



The Interim Economic Outlook and Revenue Forecast through Fiscal Year 2018

Prepared by the Virginia Department of Taxation
for Review by the
Governor's Advisory Council on Revenue Estimates

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Preface

As stipulated by Virginia Code section 2.2-1503.3, *“within five business days after the preliminary close of the Commonwealth's accounts at the end of each fiscal year, the State Comptroller shall submit to the Governor a comparison of the total of individual income, corporate income, and sales taxes collected for the fiscal year, with the totals of such taxes included in the official budget estimate for the fiscal year. If the comparison indicates that the total collection of such taxes as shown in the preliminary close is 1.0 percent or more below the total amount of such taxes as included in the official budget estimate for the fiscal year, the Governor shall prepare a re-estimate of general fund revenues for the current biennium and the next biennium in accordance with the provisions”* of Virginia Code section 2.2-1503.

Preliminary fiscal year 2014 revenue collections exceeded the revenue collection threshold as stipulated in section 2.2-1503.3. One of the provisions of section 2.2-1503 is that the Governor's estimate of general fund revenues shall be based on a *“review by an advisory council of revenue estimates with respect to economic assumptions and the general economic climate of the Commonwealth”*.

As part of the revenue re-estimation process, the Joint Advisory Board of Economists (JABE) met on July 9 to discuss two economic scenarios: the IHS Economics' May standard and alternative pessimistic outlooks. The consensus of the Board was that the economic forecast for the U.S. should be the May standard and Virginia should be somewhere between the standard and pessimistic outlooks. JABE's recommendations have been incorporated into a low growth forecast labeled throughout this publication as the JABE pessimistic forecast.

The purpose of this interim meeting of the Governor's Advisory Council on Revenue Estimates is to evaluate and recommend an updated “most probable” path for the Virginia economy. Following this meeting, an interim revenue forecast will be released in August which will reflect your recommendations.

Section 1 of this book contains summaries of IHS Economics' May standard and national outlook.

Section 2 contains summaries of the May Standard and JABE pessimistic forecast developed by the Department of Taxation.

Section 3 reviews preliminary fiscal year 2014 revenue collections and the interim general fund revenue forecasts.

Historical and forecast economic data are contained in Appendix A. Appendix B is a history of general fund revenue collections.

U.S. Economy

This section examines the outlook for the national economy for fiscal years 2014 through 2016. Tables 1 and 2 compare the IHS Economics November 2013 standard forecast, on which Virginia's official economic and revenue forecasts were based, with the May 2014 standard forecast.

Growth was slower than expected in the first quarter of 2014, largely due to bad winter weather; however, large one-time data anomalies from the fourth quarter of 2013 and slower-than-expected organic growth (largely confined to the housing and computer sectors) also contributed. Real natural gas spending rose in the first quarter due to cold weather, but this will be reversed in the second quarter. Health care expenditures also jumped, but are expected to resume its lower, trend growth rate. Exports contributed to the weakness, but are expected to grow strongly in the second quarter. Home sales were affected by the weather and difficult lending conditions. Most indicators suggest that underlying fundamentals are sound, and growth should pick up over the year.

IHS Economics U.S. Standard Forecast

Real GDP fell at an annualized rate of 1.0 percent in the first quarter of 2014 after rising 4.1 percent in the third quarter of 2013 and 2.6 percent in the fourth quarter. In its standard May forecast, IHS Economics expects GDP to continue this saw-tooth pattern with growth of 3.5 percent in the second quarter and growth averaging 2.8 percent over the remainder of the year. Real GDP is forecast to rise 2.4 percent in fiscal year 2014, 2.7 percent in fiscal year 2015 and 3.4 percent in fiscal year 2016. This compares to 2.1, 2.8 and 3.2 percent in the November official forecast.

The sluggish labor market seems to be gaining momentum – payroll employment increased by 288,000 jobs in April. The labor market is expected to slowly improve with growth of 1.7 percent in fiscal year 2014, 1.9 percent in fiscal year 2015 and 2.0 percent in fiscal year 2016, just slightly faster than the official forecast. The unemployment rate is expected to slowly fall from 6.8 percent in fiscal year 2014 to 6.3 percent in fiscal year 2015 and 5.8 percent in fiscal year 2016.

Personal income growth slowed from 3.7 percent in fiscal year 2013 to 3.1 percent in fiscal year 2014. IHS expects income growth to rise to 4.5 percent in fiscal year 2015 and 5.4 percent in fiscal year 2016. Growth is lower than the official forecast in fiscal years 2014 and 2015, and higher in 2016. Growth in the largest component of personal income, wages and salaries, is expected to rise from 3.3 percent in fiscal year 2014 to 4.6 percent and 5.3 percent in fiscal years 2015 and 2016.

Consumer spending grew 3.0 percent in the first quarter of 2014, with the growth driven by a weather-related surge in spending on natural gas and an increase in health care consumption. IHS expects this to return to trend in the second quarter, with consumer

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spending rising 2.4 percent in fiscal year 2014, 2.8 percent in 2015, and 3.3 percent in fiscal year 2016.

Business equipment spending was weak in the first quarter, particularly in computers. First-quarter sales of computers were the second lowest since 1996. IHS expects this to be at least partially reversed in the second quarter.

The weak housing market remains a drag on the recovery. New and existing home sales were affected by the weather and difficult lending conditions over the first quarter. Reasonable mortgage rates, improving job growth and rising house prices should contribute to the housing recovery.

IHS Economics expects that U.S. crude oil export regulations will be liberalized in 2016, resulting in a significant improvement in the U.S. net exports position from higher exports. They have also increased the forecast for oil prices and expect higher prices to spur additional domestic production and economic growth by reducing oil imports.

Since December, the Federal Reserve has been reducing monthly purchases of treasury securities and mortgage-backed securities in \$10 billion increments. IHS expects the tapering process to be completed at the end of 2014. They expect the Fed's policy of nearly zero short-term interest rates to end in the latter half of 2015.

Table 1 - Fiscal Years 2011-2016 Official and May Forecasts
 U.S. Economic Forecasts - Income and Other Indicators

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Output, Income, and Spending (% Change)</u>							
Real GDP	Official (Nov '13)	2.4	2.4	2.0	2.1	2.8	3.2
	May Standard	2.4	2.4	2.0	2.4	2.7	3.4
Total Personal Income	Official (Nov '13)	5.3	4.7	3.7	3.6	4.8	4.9
	May Standard	5.3	4.7	3.7	3.1	4.5	5.4
Wages and Salaries (50%)	Official (Nov '13)	3.9	3.7	3.9	3.2	4.9	5.1
	May Standard	3.9	3.7	4.0	3.3	4.6	5.3
Average Wage	Official (Nov '13)	3.2	2.1	2.2	1.6	3.1	3.2
	May Standard	3.2	2.1	2.3	1.5	2.7	3.2
Real Consumer Spending	Official (Nov '13)	2.7	2.3	2.0	2.0	2.8	2.7
	May Standard	2.7	2.3	2.0	2.4	2.8	3.3
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Nov '13)	0.1	0.0	0.1	0.1	0.1	1.2
	May Standard	0.1	0.0	0.1	0.0	0.1	1.2
30-Year Treasury Bonds	Official (Nov '13)	4.2	3.2	3.0	3.8	4.1	4.4
	May Standard	4.2	3.2	3.0	3.7	4.0	4.4
<u>Prices (% Change)</u>							
CPI	Official (Nov '13)	2.0	2.9	1.7	1.3	1.6	1.9
	May Standard	2.0	2.9	1.7	1.5	2.0	1.3
GDP Deflator	Official (Nov '13)	1.8	1.9	1.6	1.4	1.7	1.7
	May Standard	1.8	1.9	1.6	1.4	1.9	1.6

The Official forecast is based on IHS Economics' November 2013 U.S. standard forecast.

The May Standard forecast from the Department of Taxation is based on IHS Economics' May 2014 U.S. standard forecast.

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Table 2 - Fiscal Years 2011-2016 Official and May Forecasts
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '13)	0.6	1.6	1.6	1.6	1.7	1.8
	May Standard	0.6	1.6	1.6	1.7	1.9	2.0
Construction (6%)	Official (Nov '13)	(2.9)	2.0	2.1	3.0	7.0	10.1
	May Standard	(2.9)	2.0	2.4	3.3	5.4	10.1
Manufacturing (9%)	Official (Nov '13)	0.8	1.8	1.0	0.8	2.4	1.5
	May Standard	0.8	1.8	1.2	0.6	1.6	1.6
Trade, Transportation, and Utilities (19%)	Official (Nov '13)	0.8	1.9	1.7	1.7	1.0	1.2
	May Standard	0.8	1.9	1.3	1.9	1.7	1.0
Financial Activities (6%)	Official (Nov '13)	(0.7)	0.7	1.3	0.8	0.1	(0.2)
	May Standard	(0.7)	0.7	1.2	0.9	0.9	0.2
Professional and Business Services (14%)	Official (Nov '13)	3.1	3.6	3.3	3.5	4.1	4.1
	May Standard	3.1	3.6	3.4	3.7	4.4	4.6
Education and Health Services (15%)	Official (Nov '13)	1.7	2.1	2.0	1.5	1.1	1.7
	May Standard	1.6	2.1	2.1	1.7	1.6	2.4
Leisure and Hospitality (10%)	Official (Nov '13)	1.4	2.9	2.8	2.7	1.4	0.8
	May Standard	1.4	2.9	3.2	3.2	1.9	0.9
Government (16%)	Official (Nov '13)	(1.3)	(1.4)	(0.4)	0.1	0.6	0.6
	May Standard	(1.3)	(1.4)	(0.4)	(0.1)	0.5	0.6
Unemployment Rate (%)	Official (Nov '13)	9.3	8.5	7.8	7.1	6.6	6.1
	May Standard	9.3	8.5	7.8	6.8	6.3	5.8

The Official forecast is based on IHS Economics' November 2013 U.S. standard forecast.

The May Standard forecast from the Department of Taxation is based on IHS Economics' May 2014 U.S. standard forecast.

Section 2 The Virginia Economy

This section examines the outlook for the Virginia economy for fiscal years 2014 through 2016. Tables 3 and 4 compare the official forecast, based on IHS Economics' November 2013 standard U.S. forecast, with the May 2014 standard and JABE pessimistic forecasts. The May 2014 standard forecast is based on IHS Economics' May 2014 standard U.S. forecast and the Department of Taxation's Virginia regional econometric model. The JABE pessimistic forecast is also based on IHS Economics' May 2014 standard U.S. forecast and includes the recommendations of the JABE participants. Table 5 provides an overview of regional employment in Virginia under the standard scenario, while Table 6 depicts the JABE pessimistic scenario.

The Virginia Standard Forecast

The government shutdown and the debt-ceiling discussions in late 2013 exacerbated the fiscal drag that has been dampening Virginia's economy for three years. Virginia's employment growth, which had been close to 1 percent and below average since early 2011, weakened further late in 2013 and in the first half of 2014. Federal government cutbacks impact jobs, income, household spending, and business planning in the Commonwealth.

In the official forecast for fiscal year 2014, employment in Virginia was expected to grow at a slower pace than in fiscal year 2013 and to underperform the U.S. by 0.6 percentage points. Personal income was also expected to weaken slightly. The official forecast also expected employment and income growth to accelerate in fiscal year's 2015 and 2016.

Table 3 shows the Virginia economic forecasts for employment and the labor markets. In the May standard forecast, revised data show fiscal year 2013 grew 1.0 percent and is forecast to advance a meager 0.4 percent for fiscal year 2014. Stronger gains of 1.3 percent and 1.7 percent are forecast for fiscal years 2015 and 2016. In fiscal years 2015 and 2016, the main employment drivers are forecast to occur in construction, as housing gains momentum, manufacturing and professional and business services.

Total personal income increased 3.0 percent in fiscal year 2013 and is estimated to increase 1.6 percent in fiscal year 2014. The slowdown in fiscal year 2014 is driven by weak gains in wages and salaries and a continued decline in net transfer payments. In fiscal year 2014, Virginia's wages and salaries are forecast to increase 1.1 percent, which is 2.2 percent lower than the U.S. In fiscal year 2015, as the Virginia economy gains traction, personal income is forecast to increase 4.8 percent – the strongest growth since fiscal year 2011. In fiscal year 2016, total personal income continues expanding at a healthy rate of 4.4 percent.

