.8</u>	<u>2.6</u>	<u>746.1</u>	<u>(5.4)</u>
Total Major Tax Sources	\$ 24,847.1	1.4 %	\$ 26,238.7	5.6 %	\$ 51,085.8	(0.1) %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 297.2	4.6 %	\$ 311.2	4.7 %	\$ 608.4	10.0 %
Bank Franchise Tax	30.4	0.0	30.4	0.0	60.8	(1.6)
Beer & Beverage Excise Tax	40.0	0.0	40.0	0.0	80.0	1.8
Corporate Franchise & Charter Fees	83.0	0.0	83.0	0.0	166.0	(0.1)
Excess & Other Fees from Officers	78.0	5.3	78.0	0.0	156.0	15.9
Interest & Rents	724.5	7.7	652.2	(10.0)	1,376.7	32.6
Miscellaneous Taxes and Penalties	254.0	3.9	260.3	2.5	514.3	1.6
Other Miscellaneous Revenues	47.3	0.0	48.7	3.0	96.0	(9.3)
Public Service GR / Consumption Tax	<u>105.9</u>	<u>1.5</u>	<u>107.7</u>	<u>1.7</u>	<u>213.6</u>	<u>2.3</u>
Total Misc. Taxes and Other Revenues	\$ 1,660.3	5.1 %	\$ 1,611.5	(2.9) %	\$ 3,271.8	14.4 %
TOTAL GF REVENUES	\$ 26,507.4	1.6 %	\$ 27,850.2	5.1 %	\$ 54,357.6	0.7 %
TRANSFERS						
A.B.C. Profits	\$ 206.2	18.4 %	\$ 231.0	12.0 %	\$ 437.2	29.2 %
Sales Tax (0.375%)	497.7	(7.0)	524.0	5.3	1,021.7	(6.4)
Transfers Per Appropriations Act	<u>95.9</u>	<u>(111.9)</u>	<u>97.1</u>	<u>1.3</u>	<u>193.0</u>	<u>(127.2)</u>
Total Transfers	\$ 799.8	(934.0) %	\$ 852.1	6.5 %	\$ 1,651.9	129.5 %
TOTAL GENERAL FUND	\$ 27,307.2	5.0 %	\$ 28,702.3	5.1 %	\$ 56,009.5	2.3 %

The November Alternative forecast is based on the October 2023 Moody's Analytics Severe Recession Scenario and incorporates recommendations of the Joint Advisory Board of Economists.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	95	6,881,145,000	5.8%
62	242,144,567	4.8%	96	7,356,110,000	6.9%
63	286,304,265	18.2%	97	7,949,327,000	8.1%
64	298,033,919	4.1%	98	8,773,520,000	10.4%
65	323,213,412	8.4%	99	9,702,747,000	10.6%
66	365,129,776	13.0%	00	10,788,482,000	11.2%
67	414,755,644	13.6%	01	11,105,275,000	2.9%
68	533,597,744	28.7%	02	10,678,954,000	-3.8%
69	706,254,374	32.4%	03	10,867,149,000	1.8%
70	743,721,322	5.3%	04	11,917,867,000	9.7%
71	807,954,651	8.6%	05	13,687,252,000	14.8%
72	922,653,686	14.2%	06	14,834,298,000	8.4%
73	1,054,469,443	14.3%	07	15,565,827,000	4.9%
74	1,168,562,871	10.8%	08	15,766,951,000	1.3%
75	1,303,178,893	11.5%	09	14,315,060,000	-9.2%
76	1,428,421,157	9.6%	10	14,219,477,000	-0.7%
77	1,636,301,819	14.6%	11	15,040,200,000	5.8%
78	1,923,085,084	17.5%	12	15,846,665,000	5.4%
79	2,115,211,522	10.0%	13	16,684,600,000	5.3%
80	2,344,928,934	10.9%	14	16,411,400,000	-1.6%
81	2,579,663,941	10.0%	15	17,735,600,000	8.1%
82	2,796,458,741	8.4%	16	18,040,100,000	1.7%
83	2,975,687,935	6.4%	17	18,695,100,000	3.6%
84	3,397,710,261	14.2%	18	19,880,800,000	6.3%
85	3,790,816,000	11.6%	19	21,307,500,000	7.2%
86	4,131,778,000	9.0%	20	21,737,800,000	2.0%
87	4,590,434,000	11.1%	21	24,878,500,000	14.4%
88	5,054,382,000	10.1%	22	28,934,900,000	16.3%
89	5,478,912,000	8.4%	23	27,909,900,000	-3.5%
90	5,494,884,000	0.3%	24*	27,697,700,000	-0.8%
91	5,471,879,000	-0.4%	25*	28,200,400,000	1.8%
92	5,623,213,000	2.8%	26*	29,823,400,000	5.8%
93	6,133,637,000	9.1%			
94	6,503,368,000	6.0%			

