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Review of General Fund Revenues and the Virginia Economy for Fiscal Year 2008

*A presentation to the Senate
Finance, House Appropriations,
and House Finance Committees*



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Overview...

Fiscal Year 2008 Year-in-Review

- Economic Performance
- Actual General Fund Collections
- Financial Results

Current Economic and Revenue Trends

Accelerated Fall Forecasting Process

The U.S. Economy Was Slightly Weaker Than Anticipated In FY08...

- Growth in the national economy was just shy of last fall's forecast, with healthy growth in employment and income.

Summary of Key U.S. Economic Indicators Percent Change Over the Prior Fiscal Year

	<u>FY08 Forecast</u>	<u>FY08 Actual</u>
Real GDP	2.5	2.4
Employment	1.0	0.7
Personal Income	5.6	5.4
Wages & Salaries	4.9	4.7

- The sharper slowdown in hiring, primarily driven by the national housing recession and continuing credit problems, put downward pressure on wages.
- Employment gains for FY08 totaled only 41,000, down substantially from the 1.9 million jobs added on average over the prior four fiscal years.

In Virginia, The Economy Weakened More Than Expected Over The Course Of FY08...

- Employment and income are tracking below the official forecast for the year.
 - Employment growth was 0.9 percent, behind the official forecast of 1.1 percent growth.
 - FY08 had an increase of 33,900 jobs, 7,600 less than forecast.
 - Both personal income and its largest component, wages and salaries, are tracking below forecast.

Summary of Key Virginia Economic Indicators

Percent Change Over the Prior Fiscal Year

	<u>FY08 Forecast</u>	<u>FY08 Actual</u>
Employment	1.1	0.9
Personal Income	5.2	4.6 *
Wages & Salaries	5.2	3.7 *

* Estimate based on three quarters of actual data and one quarter of forecast.

- The slowdown in housing and higher energy prices had a significant impact on economic growth during the second half of the fiscal year.

FY08 Revenues Finished \$15.9 Million (0.1%) Above Forecast...

Summary of FY08 Revenue Collections (millions of dollars)

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Withholding	\$ 9,010.9	\$ 8,933.6	\$ (77.3)	(0.9) %	4.3 %
Nonwithholding	2,870.8	2,861.2	(9.6)	(0.3)	2.8
Refunds	1,710.4	1,679.9	(30.5)	(1.8)	7.7
Net Individual	10,171.3	10,114.8	(56.5)	(0.6)	3.3
Sales	3,096.4	3,075.5	(20.9)	(0.7)	0.9
Corporate	699.1	807.9	108.8	15.6	(8.2)
Wills (Recordation)	495.5	456.3	(39.2)	(7.9)	(21.7)
Insurance	418.4	396.9	(21.5)	(5.1)	3.1
All Other Revenue	870.4	915.5	45.1	5.2	3.8
Total Revenues	\$ 15,751.1	\$ 15,767.0	\$ 15.9	0.1 %	1.3 %
ABC Profits	34.3	36.1	1.8	5.2	31.0
Lottery Profits	462.2	458.2	(4.0)	(0.9)	5.4
Sales Tax (0.25%)	228.8	226.7	(2.1)	(0.9)	0.7
Transfers	96.6	91.6	(5.0)	(5.2)	(30.9)
Total Transfers	\$ 821.9	\$ 812.5	\$ (9.4)	(1.1) %	(0.9) %
Total General Fund	\$ 16,573.0	\$ 16,579.5	\$ 6.5	0.0 %	1.2 %

- A slowdown in growth for most major revenue sources during the second half of the year was offset by a large surplus in net corporate income tax receipts.
- The FY08 forecast was the second most accurate estimate of the last 25 years, trailing only the FY00 forecast.

Payroll Withholding Collections Were \$77.3 Million (0.9%) Below the Official Estimate...

- Withholding receipts increased by 4.3 percent in FY08, the weakest annual increase since FY03 (the average of last four years was 6.9 percent).

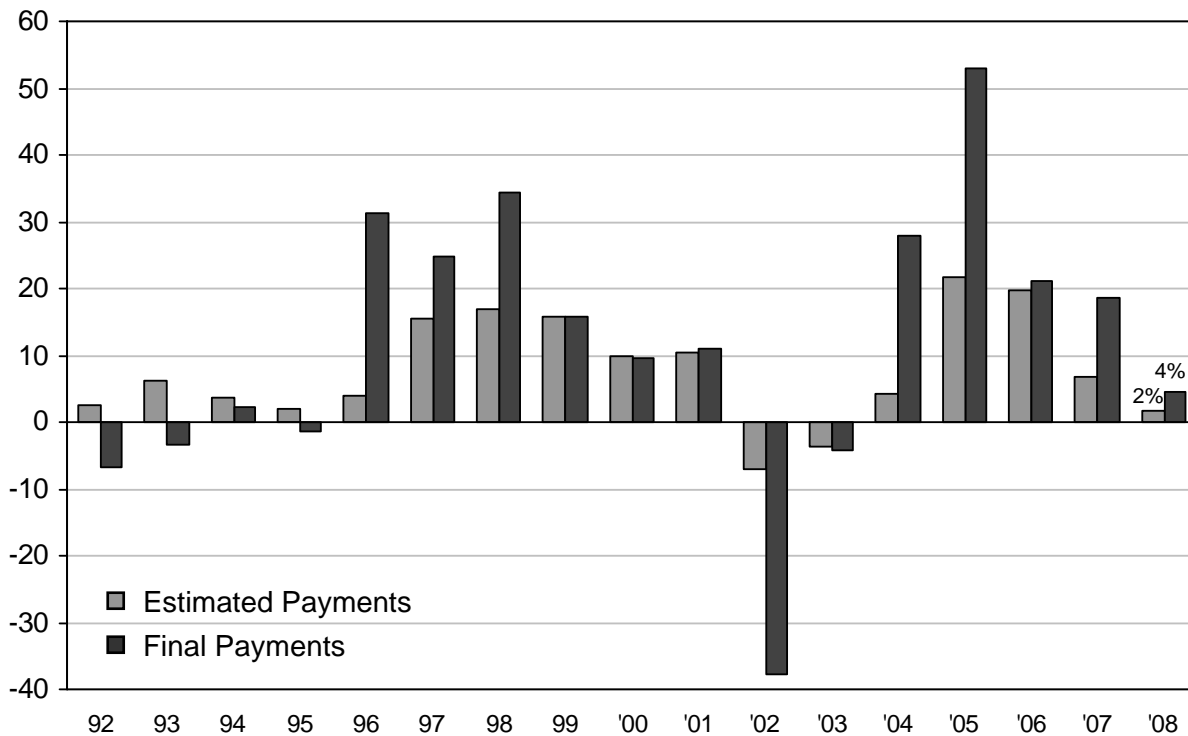
Large Withholding Payments by Sector FY07 compared with FY08 (millions of dollars)

Sector	# of Firms	FY07	FY08	% change
Public Administration	78	\$1,317.5	\$1,452.6	10.3%
Education and Health	187	632.6	698.4	10.4%
Federal Contractors	77	414.8	450.6	8.6%
Finance	81	225.9	211.5	-6.4%
Professional and Business	353	161.6	196.5	21.6%
Investment	114	117.2	132.3	12.9%
Trade	129	100.0	105.2	5.1%
Telecommunications	43	112.5	101.3	-10.0%
Transportation	31	100.8	99.2	-1.6%
Energy	27	81.6	90.8	11.3%
Housing	145	95.7	74.4	-22.3%
Other	298	272.3	277.7	2.0%
Total	1,563	\$3,632.4	\$3,890.4	7.1%

- Withholding payments from large companies – representing 44 percent of total withholding collections in FY08 – increased 7.1 percent in FY08.
 - Declines in the housing, telecommunications, and finance sectors were the exception.
- Firms paying the remaining 56 percent of withholding experienced only 2.2 percent growth in FY08.

Nonwithholding Payments Were In Line With The Annual Forecast...

Growth in Estimated and Final Payments, FY92-08
Percent Growth Over the Prior Year



- Total nonwithholding payments increased 2.8 percent in FY08, slightly below the annual forecast of 3.2 percent growth (the average of the last four years was 19.0 percent).
- Collections finished \$9.6 million below the annual estimate, with a shortfall in estimated payments partially offset by a small surplus in final payments.

Individual Income Tax Refunds Were \$30.5 Million Below The Official Estimate...

- Individual refunds increased 7.7 percent in FY08 compared with the forecast of 9.7 percent growth.

Individual Income Tax Refunds by Component (millions of dollars)

	<u>Forecast</u>	<u>Actual</u>	<u>\$ variance</u>	<u>% variance</u>
Base	1,395.9	1,423.4	27.5	2.0%
Land Preservation	220.0	155.9	-64.1	-29.1%
Low Income	94.5	100.6	6.1	6.5%
Total	1,710.4	1,679.9	-30.5	-1.8%

- The small surplus was directly attributable to lower-than-anticipated claims of the land preservation tax credit.
- Base refunds continue to reflect the weakening economy, increasing 6.6 percent in FY08.
 - Over the last two years, base refunds have increased about nine percent per year.
- The amount of land preservation tax credits not claimed in FY08 will have to be accounted for in FY09 and FY10 as the credits are still valid.

Sales Tax Collections Were \$20.9 Million (0.7%) Below the Official Estimate...

- Sales tax collections increased 0.9 percent in FY08, the weakest annual increase since FY03 (the average of last four years was 7.0 percent).

Large Sales Tax Payments by Sector FY07 compared with FY08 (millions of dollars)

Sector	# of Firms	FY07	FY08	% change
Housing	148	\$489.4	\$465.5	-4.9%
Department Stores	100	381.8	375.5	-1.7%
Warehouse Clubs/Supercenters	6	358.4	369.7	3.2%
Grocery Stores	18	275.8	288.7	4.7%
Retail Trade	86	226.3	232.6	2.8%
Restaurants	64	121.6	124.0	1.9%
Wholesale Trade	60	67.9	63.6	-6.4%
Gasoline Stations	13	50.4	48.2	-4.4%
Other	258	198.5	228.5	15.1%
Total	753	\$2,170.3	\$2,196.3	1.2%

- Housing-related taxable sales (21% of total) led the weakness in growth in FY08, declining 4.9 percent from FY07.
- Taxable sales from department stores and restaurants (23% of total), two sectors dependent on discretionary consumer spending, experienced no increase over FY07.
- Adjusted for higher food prices, sales at grocery stores, warehouse clubs, and supercenters (30% of total) were flat to negative in FY08 compared with FY07.

Corporate Income Tax Receipts Were Ahead Of Expectations In FY08, Finishing \$108.8 Million Above Forecast...

- Corporate income tax collections declined 8.2 percent in FY08 compared with the forecast of a 20.5 percent annual decline.
- The surplus in net receipts was attributable to unexpected growth in payments, specifically from companies involved with federal contracting and energy.

Large Corporate Payments by Sector FY07 compared with FY08 (millions of dollars)

Sector	# of Firms	FY07	FY08	% change
Federal Contractors	85	\$110.3	\$144.1	30.6%
Energy	59	51.1	76.0	48.9%
Tobacco	9	34.8	66.4	91.1%
Information	60	55.8	57.0	2.2%
Manufacturing	166	58.7	56.0	-4.7%
Professional and Business	184	40.0	52.2	30.7%
Telecommunications	46	87.0	49.4	-43.3%
Wholesale Trade	136	42.3	49.3	16.5%
Finance	64	62.4	42.5	-32.0%
Housing	160	85.3	39.7	-53.4%
Other	377	142.8	157.0	9.9%
Total	1,346	\$770.4	\$789.5	2.5%

- Taken together, large payments attributable to the housing and finance sectors declined 44.3 percent in FY08.