The Virginia JABE Pessimistic Forecast

In the Virginia JABE pessimistic alternative forecast, economic growth weakly advances, as the federal fiscal tightening effects linger longer and are more damaging to the economy than assumed in the May standard forecast. Employment growth increases slightly to 0.7 percent in fiscal year 2015 which is about half of the growth rate forecast under the November standard forecast. In fiscal year 2016, Virginia employment increases 1.4 percent – the strongest since fiscal year 2006.

Total personal income grows 3.7 percent in fiscal year 2015 and 3.8 percent in fiscal year 2016. Wages and salaries are expected to grow 3.2 percent and 3.6 percent in fiscal years 2015 and 2016. These growth rates average 0.7 percentage points below the November standard forecast.

Table 3 - Fiscal Years 2011-2016 Official, May Standard and JABE Pessimistic Forecasts

Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Nov '13)	1.1	1.2	1.3	1.0	1.5	1.7
	May Standard	1.1	1.2	1.0	0.4	1.3	1.7
	JABE Pessimistic					0.7	1.4
Construction and Mining (5%)	Official (Nov '13)	(1.1)	(1.9)	1.7	3.0	3.7	5.3
	May Standard	(1.1)	(1.9)	(1.0)	0.7	5.1	5.2
	JABE Pessimistic					2.5	3.6
Manufacturing (6%)	Official (Nov '13)	(1.3)	0.7	0.1	(0.1)	1.9	1.7
	May Standard	(1.3)	0.6	(0.1)	(0.4)	1.7	1.7
	JABE Pessimistic					(0.9)	1.3
Trade, Transportation, and Utilities (17%)	Official (Nov '13)	1.1	0.9	1.1	0.9	0.6	0.7
	May Standard	1.1	0.9	0.5	0.8	0.3	0.6
	JABE Pessimistic					0.8	0.6
Financial Activities (5%)	Official (Nov '13)	1.4	2.5	3.2	(1.0)	0.2	(0.1)
	May Standard	1.4	2.6	3.0	1.4	1.0	(0.1)
	JABE Pessimistic					0.8	(0.1)
Professional and Business Services (18%)	Official (Nov '13)	2.9	2.0	0.8	1.0	2.7	3.2
	May Standard	2.9	2.0	1.3	(1.8)	1.8	3.2
	JABE Pessimistic					1.0	3.0
Education and Health Services (13%)	Official (Nov '13)	2.1	1.6	2.3	1.4	1.2	2.0
	May Standard	2.2	1.3	3.0	2.8	1.8	2.0
	JABE Pessimistic					1.8	2.0
Leisure and Hospitality (10%)	Official (Nov '13)	1.8	2.5	3.1	0.1	1.5	0.9
	May Standard	1.8	2.5	2.5	1.0	1.1	0.9
	JABE Pessimistic					1.6	0.9
Government (19%)	Official (Nov '13)	0.3	0.9	0.5	(0.1)	1.7	1.4
	May Standard	0.3	0.8	(0.2)	(0.0)	1.1	1.4
	JABE Pessimistic					(0.2)	1.1
Unemployment Rate (%)	Official (Nov '13)	6.7	6.2	5.6	5.0	4.9	4.8
	May Standard	6.7	6.2	5.7	5.2	4.9	4.8
	JABE Pessimistic					4.9	4.8

The Official forecast is based on IHS Economics' November 2013 U.S. standard forecast.

The May Standard forecast from the Department of Taxation is based on IHS Economics' May 2014 U.S. standard forecast.

The JABE Pessimistic forecast from the Department of Taxation is based on recommendations from the JABE participants.

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Table 4 - Fiscal Years 2011-2016 Official, May Standard and JABE Pessimistic Forecasts

Virginia Economic Forecasts - Income

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Income (% Change)</u>							
Total Personal Income	Official (Nov '13)	5.1	4.7	3.0	2.9	4.3	4.4
	May Standard	5.1	4.7	3.0	1.6	4.8	4.4
	JABE Pessimistic					3.7	3.8
Wages and Salaries (53%)	Official (Nov '13)	3.4	2.7	3.0	2.6	4.0	4.2
	May Standard	3.4	2.7	2.9	1.1	4.2	4.2
	JABE Pessimistic					3.2	3.6
Average Wage	Official (Nov '13)	2.3	1.5	1.7	1.6	2.5	2.5
	May Standard	2.3	1.5	1.8	0.8	2.9	2.5
	JABE Pessimistic					2.5	2.1
Dividends, Interest, and Rent (20%)	Official (Nov '13)	7.3	7.9	4.8	4.7	5.1	4.5
	May Standard	7.3	7.9	4.7	4.2	4.7	4.5
	JABE Pessimistic					4.7	4.5
Supplements to Wages and Salaries (12%)	Official (Nov '13)	0.3	2.0	2.5	2.1	4.5	6.9
	May Standard	0.3	2.0	2.4	1.1	4.5	6.9
	JABE Pessimistic					4.5	6.9
Proprietor's Income (7%)	Official (Nov '13)	11.1	13.4	6.7	3.8	2.1	0.7
	May Standard	11.1	13.4	6.7	11.0	(3.7)	0.7
	JABE Pessimistic					2.4	0.7
Net Transfer Payments (6%)	Official (Nov '13)	16.4	9.5	(2.2)	(1.6)	7.2	4.5
	May Standard	16.4	9.5	(2.0)	(0.8)	10.8	4.6
	JABE Pessimistic					5.5	1.0

The Official forecast is based on IHS Economics' November 2013 U.S. standard forecast.

The May Standard forecast from the Department of Taxation is based on IHS Economics' May 2014 U.S. standard forecast.

The JABE Pessimistic forecast from the Department of Taxation is based recommendations from the JABE participants.

Table 5 - Fiscal Years 2011-2016 May Standard Forecast
Virginia Economic Forecast - Regional Employment

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Region by Sector (% Change)</u>							
Northern Virginia (37%) *	Total Nonagricultural Employment	2.0	1.9	1.5	0.4	1.3	1.7
	Construction and Mining (5%) **	0.1	(0.0)	0.5	3.4	3.0	(0.1)
	Trade, Transportation, and Utilities (15%)	1.8	1.3	0.8	0.8	0.5	0.7
	Financial Activities (5%)	1.5	1.1	2.9	1.7	1.7	0.1
	Professional and Business Services (28%)	3.2	2.6	1.1	(1.3)	1.8	2.6
	Education and Health Services (10%)	3.4	3.4	2.7	1.3	1.2	2.5
	Leisure and Hospitality (9%)	3.2	3.7	3.7	0.9	0.6	1.1
	Government (17%)	1.2	1.0	1.1	0.9	2.3	2.4
Hampton Roads (20%)	Total Nonagricultural Employment	0.1	0.6	1.2	0.4	1.6	1.6
	Construction and Mining (5%)	(2.5)	(4.5)	0.4	(1.7)	5.2	9.4
	Trade, Transportation, and Utilities (17%)	0.2	(0.6)	(0.1)	1.3	0.7	0.8
	Financial Activities (5%)	0.2	1.2	1.6	(2.9)	(1.3)	(0.3)
	Professional and Business Services (13%)	0.5	0.8	2.3	(0.4)	3.7	4.4
	Education and Health Services (13%)	2.4	2.8	3.7	3.9	2.0	1.8
	Leisure and Hospitality (12%)	0.6	0.2	1.1	0.9	1.8	0.8
	Government (21%)	(0.1)	0.8	(1.0)	(0.9)	1.2	0.4
Richmond (17%)	Total Nonagricultural Employment	0.8	1.9	1.9	1.7	1.9	1.9
	Construction and Mining (6%)	(2.2)	(0.9)	2.9	4.1	7.3	6.5
	Trade, Transportation, and Utilities (18%)	1.1	2.1	2.8	2.0	0.4	1.1
	Financial Activities (7%)	1.0	5.9	4.0	2.4	1.0	(0.2)
	Professional and Business Services (16%)	3.9	2.7	1.7	(0.5)	2.1	3.3
	Education and Health Services (14%)	0.9	3.2	3.1	2.3	1.8	2.2
	Leisure and Hospitality (9%)	1.7	5.5	3.4	3.1	3.2	0.9
	Government (19%)	(0.1)	0.1	(0.9)	0.8	1.4	1.9
Balance (27%)	Total Nonagricultural Employment	0.8	0.3	(0.1)	(0.4)	0.7	1.5
	Construction and Mining (5%)	(0.8)	(3.2)	(6.2)	(3.5)	6.5	8.8
	Trade, Transportation, and Utilities (19%)	0.8	1.0	(1.0)	(0.5)	(0.1)	0.2
	Financial Activities (4%)	3.1	3.0	3.1	3.9	1.9	(0.3)
	Professional and Business Services (10%)	3.4	0.4	0.8	(6.3)	(0.4)	4.1
	Education and Health Services (15%)	1.7	(2.7)	2.6	3.9	2.3	1.6
	Leisure and Hospitality (9%)	1.1	1.5	1.6	(0.2)	(0.3)	0.8
	Government (20%)	(0.1)	0.9	(0.8)	(1.0)	(0.6)	0.6

The May Standard forecast from the Department of Taxation is based on IHS Economics' May 2014 U.S. standard forecast.

* Represents the percentage share of Virginia in fiscal year 2013.

** Represents the percentage share of total employment within the region in fiscal year 2013.

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Table 6 - Fiscal Years 2011-2016 May JABE Pessimistic Scenario
Virginia Economic Forecast - Regional Employment

		<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<u>Region by Sector (% Change)</u>							
Northern Virginia (37%) *	Total Nonagricultural Employment	2.0	1.9	1.5	0.4	0.6	1.4
	Construction and Mining (5%) **	0.1	(0.0)	0.5	3.4	1.6	(1.5)
	Trade, Transportation, and Utilities (15%)	1.8	1.3	0.8	0.8	1.4	0.7
	Financial Activities (5%)	1.5	1.1	2.9	1.7	1.7	0.1
	Professional and Business Services (28%)	3.2	2.6	1.1	(1.3)	0.8	2.3
	Education and Health Services (10%)	3.4	3.4	2.7	1.3	1.2	2.5
	Leisure and Hospitality (9%)	3.2	3.7	3.7	0.9	2.2	1.0
	Government (17%)	1.2	1.0	1.1	0.9	(0.1)	1.6
Hampton Roads (20%)	Total Nonagricultural Employment	0.1	0.6	1.2	0.4	0.9	1.3
	Construction and Mining (5%)	(2.5)	(4.5)	0.4	(1.7)	3.8	3.9
	Trade, Transportation, and Utilities (17%)	0.2	(0.6)	(0.1)	1.3	0.7	0.8
	Financial Activities (5%)	0.2	1.2	1.6	(2.9)	(1.3)	(0.3)
	Professional and Business Services (13%)	0.5	0.8	2.3	(0.4)	2.0	4.2
	Education and Health Services (13%)	2.4	2.8	3.7	3.9	2.0	1.8
	Leisure and Hospitality (12%)	0.6	0.2	1.1	0.9	1.8	0.8
	Government (21%)	(0.1)	0.8	(1.0)	(0.9)	0.5	0.4
Richmond (17%)	Total Nonagricultural Employment	0.8	1.9	1.9	1.7	1.4	1.8
	Construction and Mining (6%)	(2.2)	(0.9)	2.9	4.1	5.0	6.6
	Trade, Transportation, and Utilities (18%)	1.1	2.1	2.8	2.0	0.4	1.1
	Financial Activities (7%)	1.0	5.9	4.0	2.4	1.0	(0.2)
	Professional and Business Services (16%)	3.9	2.7	1.7	(0.5)	2.1	3.3
	Education and Health Services (14%)	0.9	3.2	3.1	2.3	1.8	2.2
	Leisure and Hospitality (9%)	1.7	5.5	3.4	3.1	3.2	0.9
	Government (19%)	(0.1)	0.1	(0.9)	0.8	0.1	1.5
Balance (27%)	Total Nonagricultural Employment	0.8	0.3	(0.1)	(0.4)	0.1	1.4
	Construction and Mining (5%)	(0.8)	(3.2)	(6.2)	(3.5)	1.1	8.5
	Trade, Transportation, and Utilities (19%)	0.8	1.0	(1.0)	(0.5)	0.4	0.2
	Financial Activities (4%)	3.1	3.0	3.1	3.9	0.6	(0.3)
	Professional and Business Services (9%)	3.4	0.4	0.8	(6.3)	(0.4)	4.1
	Education and Health Services (15%)	1.7	(2.7)	2.6	3.9	2.3	1.6
	Leisure and Hospitality (9%)	1.1	1.5	1.6	(0.2)	(0.3)	0.8
	Government (21%)	(0.1)	0.9	(0.8)	(1.0)	(1.0)	0.6

The JABE Pessimistic forecast from the Department of Taxation is based recommendations from the JABE participants.