* December 20, 2023 Forecast (Excludes Transfers)

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

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	1,396,607,539	-	95	9,694,484,362	3.5%
62	1,449,967,467	3.8%	96	10,160,372,928	4.8%
63	1,694,108,077	16.8%	97	10,751,050,852	5.8%
64	1,738,820,998	2.6%	98	11,732,441,829	9.1%
65	1,860,756,546	7.0%	99	12,851,320,530	9.5%
66	2,064,046,218	10.9%	00	13,989,214,212	8.9%
67	2,282,639,758	10.6%	01	14,050,196,103	0.4%
68	2,848,893,454	24.8%	02	13,347,024,122	-5.0%
69	3,618,106,424	27.0%	03	13,320,849,473	-0.2%
70	3,636,779,081	0.5%	04	14,298,580,684	7.3%
71	3,780,789,195	4.0%	05	16,000,996,025	11.9%
72	4,159,845,293	10.0%	06	16,809,402,833	5.1%
73	4,582,657,292	10.2%	07	17,224,551,289	2.5%
74	4,698,684,644	2.5%	08	16,928,227,400	-1.7%
75	4,749,194,216	1.1%	09	15,217,455,087	-10.1%
76	4,886,832,559	2.9%	10	14,958,423,101	-1.7%
77	5,293,761,951	8.3%	11	15,532,582,877	3.8%
78	5,834,602,803	10.2%	12	15,976,071,177	2.9%
79	5,956,664,382	2.1%	13	16,570,265,170	3.7%
80	5,988,071,844	0.5%	14	16,064,408,771	-3.1%
81	5,978,363,710	-0.2%	15	17,217,357,538	7.2%
82	6,056,874,033	1.3%	16	17,430,048,309	1.2%
83	6,145,576,074	1.5%	17	17,782,840,293	2.0%
84	6,745,503,794	9.8%	18	18,548,983,019	4.3%
85	7,271,851,141	7.8%	19	19,523,089,610	5.3%
86	7,692,753,677	5.8%	20	19,668,657,257	0.7%
87	8,366,017,860	8.8%	21	22,061,275,162	12.2%
88	8,887,606,823	6.2%	22	24,245,768,393	9.9%
89	9,225,310,658	3.8%	23	22,249,601,403	-8.2%
90	8,894,276,465	-3.6%	24*	21,541,219,474	-3.2%
91	8,490,114,818	-4.5%	25*	21,334,807,684	-1.0%
92	8,492,996,526	0.0%	26*	22,098,605,817	3.6%
93	9,025,363,449	6.3%			
94	9,365,449,309	3.8%			

* December 20,2023 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2023 Through 2029
 \$ (Millions)