Recordation Tax Receipts Declined 21.7 Percent In FY08, Below The Official Forecast Of A 15.0 Percent Decline...

- Collections were \$39.2 million below the official forecast.
- From FY01 through FY06, recordation tax receipts increased with the boom in the housing market, growing an average of 20.6 percent per year.
- Over the last two years, the downturn in the housing market has resulted in declines in volume and prices.
 - Adjusted for increases in the average sale price, recordation tax collections finished at a level not seen since FY98.

Home Sales and Average Sale Price FY08 Percent Change over FY07

	<u>Home Sales</u>	<u>Average Sale Price</u>
U.S.	-17.0%	-5.3%
Virginia	-19.7%	-2.7%
Northern Virginia	-14.1%	-9.7%
Hampton Roads	-19.2%	1.6%
Richmond	-23.2%	-0.3%

Source: National Association of Realtors, Virginia Association of Realtors

- The average sale price in Northern Virginia is down over \$100,000 from the peak of \$525,000 reached in the third quarter of 2005.

July Revenue Collections...

Summary of FY09 Revenue Collections July

<u>Major Source</u>	As a % of Total Revenues	Percent Growth over Prior Year		
		<u>YTD Actual</u>	<u>C. 879 Estimate</u>	<u>Variance</u>
Withholding	59.1 %	15.0 %	6.4 %	8.6 %
Nonwithholding	19.0	16.8	6.9	9.9
Refunds	(11.1)	66.3	6.4	59.9
Net Individual	67.0	12.6	6.5	6.1
Sales	20.0	(4.0)	4.9	(8.9)
Corporate	4.4	(42.3)	(12.6)	(29.7)
Wills (Recordation)	2.4	(31.0)	(16.6)	(14.4)
Insurance	1.8	(100.0)	(25.7)	(74.3)
All Other Revenue	4.4	(19.7)	(22.9)	3.2
Total	100.0 %	2.9 %	2.0 %	0.9 %

- Withholding receipts included two additional deposit days accounting for about \$100 million.
- Sales tax collections fell 4.0 percent in July due to high energy prices and falling consumer confidence.
- Recordation receipts declined by over 20 percent for the ninth consecutive month.

The Current Economic Forecast Is Optimistic Given Recent Economic Developments...

Summary of Key Virginia Economic Indicators

February 2008 Economic Forecast

Percent Change Over the Prior Fiscal Year

	<u>FY08 Actual</u>	<u>FY09 Forecast</u>	<u>FY10 Forecast</u>
Real GDP	2.4	2.0	2.9
Employment			
U.S.	0.7	0.9	1.3
Virginia	0.9	1.0	1.8
Personal Income			
U.S.	5.4	4.7	5.1
Virginia	4.6 *	5.4	6.2
Wages & Salaries			
U.S.	4.7	4.5	4.8
Virginia	3.7 *	4.8	5.9

* Estimate based on three quarters of actual data and one quarter of forecast.

- The official forecast expected a period of slower growth for the second half of FY08, with the U.S. economy avoiding a recession.
- Virginia was expected to grow near trend, with the downturn in housing a drag on growth.

The Latest Indicators Show That The U.S. Economy Is Struggling But Still Expanding....

- Recent data illustrate the weakness in the national economy:
 - Real GDP increased 0.9 percent in the first quarter and 1.9 percent in the second quarter of 2008.
 - This follows a slight contraction (-0.2 percent) in the fourth quarter of calendar year 2007.
 - Payroll employment has declined in all seven months of calendar year 2008, including losses of 51,000 in each of the last two months.
 - The national unemployment rate was 5.7 percent in July, up nearly a full percentage point from earlier in the year.
 - The ISM (manufacturing) index was 50.0 in July, consistent with an economy that is stagnant.
 - The national housing market remains depressed, interest rates are on an upward trend, and financial markets continue to decline.

In Virginia, Current Economic and Revenue Trends Do Not Support the Official Forecast....

- The three-month moving average growth rate for withholding through July is 1.6 percent, well below the 6.4 percent growth rate required to meet the annual estimate for FY09.
 - Over the last three months, employment growth in Virginia has averaged only 0.3 percent.
- Sales tax collections fell 3.1 percent during the second half of FY08, the worst 6-month performance since the 6.4 percent decline in the second half of FY91.
 - Higher sustained energy prices and interest rates are adversely affecting sales tax receipts.
- Year-to-date, the S&P 500 index is down about 12 percent. The official forecast assumed a 2.7 percent increase in the index.
- Large corporate payments from the housing, finance, and investment sectors represented 8 percent of total payments in the fourth quarter of FY08, down substantially from the 19 percent they represented in the same period last year.
- Pending home sales, a leading indicator of future closings, point to a continued slump in housing.

Based On Recent Revenue Trends, The Governor Will Accelerate The Fall Forecasting Process...

- The Governor's Advisory Board of Economists will meet in early September to review the updated economic forecast for the U.S. and Virginia.
- The Governor's Advisory Council on Revenue Estimates will meet in late September to consider revised revenue forecasts for the current and next biennium.

Key Risks for the Fiscal Year 2009-10 Forecast...

- Key factors will influence economic and revenue growth:
 - Energy costs
 - Housing market
 - Stock market volatility
 - Defense and federal procurement spending
 - International events

Appendix

Fiscal Year 2008 General Fund Collections: Actual and Forecast

December Standard and Official General Fund Forecast for Fiscal Year 2009 and Fiscal Year 2010

Growth in Total General Fund Tax Revenues, Fiscal Years 1961 to 2008

Revenue Stabilization Fund, History and Forecast

General Fund Balance Sheet, Fiscal Year 2008

June 2008 Revenue Report

July 2008 Revenue Report

Note:

The General Fund Preliminary Annual Report, August 15, 2008, is available at the Department of Accounts Web site (www.doa.virginia.gov).

This presentation is available at the Secretary of Finance Web site (www.finance.virginia.gov).

Fiscal Year 2008 General Fund Collections: Actual and Forecast
(Dollars in Millions)

	Fiscal Year 2007		Fiscal Year 2008					
	Actual	% Growth	Official Forecast	Actual	Forecast Variance		% Growth Over FY 07	
					Dollars	Percent	Official	Actual
MAJOR TAX SOURCES								
Corporate Income	\$ 879.6	1.4 %	\$ 699.1	\$ 807.9	\$ 108.8	15.6 %	(20.5) %	(8.2) %
Individual Income Tax:								
Gross	11,347.4	7.6	11,881.7	11,794.7	(86.9)	(0.7)	4.7	3.9
Withholding	8,565.5	6.4	9,010.9	8,933.6	(77.3)	(0.9)	5.2	4.3
Nonwithholding	2,782.0	11.6	2,870.8	2,861.2	(9.6)	(0.3)	3.2	2.8
Refunds	<u>(1,559.8)</u>	<u>21.6</u>	<u>(1,710.4)</u>	<u>(1,679.9)</u>	<u>30.5</u>	<u>(1.8)</u>	<u>9.7</u>	<u>7.7</u>
Net	9,787.6	5.6	10,171.3	10,114.8	(56.4)	(0.6)	3.9	3.3
Insurance Company Premiums	384.9	3.0	418.4	396.9	(21.5)	(5.1)	8.7	3.1
State Sales & Use Tax	3,049.1	8.4	3,096.4	3,075.5	(20.9)	(0.7)	1.6	0.9
Wills, Suits, Deeds, & Contract Fees	<u>582.9</u>	<u>(16.1)</u>	<u>495.5</u>	<u>456.3</u>	<u>(39.2)</u>	<u>(7.9)</u>	<u>(15.0)</u>	<u>(21.7)</u>
Total Major Tax Sources	\$ 14,684.1	4.8 %	\$ 14,880.7	\$ 14,851.4	\$ (29.3)	(0.2) %	1.3 %	1.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 118.7	7.9 %	\$ 126.0	\$ 125.3	\$ (0.7)	(0.5) %	6.1 %	5.6 %
Bank Franchise Tax	12.6	2.0	13.1	13.8	0.7	5.2	4.2	9.6
Beer & Beverage Excise Tax	43.1	0.4	44.0	43.5	(0.5)	(1.1)	2.0	0.9
Corporate Franchise & Charter Fees	47.9	3.4	47.9	47.0	(0.9)	(1.8)	(0.1)	(1.9)
Excess & Other Fees from Officers	(33.1)	20.3	(29.6)	(24.4)	5.3	(17.7)	10.7	26.5
Estate & Gifts	152.9	(4.7)	118.5	153.4	34.9	29.4	(22.5)	0.3
Institutional Revenues	7.2	(12.9)	7.5	7.6	0.1	1.2	4.6	5.9
Interest & Rents	176.2	50.9	170.1	189.7	19.6	11.5	(3.5)	7.6
Licenses & Permits	4.8	1.3	5.0	4.6	(0.4)	(7.9)	3.5	(4.6)
Miscellaneous Taxes and Penalties	233.4	1.2	242.5	222.0	(20.5)	(8.4)	3.9	(4.8)
Other Miscellaneous Revenues	30.1	(25.2)	37.4	36.5	(0.9)	(2.4)	24.3	21.4
Public Service GR / Consumption Tax	<u>88.0</u>	<u>(2.3)</u>	<u>88.0</u>	<u>96.4</u>	<u>8.4</u>	<u>9.5</u>	<u>0.0</u>	<u>9.6</u>
Total Misc. Taxes and Other Revenues	\$ 881.7	7.4 %	\$ 870.4	\$ 915.5	\$ 45.1	5.2 %	(1.3) %	3.8 %
TOTAL GF REVENUES	\$ 15,565.8	4.9 %	\$ 15,751.1	\$ 15,767.0	\$ 15.9	0.1 %	1.2 %	1.3 %
TRANSFERS								
A.B.C. Profits	\$ 27.6	(8.3) %	\$ 34.3	\$ 36.1	\$ 1.8	5.2 %	24.5 %	31.0 %
Lottery Proceeds Fund	434.9	(4.2)	462.2	458.2	(4.0)	(0.9)	6.3	5.4
Sales Tax (0.25%)	225.2	3.7	228.8	226.7	(2.1)	(0.9)	1.6	0.7
Transfers Per Appropriations Act	<u>132.6</u>	<u>(6.2)</u>	<u>96.6</u>	<u>91.6</u>	<u>(5.0)</u>	<u>(5.2)</u>	<u>(27.2)</u>	<u>(30.9)</u>
Total Transfers	\$ 820.3	(5.2) %	\$ 821.9	\$ 812.5	\$ (9.4)	(1.1) %	0.2 %	(0.9) %
TOTAL GENERAL FUND	\$ 16,386.1	4.4 %	\$ 16,573.0	\$ 16,579.5	\$ 6.5	0.0 %	1.1 %	1.2 %

The Official forecast is based on the January 2008 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and reflects actions of the 2008 General Assembly.