* Represents the percentage share of Virginia in fiscal year 2013.

** Represents the percentage share of total employment within the region in fiscal year 2013.

Section 3 General Fund Revenues

General Fund Revenues

This section reviews general fund revenue collections for fiscal year 2014, comparing preliminary actual results with the official forecast for the year. Following this review, two revised general fund revenue forecasts are presented, the interim standard forecast and the JABE pessimistic forecast. The interim standard forecast is based on the updated economic outlook presented in the first two sections – the May 2014 standard forecast for the U.S. and Virginia. The basis for the alternative forecast is the May 2014 pessimistic scenario for Virginia, with upward adjustments to employment and income as recommended by the Governor’s Joint Advisory Board of Economists (JABE). The official forecast is based on the November 2013 IHS Economics’ standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and reflects actions of the 2014 General Assembly. All revenue data are preliminary.

Fiscal Year 2014 in Review (Preliminary)

In fiscal year 2014, total general fund revenues fell 1.6 percent to \$16,410.9 million, falling short of the official forecast (1.0 percent growth) by \$438.5 million. This marks the first time that revenues have declined outside of a national recession. Adjusting for the accelerated sales tax program, total revenues fell 0.6 percent, trailing the economic-base forecast of 2.1 percent growth.

All major sources except the insurance premiums tax and individual income tax refunds contributed to the deficit, however, collections of individual nonwithholding accounted for most of the shortfall in fiscal year 2014. Collections in this source were \$401.1 million below the estimate, a variance of -13.7 percent. Payroll withholding and sales tax collections, 83 percent of total revenues and closely related to economic activity, finished a combined 0.6 percent below forecast. Taken together, the two sources were \$78.9 million behind the forecast. Two major sources contributed positively to collections. Individual refunds were \$51.3 million lower than forecast, a net positive for the Commonwealth, and insurance premiums taxes finished the year with a \$31.0 million surplus. Collectively, the five major sources ended the year \$476.8 million below the forecast (2.9 percent variance). Also, collections of miscellaneous taxes and other revenues were \$38.3 million ahead of the forecast in fiscal year 2014 (5.8 percent variance).

Table 3.1 on the next page compares actual revenues for fiscal year 2014 with the official forecast. The official revenue forecast was based on the November 2013 IHS Economics’ standard U.S. forecast, the corresponding Virginia economic forecast developed by the Department of Taxation, historical revenue collections data, and actions of the 2014 General Assembly.

General Fund Revenues

Preliminary
Table 3.1
Fiscal Year 2014 General Fund Collections: Actual and Forecast
(Dollars in Millions)

	Fiscal Year 2013		Fiscal Year 2014					
	Actual	% Growth	Official Forecast	Actual Preliminary	Forecast Dollars	Variance Percent	% Growth Over FY 13	
							Official	Preliminary
MAJOR TAX SOURCES								
Corporate Income	\$ 796.7	(7.3) %	\$ 769.9	\$ 757.5	\$ (12.4)	(1.6) %	(3.4) %	(4.9) %
Individual Income Tax:								
Gross	13,059.0	5.3	13,476.2	13,009.2	(467.0)	(3.5)	3.2	(0.4)
Withholding	10,251.3	2.1	10,550.2	10,484.2	(66.0)	(0.6)	2.9	2.3
Nonwithholding	2,807.7	19.1	2,926.0	2,524.9	(401.1)	(13.7)	4.2	(10.1)
Refunds	<u>(1,719.1)</u>	<u>(3.7)</u>	<u>(1,807.1)</u>	<u>(1,755.8)</u>	<u>51.3</u>	<u>(2.8)</u>	<u>5.1</u>	<u>2.1</u>
Net	11,340.0	6.9	11,669.1	11,253.4	(415.7)	(3.6)	2.9	(0.8)
Insurance Company Premiums	262.2	3.7	289.4	320.4	31.0	10.7	10.4	22.2
State Sales & Use Tax	3,219.8	3.1	3,079.4	3,066.5	(12.9)	(0.4)	(4.4)	(4.8)
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>17.2</u>	<u>377.5</u>	<u>310.8</u>	<u>(66.7)</u>	<u>(17.7)</u>	<u>0.0</u>	<u>(17.7)</u>
Total Major Tax Sources	\$ 15,996.2	5.5 %	\$ 16,185.3	\$ 15,708.5	\$ (476.8)	(2.9) %	1.2 %	(1.8) %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 152.9	6.6 %	\$ 154.5	\$ 157.4	\$ 2.9	1.9 %	1.1 %	3.0 %
Bank Franchise Tax	20.4	8.3	20.0	22.5	2.5	12.7	(2.2)	10.3
Beer & Beverage Excise Tax	42.3	(1.6)	42.3	41.8	(0.5)	(1.1)	(0.0)	(1.2)
Corporate Franchise & Charter Fees	47.1	11.3	47.9	50.2	2.3	4.8	1.7	6.6
Excess & Other Fees from Officers	(10.8)	(24.6)	(9.4)	(7.1)	2.3	(24.2)	13.0	34.0
Estate & Gifts	(0.3)	(189.9)	0.0	0.2	0.2	n/a	(100.0)	(173.1)
Institutional Revenues	5.7	(2.5)	5.6	5.6	0.0	0.8	(1.7)	(0.9)
Interest & Rents	67.8	(12.5)	50.3	74.3	24.0	47.6	(25.9)	9.5
Licenses & Permits	4.2	(1.6)	4.3	4.0	(0.3)	(6.3)	3.0	(3.4)
Miscellaneous Taxes and Penalties	224.2	0.4	218.4	222.2	3.8	1.8	(2.6)	(0.9)
Other Miscellaneous Revenues	38.7	17.9	32.5	33.0	0.5	1.6	(15.9)	(14.6)
Public Service GR / Consumption Tax	<u>96.2</u>	<u>1.9</u>	<u>97.7</u>	<u>98.2</u>	<u>0.5</u>	<u>0.5</u>	<u>1.5</u>	<u>2.0</u>
Total Misc. Taxes and Other Revenues	\$ 688.4	1.6 %	\$ 664.1	\$ 702.4	\$ 38.3	5.8 %	(3.5) %	2.0 %
TOTAL GF REVENUES	\$ 16,684.6	5.3 %	\$ 16,849.4	\$ 16,410.9	\$ (438.5)	(2.6) %	1.0 %	(1.6) %

The Official forecast is based on the November 2013 IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 1.

Individual Income Taxes

Collections of net individual income taxes (69 percent of total revenues) fell 0.8 percent in fiscal year 2014, trailing the annual forecast of 2.9 percent growth. Receipts of \$11,253.4 million were \$415.7 million below the official estimate, a variance of 3.6 percent from the forecast. Although refunds were lower than expected, both withholding and nonwithholding fell short of their estimates, with nonwithholding accounting for the bulk of the shortfall.

Withholding: In fiscal year 2014, withholding receipts (64 percent of total revenues) increased 2.3 percent, trailing the forecast growth rate of 2.9 percent. Collections of \$10,484.2 million were \$66.0 million below the forecast, a forecast variance of -0.6 percent. Payroll withholding for the public sector has been slowing, while payments by federal contractors declined 2.6 percent in fiscal year 2013 and 6.4 percent in fiscal year 2014.

Nonwithholding: Collections of individual nonwithholding (15 percent of total revenues) fell 10.1 percent in fiscal year 2014, far below the annual forecast of 4.2 percent growth. Receipts of \$2,524.9 million were \$401.1 million below the annual estimate, a forecast variance of -13.7 percent.

The annual deficit in nonwithholding was a result of lower-than-expected individual final payments, which fell by 23.5 percent compared with expectations of no growth. These payments are historically tied to non-wage income sources – mainly the financial markets. Despite record breaking increases in the stock market, it appears that the uncertainty of the federal fiscal cliff in December 2012/January 2013 shifted more realized capital gains from 2013 into 2012 than expected.

Refunds: Individual income tax refunds totaled \$1,755.8 million in fiscal year 2014, \$51.3 million less than expected. They rose by 2.1 percent compared with the forecast of 5.1 percent growth. During the main filing season of January through June, TAX issued 2.6 million refunds, about the same number as last year. The average check size was down 3% (\$549 versus \$566).

Sales Taxes

Collections of sales and use taxes (19 percent of total revenues) were \$3,066.5 million in fiscal year 2014, \$12.9 million below the forecast, a forecast variance of 0.4 percent. Collections fell 4.8 percent for the year compared with the forecast of a 4.4 percent decline. Adjusting for accelerated sales tax payments received in June, sales tax collections grew 0.6 percent in fiscal year 2014, compared with the economic-base forecast of a 1.6 percent increase. Monthly growth rates were below the annual forecast in 6 out of the 12 months as Virginia consumers have shown restraint in the face of federal government layoffs and spending cuts.

General Fund Revenues

Corporate Income Taxes

Corporate income tax collections (5 percent of total revenues), historically the most volatile revenue source, fell short of the forecast. Collections of \$757.5 million were \$12.4 million below expectations, a forecast variance of 1.6 percent. The fiscal year decrease of 4.9 percent trailed the forecast of a 3.4 percent decline.

Wills, Suits, Deeds, and Contract Fees

Wills, Suits, Deeds, and Contract Fees (2 percent of total revenues), of which the primary component is the recordation tax, were well behind the forecast in fiscal year 2014. The sluggish recovery of the housing market slowed recordation receipts and caused a deficit in this source of \$66.7 million, a variance of -17.7 percent. Collections finished the year at \$310.8 million, a 17.7 percent drop from fiscal year 2013 and far below the official forecast of 0.0 percent growth.

Insurance Premiums Taxes

One major source to see a surplus, collections of taxes on the premiums of insurance companies (2 percent of total revenues) were \$320.4 million in fiscal year 2014 – \$31.0 million above the annual estimate. Growth in the commercial real estate market and improving home values led to a rebound in insurance premiums tax collections.

Miscellaneous Taxes and Other Revenues

Collectively, minor revenue sources finished the fiscal year \$38.3 million above the annual forecast. Collections of \$702.4 million were 2.0 percent above fiscal year 2013, and ahead of the forecast of a 3.5 percent decline. Most minor sources finished the year at or above forecast.

The Revised General Fund Revenue Forecast for Fiscal Years 2014-2016

Section 2.2-1503.3 of the *Code of Virginia* requires a re-estimate of general fund revenues if the sum of collections of net individual income, sales, and corporate income tax are 1.0 percent or more below the official forecast. Based on the sum of the three sources for fiscal year 2014, the 1.0 percent threshold is equal to \$155.2 million. Actual collections in these sources finished \$441.1 million below the official forecast in fiscal year 2014.

Two forecasts are presented for your consideration, the interim standard forecast based on the May standard economic scenario and the JABE pessimistic forecast based on the May pessimistic scenario adjusted per JABE recommendations. The JABE met July 9, 2014 to discuss the economic outlook for fiscal years 2015-2016. JABE considered the May standard and alternative pessimistic economic forecasts. Members considered the Virginia standard forecast to be too optimistic, but most agreed that employment and income growth in the pessimistic alternative forecast were too low. Recommendations from the Board were

incorporated into the pessimistic scenario which serves as the basis for the JABE pessimistic forecast.

The Interim Standard Forecast for Fiscal Years 2015 - 2018

Table 3.2 on the following pages provides a comparison of the interim standard revenue forecast with the official forecast. The official forecast is based on the November 2013 IHS Economics' U.S. standard outlook and the corresponding Virginia forecast developed by the Department of Taxation. It reflects adjustments by the 2014 General Assembly, Chapter 2. The official forecast also serves as the basis for the current Appropriations Act.

In the interim standard forecast, total general fund revenues have been decreased by \$576.5 million in fiscal year 2015. The reduction from the official forecast comes mainly from a downward revision to individual nonwithholding. Revenues are now expected to grow by 4.5 percent in fiscal year 2015, compared with 5.2 percent in the official forecast.

The 2014-2016 biennium has been reduced by \$1.3 billion from the official estimate. Growth in fiscal year 2016 is now expected to be 3.7 percent compared with 4.1 percent in the official forecast. Following is an analysis of the interim standard general fund revenue forecast. The revised forecast focuses exclusively on the five major revenue sources.

Net Individual Income Taxes

The outlook for net individual income taxes in fiscal year 2015 has been revised downward from the official forecast, as the projected increase is expected to be \$491.3 million less than the official forecast in fiscal year 2015.