	Actual							
	2023	2024	2025	2026	2027	2028	2029	
Taxes:								
Motor vehicle fuel tax	\$1,409.7	\$1,480.1	\$1,533.6	\$1,583.9	\$1,629.1	\$1,673.9	\$1,718.7	
Unemployment compensation payroll tax	\$290.1	\$588.9	\$518.9	\$442.4	\$431.2	\$428.4	\$429.9	
Special highway tax from sales tax	\$1,416.6	\$1,372.1	\$1,392.2	\$1,467.4	\$1,524.6	\$1,581.0	\$1,636.4	
Motor vehicle sales tax and use tax	\$1,218.9	\$1,178.9	\$1,193.5	\$1,220.6	\$1,215.2	\$1,209.9	\$1,202.4	
Other taxes	\$2,409.4	\$2,631.3	\$2,600.5	\$2,716.2	\$2,790.8	\$2,844.3	\$2,896.3	
Total	\$6,744.8	\$7,251.3	\$7,238.7	\$7,430.5	\$7,590.9	\$7,737.5	\$7,883.7	
Rights and privileges:								
Motor Vehicle Licenses	\$326.0	\$328.9	\$328.3	\$331.3	\$329.3	\$331.8	\$332.3	
Other Rights & Privileges	\$1,101.3	\$1,025.9	\$1,071.3	\$1,099.7	\$1,097.3	\$1,107.9	\$1,117.5	
Total	\$1,427.3	\$1,354.8	\$1,399.6	\$1,430.9	\$1,426.6	\$1,439.6	\$1,449.7	
Sales of property and commodities:								
Alocoholic Beverage Sales	\$1,182.5	\$1,509.3	\$1,584.7	\$1,664.0	\$1,747.2	\$1,834.5	\$1,926.2	
Other Sales	\$1,770.9	\$1,313.0	\$959.2	\$960.6	\$962.9	\$965.5	\$968.3	
Total	\$2,953.4	\$2,822.3	\$2,543.9	\$2,624.5	\$2,710.1	\$2,800.0	\$2,894.5	
Assessment & Receipts for Support of Special Services:	\$2,788.9	\$2,522.7	\$3,159.6	\$3,297.4	\$3,416.2	\$3,537.1	\$3,666.0	
Institutional revenue:								
Institutions of Higher Education ²	\$2,639.2	\$6,976.6	\$7,414.0	\$7,845.8	\$7,829.4	\$7,997.3	\$7,295.4	
Other Educational Institutions	\$3.4	\$3.6	\$3.7	\$3.7	\$3.8	\$3.9	\$3.9	
Medical Hospitals ²	\$0.0	\$2,511.4	\$3,069.4	\$3,201.7	\$3,376.2	\$3,578.7	\$3,770.1	
Mental Hospitals	\$109.4	\$107.7	\$122.5	\$131.2	\$131.3	\$131.3	\$131.2	
Corrections	\$53.3	\$54.1	\$59.0	\$58.9	\$58.9	\$58.9	\$58.9	
Other Institutions	\$44.4	\$49.7	\$48.9	\$50.9	\$52.8	\$53.8	\$51.8	
Total	\$2,849.7	\$9,703.2	\$10,717.5	\$11,292.3	\$11,452.5	\$11,823.7	\$11,311.3	
Interest dividends and rents:	\$310.0	\$274.6	\$269.9	\$276.0	\$284.1	\$291.9	\$295.3	
Grants and donations:								
Federal grants and contracts	\$22,048.6	\$19,881.2	\$22,274.6	\$23,332.1	\$24,035.2	\$24,936.8	\$25,773.1	
Other grants & contracts	\$396.9	\$442.7	\$583.7	\$159.0	\$553.8	\$531.1	\$506.9	
Total	\$22,445.5	\$20,323.9	\$22,858.3	\$23,491.1	\$24,589.0	\$25,467.9	\$26,279.9	
Other Revenue:	\$3,300.3	\$2,944.9	\$3,098.2	\$3,275.3	\$3,217.3	\$3,021.2	\$2,961.8	
Total Nongeneral Fund Revenue: ¹	\$42,819.9	\$47,197.6	\$51,285.7	\$53,117.9	\$54,686.6	\$56,118.9	\$56,742.2	
\$ Amount change from previous year		\$4,377.7	\$4,088.1	\$1,832.3	\$1,568.7	\$1,432.3	\$623.3	
% Change from previous year		10.2%	8.7%	3.6%	3.0%	2.6%	1.1%	

¹ Page 1 totals adjusted to reflect lottery proceeds being listed separately.

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

FY 2024 Estimate
Per Chapter 1

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			November			Year-To-Date			% Annual Growth Req By Est
Revenue	FY 2024 Estimate	As a % of Gen Fund Rev	FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
Individual Income Tax:									
Withholding	\$15,852,900	60.12	\$1,415,221	\$1,355,507	4.4	\$6,555,843	\$6,446,079	1.7	(0.7)
Tax Dues/Estimated Payments	4,687,600	17.78	115,296	101,946	13.1	1,406,295	1,313,782	7.0	(29.3)
Gross Individual Income Tax	\$20,540,500	77.90	\$1,530,517	\$1,457,453	5.0	\$7,962,138	\$7,759,861	2.6	(9.1)
Individual and Fiduciary Income (Refunds)	(2,834,800)	(10.75)	(249,962)	(69,946)	257.4	(988,786)	(1,313,569)	(24.7)	(21.3)
Net Individual Income Tax	\$17,705,700	67.15	\$1,280,555	\$1,387,507	(7.7)	\$6,973,352	\$6,446,292	8.2	(6.7)
Sales and Use Tax	\$4,418,200	16.76	\$385,796	\$401,824	(4.0)	\$1,975,161	\$1,987,209	(0.6)	(6.7)
Corporations Income Tax	1,896,100	7.19	35,662	20,710	72.2	647,285	512,247	26.4	(6.6)
Wills, Suits, Deeds, Contracts	374,900	1.42	27,978	34,278	(18.4)	164,020	205,319	(20.1)	(12.9)
Insurance Premiums	429,700	1.63	0	0	-	0	0	-	(4.7)
Interest Income (a)	635,100	2.41	116,665	36,136	222.8	401,929	123,485	225.5	73.9
Alcoholic Beverage Sales (b)	318,900	1.21	68,589	68,159	0.6	84,935	82,160	3.4	3.7
All Other Revenues	590,700	2.23	42,929	53,185	(19.3)	196,365	212,514	(7.6)	(2.6)
Total General Fund Revenues	\$26,369,300	100.00	\$1,958,174	\$2,001,799	(2.2)	\$10,443,047	\$9,569,226	9.1	(5.5)

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

- (a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.
- (b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