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

(Dollars in Millions)

April 23, 2008

	Fiscal Year 2009				
	December Forecast	Official Forecast	Change	% Growth Over FY 08 December	Official
MAJOR TAX SOURCES					
Corporate Income	\$ 743.7	\$ 706.0	\$ (37.7)	(7.9) %	(12.6) %
Individual Income Tax:					
Gross	12,881.3	12,563.7	(317.6)	9.2	6.5
Withholding	9,601.8	9,506.5	(95.3)	7.5	6.4
Nonwithholding	3,279.5	3,057.2	(222.3)	14.6	6.9
Refunds	<u>(1,795.3)</u>	<u>(1,786.8)</u>	<u>8.5</u>	<u>6.9</u>	<u>6.4</u>
Net	11,086.0	10,776.9	(309.1)	9.6	6.5
Insurance Company Premiums	284.2	294.8	10.6	(28.4)	(25.7)
State Sales & Use Tax	3,300.9	3,225.7	(75.2)	7.3	4.9
Wills, Suits, Deeds, & Contract Fees	<u>449.4</u>	<u>380.8</u>	<u>(68.6)</u>	<u>(1.5)</u>	<u>(16.6)</u>
Total Major Tax Sources	\$ 15,864.3	\$ 15,384.3	\$ (480.0)	6.8 %	3.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 131.0	\$ 131.0	\$ 0.0	4.5 %	4.5 %
Bank Franchise Tax	13.5	13.5	0.0	(2.0)	(2.0)
Beer & Beverage Excise Tax	44.0	44.0	0.0	1.1	1.1
Corporate Franchise & Charter Fees	47.9	47.9	0.0	1.8	1.8
Excess & Other Fees from Officers	(28.1)	(28.1)	0.0	(15.4)	(15.4)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	7.5	7.5	0.0	(1.2)	(1.2)
Interest & Rents	165.0	122.4	(42.6)	(13.0)	(35.5)
Licenses & Permits	5.0	5.0	0.0	8.5	8.5
Miscellaneous Taxes and Penalties	240.5	240.5	0.0	8.3	8.3
Other Miscellaneous Revenues	31.3	33.1	1.8	(14.3)	(9.5)
Public Service GR / Consumption Tax	<u>88.9</u>	<u>88.9</u>	<u>0.0</u>	<u>(7.8)</u>	<u>(7.8)</u>
Total Misc. Taxes and Other Revenues	\$ 746.5	\$ 705.7	\$ (40.9)	(18.5) %	(22.9) %
TOTAL GF REVENUES	\$ 16,610.8	\$ 16,089.9	\$ (520.8)	5.4 %	2.0 %
TRANSFERS					
A.B.C. Profits	\$ 34.6	\$ 34.6	\$ 0.0	(4.1) %	(4.1) %
Lottery Proceeds Fund	450.0	0.0	(450.0)	(1.8)	n/a
Sales Tax (0.25%)	243.9	243.9	0.0	7.6	7.6
Transfers Per Appropriations Act	<u>92.0</u>	<u>106.3</u>	<u>14.3</u>	<u>0.4</u>	<u>16.0</u>
Total Transfers	\$ 820.5	\$ 384.8	\$ (435.7)	1.0 %	(52.6) %
TOTAL GENERAL FUND	\$ <u>17,431.3</u>	\$ <u>16,474.7</u>	\$ <u>(956.5)</u>	<u>5.1 %</u>	<u>(0.6) %</u>

The December Standard forecast is based on the October 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and accompanied the Governor's budget bill.

The Official forecast is based on the January 2008 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and reflects actions of the 2008 General Assembly.

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

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

April 23, 2008

	Fiscal Year 2010					2008-2010 Biennium		
	December Forecast	Official Forecast	Change	% Growth Over FY 09 December	% Growth Over FY 09 Official	December Forecast	Official Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 783.9	\$ 728.2	\$ (55.7)	5.4 %	3.1 %	\$ 1,527.6	\$ 1,434.2	\$ (93.4)
Individual Income Tax:								
Gross	13,723.6	13,421.0	(302.6)	6.5	6.8	26,604.9	25,984.7	(620.2)
Withholding	10,177.8	10,105.4	(72.4)	6.0	6.3	19,779.6	19,611.9	(167.7)
Nonwithholding	3,545.8	3,315.6	(230.2)	8.1	8.4	6,825.3	6,372.8	(452.5)
Refunds	<u>(1,833.2)</u>	<u>(1,827.5)</u>	<u>5.7</u>	<u>2.1</u>	<u>2.3</u>	<u>(3,628.5)</u>	<u>(3,614.3)</u>	<u>14.2</u>
Net	11,890.4	11,593.5	(296.9)	7.3	7.6	22,976.4	22,370.4	(606.0)
Insurance Company Premiums	305.9	317.3	11.4	7.6	7.6	590.2	612.2	22.0
State Sales & Use Tax	3,488.7	3,391.2	(97.5)	5.7	5.1	6,789.6	6,616.9	(172.7)
Wills, Suits, Deeds, & Contract Fees	<u>489.8</u>	<u>415.1</u>	<u>(74.7)</u>	<u>9.0</u>	<u>9.0</u>	<u>939.2</u>	<u>795.9</u>	<u>(143.3)</u>
Total Major Tax Sources	\$ 16,958.7	\$ 16,445.3	\$ (513.4)	6.9 %	6.9 %	\$ 32,823.0	\$ 31,829.5	\$ (993.4)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 136.0	\$ 136.0	\$ 0.0	3.8 %	3.8 %	\$ 267.0	\$ 267.0	\$ 0.0
Bank Franchise Tax	13.9	13.9	0.0	3.0	3.0	27.4	27.4	0.0
Beer & Beverage Excise Tax	44.0	44.0	0.0	0.0	0.0	88.0	88.0	0.0
Corporate Franchise & Charter Fees	47.9	47.9	0.0	0.0	0.0	95.8	95.8	0.0
Excess & Other Fees from Officers	(30.6)	(30.6)	0.0	(8.9)	(8.9)	(58.7)	(58.7)	0.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	0.0
Institutional Revenues	7.5	7.5	0.0	0.0	0.0	15.0	15.0	0.0
Interest & Rents	170.7	149.4	(21.3)	3.5	22.1	335.7	271.8	(63.9)
Licenses & Permits	5.0	5.0	0.0	0.0	0.0	10.0	10.0	0.0
Miscellaneous Taxes and Penalties	248.9	248.9	0.0	3.5	3.5	489.4	489.4	0.0
Other Miscellaneous Revenues	32.0	32.1	0.1	2.2	(2.9)	63.3	65.2	1.9
Public Service GR / Consumption Tax	<u>90.7</u>	<u>90.7</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>	<u>179.6</u>	<u>179.6</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 766.0	\$ 744.8	\$ (21.2)	2.6 %	5.5 %	\$ 1,512.5	\$ 1,450.5	\$ (62.1)
TOTAL GF REVENUES	\$ 17,724.7	\$ 17,190.1	\$ (534.6)	6.7 %	6.8 %	\$ 34,335.5	\$ 33,280.0	\$ (1,055.5)
TRANSFERS								
A.B.C. Profits	\$ 34.5	\$ 34.5	\$ 0.0	(0.3) %	(0.3) %	\$ 69.1	\$ 69.1	\$ 0.0
Lottery Proceeds Fund	450.0	0.0	(450.0)	0.0	n/a	900.0	0.0	(900.0)
Sales Tax (0.25%)	257.7	257.7	0.0	5.7	5.7	501.6	501.6	0.0
Transfers Per Appropriations Act	<u>80.4</u>	<u>95.3</u>	<u>14.9</u>	<u>(12.6)</u>	<u>(10.3)</u>	<u>172.4</u>	<u>201.6</u>	<u>29.2</u>
Total Transfers	\$ 822.6	\$ 387.5	\$ (435.1)	0.3 %	0.7 %	\$ 1,643.1	\$ 772.3	\$ (870.8)
TOTAL GENERAL FUND	\$ 18,547.3	\$ 17,577.6	\$ (969.7)	6.4 %	6.7 %	\$ 35,978.6	\$ 34,052.3	\$ (1,926.3)

The December Standard forecast is based on the October 2007 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and accompanied the Governor's budget bill.

The Official forecast is based on the January 2008 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and reflects actions of the 2008 General Assembly.

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

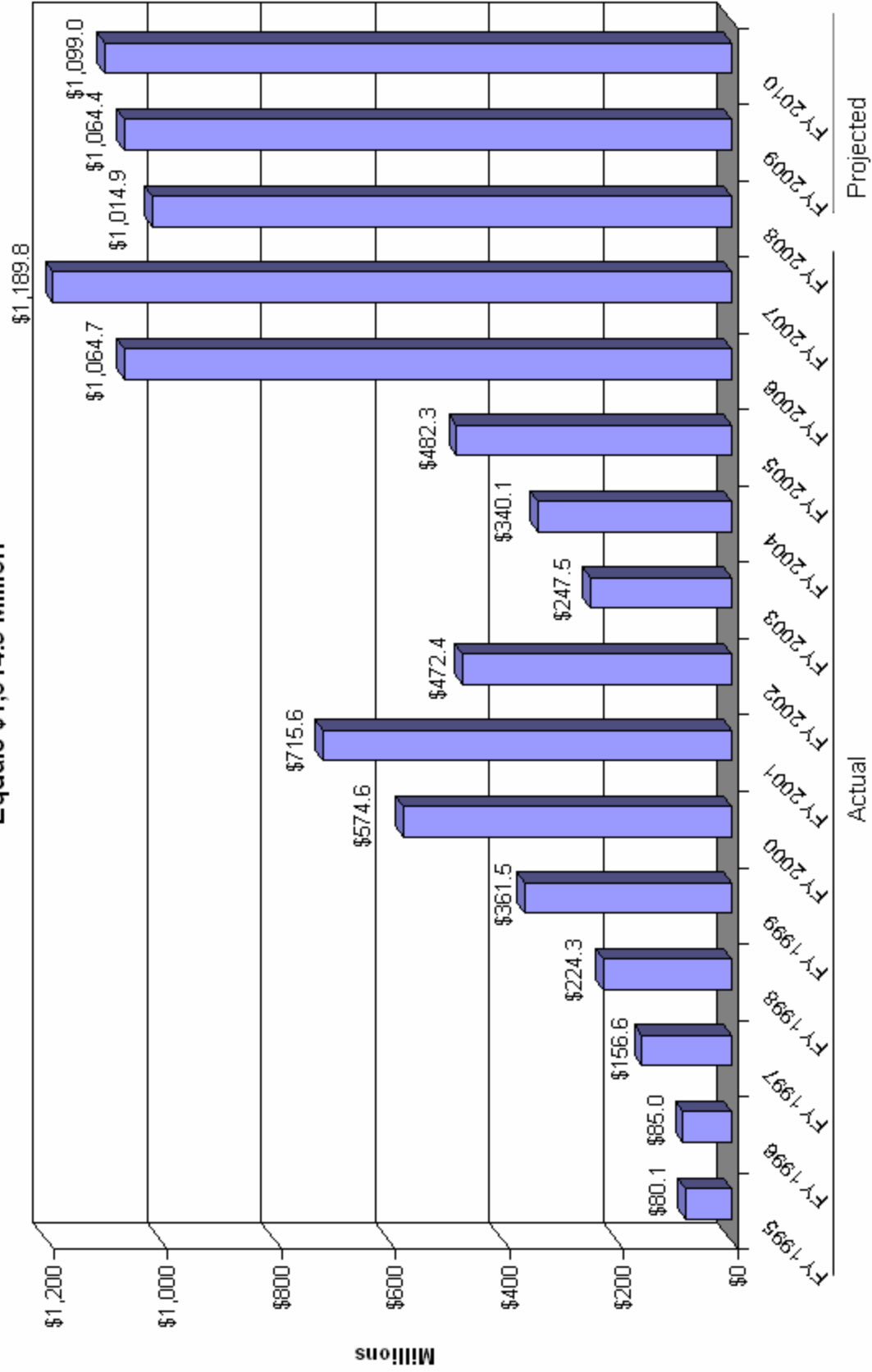
Growth in Total General Fund Tax Revenues
Fiscal Year 1961 - Fiscal Year 2008

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

NOTE : Total Revenues exclude transfers.