Withholding

The withholding revenue model is based on a direct relationship with wages and salaries (53 percent of total personal income) and net transfer payments (6 percent of total personal income) in Virginia. Withholding in the interim standard forecast has been lowered by \$67.5 million in fiscal year 2015 for growth of 4.5 percent. Withholding collections are projected to increase by 4.2 percent in fiscal year 2016.

Nonwithholding

The revenue model for nonwithholding considers estimated and final payments independently. Estimated payments are modeled as a function of total proprietor's income, dividends, interest, and rental income, and the S&P 500 index, while final payments are driven solely by growth in the S&P 500 index.

Due to the significant shortfall in nonwithholding in fiscal year 2014, this source accounts for most of the reduction in general fund revenues in the interim forecast. The interim standard forecast for nonwithholding in fiscal year 2015 lowers growth from 9.7

General Fund Revenues

percent to 7.7 percent, resulting in a \$489.9 million reduction from the official forecast. The forecast predicts 3.0 percent growth in fiscal year 2016, half that of the official forecast.

Refunds

The forecast methodology for individual refunds relies on the revised outlook for withholding and nonwithholding, comparing taxable year individual income tax with taxable year refunds for the first and second half of a taxable year. Historic data are adjusted for the land preservation tax credit and the low-income credit. Future values of these credits are estimated and these amounts are added to the base refund forecast.

In the interim standard revenue forecast, individual refunds are projected to grow 3.6 percent in fiscal year 2015 compared with the official forecast of a 4.3 percent increase. The interim forecast takes \$66.0 million from refunds in fiscal year 2015, reflecting the downward revision to individual withholding taxes. Land preservation credits are projected to be \$100 million each year, below last year's level of \$112.5 million. The outlook for low income credits is \$115 million in fiscal year 2015, and \$100 million in fiscal year 2016.

Sales

The sales tax revenue model is based on a direct relationship with total personal income in Virginia. The interim standard forecast for sales tax collections was reduced by only \$8.5 million in fiscal year 2015 for growth of 4.4 percent. Growth in this source is expected to be 4.4 percent in fiscal year 2016.

Corporate

The corporate revenue model considers gross payments and refunds separately. Gross payments are modeled as a function of Virginia specific pre-tax corporate profits and the S&P 500 index. The interim standard forecast lowers corporate income tax collections by \$72.4 million from the official forecast in fiscal year 2015. Collections are expected to fall by 1.8 percent in fiscal year 2015 and rise by 1.1 percent in 2016.

Wills, Suits, Deeds, and Contracts (Recordation)

The revenue model for wills, suits, deeds and contracts is based on mortgage originations and median home prices in Virginia, along with the yield on 30-year treasury bonds. The outlook for recordation taxes drives the other components of this source. Growth in this source has seen double-digit decreases for the last six months. The interim standard forecast for collections in this source is 1.2 percent growth, a downward revision of \$63.0 million. The estimate assumes no growth over the forecast horizon.

Insurance

Collections in this source rose by 22.2 percent in fiscal year 2014, and finished the year with a \$31.0 million surplus. Based on higher collections, the interim standard forecast for insurance premiums is for growth of 9.1 percent in fiscal year 2015, an increase of \$58.8 million. The model calls for a 3.8 percent decline in fiscal year 2016.

General Fund Revenues

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Table 3.2

The Official to Interim Standard General Fund Forecast for Fiscal Year 2015

(Dollars in Millions)

August 1, 2014

	Fiscal Year 2015				
	Official	Interim STD	Change	% Growth Over FY 14	
	Forecast	Forecast		Official	Interim STD
MAJOR TAX SOURCES					
Corporate Income	\$ 816.6	\$ 744.2	\$ (72.4)	6.1 %	(1.8) %
Individual Income Tax:					
Gross	14,234.8	13,677.5	(557.3)	5.6	5.1
Withholding	11,025.6	10,958.1	(67.5)	4.5	4.5
Nonwithholding	3,209.3	2,719.4	(489.9)	9.7	7.7
Refunds	(1,885.0)	(1,819.0)	66.0	4.3	3.6
Net	12,349.8	11,858.5	(491.3)	5.8	5.4
Insurance Company Premiums	290.9	349.7	58.8	0.5	9.1
State Sales & Use Tax	3,211.4	3,202.9	(8.5)	4.3	4.4
Wills, Suits, Deeds, & Contract Fees	377.5	314.5	(63.0)	0.0	1.2
Total Major Tax Sources	\$ 17,046.3	\$ 16,469.8	\$ (576.5)	5.3 %	4.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 156.5	\$ 0.0	1.3 %	(0.6) %
Bank Franchise Tax	20.0	20.0	0.0	0.0	(11.3)
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.1
Corporate Franchise & Charter Fees	47.9	47.9	0.0	0.0	(4.6)
Excess & Other Fees from Officers	(9.4)	(9.4)	0.0	0.0	31.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.6	0.0	0.0	(0.8)
Interest & Rents	60.4	60.4	0.0	20.1	(18.7)
Licenses & Permits	4.3	4.3	0.0	0.0	6.7
Miscellaneous Taxes and Penalties	218.9	218.9	0.0	0.2	(1.5)
Other Miscellaneous Revenues	31.4	31.4	0.0	(3.4)	(4.9)
Public Service GR / Consumption Tax	97.7	97.7	0.0	0.0	(0.5)
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 675.6	\$ 0.0	1.7 %	(3.8) %
TOTAL GF REVENUES	\$ 17,721.9	\$ 17,145.4	\$ (576.5)	5.2 %	4.5 %

The Interim Standard forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations. The Official forecast is based on the November 2013 IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

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Table 3.2
The Official to Interim Standard General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

August 1, 2014

	Fiscal Year 2016						2014-2016 Biennium		
	Official	Interim STD	Change	% Growth Over FY 15		Official	Interim STD	Change	
	Forecast	Forecast		Official	Interim STD	Forecast	Forecast		
MAJOR TAX SOURCES									
Corporate Income	\$ 827.7	\$ 752.1	\$ (75.6)	1.4 %	1.1 %	\$ 1,644.3	\$ 1,496.3	\$ (148.0)	
Individual Income Tax:									
Gross	14,906.2	14,216.6	(689.6)	4.7	3.9	29,141.0	27,894.1	(1,246.9)	
Withholding	11,504.6	11,414.6	(90.0)	4.3	4.2	22,530.1	22,372.7	(157.4)	
Nonwithholding	3,401.6	2,802.0	(599.6)	6.0	3.0	6,610.9	5,521.4	(1,089.5)	
Refunds	<u>(1,965.0)</u>	<u>(1,884.5)</u>	<u>80.5</u>	<u>4.2</u>	<u>3.6</u>	<u>(3,850.0)</u>	<u>(3,703.5)</u>	<u>146.5</u>	
Net	12,941.2	12,332.1	(609.1)	4.8	4.0	25,291.0	24,190.6	(1,100.4)	
Insurance Company Premiums	303.1	336.6	33.4	4.2	(3.8)	594.1	686.3	92.2	
State Sales & Use Tax	3,303.5	3,344.1	40.6	2.9	4.4	6,515.0	6,547.0	32.0	
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>314.5</u>	<u>(63.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>755.0</u>	<u>629.0</u>	<u>(126.0)</u>	
Total Major Tax Sources	\$ 17,753.0	\$ 17,079.4	\$ (673.6)	4.1 %	3.7 %	\$ 34,799.3	\$ 33,549.2	\$ (1,250.2)	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 0.0	1.7 %	1.7 %	\$ 315.7	\$ 315.7	\$ 0.0	
Bank Franchise Tax	20.0	20.0	0.0	0.0	0.0	40.0	40.0	0.0	
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	0.0	84.6	84.6	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	(9.4)	(9.4)	0.0	0.0	0.0	(18.8)	(18.8)	0.0	
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a	
Institutional Revenues	5.6	5.6	0.0	0.0	0.0	11.2	11.2	0.0	
Interest & Rents	65.4	65.4	0.0	8.3	8.3	125.8	125.8	0.0	
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0	
Miscellaneous Taxes and Penalties	220.3	220.3	0.0	0.6	0.6	439.2	439.2	0.0	
Other Miscellaneous Revenues	42.3	42.3	0.0	34.7	34.7	73.7	73.7	0.0	
Public Service GR / Consumption Tax	<u>97.7</u>	<u>97.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>195.4</u>	<u>0.0</u>	
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 695.6	\$ 0.0	3.0 %	3.0 %	\$ 1,371.2	\$ 1,371.2	\$ 0.0	
TOTAL GF REVENUES	\$ 18,448.6	\$ 17,775.0	\$ (673.6)	4.1 %	3.7 %	\$ 36,170.5	\$ 34,920.4	\$ (1,250.2)	

The Interim Standard forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations.

The Official forecast is based on the November 2013 IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

The Official and December General Fund sales tax forecast includes a reduction of \$49.0m and \$47.2m for the 0.05% transfer to the HMOF, respectively.

The December and Official sales tax forecast includes a \$111.6m reduction and corresponding increase in the Transfers Sales Tax of 0.125% to total 0.375% per HB2313

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Table 3.2

The Interim Standard General Fund Forecast for Fiscal Years 2017-2018

(Dollars in Millions)

August 1, 2014

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	December Forecast	% Growth Over FY 16	December Forecast	% Growth Over FY 17	December Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 764.9	1.7 %	\$ 757.4	(1.0) %	\$ 1,522.3	1.7 %
Individual Income Tax:						
Gross	15,152.1	6.6	15,891.3	4.9	31,043.4	11.3
Withholding	11,925.5	4.5	12,430.3	4.2	24,355.8	8.9
Nonwithholding	3,226.6	15.2	3,461.0	7.3	6,687.6	21.1
Refunds	(1,952.3)	3.6	(2,022.6)	3.6	(3,974.9)	7.3
Net	13,199.8	7.0	13,868.7	5.1	27,068.5	11.9
Insurance Company Premiums	357.0	6.1	376.4	5.4	733.4	6.9
State Sales & Use Tax	3,448.3	3.1	3,610.3	4.7	7,058.6	7.8
Wills, Suits, Deeds, & Contract Fees	314.5	0.0	314.5	0.0	629.0	0.0
Total Major Tax Sources	\$ 18,084.5	5.9 %	\$ 18,927.3	4.7 %	\$ 37,011.8	10.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 159.2	0.0 %	\$ 159.2	0.0 %	\$ 318.4	0.9 %
Bank Franchise Tax	16.0	(20.0)	16.0	0.0	32.0	(20.0)
Beer & Beverage Excise Tax	43.0	1.7	43.0	0.0	86.0	1.7
Corporate Franchise & Charter Fees	47.9	0.0	47.9	0.0	95.8	0.0
Excess & Other Fees from Officers	(8.7)	(7.4)	(8.7)	0.0	(17.4)	(7.4)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.7	1.8	5.7	0.0	11.4	1.8
Interest & Rents	60.3	(7.8)	60.3	0.0	120.6	(4.1)
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	0.0
Miscellaneous Taxes and Penalties	223.2	1.3	223.5	0.1	446.7	1.7
Other Miscellaneous Revenues	26.0	(38.5)	26.0	0.0	52.0	(29.4)
Public Service GR / Consumption Tax	93.9	(3.9)	93.9	0.0	187.8	(3.9)
Total Misc. Taxes and Other Revenues	\$ 670.8	(3.6) %	\$ 671.1	0.0 %	\$ 1,341.9	(2.1) %
TOTAL GF REVENUES	\$ 18,755.3	5.5 %	\$ 19,598.4	4.5 %	\$ 38,353.7	9.8 %

The Interim Standard forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations.

This forecast includes the sales tax diversion to the Commonwealth Transportation Fund as passed in HB2313 2013 without the impact for the federal Marketplace Fairness Act.

JABE Pessimistic General Fund Revenue Forecast

Table 3.3 at the end of this section compares the official and the JABE pessimistic general fund forecast. The JABE pessimistic scenario reduces the forecast by \$794.5 million in fiscal year 2015, as growth falls from a 5.2 percent increase in the official forecast to a 3.1 percent increase. The alternative forecast projects total revenue growth of 2.9 percent in fiscal year 2016. The JABE pessimistic forecast reduces projected revenue by \$1.8 billion over the biennium.

Net Individual Income Taxes

In the JABE pessimistic forecast, the outlook for net individual income taxes in fiscal year 2015 has been revised downward from the official forecast, as the projected increase is expected to be \$648.3 million less than the official forecast in fiscal year 2015 and \$872.9 million less in fiscal year 2016.