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

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2024 Estimate	As a % of Total Gen Fund Rev	FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$15,852,900	60.12	\$1,415,221	\$1,355,507	4.4	\$6,555,843	\$6,446,079	1.7	(0.7)
Tax Dues/Estimated Payments	4,687,600	17.78	115,296	101,946	13.1	1,406,295	1,313,782	7.0	(29.3)
Gross Individual Income Tax	\$20,540,500	77.90	\$1,530,517	\$1,457,453	5.0	\$7,962,138	\$7,759,861	2.6	(9.1)
Individ and Fiduc Income (Refunds)	(2,834,800)	(10.75)	(249,962)	(69,946)	257.4	(988,786)	(1,313,569)	(24.7)	(21.3)
Net Individual Income Tax	\$17,705,700	67.15	\$1,280,555	\$1,387,507	(7.7)	\$6,973,352	\$6,446,292	8.2	(6.7)
Sales and Use Tax	4,418,200	16.76	385,796	401,824	(4.0)	1,975,161	1,987,209	(0.6)	(6.7)
Corporations Income	1,896,100	7.19	35,662	20,710	72.2	647,285	512,247	26.4	(6.6)
Public Service Corporations	105,900	0.40	8,228	6,543	25.8	38,814	38,134	1.8	1.4
Insurance Premiums	429,700	1.63	0	0	-	0	0	-	(4.7)
Alcoholic Beverage Excise	277,900	1.05	65,444	64,621	1.3	70,780	67,823	4.4	3.4
Beer and Beverage Excise	41,000	0.16	3,145	3,538	(11.1)	14,155	14,337	(1.3)	6.3
Wills, Suits, Deeds, Contracts	374,900	1.42	27,978	34,278	(18.4)	164,020	205,319	(20.1)	(12.9)
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	-
Bank Franchise	38,400	0.14	6	1	500.0	(771)	748	(203.1)	22.3
Other Taxes	68,600	0.26	8,520	6,755	26.1	28,700	30,366	(5.5)	(0.1)
Total Taxes	\$25,356,400	96.16	\$1,815,334	\$1,925,777	(5.7)	\$9,911,496	\$9,302,475	6.5	(6.6)
Rights and Privileges:									
Licenses and Permits	\$4,700	0.02	\$175	\$152	15.1	\$1,366	\$1,348	1.3	24.1
Corp. Franchise and Charters	79,400	0.30	529	577	(8.3)	2,964	3,174	(6.6)	(4.6)
Fees for Misc. Privileges & Services	13,900	0.05	300	344	(12.8)	5,323	6,193	(14.0)	(26.3)
Total Rights and Privileges	\$98,000	0.37	\$1,004	\$1,073	(6.4)	\$9,653	\$10,715	(9.9)	(7.4)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$10,828	(100.0)	\$0	\$10,849	(100.0)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	9	9	0.0	258	95	171.6	49.8
Institutional Revenue	2,500	0.01	111	166	(33.1)	1,243	1,517	(18.1)	(24.8)
Interest (a)	635,100	2.41	116,665	36,136	222.8	401,929	123,485	225.5	73.9
Dividends and Rent	200	0.00	15	12	25.0	64	63	1.6	33.3
Fines, Forfeitures & Fees	268,900	1.02	24,729	27,145	(8.9)	110,484	114,395	(3.4)	3.4
Other Revenue	14,400	0.06	489	572	(14.5)	7,367	7,120	3.5	(36.2)
Excess Fees	(12,600)	(0.05)	(683)	(335)	(103.9)	(1,761)	(2,923)	39.8	(127.9)
Private Donations, Gifts & Cont.	0	0.00	48	0	-	542	0	-	(100.0)
Cities, Counties, and Towns	6,000	0.02	453	416	8.9	1,772	1,435	23.5	30.8
Total Other Revenues	\$914,900	3.47	\$141,836	\$74,949	89.2	\$521,898	\$256,036	103.8	38.3
Total General Fund Revenues	\$26,369,300	100.00	\$1,958,174	\$2,001,799	(2.2)	\$10,443,047	\$9,569,226	9.1	(5.5)

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

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)