**The Revenue Stabilization Fund At The End of FY2008
Equals \$1,014.9 Million**



**General Fund Balance
Budgetary (Cash) Basis
Fiscal Year 2008
(Millions of Dollars)**

Liabilities:

Deposits Pending Distribution	\$	1.9
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Total Liabilities		\$ 1.9
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Reserved Amounts:

Revenue Stabilization Fund	\$	1,014.9
Revenue Stabilization -- 2007 Reserve		21.3
Payroll Reserve -- July 1, 2008		91.7

Total Reserved Balance		\$ 1,127.9
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Unreserved (Designated) Amounts:

Capital Outlay Reappropriations	\$	382.9
Central Capital Outlay Planning Fund		50.0
Natural Disaster Sum Sufficient		21.1
Amount Required by Chapter 879		149.8
Mandatory Reappropriations		417.2
Water Quality Improvement Fund		8.5
Designation for FY08 Budget Reductions		17.1
Discretionary Reappropriations		45.3

Total Designated Balance		1,091.9
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Total Undesignated Balance		0.0
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Total Unreserved Fund Balance		\$ 1,091.9
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Total Liabilities and General Fund Balances		\$ 2,221.7
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FY 2008 Revised Estimate
 Per Chapter 847, 2008 Virginia Acts of Assembly
 Commonwealth of Virginia/Department of Accounts
 Summary Report on General Fund and Lottery Revenue Collections
 For the Fiscal Years 2007 and 2008
 (Dollars in Thousands)

Revenue	(1) FY 2008 Estimate	(2) As a % of Gen Fund Rev & Net Lottery Profits	(3) June		(5) % Change		(6) FY 2008		(7) Year-To-Date FY 2007		(8) % Change		(9) % Annual Growth Req By Est
			FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007			
Individual Income Tax:													
Withholding (a)	\$9,010,900	55.58	\$736,814	\$750,629	(1.8)	\$8,933,565	\$8,565,468	4.3	\$8,565,468	4.3	5.2		
Tax Dues/Estimated Payments (a)	2,870,800	17.70	311,465	319,508	(2.5)	2,861,183	2,781,963	2.8	2,781,963	2.8	3.2		
Gross Individual Income Tax (a)	\$11,881,700	73.28	\$1,048,279	\$1,070,137	(2.0)	\$11,794,748	\$11,347,431	3.9	\$11,347,431	3.9	4.7		
Individual and Fiduciary Income (Refunds)													
Net Individual Income Tax (a)	(1,710,400)	(10.55)	(59,070)	(53,279)	10.9	(1,679,915)	(1,559,839)	7.7	(1,559,839)	7.7	9.7		
Sales and Use Tax	\$10,171,300	62.73	\$989,209	\$1,016,858	(2.7)	\$10,114,833	\$9,787,592	3.3	\$9,787,592	3.3	3.9		
Corporations Income Tax (a)	\$3,096,400	19.10	\$259,958	\$261,462	(0.6)	\$3,075,528	\$3,049,133	0.9	\$3,049,133	0.9	1.6		
Wills, Suits, Deeds, Contracts	699,100	4.31	168,452	150,371	12.0	807,852	879,575	(8.2)	879,575	(8.2)	(20.5)		
Insurance Premiums	495,500	3.06	41,592	54,762	(24.0)	456,348	582,946	(21.7)	582,946	(21.7)	(15.0)		
Interest Income (a) (b)	418,400	2.58	98,006	95,113	3.0	396,858	384,894	3.1	384,894	3.1	8.7		
Alcoholic Beverage Sales (c)	169,800	1.05	(28,801)	(28,944)	0.5	189,308	175,940	7.6	175,940	7.6	(3.5)		
All Other Revenues (a)	170,000	1.05	34,215	33,183	3.1	168,862	161,845	4.3	161,845	4.3	5.0		
Total General Fund Revenues	530,600	3.27	72,464	99,848	(27.4)	557,362	543,902	2.5	543,902	2.5	(2.4)		
	\$15,751,100	97.15	\$1,635,095	\$1,682,653	(2.8)	\$15,766,951	\$15,565,827	1.3	\$15,565,827	1.3	1.2		
Gross Lottery Revenue	\$1,399,051	8.63	\$107,835	\$117,412	(8.2)	\$1,386,415	\$1,362,343	1.8	\$1,362,343	1.8	2.7		
Less: Expenses	(936,871)	(5.78)	(74,977)	(76,266)	(1.7)	(931,415)	(925,163)	0.7	(925,163)	0.7	1.3		
Net Lottery Profits (d)	\$462,180	2.85	\$32,858	\$41,146	(20.1)	\$455,000	\$437,180	4.1	\$437,180	4.1	5.7		
Total General Fund Revenues and Net Lottery Profits	\$16,213,280	100.00	\$1,667,953	\$1,723,799	(3.2)	\$16,221,951	\$16,003,007	1.4	\$16,003,007	1.4	1.3		
# Percentage is greater than or equal to 1,000%.													

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

(b) Interest income for the April-June quarter attributable to nongeneral funds was transferred in June pursuant to Section 3-3.04 of Chapter 847, 2008 VA Acts of Assembly, resulting in negative interest income for the general fund.

(c) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

(d) Estimate established in Chapter 847, 2008 Virginia Acts of Assembly, and includes the residual amount of FY 2007 profits (\$3,180,128) that were transferred in FY 2008. The estimated profit pursuant to FY 2008 Lottery operations was \$459,000,000.

FY 2008 Revised Estimate
Per Chapter 847, 2008 Virginia Acts of Assembly

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	(1) FY 2008 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2008	(4) June FY 2007	(5) Change %	(6) FY 2008	(7) Year-To-Date FY 2007	(8) Change %	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding (a)	\$9,010,900	57.21	\$736,814	\$750,629	(1.8)	\$8,933,565	\$8,565,468	4.3	5.2
Tax Dues/Estimated Payments (a)	2,870,800	18.22	311,465	319,508	(2.5)	2,861,183	2,781,963	2.8	3.2
Gross Individual Income Tax (a)	\$11,881,700	75.43	\$1,048,279	\$1,070,137	(2.0)	\$11,794,748	\$11,347,431	3.9	4.7
Individual and Fiduc Income (Refunds)	(1,710,400)	(10.85)	(59,070)	(53,279)	10.9	(1,679,915)	(1,559,839)	7.7	9.7
Net Individual Income Tax (a)	\$10,171,300	64.58	\$989,209	\$1,016,858	(2.7)	\$10,114,833	\$9,787,592	3.3	3.9
Sales and Use Tax	3,096,400	19.65	259,958	261,462	(0.6)	3,075,528	3,049,133	0.9	1.6
Corporations Income (a)	699,100	4.43	168,452	150,371	12.0	807,852	879,575	(8.2)	(20.5)
Public Service Corporations	88,000	0.56	8,452	7,990	5.8	96,390	87,961	9.6	0.0
Insurance Premiums	418,400	2.66	98,006	95,113	3.0	396,858	384,894	3.1	8.7
Alcoholic Beverage Excise	126,000	0.80	30,100	28,900	4.2	125,339	118,714	5.6	6.1
Beer and Beverage Excise	44,000	0.28	4,115	4,283	(3.9)	43,523	43,131	0.9	2.0
Wills, Suits, Deeds, Contracts	495,500	3.15	41,592	54,762	(24.0)	456,348	582,946	(21.7)	(15.0)
Inheritance, Gift, and Estate	118,500	0.75	710	26,182	(97.3)	153,378	152,864	0.3	(22.5)
Bank Franchise	13,100	0.08	6,742	11,053	(39.0)	13,775	12,572	9.6	4.2
Other Taxes	10,500	0.07	(1,795)	1,862	(196.4)	1,683	6,657	(74.7)	57.7
Total Taxes (a)	\$15,280,800	97.01	\$1,605,541	\$1,658,836	(3.2)	\$15,285,507	\$15,106,039	1.2	1.2
Rights and Privileges:									
Licenses and Permits	\$5,000	0.03	\$550	\$561	(2.0)	\$4,607	\$4,831	(4.6)	3.5
Corp. Franchise and Charters	47,900	0.31	29,333	30,014	(2.3)	47,034	47,933	(1.9)	(0.1)
Fees for Misc. Privileges & Services	15,900	0.10	4,262	3,739	14.0	15,807	15,643	1.0	1.6
Total Rights and Privileges	\$68,800	0.44	\$34,145	\$34,314	(0.5)	\$67,448	\$68,407	(1.4)	0.6
Other Revenues:									
Sales of Property & Commodities	\$5,100	0.03	(\$3)	(\$59)	94.9	\$0	(\$5)	100.0	#
Assessmts & Rcpts for Support of Special Svcs	300	0.00	125	53	135.8	461	224	105.8	33.9
Institutional Revenue	7,500	0.05	582	42	#	7,590	7,169	5.9	4.6
Interest (a) (b)	169,800	1.08	(28,801)	(28,944)	0.5	189,308	175,940	7.6	(3.5)
Dividends and Rent	300	0.00	49	16	206.3	373	273	36.6	9.9
Fines, Forfeitures & Fees (a)	232,000	1.47	19,669	19,072	3.1	220,363	226,703	(2.8)	2.3
Other Revenue	5,800	0.04	4,811	1,157	315.8	10,129	3,918	158.5	48.0
Excess Fees	(29,600)	(0.19)	(1,846)	(2,806)	34.2	(24,350)	(33,138)	26.5	10.7
Private Donations, Gifts & Cont.	0	0.00	(100)	1	#	31	16	93.8	(100.0)
Cities, Counties, and Towns	10,300	0.07	923	971	(4.9)	10,091	10,281	(1.8)	0.2
Total Other Revenues (a)	\$401,500	2.55	(\$4,591)	(\$10,497)	56.3	\$413,996	\$391,381	5.8	2.6
Total General Fund Revenues	\$15,751,100	100.00	\$1,635,095	\$1,682,653	(2.8)	\$15,766,951	\$15,565,827	1.3	1.2

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

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

(b) Interest income for the April-June quarter attributable to nongeneral funds was transferred in June pursuant to Section 3-3.04 of Chapter 847, 2008 VA Acts of Assembly, resulting in negative interest income for the general fund.

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

	June		Year-To-Date		% Annual Growth Required By Estimate
	%		%		
	FY 2008	FY 2007	FY 2008	FY 2007	
FY 2008					
Estimate (a)					
Lottery Collections					
Win for Life	\$33,336	\$3,094	\$37,718	\$41,324	(19.3)
Cash 5	28,734	2,328	29,023	27,521	4.4
Pick 4	189,580	15,555	183,990	179,923	5.4
Pick 3	269,995	22,138	256,606	265,399	1.7
Mega Millions	146,653	9,632	166,145	130,299	12.6
Scratch/Bingo/Raffle (b)	730,753	64,665	712,933	717,877	1.8
Gross Lottery Revenue	<u>1,399,051</u>	<u>117,412</u>	<u>1,386,415</u>	<u>1,362,343</u>	<u>2.7</u>
Expenses (c)	<u>936,871</u>	<u>76,266</u>	<u>931,415 (d)</u>	<u>925,163</u>	<u>1.3</u>
Net Lottery Ticket Profits	<u>\$462,180</u>	<u>\$41,146</u>	<u>\$455,000 (d)</u>	<u>\$437,180</u>	<u>5.7</u>

(a) Estimate established in Chapter 847, 2008 Virginia Acts of Assembly, and includes the residual amount of FY 2007 profits (\$3,180,128) that were transferred in FY 2008. The estimated profit pursuant to FY 2008 Lottery operations was \$459,000,000.

(b) Fast Play Bingo began on February 4, 2007. Fast Play Bingo is an online game which plays like a Scratch game. Millionaire Raffle began on April 15, 2007 and drawing occurred June 14, 2007. Raffle is an online game which has a limited amount of tickets. The Lottery had one Raffle drawing in FY 2008; the drawing occurred on December 31, 2007.