Withholding

The withholding revenue model is based on a direct relationship with wages and salaries (53 percent of total personal income) and net transfer payments (6 percent of total personal income) in Virginia. Withholding in the JABE pessimistic forecast has been lowered by \$190.3 million in fiscal year 2015 for growth of 3.3 percent, compared with the official forecast of 4.5 percent growth. Under this scenario, withholding collections are projected to increase by 3.4 percent in fiscal year 2016.

Nonwithholding

The revenue model for nonwithholding considers estimated and final payments independently. Estimated payments are modeled as a function of total proprietor's income, dividends, interest, and rental income, and the S&P 500 index, while final payments are driven solely by growth in the S&P 500 index.

Due to the shortfall in nonwithholding in fiscal year 2014, reductions in this source provide most of the reduction in general fund revenues in the pessimistic forecast. The JABE pessimistic forecast for nonwithholding in fiscal year 2015 lowers growth from 9.7 percent to 6.3 percent, resulting in a \$524.1 million reduction from the official forecast. The forecast predicts 2.3 percent growth in fiscal year 2016, compared with 6.0 percent growth in the official forecast.

Refunds

The forecast methodology for individual refunds relies on the revised outlook for withholding and nonwithholding, comparing taxable year individual income tax with taxable year refunds for the first and second half of a taxable year. Historic data are adjusted for the land preservation tax credit and the low-income credit. Future values of these credits are estimated and these amounts are added to the base refund forecast.

General Fund Revenues

In the JABE pessimistic revenue forecast, individual refunds are projected to grow 3.6 percent in fiscal year 2015 compared with the official forecast of a 4.3 percent increase. The forecast takes \$66.0 million from refunds in fiscal year 2015, reflecting the downward revision to individual withholding taxes. Land preservation credits are projected to be \$100 million each year, below last year's level of \$112.5 million. The outlook for low income credits is \$115 million in fiscal year 2015, and \$100 million in fiscal year 2016.

Sales

The sales tax revenue model is based on a direct relationship with total personal income in Virginia. The JABE pessimistic forecast for sales tax collections reduces the official forecast by \$58.9 million in fiscal year 2015 for growth of 2.8 percent. Growth in this source is expected to be 3.6 percent in fiscal year 2016.

Corporate

The corporate revenue model considers gross payments and refunds separately. Gross payments are modeled as a function of Virginia specific pre-tax corporate profits and the S&P 500 index. The JABE pessimistic forecast lowers corporate income tax collections by \$77.7 million from the official forecast in fiscal year 2015. Collections are expected to fall by 2.5 percent in fiscal year 2015 and rise by 0.7 percent in 2016.

Wills, Suits, Deeds, and Contracts (Recordation)

The revenue model for wills, suits, deeds and contracts is based on refinancing activity and median home prices in Virginia, along with the yield on 30-year treasury bonds. The outlook for recordation taxes drives the other components of this source. Growth in this source has seen double-digit decreases for the last six months. The JABE pessimistic forecast for collections in this source is the same as the interim standard -- 1.2 percent growth, a downward revision of \$63.0 million. The estimate assumes no growth over the forecast horizon.

Insurance

Collections in this source rose by 22.2 percent in fiscal year 2014, and finished the year with a \$31.0 million surplus. Based on higher collections, the JABE pessimistic forecast for insurance premiums is for growth of 7.5 percent in fiscal year 2015, an increase of \$53.5 million. The model calls for a 4.1 percent decline in fiscal year 2016.

*** Governor's Confidential Working Papers ***

Table 3.3
The Official and May JABE Pessimistic General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

August 1, 2014

	Fiscal Year 2015				
	Official	JABE	Change	% Growth Over FY 14	
	Forecast	Forecast		Official	JABE
MAJOR TAX SOURCES					
Corporate Income	\$ 816.6	\$ 738.9	\$ (77.7)	6.1 %	(2.5) %
Individual Income Tax:					
Gross	14,234.8	13,520.5	(714.3)	5.6	3.9
Withholding	11,025.6	10,835.3	(190.3)	4.5	3.3
Nonwithholding	3,209.3	2,685.2	(524.1)	9.7	6.3
Refunds	<u>(1,885.0)</u>	<u>(1,819.0)</u>	<u>66.0</u>	<u>4.3</u>	<u>3.6</u>
Net	12,349.8	11,701.5	(648.3)	5.8	4.0
Insurance Company Premiums	290.9	344.4	53.5	0.5	7.5
State Sales & Use Tax	3,211.4	3,152.5	(58.9)	4.3	2.8
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>314.5</u>	<u>(63.0)</u>	<u>0.0</u>	<u>1.2</u>
Total Major Tax Sources	\$ 17,046.3	\$ 16,251.8	\$ (794.5)	5.3 %	3.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 156.5	\$ 0.0	1.3 %	(0.6) %
Bank Franchise Tax	20.0	20.0	0.0	0.0	(11.3)
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.1
Corporate Franchise & Charter Fees	47.9	47.9	0.0	0.0	(4.6)
Excess & Other Fees from Officers	(9.4)	(9.4)	0.0	0.0	31.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.6	0.0	0.0	(0.8)
Interest & Rents	60.4	60.4	0.0	20.1	(18.7)
Licenses & Permits	4.3	4.3	0.0	0.0	6.7
Miscellaneous Taxes and Penalties	218.9	218.9	0.0	0.2	(1.5)
Other Miscellaneous Revenues	31.4	31.4	0.0	(3.4)	(4.9)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>97.7</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.5)</u>
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 675.6	\$ 0.0	1.7 %	(3.8) %
TOTAL GF REVENUES	\$ 17,721.9	\$ 16,927.4	\$ (794.5)	5.2 %	3.1 %

The JABE Interim Pessimistic forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations. The Official forecast is based on the November 2013 IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

General Fund Revenues

*** Governor's Confidential Working Papers ***

Table 3.3
The Official to May JABE Pessimistic General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

August 1, 2014

	Fiscal Year 2016					2014-2016 Biennium		
	Official Forecast	JABE Forecast	Change	% Growth Over FY 15 Official	% Growth Over FY 15 JABE	Official Forecast	JABE Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 827.7	\$ 744.2	\$ (83.5)	1.4 %	0.7 %	\$ 1,644.3	\$ 1,483.1	\$ (161.2)
Individual Income Tax:								
Gross	14,906.2	13,952.8	(953.4)	4.7	3.2	29,141.0	27,473.3	(1,667.7)
Withholding	11,504.6	11,205.5	(299.1)	4.3	3.4	22,530.1	22,040.8	(489.3)
Nonwithholding	3,401.6	2,747.3	(654.3)	6.0	2.3	6,610.9	5,432.5	(1,178.4)
Refunds	<u>(1,965.0)</u>	<u>(1,884.5)</u>	<u>80.5</u>	<u>4.2</u>	<u>3.6</u>	<u>(3,850.0)</u>	<u>(3,703.5)</u>	<u>146.5</u>
Net	12,941.2	12,068.3	(872.9)	4.8	3.1	25,291.0	23,769.8	(1,521.2)
Insurance Company Premiums	303.1	330.2	27.1	4.2	(4.1)	594.1	674.6	80.6
State Sales & Use Tax	3,303.5	3,265.5	(38.0)	2.9	3.6	6,515.0	6,418.0	(97.0)
Wills, Suits, Deeds, & Contract Fees	<u>377.5</u>	<u>314.5</u>	<u>(63.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>755.0</u>	<u>629.0</u>	<u>(126.0)</u>
Total Major Tax Sources	\$ 17,753.0	\$ 16,722.7	\$ (1,030.3)	4.1 %	2.9 %	\$ 34,799.3	\$ 32,974.5	\$ (1,824.8)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 0.0	1.7 %	1.7 %	\$ 315.7	\$ 315.7	\$ 0.0
Bank Franchise Tax	20.0	20.0	0.0	0.0	0.0	40.0	40.0	0.0
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	0.0	84.6	84.6	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	(9.4)	(9.4)	0.0	0.0	0.0	(18.8)	(18.8)	0.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	5.6	5.6	0.0	0.0	0.0	11.2	11.2	0.0
Interest & Rents	65.4	65.4	0.0	8.3	8.3	125.8	125.8	0.0
Licenses & Permits	4.3	4.3	0.0	0.0	0.0	8.6	8.6	0.0
Miscellaneous Taxes and Penalties	220.3	220.3	0.0	0.6	0.6	439.2	439.2	0.0
Other Miscellaneous Revenues	42.3	42.3	0.0	34.7	34.7	73.7	73.7	0.0
Public Service GR / Consumption Tax	<u>97.7</u>	<u>97.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>195.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 695.6	\$ 0.0	3.0 %	3.0 %	\$ 1,371.2	\$ 1,371.2	\$ 0.0
TOTAL GF REVENUES	\$ 18,448.6	\$ 17,418.3	\$ (1,030.3)	4.1 %	2.9 %	\$ 36,170.5	\$ 34,345.7	\$ (1,824.8)

The JABE Interim Pessimistic forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations.

The Official forecast is based on the November 2013 IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation. It includes actions of the 2014 General Assembly - Chapter 2 of the Special Session.

The Official and December General Fund sales tax forecast includes a reduction of \$49.0m and \$47.2m for the 0.05% transfer to the HMOF, respectively.

The December and Official sales tax forecast includes a \$111.6m reduction and corresponding increase in the Transfers Sales Tax of 0.125% to total 0.375% per HB2313

General Fund Revenues

*** Governor's Confidential Working Papers ***

Table 3.3

The May JABE Pessimistic General Fund Forecast for Fiscal Years 2017-2018

(Dollars in Millions)

August 1, 2014

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	December Forecast	% Growth Over FY 16	December Forecast	% Growth Over FY 17	December Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 756.7	1.7 %	\$ 749.4	(1.0) %	\$ 1,506.1	1.6 %
Individual Income Tax:						
Gross	14,544.4	4.2	15,159.4	4.2	29,703.8	8.1
Withholding	11,698.1	4.4	12,204.2	4.3	23,902.3	8.4
Nonwithholding	2,846.3	3.6	2,955.2	3.8	5,801.5	6.8
Refunds	<u>(1,952.3)</u>	3.6	<u>(2,022.6)</u>	<u>3.6</u>	<u>(3,974.9)</u>	<u>7.3</u>
Net	12,592.1	4.3	13,136.8	4.3	25,728.9	8.2
Insurance Company Premiums	350.8	6.2	365.0	4.0	715.9	6.1
State Sales & Use Tax	3,343.0	2.4	3,478.1	4.0	6,821.1	6.3
Wills, Suits, Deeds, & Contract Fees	314.5	0.0	314.5	0.0	629.0	0.0
Total Major Tax Sources	<u>\$ 17,357.1</u>	3.8 %	<u>\$ 18,043.8</u>	4.0 %	<u>\$ 35,401.0</u>	7.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 159.2	0.0 %	\$ 159.2	0.0 %	\$ 318.4	0.9 %
Bank Franchise Tax	16.0	(20.0)	16.0	0.0	32.0	(20.0)
Beer & Beverage Excise Tax	43.0	1.7	43.0	0.0	86.0	1.7
Corporate Franchise & Charter Fees	47.9	0.0	47.9	0.0	95.8	0.0
Excess & Other Fees from Officers	(8.7)	(7.4)	(8.7)	0.0	(17.4)	(7.4)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.7	1.8	5.7	0.0	11.4	1.8
Interest & Rents	60.3	(7.8)	60.3	0.0	120.6	(4.1)
Licenses & Permits	4.3	0.0	4.3	0.0	8.6	0.0
Miscellaneous Taxes and Penalties	223.2	1.3	223.5	0.1	446.7	1.7
Other Miscellaneous Revenues	26.0	(38.5)	26.0	0.0	52.0	(29.4)
Public Service GR / Consumption Tax	93.9	(3.9)	93.9	0.0	187.8	(3.9)
Total Misc. Taxes and Other Revenues	<u>\$ 670.8</u>	(3.6) %	<u>\$ 671.1</u>	0.0 %	<u>\$ 1,341.9</u>	(2.1) %
TOTAL GF REVENUES	\$ 18,027.9	3.5 %	\$ 18,714.9	3.8 %	\$ 36,742.9	7.0 %

The JABE Interim Pessimistic forecast is based on the May 2014 IHS Economics US Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which includes the Joint Advisory Board of Economists recommendations.

This forecast includes the sales tax diversion to the Commonwealth Transportation Fund as passed in HB2313 2013 without the impact for the federal Marketplace Fairness Act.