	FY 2024 Estimate (b)	November		%	Year-To-Date			%	% Annual Growth Required By Estimate (d)
		FY 2024 (c)	FY 2023		FY 2024 (c)	FY 2023	Change		
Lottery Collections (a)									
Total Lottery Sales	\$3,796,284	\$424,564	\$413,751	2.6	\$2,163,169	\$1,798,180	20.3	(17.7)	
Other Income	1,750	1,031	509	102.6	4,397	1,203	265.5	(56.2)	
Total Income	<u>\$3,798,034</u>	<u>\$425,595</u>	<u>\$414,260</u>	<u>2.7</u>	<u>\$2,167,566</u>	<u>\$1,799,383</u>	<u>20.5</u>	<u>(17.7)</u>	
Less:									
Prize Expenses	\$2,692,275	\$334,769	\$300,094	11.6	\$1,657,463	\$1,305,363	27.0	(21.2)	
Retailer Commissions	153,765	10,404	12,497	(16.7)	53,769	57,893	(7.1)	12.0	
Operating Expenses	187,322	18,970	18,772	1.1	82,604	77,250	6.9	(3.8)	
Total Expenses	<u>\$3,033,362</u>	<u>\$364,143</u>	<u>\$331,363</u>	<u>9.9</u>	<u>\$1,793,836</u>	<u>\$1,440,506</u>	<u>24.5</u>	<u>(19.1)</u>	
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$764,672	\$61,452	\$82,897	(25.9)	\$373,730	\$358,877	4.1	(11.8)	
Prior Year Residual Profit Transfer	86,170	0	0	-	86,171	3,491	#	#	
Available to Lottery Proceeds Fund	<u>\$850,842</u>	<u>\$61,452</u>	<u>\$82,897</u>	<u>(25.9)</u>	<u>\$459,901</u>	<u>\$362,368</u>	<u>26.9</u>	<u>(2.3)</u>	

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

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 1, 2023 Special Session I Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$86,170,708 was transferred on August 15, 2023, and is included in the total estimate.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

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

Revenue	FY 2024 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
Motor Fuel Taxes	\$1,572,700	20.12	\$123,905	\$135,851	(8.8)	\$616,875	\$614,266	0.4	6.8
Insurance Premiums Tax	217,791	2.79	6,225	6,616	(5.9)	184,782	180,550	2.3	7.6
Motor Vehicle Sales and Use Tax	1,130,100	14.46	91,636	96,708	(5.2)	540,052	530,299	1.8	(10.5)
State Sales and Use Tax	1,388,200	17.76	113,417	122,128	(7.1)	577,768	604,339	(4.4)	(2.0)
Motor Vehicle License Fees	218,400	2.79	15,081	5,731	163.1	91,618	76,805	19.3	11.1
Highway Use Fee	64,400	0.82	4,993	4,532	10.2	28,322	25,598	10.6	10.2
International Registration Plan	118,200	1.51	2,885	9,251	(68.8)	37,266	37,321	(0.1)	2.7
Recordation Tax	52,400	0.67	3,400	4,117	(17.4)	20,163	25,187	(19.9)	(0.5)
Interest Earnings	3,200	0.04	65	26	150.0	11,971	1,832	553.4	(84.9)
Misc. Taxes, Fees, and Revenues	17,600	0.23	1,475	2,072	(28.8)	8,003	8,547	(6.4)	(11.1)
Total State Taxes and Fees	<u>\$4,782,991</u>	<u>61.19</u>	<u>\$363,082</u>	<u>\$387,032</u>	<u>(6.2)</u>	<u>\$2,116,820</u>	<u>\$2,104,744</u>	<u>0.6</u>	<u>(0.7)</u>

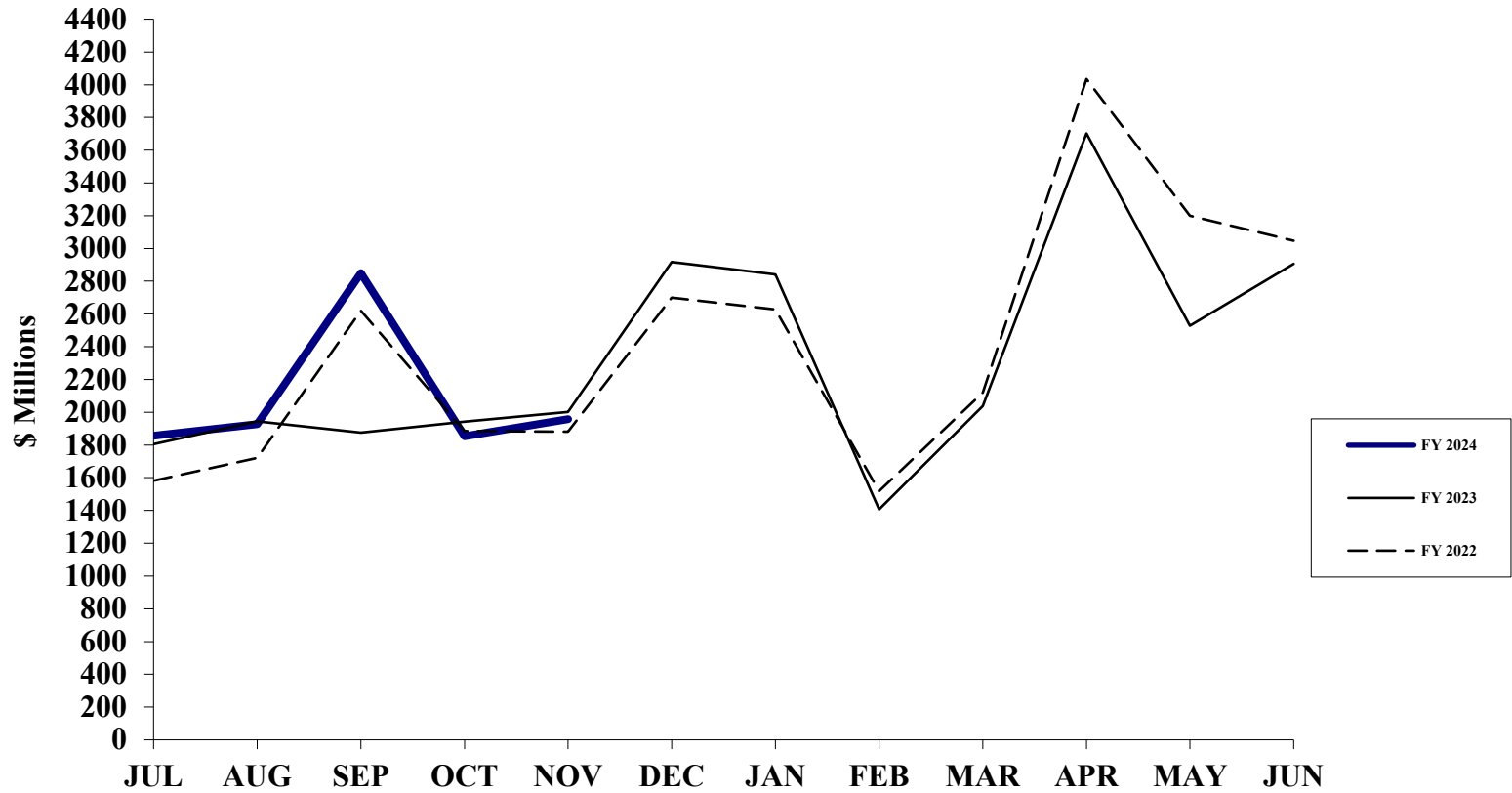
Percentage is greater than or equal to 1,000%.