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

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

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

Revenue	FY 2008 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Estimate
			FY 2008	FY 2007	FY 2008	FY 2007	
				%		%	
Motor Fuel Taxes	\$894,000	24.02	\$134,175	\$145,919	\$863,024	\$859,482	0.4
Priority Transportation Fund	20,000	0.54	2,000	2,000	20,000	20,000	0.0
Motor Vehicle Sales and Use Tax	599,900	16.11	51,393	64,888	573,000	628,458	(8.8)
State Sales and Use Tax	517,800	13.91	44,029	46,406	524,901	517,277	1.5
Motor Vehicle License Fees	253,100	6.81	21,366	16,170	242,128	169,429	42.9
International Registration Plan	64,500	1.73	6,090	4,318	74,120	53,987	37.3
Interest Earnings	43,500	1.17	12,913	15,240	62,111	53,943	15.1
Misc. Taxes, Fees, and Revenues	15,800	0.42	1,115	1,182	14,903	12,338	20.8
Total State Taxes and Fees	\$2,408,600	64.71	\$273,081	\$296,123	\$2,374,187	\$2,314,914	2.6

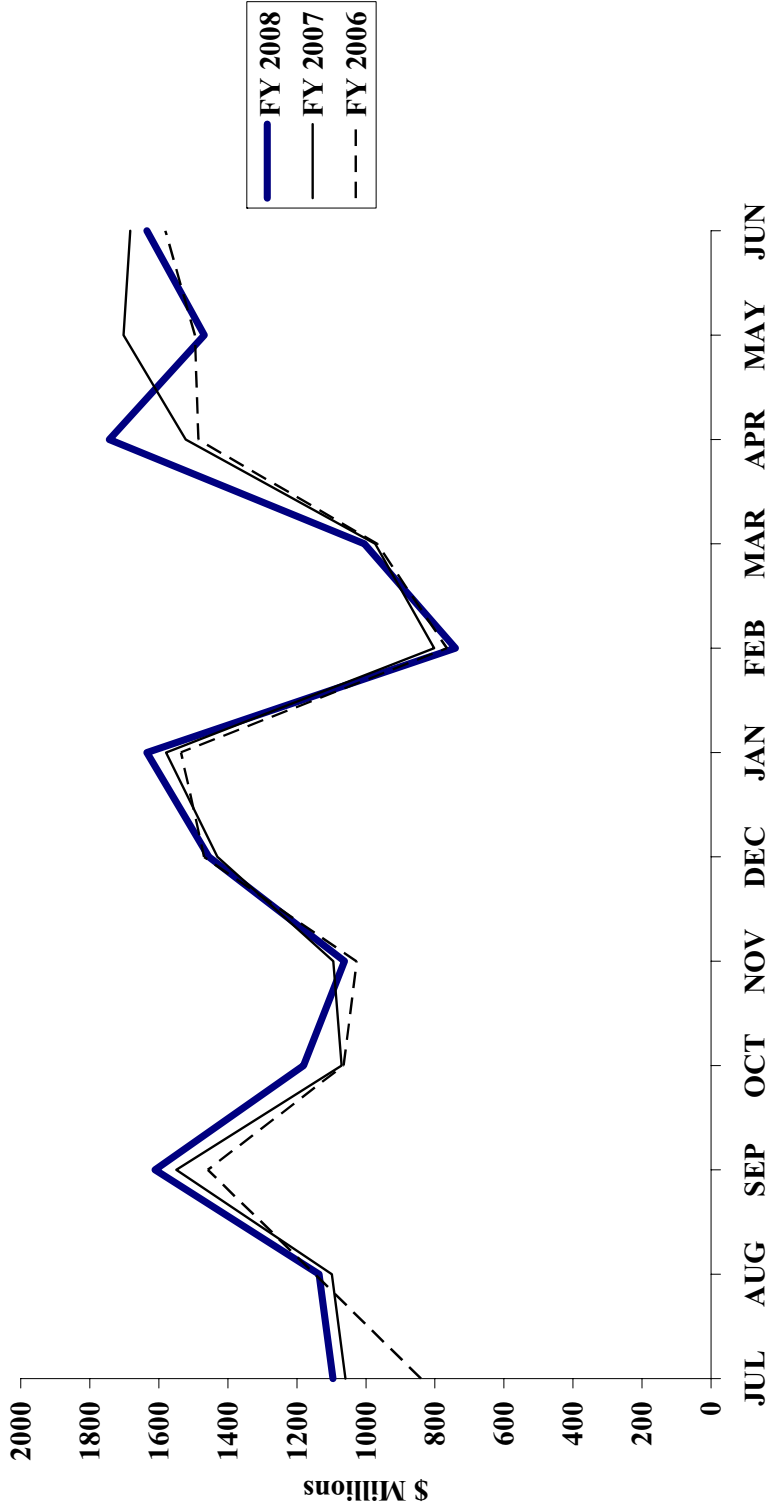
Percentage is greater than or equal to 1,000%.

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 2007 and 2008
 (Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Est
			FY 2007	% Change	FY 2007	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:							
Motor Fuel Taxes (Includes Road Tax)	\$770,300	20.70	\$127,715	(10.5)	\$741,464	(0.1)	3.9
Motor Vehicle Sales and Use Tax	369,400	9.92	40,315	(20.7)	389,921	(8.9)	(5.3)
Motor Vehicle License Fees	231,700	6.23	19,464	35.9	148,186	49.0	56.4
International Registration Plan	64,500	1.73	4,318	41.0	53,987	37.3	19.5
Misc. Taxes, Fees, and Revenues	15,800	0.42	1,115	(5.7)	12,338	20.8	28.1
Total State Taxes and Fees	\$1,451,700	39.00	\$187,855	(7.9)	\$1,345,896	4.4	7.9
Other Revenues:							
Federal Grants and Contracts	\$0	0.00	\$3,373	(88.8)	\$30,702	(9.2)	(100.0)
Miscellaneous Revenues	16,937	0.46	1,121	28.1	16,927	(0.4)	0.1
Transfer (to) / from Transportation Trust Fund	260,570	7.00	0	-	231,205	14.9	12.7
Total Highway Maintenance and Operating Fund	\$1,729,207	46.46	\$192,349	(9.1)	\$1,624,730	5.6	6.4
TRANSPORTATION TRUST FUND:							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,700	3.32	\$19,870	9.2	\$122,362	3.7	4.8
Priority Transportation Fund	20,000	0.54	2,000	0.0	20,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	230,500	6.19	19,419	(21.0)	217,949	(8.6)	(3.4)
State Sales and Use Tax	517,800	13.91	44,029	(5.1)	524,901	1.5	0.1
Motor Vehicle License Fees	21,400	0.58	1,902	3.1	21,349	0.5	0.7
Interest Earnings	43,500	1.17	12,913	(15.3)	62,111	15.1	(19.4)
Total State Taxes and Fees	\$956,900	25.71	\$108,268	(7.5)	\$968,672	0.0	(1.3)
Other Revenues:							
Federal Grants and Contracts	\$1,101,708	29.60	\$59,354	49.2	\$618,516	38.4	78.1
Receipts from Cities/Countries	78,428	2.11	398	#	45,381	7.9	86.4
Toll Revenues (Includes Route 28)	100,598	2.70	6,981	2.6	129,727	25.1	(3.0)
Miscellaneous Revenues	15,758	0.42	854	(50.0)	14,789	(31.4)	(26.9)
Total Other Revenues	\$1,296,492	34.83	\$68,442	47.8	\$785,875	33.1	65.0
Transfer (to) / from Highway Maintenance and Operating Fund	(\$260,570)	(7.00)	\$0	-	(\$231,205)	(14.9)	(12.7)
Total Transportation Trust Fund	\$1,992,822	53.54	\$176,710	13.9	\$1,523,688	14.8	30.8
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,722,029	100.00	\$369,059	1.9	\$3,148,418	10.0	18.2