APPENDIX A ECONOMIC DATA

TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	2011.3	2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2	2013.3	2013.4	2014.1	2014.2
Real Gross Domestic Product, Billions \$, SAAR	15,062.1	15,242.1	15,381.6	15,427.7	15,534.0	15,539.6	15,583.9	15,679.7	15,839.3	15,942.3	15,946.6	16,085.0
Annualized % Change	1.4	4.9	3.7	1.2	2.8	0.1	1.1	2.5	4.1	2.6	0.1	3.5
% Change from Prior Year's Quarter	1.5	2.0	3.3	2.8	3.1	2.0	1.3	1.6	2.0	2.6	2.3	2.6
Real Consumer Spending, Billions \$, SAAR	10,311.9	10,373.1	10,447.8	10,496.8	10,541.0	10,584.8	10,644.0	10,691.9	10,744.2	10,831.5	10,912.3	10,980.4
Annualized % Change	2.1	2.4	2.9	1.9	1.7	1.7	2.3	1.8	2.0	3.3	3.0	2.5
% Change from Prior Year's Quarter	2.5	2.0	2.2	2.3	2.2	2.0	1.9	1.9	1.9	2.3	2.5	2.7
U.S. Personal Income, Billions \$, SAAR	13,283.6	13,303.2	13,548.6	13,651.8	13,701.6	14,073.1	13,925.9	14,086.2	14,225.3	14,303.8	14,425.8	14,544.9
Annualized % Change	4.2	0.6	7.6	3.1	1.5	11.3	(4.1)	4.7	4.0	2.2	3.5	3.3
% Change from Prior Year's Quarter	6.3	5.0	4.0	3.8	3.1	5.8	2.8	3.2	3.8	1.6	3.6	3.3
Virginia Personal Income, Millions \$, SAAR	385,079.0	385,229.4	391,302.0	393,324.0	395,287.2	404,107.7	399,266.7	402,232.5	403,459.5	406,564.2	402,041.2	413,780.9
Annualized % Change	4.3	0.2	6.5	2.1	2.0	9.2	(4.7)	3.0	1.2	3.1	(4.4)	12.2
% Change from Prior Year's Quarter	6.4	5.4	4.0	3.2	2.7	4.9	2.0	2.3	2.1	0.6	0.7	2.9
Virginia Wages and Salaries, Millions \$, SAAR	204,601.5	202,942.2	206,803.3	207,130.5	208,466.7	212,531.4	211,828.1	212,069.1	211,716.7	213,886.3	212,855.4	216,135.2
Annualized % Change	5.8	(3.2)	7.8	0.6	2.6	8.0	(1.3)	0.5	(0.7)	4.2	(1.9)	6.3
% Change from Prior Year's Quarter	3.2	1.8	3.2	2.7	1.9	4.7	2.4	2.4	1.6	0.6	0.5	1.9
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	73,826.7	74,861.5	75,422.2	76,596.1	76,673.2	80,543.6	77,865.7	79,819.4	81,085.6	81,295.4	82,366.7	83,242.0
Annualized % Change	5.7	5.7	3.0	6.4	0.4	21.8	(12.7)	10.4	6.5	1.0	5.4	4.3
% Change from Prior Year's Quarter	11.3	9.6	5.9	5.2	3.9	7.6	3.2	4.2	5.8	0.9	5.8	4.3
Virginia Total Proprietor's Income, Millions \$, SAAR	23,882.5	24,130.6	25,459.9	25,421.4	25,459.2	26,118.4	26,813.1	27,106.6	27,441.1	27,565.3	34,496.8	27,650.7
Annualized % Change	11.3	4.2	23.9	(0.6)	0.6	10.8	11.1	4.5	5.0	1.8	145.3	(58.7)
% Change from Prior Year's Quarter	17.1	15.2	12.6	9.3	6.6	8.2	5.3	6.6	7.8	5.5	28.7	2.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	2011.3	2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2	2013.3	2013.4	2014.1	2014.2
Total U.S. Employment, Millions, SA	132.1	132.6	133.4	133.9	134.3	134.9	135.5	136.1	136.6	137.2	137.8	138.5
Annualized % Change	1.3	1.7	2.4	1.3	1.2	1.8	1.9	1.8	1.6	1.8	1.5	2.0
% Change from Prior Year's Quarter	1.3	1.5	1.8	1.7	1.6	1.7	1.6	1.7	1.8	1.8	1.7	1.7
Virginia Total Nonag. Employment, Thousands, SA	3,702.2	3,709.9	3,726.8	3,727.7	3,734.6	3,758.9	3,764.1	3,764.7	3,768.6	3,764.4	3,768.7	3,779.3
Annualized % Change	1.5	0.8	1.8	0.1	0.7	2.6	0.6	0.1	0.4	(0.5)	0.5	1.1
% Change from Prior Year's Quarter	1.2	1.2	1.3	1.1	0.9	1.3	1.0	1.0	0.9	0.1	0.1	0.4
CPI, All Urban, 1982-1984=1.0, SA	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4
Annualized % Change	2.6	1.6	2.1	1.4	1.7	2.4	1.2	0.4	2.2	1.1	1.9	2.8
% Change from Prior Year's Quarter	3.7	3.3	2.8	1.9	1.7	1.9	1.7	1.4	1.5	1.2	1.4	2.0
Refiner's Acquisition Cost of Oil, \$ per Barrel	100.6	104.5	107.6	101.6	97.5	97.3	101.2	99.4	105.3	96.0	97.4	99.1
Quarterly Change	(7.6)	3.9	3.1	(6.0)	(4.1)	(0.2)	3.9	(1.7)	5.8	(9.2)	1.3	1.7
Change from Prior Year's Quarter	26.5	23.0	13.9	(6.6)	(3.1)	(7.2)	(6.5)	(2.2)	7.7	(1.3)	(3.8)	(0.3)
Before-Tax Corporate Profits, Billions \$, SAAR	1,833.1	1,913.6	2,162.1	2,160.0	2,208.5	2,229.5	2,193.1	2,239.7	2,286.6	2,335.6	2,502.7	2,614.1
Annualized % Change	(3.7)	18.8	63.0	(0.4)	9.3	3.9	(6.4)	8.8	8.6	8.9	31.8	19.0
% Change from Prior Year's Quarter	(2.5)	1.5	20.6	16.7	20.5	16.5	1.4	3.7	3.5	4.8	14.1	16.7
S&P 500 Stock Market Index, Level	1,228.1	1,225.7	1,347.4	1,350.4	1,402.2	1,418.2	1,514.5	1,609.8	1,675.3	1,770.4	1,834.3	1,883.8
Annualized % Change	(24.8)	(0.8)	46.1	0.9	16.3	4.6	30.1	27.6	17.3	24.7	15.2	11.2
% Change from Prior Year's Quarter	12.0	1.8	3.4	2.4	14.2	15.7	12.4	19.2	19.5	24.8	21.1	17.0
30-Year Treasury Bonds, Level	3.7	3.0	3.1	2.9	2.7	2.9	3.1	3.1	3.7	3.8	3.7	3.5
Quarterly Change	(0.6)	(0.7)	0.1	(0.2)	(0.2)	0.1	0.3	0.0	0.6	0.1	(0.1)	(0.2)
Change from Prior Year's Quarter	(0.2)	(1.1)	(1.4)	(1.4)	(1.0)	(0.2)	(0.0)	0.2	1.0	0.9	0.5	0.4

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	May Standard Forecast									
	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2	2016.3	2016.4
Real Gross Domestic Product, Billions \$, SAAR	16,191.2	16,310.2	16,436.2	16,570.3	16,718.2	16,862.8	17,010.5	17,153.1	17,304.4	17,465.8
Annualized % Change	2.7	3.0	3.1	3.3	3.6	3.5	3.5	3.4	3.6	3.8
% Change from Prior Year's Quarter	2.2	2.3	3.1	3.0	3.3	3.4	3.5	3.5	3.5	3.6
Real Consumer Spending, Billions \$, SAAR	11,047.3	11,124.9	11,206.3	11,295.0	11,392.4	11,490.2	11,592.1	11,684.7	11,783.2	11,888.3
Annualized % Change	2.5	2.8	3.0	3.2	3.5	3.5	3.6	3.2	3.4	3.6
% Change from Prior Year's Quarter	2.8	2.7	2.7	2.9	3.1	3.3	3.4	3.5	3.4	3.5
U.S. Personal Income, Billions \$, SAAR	14,726.9	14,903.8	15,134.2	15,319.7	15,512.5	15,713.0	15,962.8	16,167.5	16,376.2	16,607.2
Annualized % Change	5.1	4.9	6.3	5.0	5.1	5.3	6.5	5.2	5.3	5.8
% Change from Prior Year's Quarter	3.5	4.2	4.9	5.3	5.3	5.4	5.5	5.5	5.6	5.7
Virginia Personal Income, Millions \$, SAAR	419,503.5	423,496.3	428,574.5	432,181.9	436,500.9	441,093.5	447,746.2	452,606.1	457,300.0	462,934.8
Annualized % Change	5.6	3.9	4.9	3.4	4.1	4.3	6.2	4.4	4.2	5.0
% Change from Prior Year's Quarter	4.0	4.2	6.6	4.4	4.1	4.2	4.5	4.7	4.8	5.0
Virginia Wages and Salaries, Millions \$, SAAR	219,369.5	221,578.4	223,831.2	225,974.8	228,254.1	230,654.8	233,311.3	235,928.5	238,618.2	241,370.3
Annualized % Change	6.1	4.1	4.1	3.9	4.1	4.3	4.7	4.6	4.6	4.7
% Change from Prior Year's Quarter	3.6	3.6	5.2	4.6	4.1	4.1	4.2	4.4	4.5	4.6
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	84,404.9	85,450.8	86,358.3	87,044.1	88,032.8	88,964.3	90,147.8	91,507.3	93,039.9	94,849.9
Annualized % Change	5.7	5.0	4.3	3.2	4.6	4.3	5.4	6.2	6.9	8.0
% Change from Prior Year's Quarter	4.1	5.1	4.8	4.6	4.3	4.1	4.4	5.1	5.7	6.6
Virginia Total Proprietor's Income, Millions \$, SAAR	28,152.1	28,193.0	28,185.8	28,307.4	28,364.3	28,410.2	28,392.7	28,476.9	28,446.4	28,411.8
Annualized % Change	7.5	0.6	(0.1)	1.7	0.8	0.6	(0.2)	1.2	(0.4)	(0.5)
% Change from Prior Year's Quarter	2.6	2.3	(18.3)	2.4	0.8	0.8	0.7	0.6	0.3	0.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	May Standard Forecast									
	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2	2016.3	2016.4
Total U.S. Employment, Millions, SA	139.2	139.8	140.4	141.1	141.8	142.5	143.3	144.0	144.8	145.6
Annualized % Change	2.1	1.7	1.8	2.1	2.0	2.1	2.1	2.1	2.2	2.2
% Change from Prior Year's Quarter	1.9	1.8	1.9	1.9	1.9	2.0	2.1	2.1	2.1	2.1
Virginia Total Nonag. Employment, Thousands, SA	3,797.0	3,813.6	3,827.6	3,841.7	3,857.1	3,874.6	3,891.5	3,909.9	3,928.5	3,947.4
Annualized % Change	1.9	1.8	1.5	1.5	1.6	1.8	1.8	1.9	1.9	1.9
% Change from Prior Year's Quarter	0.8	1.3	1.6	1.7	1.6	1.6	1.7	1.8	1.9	1.9
CPI, All Urban, 1982-1984=1.0, SA	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5
Annualized % Change	2.3	1.8	1.3	0.8	1.4	1.1	1.8	1.6	1.8	2.1
% Change from Prior Year's Quarter	2.0	2.2	2.0	1.5	1.3	1.1	1.3	1.5	1.6	1.8
Refiner's Acquisition Cost of Oil, \$ per Barrel	99.1	97.7	95.1	91.0	91.9	91.8	93.2	94.3	95.3	96.2
Quarterly Change	0.0	(1.4)	(2.6)	(4.2)	1.0	(0.2)	1.5	1.0	1.0	1.0
Change from Prior Year's Quarter	(6.1)	1.7	(2.2)	(8.1)	(7.2)	(6.0)	(1.9)	3.3	3.3	4.4
Before-Tax Corporate Profits, Billions \$, SAAR	2,623.5	2,647.6	2,584.4	2,615.6	2,658.3	2,674.0	2,631.1	2,654.0	2,660.0	2,687.1
Annualized % Change	1.5	3.7	(9.2)	4.9	6.7	2.4	(6.3)	3.5	0.9	4.1
% Change from Prior Year's Quarter	14.7	13.4	3.3	0.1	1.3	1.0	1.8	1.5	0.1	0.5
S&P 500 Stock Market Index, Level	1,898.3	1,916.7	1,936.8	1,956.6	1,975.7	1,998.5	2,022.6	2,044.6	2,061.3	2,078.4
Annualized % Change	3.1	3.9	4.3	4.2	4.0	4.7	4.9	4.4	3.3	3.4
% Change from Prior Year's Quarter	13.3	8.3	5.6	3.9	4.1	4.3	4.4	4.5	4.3	4.0
30-Year Treasury Bonds, Level	3.8	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.6	4.7
Quarterly Change	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Change from Prior Year's Quarter	0.1	0.3	0.4	0.7	0.5	0.3	0.4	0.4	0.4	0.3