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

Revenue	FY 2024 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,572,700	20.12	\$123,905	\$135,851	(8.8)	\$616,875	\$614,266	0.4	6.8
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,130,100	14.46	91,636	96,708	(5.2)	540,052	530,299	1.8	(10.5)
State Sales and Use Tax	1,388,200	17.76	113,417	122,128	(7.1)	577,768	604,339	(4.4)	(2.0)
Motor Vehicle License Fees	218,400	2.79	15,081	5,731	163.1	91,618	76,805	19.3	11.1
Highway Use Fee	64,400	0.82	4,993	4,532	10.2	28,322	25,598	10.6	10.2
International Registration Plan	118,200	1.51	2,885	9,251	(68.8)	37,266	37,321	(0.1)	2.7
Insurance Premiums Tax	217,791	2.79	6,225	6,616	(5.9)	184,782	180,550	2.3	7.6
Recordation Tax	52,400	0.67	3,400	4,117	(17.4)	20,163	25,187	(19.9)	(0.5)
Total Commonwealth Transportation Fund	\$4,762,191	60.92	\$361,542	\$384,934	(6.1)	\$2,096,846	\$2,094,365	0.1	(0.3)
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,600	0.23	\$1,475	\$2,072	(28.8)	\$8,003	\$8,547	(6.4)	(11.1)
Other Miscellaneous Revenues	271,103	3.47	2,198	2,187	0.5	330,507	501,140	(34.0)	(53.2)
Federal Grants and Contracts	0	0.00	3,169	2,269	39.7	15,235	9,715	56.8	(100.0)
Transfer (to) / from Transportation Trust Fund	363,025	4.64	0	0	-	91,000	0	-	419.0
Total Highway Maintenance and Operating Fund	\$651,728	8.34	\$6,842	\$6,528	4.8	\$444,745	\$519,402	(14.4)	(6.1)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$3,200	0.04	\$65	\$26	150.0	\$11,971	\$1,832	553.4	(84.9)
Federal Grants and Contracts	1,577,002	20.17	40,058	105,147	(61.9)	765,602	1,065,094	(28.1)	6.0
Receipts from Cities/Counties	784,754	10.04	57,619	16,557	248.0	254,344	149,691	69.9	69.0
Toll Revenues	82,294	1.05	4,120	2,951	39.6	26,607	14,366	85.2	40.4
Miscellaneous Revenues	319,225	4.08	2,576	19,750	(87.0)	170,181	181,345	(6.2)	19.0
Transfer (to) / from Highway Maintenance and Operating Fund	(363,025)	(4.64)	0	0	-	(91,000)	0	-	(419.0)
Total Transportation Trust Fund	\$2,403,450	30.74	\$104,438	\$144,431	(27.7)	\$1,137,705	\$1,412,328	(19.4)	7.7
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$7,817,369	100.00	\$472,822	\$535,893	(11.8)	\$3,679,296	\$4,026,095	(8.6)	1.5