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

Total General Fund Revenues

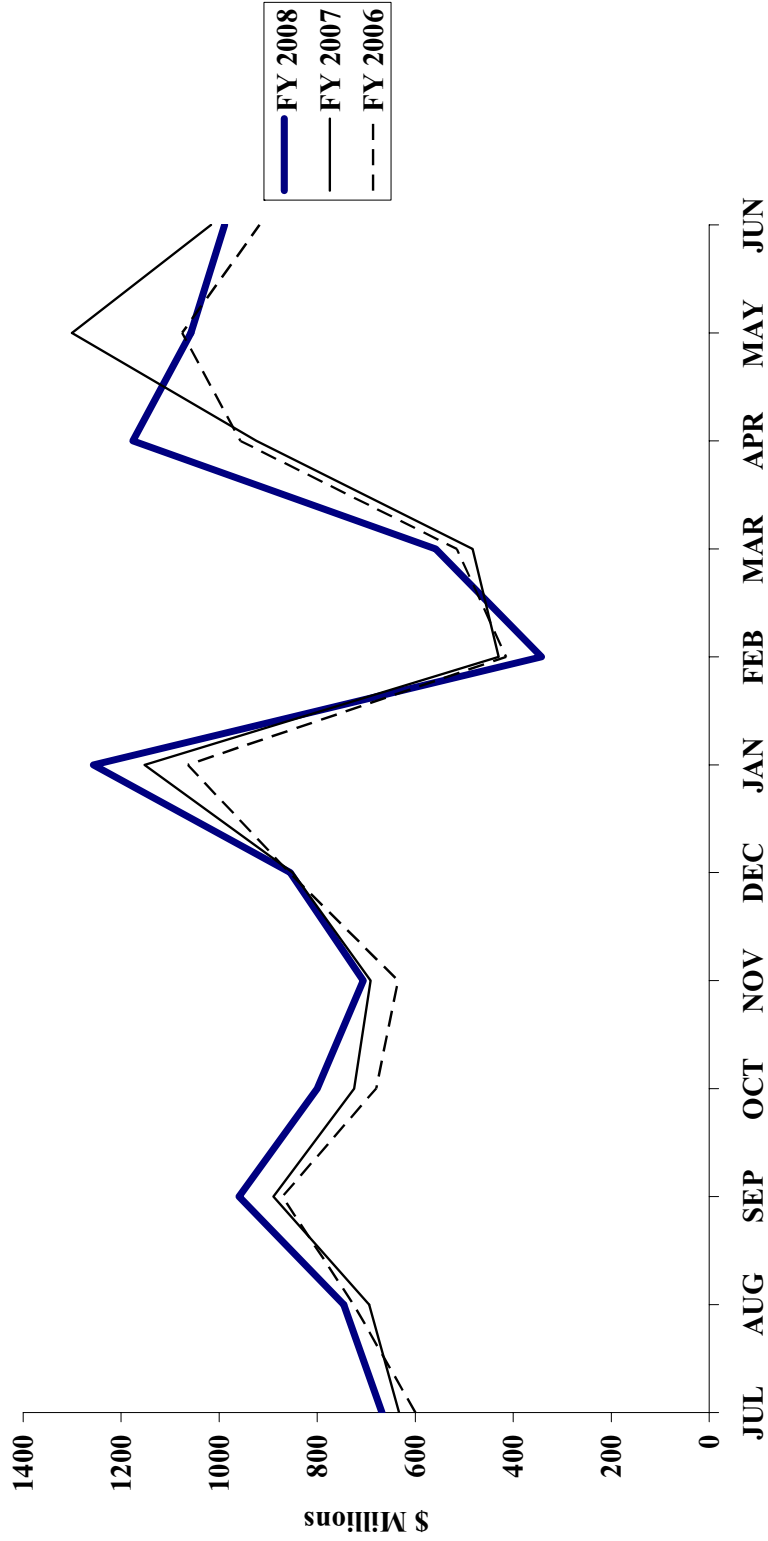


FY 2006 Actual = \$14,834.3 Million

FY 2007 Actual = \$15,565.8 Million

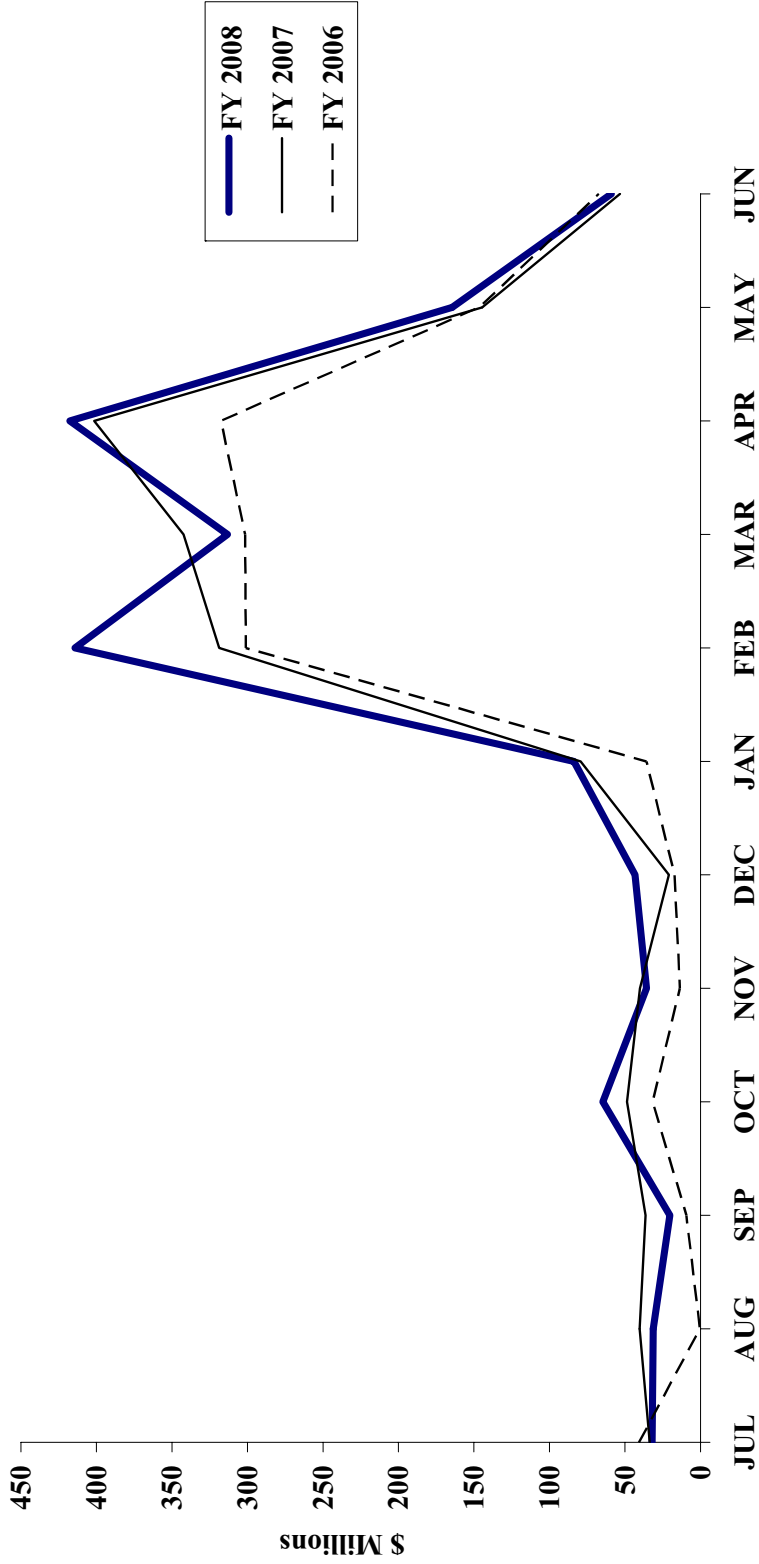
FY 2008 Actual = \$15,766.9 Million

Net Individual Income Tax



FY 2006 Actual = \$9,308.6 Million
FY 2007 Actual = \$9,787.6 Million
FY 2008 Actual = \$10,114.8 Million

Individual and Fiduciary Income Tax Refunds



FY 2006 Actual = \$1,282.6 Million
FY 2007 Actual = \$1,559.8 Million
FY 2008 Actual = \$1,679.9 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2008
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2007	\$5,727.9	5.35%	\$1,723.0	9.69%	\$7,450.9	6.35%
August	\$5,110.8	5.45%	\$1,737.9	11.29%	\$6,848.7	6.93%
September	\$5,243.4	5.58%	\$1,752.3	8.79%	\$6,995.7	6.38%
October	\$5,492.7	5.47%	\$1,764.6	8.48%	\$7,257.3	6.20%
November	\$5,180.7	5.48%	\$1,783.7	17.87%	\$6,964.4	8.65%
December	\$4,958.2	5.28%	\$1,798.6	2.57%	\$6,756.8	4.56%
January, 2008	\$5,283.2	5.06%	\$1,814.3	18.84%	\$7,097.5	8.58%
February	\$5,285.2	4.79%	\$1,829.7	2.14%	\$7,114.9	4.11%
March	\$4,856.5	4.29%	\$1,829.5	-2.27%	\$6,686.0	2.49%
April	\$4,674.1	3.97%	\$1,825.9	-2.09%	\$6,500.0	2.27%
May	\$5,145.3	3.54%	\$1,820.0	-5.42%	\$6,965.3	1.20%
June	\$5,155.9	3.24%	\$1,815.2	-0.66%	\$6,971.1	2.22%
Year-to-Date Average	\$5,176.2	4.81%	\$1,791.2	5.70%	\$6,967.4	5.04%

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

• Unaudited.

¹ Revised External Manager Annualized Total Return and Composite Rate for December 2007.

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

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
August	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
September	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
October	\$1,189,834,417	\$0	\$0	\$15,138,454	\$1,204,972,871
November	\$1,204,972,871	\$0	\$0	\$0	\$1,204,972,871
December	\$1,204,972,871	\$0	\$0	\$0	\$1,204,972,871
January	\$1,204,972,871	\$0	\$0	\$17,925,393	\$1,222,898,264
February	\$1,222,898,264	\$0	\$0	\$0	\$1,222,898,264
March	\$1,222,898,264	\$0	\$0	\$0	\$1,222,898,264
April	\$1,222,898,264	\$0	\$0	\$15,471,560	\$1,238,369,824
May	\$1,238,369,824	\$0	\$0	\$0	\$1,238,369,824
June	\$1,238,369,824	\$114,845,430 (B)	(\$351,500,000) (C)	\$13,154,991	\$1,014,870,245

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

(B) A deposit of \$114,845,430 was made as required by Item 260.10.A.3 of Chapter 847, 2008 VA Acts of Assembly.

(C) A withdrawal of \$351,500,000 was made as required by Item 260.10.B.1 of Chapter 847, 2008 VA Acts of Assembly.

FY 2009 Estimate
Per Chapter 879

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2008 and 2009
(Dollars in Thousands)

	(1) FY 2009 Estimate	(2) As a % of Gen Fund Rev & Net Lottery Profits	(3) FY 2009	(4) July FY 2008	(5) % Change	(6) FY 2009	(7) Year-To-Date FY 2008	(8) % Change	(9) % Annual Growth Req By Est
Revenue									
Individual Income Tax:									
Withholding (a)	\$9,506,500	57.44	\$767,183	\$667,134	15.0	\$767,183	\$667,134	15.0	6.4
Tax Dues/Estimated Payments (a)	3,057,200	18.47	38,216	32,733	16.8	38,216	32,733	16.8	6.9
Gross Individual Income Tax (a)	\$12,563,700	75.91	\$805,399	\$699,867	15.1	\$805,399	\$699,867	15.1	6.5
Individual and Fiduciary Income (Refunds)	(1,786,800)	(10.80)	(53,438)	(32,141)	66.3	(53,438)	(32,141)	66.3	6.4
Net Individual Income Tax (a)	\$10,776,900	65.11	\$751,961	\$667,726	12.6	\$751,961	\$667,726	12.6	6.5
Sales and Use Tax	\$3,225,700	19.49	\$269,725	\$280,968	(4.0)	\$269,725	\$280,968	(4.0)	4.9
Corporations Income Tax (a)	706,000	4.26	13,323	23,091	(42.3)	13,323	23,091	(42.3)	(12.6)
Wills, Suits, Deeds, Contracts	380,800	2.30	32,795	47,542	(31.0)	32,795	47,542	(31.0)	(16.6)
Insurance Premiums	294,800	1.78	0	2,643	(100.0)	0	2,643	(100.0)	(25.7)
Interest Income (a) (b)	122,100	0.74	26,284	32,946	(20.2)	26,284	32,946	(20.2)	(35.5)
Alcoholic Beverage Sales (c)	175,000	1.06	4,060	4,115	(1.3)	4,060	4,115	(1.3)	3.6
All Other Revenues (a)	408,600	2.47	28,752	36,534	(21.3)	28,752	36,534	(21.3)	(26.7)
Total General Fund Revenues	\$16,089,900	97.21	\$1,126,900	\$1,095,565	2.9	\$1,126,900	\$1,095,565	2.9	2.0
Gross Lottery Revenue	\$1,399,051	8.45	\$111,540	\$109,863	1.5	\$111,540	\$109,863	1.5	0.9
Less: Expenses	(938,051)	(5.66)	(75,067)	(73,735)	1.8	(75,067)	(73,735)	1.8	0.7
Net Lottery Profits	\$461,000	2.79	\$36,473	\$36,128	1.0	\$36,473	\$36,128	1.0	1.3
Total General Fund Revenues and Net Lottery Profits	\$16,550,900	100.00	\$1,163,373	\$1,131,693	2.8	\$1,163,373	\$1,131,693	2.8	2.0

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

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

(b) Interest will be allocated in accordance with Section 3-3.04 of Chapter 879, 2008 Virginia Acts of Assembly.