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

JABE Pessimistic Alternative Scenario

	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2	2016.3	2016.4
Real Gross Domestic Product,										
Billions \$, SAAR	16,191.2	16,310.2	16,436.2	16,570.3	16,718.2	16,862.8	17,010.5	17,153.1	17,304.4	17,465.8
Annualized % Change	2.7	3.0	3.1	3.3	3.6	3.5	3.5	3.4	3.6	3.8
% Change from Prior Year's Quarter	2.2	2.3	3.1	3.0	3.3	3.4	3.5	3.5	3.5	3.6
Real Consumer Spending,										
Billions \$, SAAR	11,047.3	11,124.9	11,206.3	11,295.0	11,392.4	11,490.2	11,592.1	11,684.7	11,783.2	11,888.3
Annualized % Change	2.5	2.8	3.0	3.2	3.5	3.5	3.6	3.2	3.4	3.6
% Change from Prior Year's Quarter	2.8	2.7	2.7	2.9	3.1	3.3	3.4	3.5	3.4	3.5
U.S. Personal Income,										
Billions \$, SAAR	14,726.9	14,903.8	15,134.2	15,319.7	15,512.5	15,713.0	15,962.8	16,167.5	16,376.2	16,607.2
Annualized % Change	5.1	4.9	6.3	5.0	5.1	5.3	6.5	5.2	5.3	5.8
% Change from Prior Year's Quarter	3.5	4.2	4.9	5.3	5.3	5.4	5.5	5.5	5.6	5.7
Virginia Personal Income,										
Millions \$, SAAR	417,897.2	421,798.8	425,959.5	429,329.2	432,581.5	437,163.4	442,782.2	447,624.5	452,294.7	457,906.4
Annualized % Change	4.0	3.8	4.0	3.2	3.1	4.3	5.2	4.4	4.2	5.1
% Change from Prior Year's Quarter	3.6	3.7	3.8	3.8	3.5	3.6	3.9	4.3	4.6	4.7
Virginia Wages and Salaries,										
Millions \$, SAAR	217,763.4	219,882.6	221,969.1	223,875.8	225,085.8	227,475.5	230,098.3	232,697.8	235,363.7	238,092.8
Annualized % Change	3.1	3.9	3.9	3.5	2.2	4.3	4.7	4.6	4.7	4.7
% Change from Prior Year's Quarter	2.9	2.8	3.5	3.6	3.4	3.5	3.7	3.9	4.6	4.7
Virginia Dividends, Interest, and Rent,										
Millions \$, SAAR	84,404.9	85,450.8	86,358.3	87,044.1	88,032.8	88,964.3	90,147.8	91,507.3	93,039.9	94,849.9
Annualized % Change	5.7	5.0	4.3	3.2	4.6	4.3	5.4	6.2	6.9	8.0
% Change from Prior Year's Quarter	4.1	5.1	4.8	4.6	4.3	4.1	4.4	5.1	5.7	6.6
Virginia Total Proprietor's Income,										
Millions \$, SAAR	28,152.1	28,193.0	28,185.8	28,307.4	28,364.3	28,410.2	28,392.7	28,476.9	28,446.4	28,411.8
Annualized % Change	7.5	0.6	(0.1)	1.7	0.8	0.6	(0.2)	1.2	(0.4)	(0.5)
% Change from Prior Year's Quarter	2.6	2.3	2.3	2.4	0.8	0.8	0.7	0.6	0.3	0.0

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	JABE Pessimistic Alternative Scenario									
	2014.3	2014.4	2015.1	2015.2	2015.3	2015.4	2016.1	2016.2	2016.3	2016.4
Total U.S. Employment, Millions, SA	139.2	139.8	140.4	141.1	141.8	142.5	143.3	144.0	144.8	145.6
Annualized % Change	2.1	1.7	1.8	2.1	2.0	2.1	2.1	2.1	2.2	2.2
% Change from Prior Year's Quarter	1.9	1.8	1.9	1.9	1.9	2.0	2.1	2.1	2.1	2.1
Virginia Total Nonag. Employment, Thousands, SA	3,781.2	3,788.8	3,799.3	3,811.4	3,823.8	3,841.3	3,858.2	3,876.6	3,895.2	3,914.1
Annualized % Change	0.2	0.8	1.1	1.3	1.3	1.8	1.8	1.9	1.9	2.0
% Change from Prior Year's Quarter	0.3	0.6	0.8	0.8	1.1	1.4	1.5	1.7	1.9	1.9
CPI, All Urban, 1982-1984=1.0, SA	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5
Annualized % Change	2.3	1.8	1.3	0.8	1.4	1.1	1.8	1.6	1.8	2.1
% Change from Prior Year's Quarter	2.0	2.2	2.0	1.5	1.3	1.1	1.3	1.5	1.6	1.8
Refiner's Acquisition Cost of Oil, \$ per Barrel	99.1	97.7	95.1	91.0	91.9	91.8	93.2	94.3	95.3	96.2
Quarterly Change	0.0	(1.4)	(2.6)	(4.2)	1.0	(0.2)	1.5	1.0	1.0	1.0
Change from Prior Year's Quarter	(6.1)	1.7	(2.2)	(8.1)	(7.2)	(6.0)	(1.9)	3.3	3.3	4.4
Before-Tax Corporate Profits, Billions \$, SAAR	2,623.5	2,647.6	2,584.4	2,615.6	2,658.3	2,674.0	2,631.1	2,654.0	2,660.0	2,687.1
Annualized % Change	1.5	3.7	(9.2)	4.9	6.7	2.4	(6.3)	3.5	0.9	4.1
% Change from Prior Year's Quarter	14.7	13.4	3.3	0.1	1.3	1.0	1.8	1.5	0.1	0.5
S&P 500 Stock Market Index, Level	1,898.3	1,916.7	1,936.8	1,956.6	1,975.7	1,998.5	2,022.6	2,044.6	2,061.3	2,078.4
Annualized % Change	3.1	3.9	4.3	4.2	4.0	4.7	4.9	4.4	3.3	3.4
% Change from Prior Year's Quarter	13.3	8.3	5.6	3.9	4.1	4.3	4.4	4.5	4.3	4.0
30-Year Treasury Bonds, Level	3.8	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.6	4.7
Quarterly Change	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Change from Prior Year's Quarter	0.1	0.3	0.4	0.7	0.5	0.3	0.4	0.4	0.4	0.3

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Real Gross Domestic Product, Billions \$, SAAR	10,549.5	11,022.9	11,513.4	12,071.4	12,565.2	12,684.5	12,909.7	13,270.0	13,774.0	14,235.6	14,615.2	14,876.8
% Change	3.8	4.5	4.5	4.8	4.1	0.9	1.8	2.8	3.8	3.4	2.7	1.8
Fiscal Year	10,330.8	10,781.0	11,259.5	11,790.4	12,353.5	12,663.8	12,774.7	13,025.0	13,554.3	14,014.0	14,450.7	14,723.1
% Change	2.9	4.4	4.4	4.7	4.8	2.5	0.9	2.0	4.1	3.4	3.1	1.9
Real Consumer Spending, Billions \$, SAAR	6,755.7	7,010.0	7,384.9	7,788.1	8,182.1	8,387.5	8,600.4	8,866.2	9,205.6	9,527.8	9,814.9	10,035.5
% Change	3.5	3.8	5.3	5.5	5.1	2.5	2.5	3.1	3.8	3.5	3.0	2.2
Fiscal Year	6,643.7	6,864.7	7,187.8	7,588.6	7,998.0	8,298.3	8,493.8	8,706.1	9,047.8	9,372.8	9,672.7	9,942.5
% Change	3.3	3.3	4.7	5.6	5.4	3.8	2.4	2.5	3.9	3.6	3.2	2.8
U.S. Personal Income, Billions \$, SAAR	6,661.9	7,075.0	7,587.7	7,983.8	8,632.8	8,987.1	9,149.5	9,487.6	10,049.2	10,610.3	11,389.9	11,995.8
% Change	6.1	6.2	7.2	5.2	8.1	4.1	1.8	3.7	5.9	5.6	7.3	5.3
Fiscal Year	6,459.5	6,859.7	7,331.9	7,782.9	8,302.5	8,867.3	9,046.8	9,281.7	9,751.0	10,323.9	11,025.9	11,696.8
% Change	5.7	6.2	6.9	6.2	6.7	6.8	2.0	2.6	5.1	5.9	6.8	6.1
Virginia Personal Income, Millions \$, SAAR	171,164.8	182,302.8	194,596.5	207,326.1	224,787.7	242,393.2	250,049.2	264,549.7	282,142.0	301,754.8	322,869.7	340,434.7
% Change	5.3	6.5	6.7	6.5	8.4	7.8	3.2	5.8	6.6	7.0	7.0	5.4
Fiscal Year	166,162.5	176,645.3	188,127.9	201,061.7	215,754.3	235,514.6	245,154.9	256,262.9	273,181.8	291,671.9	313,491.6	331,655.5
% Change	4.2	6.3	6.5	6.9	7.3	9.2	4.1	4.5	6.6	6.8	7.5	5.8
Virginia Wages and Salaries, Millions \$, SAAR	96,626.2	103,770.6	112,122.5	121,001.1	132,391.4	138,736.6	140,596.4	147,600.9	158,792.5	169,118.9	178,958.3	188,703.4
% Change	5.9	7.4	8.0	7.9	9.4	4.8	1.3	5.0	7.6	6.5	5.8	5.4
Fiscal Year	93,565.1	100,089.3	107,580.7	117,048.7	126,347.9	137,032.0	138,929.6	143,049.6	153,071.0	164,249.7	174,720.0	184,002.0
% Change	4.6	7.0	7.5	8.8	7.9	8.5	1.4	3.0	7.0	7.3	6.4	5.3
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	32,022.3	33,982.0	36,598.7	36,839.0	40,294.9	48,619.7	48,954.1	51,985.3	53,640.5	58,233.6	65,691.9	71,737.5
% Change	6.9	6.1	7.7	0.7	9.4	20.7	0.7	6.2	3.2	8.6	12.8	9.2
Fiscal Year	30,715.9	33,112.8	35,347.6	36,635.0	38,566.2	44,861.5	48,504.1	50,463.6	52,726.0	55,400.1	61,972.2	68,782.3
% Change	3.2	7.8	6.7	3.6	5.3	16.3	8.1	4.0	4.5	5.1	11.9	11.0
Virginia Total Proprietor's Income, Millions \$, SAAR	9,889.3	10,823.9	11,451.3	12,412.1	14,191.0	15,713.8	17,148.9	17,294.6	19,046.0	20,226.5	21,569.1	20,052.1
% Change	7.4	9.4	5.8	8.4	14.3	10.7	9.1	0.8	10.1	6.2	6.6	(7.0)
Fiscal Year	9,568.4	10,377.3	11,075.4	11,917.3	13,341.7	14,921.7	16,523.7	17,155.4	18,186.7	19,464.9	21,303.7	20,810.3
% Change	11.3	8.5	6.7	7.6	12.0	11.8	10.7	3.8	6.0	7.0	9.4	(2.3)