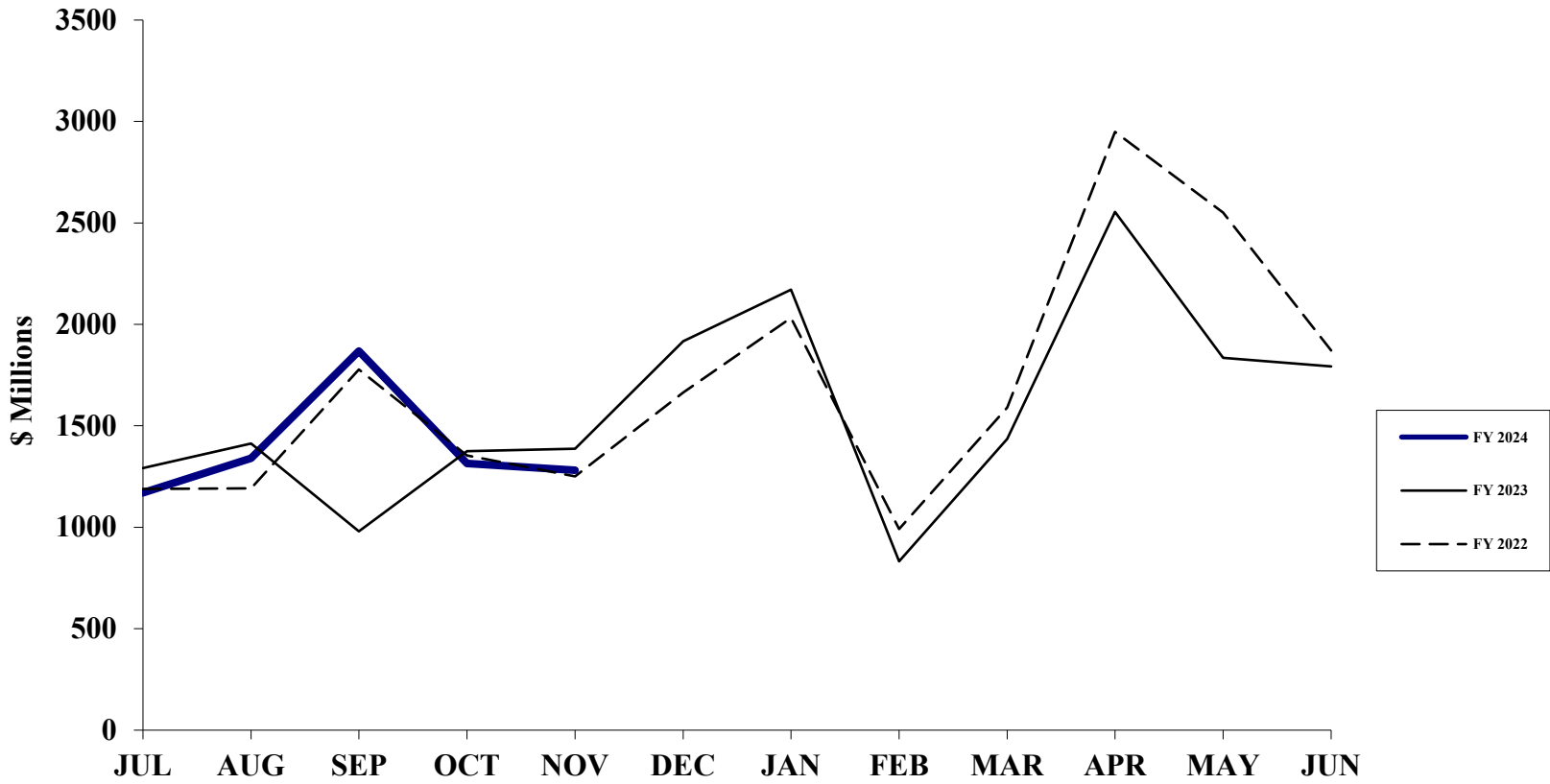
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