(c) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2009 Estimate
Per Chapter 879

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2008 and 2009
(Dollars in Thousands)

Revenue	(1) FY 2009 Estimate	(2) As a % of Total Gen Fund Rev	(3)	(4) July FY 2008	(5) Change %	(6) FY 2009	(7) Year-To-Date FY 2008	(8) Change %	(9) Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding (a)	\$9,506,500	59.08	\$767,183	\$667,134	15.0	\$767,183	\$667,134	15.0	6.4
Tax Dues/Estimated Payments (a)	3,057,200	19.00	38,216	32,733	16.8	38,216	32,733	16.8	6.9
Gross Individual Income Tax (a)	\$12,563,700	78.08	\$805,399	\$699,867	15.1	\$805,399	\$699,867	15.1	6.5
Individ and Fiduc Income (Refunds)	(1,786,800)	(11.10)	(53,438)	(32,141)	66.3	(53,438)	(32,141)	66.3	6.4
Net Individual Income Tax (a)	\$10,776,900	66.98	\$751,961	\$667,726	12.6	\$751,961	\$667,726	12.6	6.5
Sales and Use Tax	3,225,700	20.05	269,725	280,968	(4.0)	269,725	280,968	(4.0)	4.9
Corporations Income (a)	706,000	4.39	13,323	23,091	(42.3)	13,323	23,091	(42.3)	(12.6)
Public Service Corporations	88,900	0.55	6,296	10,055	(37.4)	6,296	10,055	(37.4)	(7.8)
Insurance Premiums	294,800	1.83	0	2,643	(100.0)	0	2,643	(100.0)	(25.7)
Alcoholic Beverage Excise	131,000	0.82	0	0	-	0	0	-	4.5
Beer and Beverage Excise	44,000	0.27	4,060	4,115	(1.3)	4,060	4,115	(1.3)	1.1
Wills, Suits, Deeds, Contracts	380,800	2.37	32,795	47,542	(31.0)	32,795	47,542	(31.0)	(16.6)
Inheritance, Gift, and Estate	0	0.00	1,257	7,136	(82.4)	1,257	7,136	(82.4)	(100.0)
Bank Franchise	13,500	0.08	0	48	(100.0)	0	48	(100.0)	(2.0)
Other Taxes	10,800	0.07	1,466	795	84.4	1,466	795	84.4	541.7
Total Taxes (a)	\$15,672,400	97.41	\$1,080,883	\$1,044,119	3.5	\$1,080,883	\$1,044,119	3.5	2.5
Rights and Privileges:									
Licenses and Permits	\$5,000	0.03	\$246	\$263	(6.5)	\$246	\$263	(6.5)	8.5
Corp. Franchise and Charters	47,900	0.30	583	567	2.8	583	567	2.8	1.8
Fees for Misc. Privileges & Services	16,700	0.10	780	777	0.4	780	777	0.4	5.6
Total Rights and Privileges	\$69,600	0.43	\$1,609	\$1,607	0.1	\$1,609	\$1,607	0.1	3.2
Other Revenues:									
Sales of Property & Commodities	\$1,900	0.01	\$0	\$6	(100.0)	\$0	\$6	(100.0)	-
Assessmts & Rcpts for Support of Special Svcs	300	0.00	39	44	(11.4)	39	44	(11.4)	(34.9)
Institutional Revenue	7,500	0.05	546	620	(11.9)	546	620	(11.9)	(1.2)
Interest (a) (b)	122,100	0.76	26,284	32,946	(20.2)	26,284	32,946	(20.2)	(35.5)
Dividends and Rent	300	0.00	23	31	(25.8)	23	31	(25.8)	(19.6)
Fines, Forfeitures & Fees (a)	229,700	1.43	17,770	18,335	(3.1)	17,770	18,335	(3.1)	4.2
Other Revenue	3,900	0.02	1,005	157	540.1	1,005	157	540.1	(61.5)
Excess Fees	(28,100)	(0.17)	(1,904)	(3,174)	40.0	(1,904)	(3,174)	40.0	(15.4)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	10,300	0.06	645	874	(26.2)	645	874	(26.2)	2.1
Total Other Revenues (a)	\$347,900	2.16	\$44,408	\$49,839	(10.9)	\$44,408	\$49,839	(10.9)	(16.0)
Total General Fund Revenues	\$16,089,900	100.00	\$1,126,900	\$1,095,565	2.9	\$1,126,900	\$1,095,565	2.9	2.0

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

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

(b) Interest will be allocated in accordance with Section 3-3.04 of Chapter 879, 2008 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2008 and 2009
(Dollars in Thousands)

	FY 2009 Estimate (a)	July		Year-To-Date		% Annual Growth Required By Estimate
		FY 2009	FY 2008	FY 2009	FY 2008	
			%		%	
Lottery Collections						
Win for Life	\$33,336	\$2,894	\$2,806	3.1	\$2,806	3.1
Cash 5	28,734	2,387	2,367	0.8	2,367	0.8
Pick 4	189,580	15,463	15,406	0.4	15,406	0.4
Pick 3	269,995	21,324	22,156	(3.8)	22,156	(3.8)
Mega Millions	146,653	13,276	11,013	20.5	11,013	20.5
Fast Play	16,716	1,088	822	32.4	822	32.4
Raffle	15,400	0	0	-	0	-
Scratch	698,637	55,108	55,293	(0.3)	55,293	(0.3)
Gross Lottery Revenue	1,399,051	111,540	109,863	1.5	109,863	1.5
Expenses (c)	938,051	75,067 (d)	73,735	1.8	73,735	1.8
Net Lottery Ticket Profits	\$461,000	\$36,473 (d)	\$36,128	1.0	\$36,128	1.0

(a) Estimate established in Chapter 879, 2008 Virginia Acts of Assembly.

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

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

Commonwealth of Virginia/Department of Accounts
 Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
 Summary Statement of Selected Revenue Estimates & Collections

For the Fiscal Years 2008 and 2009
 (Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	July		Year-To-Date		% Annual Growth Required By Estimate	
			FY 2009	FY 2008	FY 2009	FY 2008		
				Change		Change		
Motor Fuel Taxes	\$902,000	23.56	\$8,570	\$3,999	\$8,570	\$3,999	114.3	4.5
Priority Transportation Fund (PTF) (a)	159,500	4.17	3,760	0	3,760	0	-	-
Motor Vehicle Sales and Use Tax	609,300	15.92	45,560	51,090	45,560	51,090	(10.8)	6.3
State Sales and Use Tax	540,100	14.11	46,313	48,023	46,313	48,023	(3.6)	2.9
Motor Vehicle License Fees	258,200	6.75	22,767	20,220	22,767	20,220	12.6	6.6
International Registration Plan	66,600	1.74	5,538	3,749	5,538	3,749	47.7	(10.1)
Recordation Tax (b)	45,900	1.20	3,843	0	3,843	0	-	-
Interest Earnings	37,200	0.97	17	21	17	21	(19.0)	(40.1)
Misc. Taxes, Fees, and Revenues	15,800	0.41	1,060	993	1,060	993	6.7	6.0
Total State Taxes and Fees	\$2,634,600	68.83	\$137,428	\$128,095	\$137,428	\$128,095	7.3	11.0

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

(a) A new revenue stream, Insurance Premiums Tax, is included in the Fiscal Year 2009 Transportation Trust Fund Revenue Forecast. As there were no collections for insurance premiums tax recorded in the Transportation Trust Fund during Fiscal Year 2008, a comparison of the total "Priority Transportation Fund (PTF)" between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "PTF Motor Fuels" and "PTF Insurance Premiums Tax" line items on page 5 for the detailed information pertaining to the "Priority Transportation Trust Fund (PTF)" line item.

(b) New revenue streams for Recordation Tax are included in the Fiscal Year 2009 Highway Maintenance and Operating Fund and the Transportation Trust Fund Revenue Estimates, respectively. As there were no collections for recordation taxes recorded in these funds during Fiscal Year 2008, a comparison between Fiscal Years 2008 and 2009 may not be appropriate. Refer to the "Recordation Tax (1 cent)" and "Recordation Tax (2 cents)" line items on page 5 for the detailed information pertaining to the "Recordation Tax" line item.

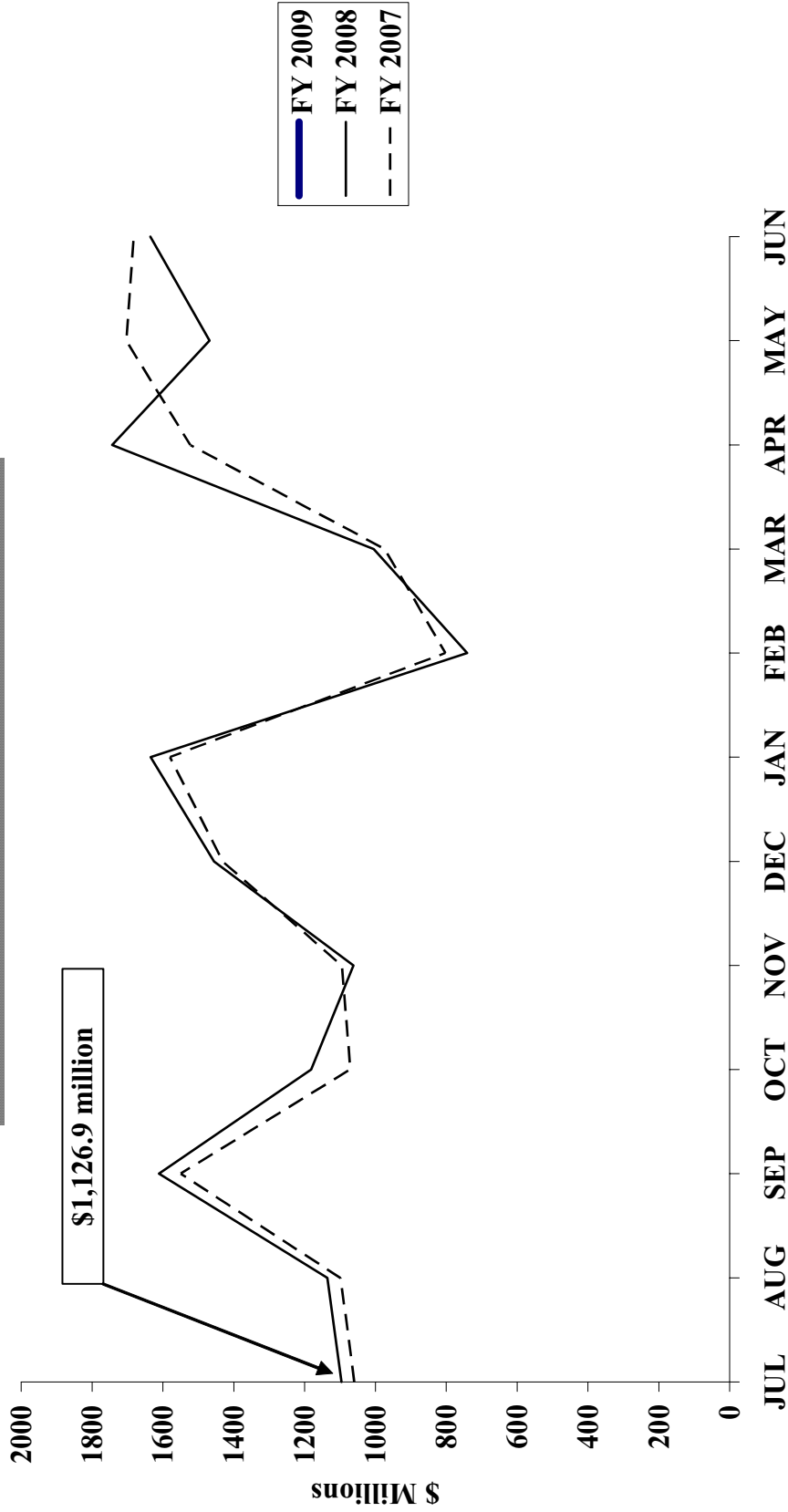
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2008 and 2009
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund		July		% Change		Year-To-Date		% Annual Growth Required By Est
		FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	
HIGHWAY MAINTENANCE AND OPERATING FUND:										
Motor Fuel Taxes (Includes Road Tax)	\$777,800	20.32	\$3,170	\$7,624	\$3,170	140.5	\$7,624	\$3,170	140.5	5.0
Motor Vehicle Sales and Use Tax	374,500	9.78	31,240	27,847	31,240	(10.9)	27,847	31,240	(10.9)	5.5
Motor Vehicle License Fees	236,300	6.18	20,757	20,757	18,479	12.3	20,757	18,479	12.3	7.0
International Registration Plan	66,600	1.74	5,538	5,538	3,749	47.7	5,538	3,749	47.7	(10.1)
Recordation Tax (1 cent) (a)	15,300	0.40	0	1,281	0	-	1,281	0	-	-
Misc. Taxes, Fees, and Revenues	15,800	0.41	993	1,060	993	6.7	1,060	993	6.7	6.0
Total State Taxes and Fees	\$1,486,300	38.83	\$57,631	\$64,107	\$57,631	11.2	\$64,107	\$57,631	11.2	5.7
Other Revenues:										
Federal Grants and Contracts	\$0	0.00	\$606	\$3,940	\$606	550.2	\$3,940	\$606	550.2	(100.0)
Miscellaneous Revenues	19,605	0.51	1,516	682	1,516	(55.0)	682	1,516	(55.0)	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.06	100,000	100,000	100,000	0.0	100,000	100,000	0.0	45.0
Total Highway Maintenance and Operating Fund	\$1,890,875	49.40	\$159,753	\$168,729	\$159,753	5.6	\$168,729	\$159,753	5.6	10.2
TRANSPORTATION TRUST FUND:										
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$124,200	3.24	\$829	\$946	\$829	14.1	\$946	\$829	14.1	1.5
PTF Motor Fuels	20,000	0.52	0	2,000	0	-	2,000	0	-	0.0
PTF Insurance Premiums Tax (a)	139,500	3.65	0	1,760	0	-	1,760	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	234,800	6.14	17,713	17,713	19,850	(10.8)	17,713	19,850	(10.8)	7.7
State Sales and Use Tax	540,100	14.11	46,313	46,313	48,023	(3.6)	46,313	48,023	(3.6)	2.9
Motor Vehicle License Fees	21,900	0.57	2,010	2,010	1,741	15.5	2,010	1,741	15.5	2.6
Recordation Tax (2 cents) (a)	30,600	0.80	0	2,562	0	-	2,562	0	-	-
Interest Earnings	37,200	0.97	17	17	21	(19.0)	17	21	(19.0)	(40.1)
Total State Taxes and Fees	\$1,148,300	30.00	\$70,464	\$73,321	\$70,464	4.1	\$73,321	\$70,464	4.1	18.5
Other Revenues:										
Federal Grants and Contracts	\$938,474	24.52	\$86,281	\$62,055	\$86,281	(28.1)	\$62,055	\$86,281	(28.1)	9.7
Receipts from Cities/Counties	97,299	2.54	6,410	6,410	7,298	(12.2)	6,410	7,298	(12.2)	114.4
Toll Revenues (Includes Route 28)	106,041	2.77	6,433	6,433	7,661	(16.0)	6,433	7,661	(16.0)	(18.3)
Miscellaneous Revenues	31,806	0.83	1,258	1,258	1,470	(14.4)	1,258	1,470	(14.4)	115.1
Total Other Revenues	\$1,173,620	30.66	\$102,710	\$76,156	\$102,710	(25.9)	\$76,156	\$102,710	(25.9)	12.2
Transfer (to) / from Highway Maintenance and Operating Fund	(\$384,970)	(10.06)	(\$100,000)	(\$100,000)	(\$100,000)	0.0	(\$100,000)	(\$100,000)	0.0	(45.0)
Total Transportation Trust Fund	\$1,936,950	50.60	\$73,174	\$49,477	\$73,174	(32.4)	\$49,477	\$73,174	(32.4)	10.8
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,827,825	100.00	\$232,927	\$218,206	\$232,927	(6.3)	\$218,206	\$232,927	(6.3)	10.5

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

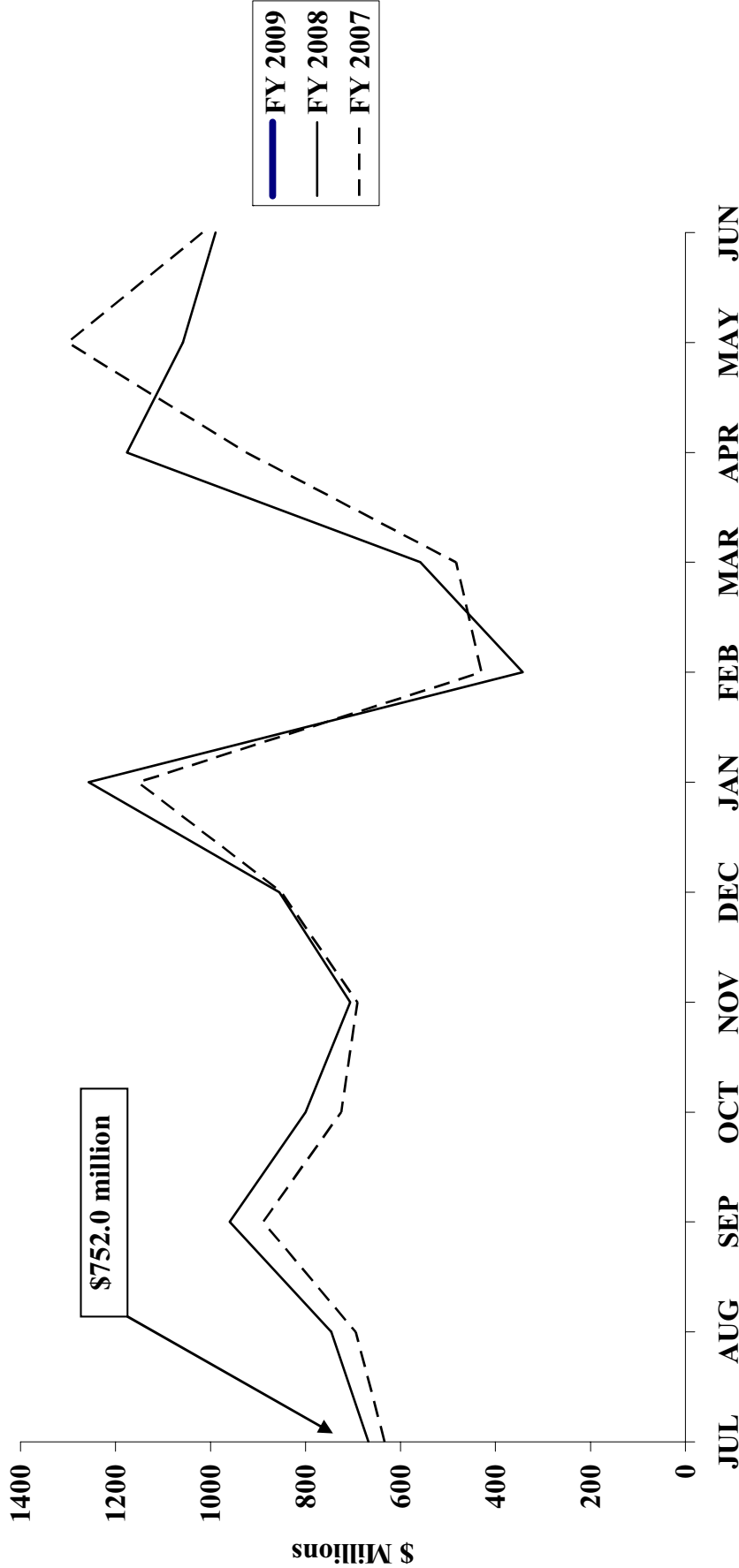
(a) These line items were added to the Fiscal Year 2009 Revenue Forecast. Since there were no collections for these line items during Fiscal Year 2008, the Monthly and Year-To-Date % Change columns do not provide comparable data.

Total General Fund Revenues



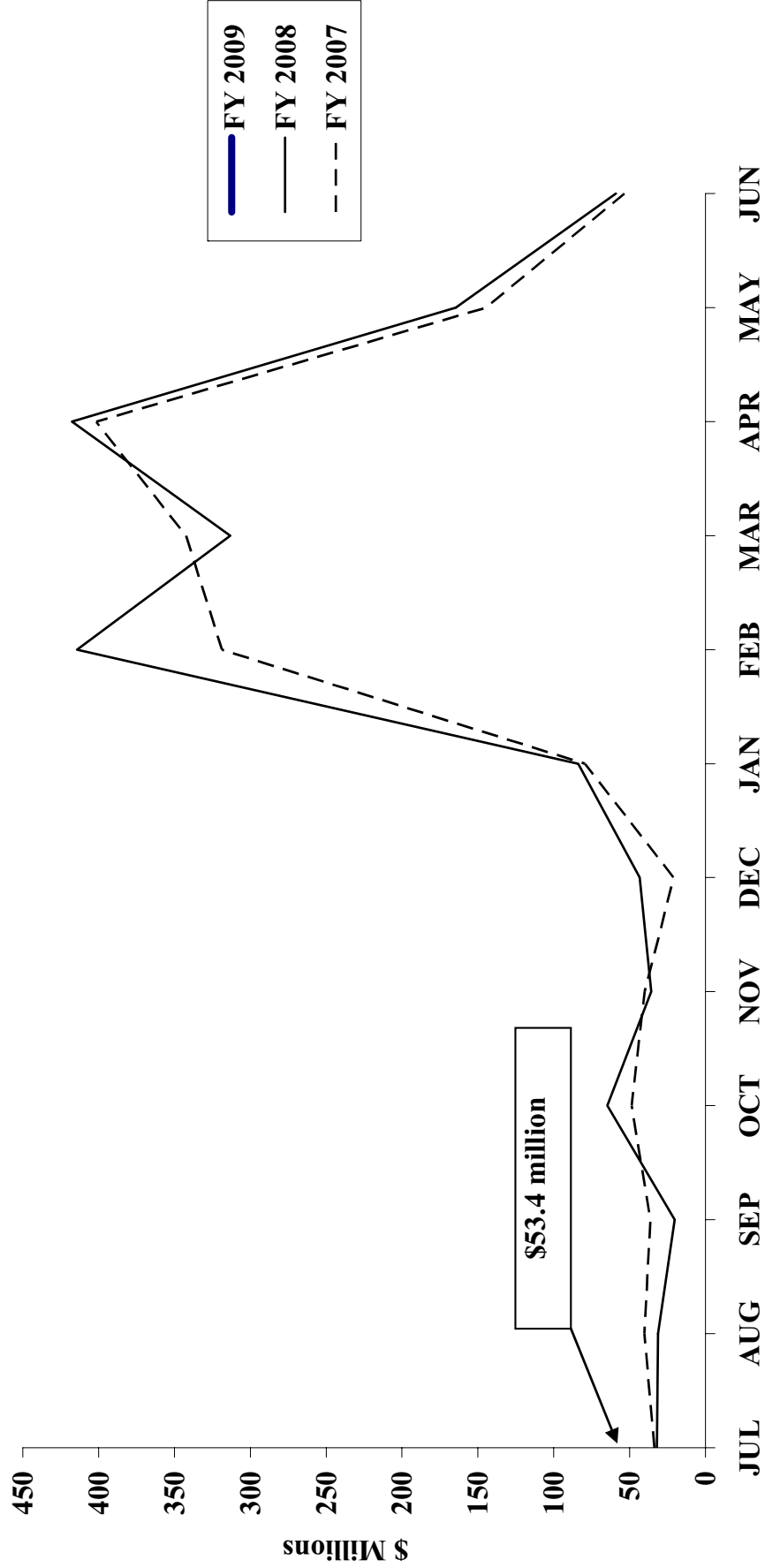
FY 2007 Actual = \$15,565.8 Million
FY 2008 Actual = \$15,766.9 Million
FY 2009 Estimate = \$16,089.9 Million

Net Individual Income Tax



FY 2007 Actual = \$9,787.6 Million
FY 2008 Actual = \$10,114.8 Million
FY 2009 Estimate = \$10,776.9 Million

Individual and Fiduciary Income Tax Refunds



FY 2007 Actual = \$1,559.8 Million
FY 2008 Actual = \$1,679.9 Million
FY 2009 Estimate = \$1,786.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2009
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2008	\$4,914.2	3.16%	\$1,812.2	-3.54%	\$6,726.4	1.35%
August						
September						
October						
November						
December						
January, 2009						
February						
March						
April						
May						
June						
Year-to-Date Average	\$4,914.2	3.16%	\$1,812.2	-3.54%	\$6,726.4	1.35%

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

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2009**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$1,014,870,245	\$0	\$0	\$0	\$1,014,870,245
August					
September					
October					
November					
December					
January					
February					
March					
April					
May					
June					

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