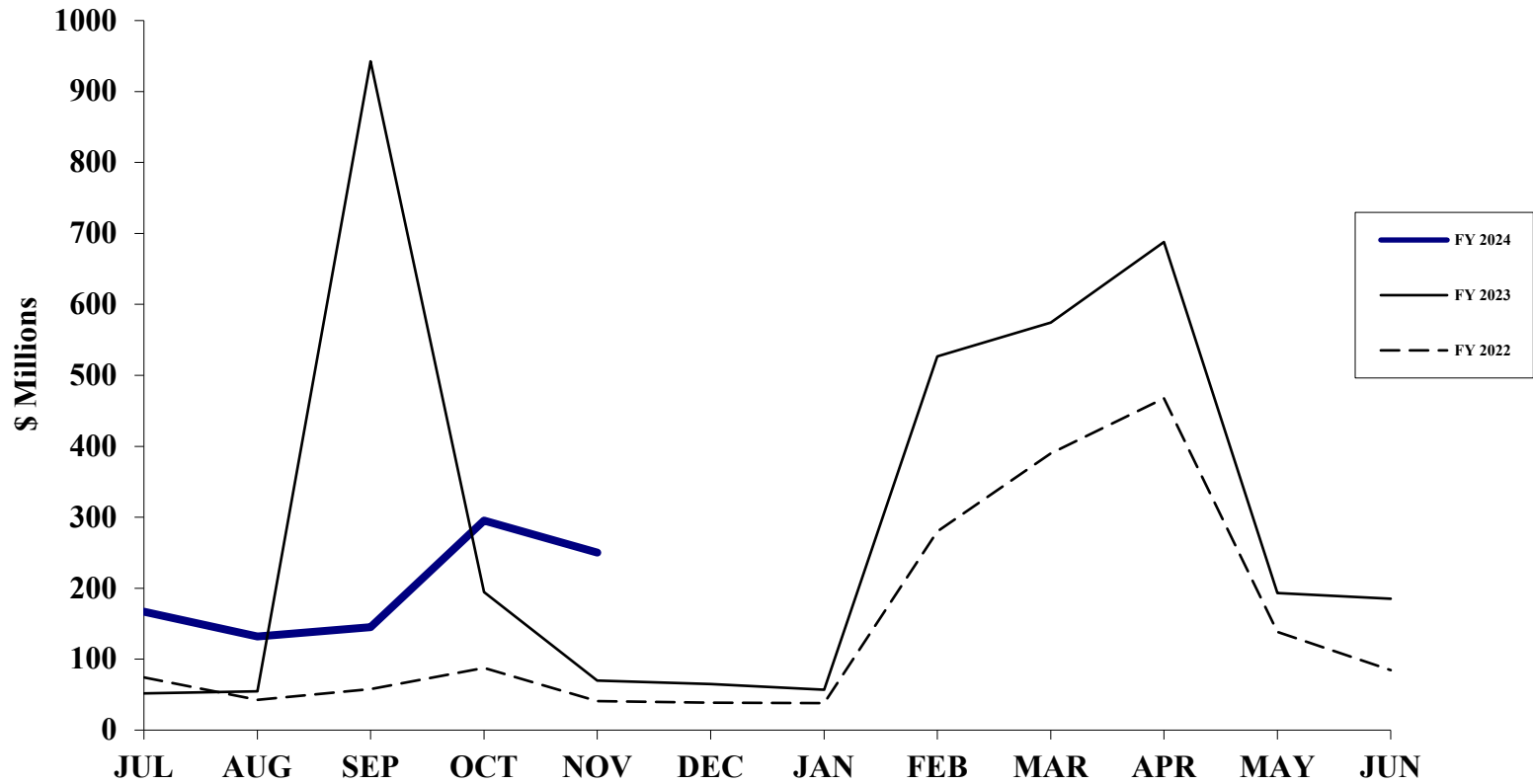
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million
FY 2024 Estimate = \$26,369.3 Million

Net Individual Income Tax



FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million
FY 2024 Estimate = \$17,705.7 Million

Individual and Fiduciary Income Tax Refunds



FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 Million
FY 2024 Estimate = \$2,834.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2024
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹	EXTERNAL MANAGEMENT EXTENDED DURATION			COMPOSITE		
	Avg. Balance	Yield	Yield	Avg. Balance	Annualized Total Return	YTM ²	Avg. Balance	Rate ³	YTM ⁴
July, 2023	\$23,322.6	4.42%	4.88%	\$5,497.6	2.74%	5.19%	\$28,820.2	4.10%	4.57%
August	\$23,027.5	4.51%	4.95%	\$5,500.0	-1.56%	5.28%	\$28,527.5	3.34%	4.66%
September	\$23,380.9	4.62%	5.03%	\$5,458.0	-16.58%	5.64%	\$28,838.9	0.61%	4.81%
October	\$24,093.0	4.70%	5.12%	\$5,400.1	-8.62%	5.86%	\$29,493.1	2.26%	4.91%
November	\$23,394.9	4.78%	5.15%	\$5,462.9	37.17%	5.32%	\$28,857.8	10.91%	4.88%
December									
January, 2024									
February									
March									
April									
May									
June									
Year-to-Date Average	\$23,443.8	4.61 %	5.00%	\$5,463.7	2.55%	5.45%	\$28,907.5	4.22%	4.77%

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

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2024**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
August	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
September	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
October	\$1,782,004,692	\$0	\$0	\$18,835,510	\$1,800,840,202
November	\$1,800,840,202	\$0	\$0	\$0	\$1,800,840,202
December					
January					
February					
March					
April					
May					
June					

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