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History										May Standard Forecast		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Real Gross Domestic Product, Billions \$, SAAR	14,833.6 (0.3)	14,417.9 (2.8)	14,779.4 2.5	15,052.4 1.8	15,470.7 2.8	15,761.3 1.9	16,133.2 2.4	16,646.9 3.2	17,233.4 3.5	17,788.8 3.2	18,274.6 2.7		
Fiscal Year % Change	14,950.6 1.5	14,549.7 (2.7)	14,569.6 0.1	14,921.8 2.4	15,278.4 2.4	15,584.3 2.0	15,953.3 2.4	16,377.0 2.7	16,936.2 3.4	17,520.2 3.4	18,036.9 2.9		
Real Consumer Spending, Billions \$, SAAR	9,999.2 (0.4)	9,842.9 (1.6)	10,035.9 2.0	10,291.3 2.5	10,517.6 2.2	10,727.9 2.0	11,016.2 2.7	11,346.0 3.0	11,737.1 3.4	12,125.6 3.3	12,479.7 2.9		
Fiscal Year % Change	10,065.4 1.2	9,878.8 (1.9)	9,909.3 0.3	10,178.2 2.7	10,407.4 2.3	10,615.4 2.0	10,867.1 2.4	11,168.4 2.8	11,539.8 3.3	11,930.9 3.4	12,310.3 3.2		
U.S. Personal Income, Billions \$, SAAR	12,430.6 3.6	12,082.1 (2.8)	12,435.2 2.9	13,191.3 6.1	13,743.8 4.2	14,135.3 2.8	14,650.3 3.6	15,419.9 5.3	16,278.4 5.6	17,207.1 5.7	18,104.1 5.2		
Fiscal Year % Change	12,274.2 4.9	12,246.3 (0.2)	12,189.9 (0.5)	12,837.6 5.3	13,446.8 4.7	13,946.7 3.7	14,374.9 3.1	15,021.2 4.5	15,839.0 5.4	16,736.6 5.7	17,661.8 5.5		
Virginia Personal Income, Millions \$, SAAR	351,721.2 3.3	349,238.1 (0.7)	359,956.1 3.1	381,930.4 6.1	396,005.2 3.7	402,880.7 1.7	414,705.5 2.9	434,587.7 4.8	455,146.8 4.7	477,871.0 5.0	499,941.5 4.6		
Fiscal Year % Change	346,856.5 4.6	350,508.6 1.1	353,306.5 0.8	371,172.6 5.1	388,733.6 4.7	400,223.5 3.0	406,461.4 1.6	425,939.0 4.8	444,486.7 4.4	466,160.9 4.9	489,227.1 4.9		
Virginia Wages and Salaries, Millions \$, SAAR	193,671.5 2.6	191,634.8 (1.1)	196,643.0 2.6	202,429.5 2.9	208,733.0 3.1	212,375.0 1.7	217,484.6 2.4	227,178.7 4.5	237,307.1 4.5	247,773.0 4.4	257,751.8 4.0		
Fiscal Year % Change	191,234.1 3.9	192,608.6 0.7	193,463.8 0.4	199,960.1 3.4	205,369.4 2.7	211,223.8 2.9	213,648.4 1.1	222,688.5 4.2	232,037.2 4.2	242,650.5 4.6	252,779.0 4.2		
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	72,976.3 1.7	66,182.3 (9.3)	66,191.7 0.0	73,176.0 10.6	77,308.8 5.6	80,016.5 3.5	83,866.1 4.8	87,599.9 4.5	92,386.2 5.5	99,413.3 7.6	105,909.3 6.5		
Fiscal Year % Change	73,185.7 6.4	70,141.4 (4.2)	64,914.5 (7.5)	69,652.4 7.3	75,176.6 7.9	78,725.5 4.7	81,997.4 4.2	85,814.5 4.7	89,663.1 4.5	95,804.3 6.8	102,803.6 7.3		
Virginia Total Proprietor's Income, Millions \$, SAAR	19,843.3 (1.0)	18,559.6 (6.5)	20,463.6 10.3	23,467.2 14.7	25,614.7 9.2	27,231.5 6.3	29,623.2 8.8	28,316.9 (4.4)	28,432.0 0.4	28,255.0 (0.6)	28,122.9 (0.5)		
Fiscal Year % Change	19,802.6 (4.8)	19,012.1 (4.0)	19,614.1 3.2	21,795.7 11.1	24,723.6 13.4	26,374.3 6.7	29,288.5 11.0	28,209.6 (3.7)	28,411.0 0.7	28,366.5 (0.2)	28,162.0 (0.7)		

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History										JABE Pessimistic Alternative Scenario		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Real Gross Domestic Product, Billions \$, SAAR	14,833.6 (0.3)	14,417.9 (2.8)	14,779.4 2.5	15,052.4 1.8	15,470.7 2.8	15,761.3 1.9	16,133.2 2.4	16,646.9 3.2	17,233.4 3.5	17,788.8 3.2	18,274.6 2.7		
Fiscal Year % Change	14,950.6 1.5	14,549.7 (2.7)	14,569.6 0.1	14,921.8 2.4	15,278.4 2.4	15,584.3 2.0	15,953.3 2.4	16,377.0 2.7	16,936.2 3.4	17,520.2 3.4	18,036.9 2.9		
Real Consumer Spending, Billions \$, SAAR	9,999.2 (0.4)	9,842.9 (1.6)	10,035.9 2.0	10,291.3 2.5	10,517.6 2.2	10,727.9 2.0	11,016.2 2.7	11,346.0 3.0	11,737.1 3.4	12,125.6 3.3	12,479.7 2.9		
Fiscal Year % Change	10,065.4 1.2	9,878.8 (1.9)	9,909.3 0.3	10,178.2 2.7	10,407.4 2.3	10,615.4 2.0	10,867.1 2.4	11,168.4 2.8	11,539.8 3.3	11,930.9 3.4	12,310.3 3.2		
U.S. Personal Income, Billions \$, SAAR	12,430.6 3.6	12,082.1 (2.8)	12,435.2 2.9	13,191.3 6.1	13,743.8 4.2	14,135.3 2.8	14,650.3 3.6	15,419.9 5.3	16,278.4 5.6	17,207.1 5.7	18,104.1 5.2		
Fiscal Year % Change	12,274.2 4.9	12,246.3 (0.2)	12,189.9 (0.5)	12,837.6 5.3	13,446.8 4.7	13,946.7 3.7	14,374.9 3.1	15,021.2 4.5	15,839.0 5.4	16,736.6 5.7	17,661.8 5.5		
Virginia Personal Income, Millions \$, SAAR	351,721.2 3.3	349,238.1 (0.7)	359,956.1 3.1	381,930.4 6.1	396,005.2 3.7	402,880.7 1.7	414,705.5 2.9	431,258.4 3.7	450,151.9 4.4	472,791.7 5.0	494,782.4 4.7		
Fiscal Year % Change	346,856.5 4.6	350,508.6 1.1	353,306.5 0.8	371,172.6 5.1	388,733.6 4.7	400,223.5 3.0	406,461.4 1.6	423,746.2 3.7	440,037.9 3.8	461,123.4 4.8	484,107.0 5.0		
Virginia Wages and Salaries, Millions \$, SAAR	193,671.5 2.6	191,634.8 (1.1)	196,643.0 2.6	202,429.5 2.9	208,733.0 3.1	212,375.0 1.7	217,484.6 2.4	224,601.6 3.5	234,063.1 4.2	244,444.4 4.4	254,342.7 4.0		
Fiscal Year % Change	191,234.1 3.9	192,608.6 0.7	193,463.8 0.4	199,960.1 3.4	205,369.4 2.7	211,223.8 2.9	213,648.4 1.1	220,872.7 3.2	228,839.3 3.6	239,363.8 4.6	249,409.3 4.2		
Virginia Dividends, Interest, and Rent, Millions \$, SAAR	72,976.3 1.7	66,182.3 (9.3)	66,191.7 0.0	73,176.0 10.6	77,308.8 5.6	80,016.5 3.5	83,866.1 4.8	87,599.9 4.5	92,386.2 5.5	99,413.3 7.6	105,909.3 6.5		
Fiscal Year % Change	73,185.7 6.4	70,141.4 (4.2)	64,914.5 (7.5)	69,652.4 7.3	75,176.6 7.9	78,725.5 4.7	81,997.4 4.2	85,814.5 4.7	89,663.1 4.5	95,804.3 6.8	102,803.6 7.3		
Virginia Total Proprietor's Income, Millions \$, SAAR	19,843.3 (1.0)	18,559.6 (6.5)	20,463.6 10.3	23,467.2 14.7	25,614.7 9.2	27,231.5 6.3	29,623.2 8.8	28,316.9 1.5	28,432.0 0.4	28,255.0 (0.6)	28,122.9 (0.5)		
Fiscal Year % Change	19,802.6 (4.8)	19,012.1 (4.0)	19,614.1 3.2	21,795.7 11.1	24,723.6 13.4	26,374.3 6.7	29,288.5 11.0	28,209.6 2.4	28,411.0 0.7	28,366.5 (0.2)	28,162.0 (0.7)		

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total U.S. Employment, Millions, SA	119.8	122.9	126.1	129.2	132.0	132.1	130.6	130.3	131.7	134.0	136.4	137.9
% Change	2.1	2.6	2.6	2.5	2.2	0.0	(1.1)	(0.2)	1.1	1.7	1.8	1.1
Fiscal Year	118.5	121.3	124.6	127.7	130.8	132.5	131.1	130.4	130.8	132.8	135.3	137.3
% Change	2.0	2.4	2.7	2.5	2.5	1.3	(1.0)	(0.5)	0.3	1.5	1.9	1.5
Virginia Total Nonag. Employment, Thousands, SA	3,138.0	3,234.7	3,322.8	3,415.9	3,520.4	3,523.7	3,501.2	3,504.1	3,590.0	3,670.0	3,735.5	3,772.7
% Change	2.2	3.1	2.7	2.8	3.1	0.1	(0.6)	0.1	2.5	2.2	1.8	1.0
Fiscal Year	3,094.7	3,191.5	3,273.8	3,373.2	3,467.2	3,539.2	3,506.1	3,496.9	3,541.6	3,631.7	3,709.5	3,755.9
% Change	1.6	3.1	2.6	3.0	2.8	2.1	(0.9)	(0.3)	1.3	2.5	2.1	1.2
CPI, All Urban, 1982-1984=1.0, SA	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.0	2.1
% Change	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.7	3.4	3.2	2.9
Fiscal Year	1.5	1.6	1.6	1.6	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0
% Change	2.7	2.8	1.8	1.7	2.9	3.4	1.8	2.2	2.2	3.0	3.8	2.6
Refiner's Acquisition Cost of Oil, \$ per Barrel	20.7	19.1	12.5	17.4	28.2	23.0	24.0	28.6	36.9	50.3	60.1	68.0
% Change	3.5	(1.6)	(6.5)	4.9	10.8	(5.3)	1.1	4.6	8.3	13.4	9.8	7.9
Fiscal Year	18.2	21.0	15.7	12.6	24.2	27.2	21.4	27.6	30.8	42.6	58.1	59.1
% Change	1.1	2.8	(5.2)	(3.2)	11.7	3.0	(5.8)	6.2	3.2	11.8	15.5	1.0
Before-Tax Corporate Profits, Billions \$, SAAR	738.8	796.9	728.1	766.2	747.1	690.7	788.9	969.5	1,254.6	1,653.3	1,851.4	1,748.4
% Change	7.8	7.9	(8.6)	5.2	(2.5)	(7.6)	14.2	22.9	29.4	31.8	12.0	(5.6)
Fiscal Year	715.9	760.2	775.7	738.8	771.8	727.8	685.6	890.0	1,113.7	1,448.5	1,775.3	1,820.0
% Change	9.8	6.2	2.0	(4.8)	4.5	(5.7)	(5.8)	29.8	25.1	30.1	22.6	2.5
S&P 500 Stock Market Index, Level	670.8	872.7	1,084.3	1,326.1	1,426.8	1,192.1	995.6	963.7	1,130.6	1,207.1	1,310.7	1,476.7
% Change	23.9	30.1	24.2	22.3	7.6	(16.4)	(16.5)	(3.2)	17.3	6.8	8.6	12.7
Fiscal Year	614.7	749.3	1,003.0	1,198.8	1,395.4	1,337.4	1,114.9	895.1	1,078.3	1,160.0	1,254.9	1,399.9
% Change	27.7	21.9	33.8	19.5	16.4	(4.2)	(16.6)	(19.7)	20.5	7.6	8.2	11.6
30-Year Treasury Bonds, Level	6.7	6.6	5.6	5.9	5.9	5.5	5.4	5.1	5.1	4.6	4.9	4.8
% Change	(0.2)	(0.1)	(1.0)	0.3	0.1	(0.4)	(0.1)	(0.4)	0.1	(0.6)	0.3	(0.0)
Fiscal Year	6.5	6.8	6.1	5.4	6.1	5.7	5.5	5.0	5.2	4.8	4.7	4.9
% Change	(1.0)	0.3	(0.7)	(0.7)	0.7	(0.5)	(0.1)	(0.5)	0.2	(0.4)	(0.1)	0.2

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History										May Standard Forecast		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total U.S. Employment, Millions, SA	137.2 (0.6)	131.2 (4.3)	130.3 (0.7)	131.8 1.2	134.1 1.7	136.4 1.7	138.8 1.8	141.5 1.9	144.4 2.1	147.1 1.8	148.9 1.3		
Fiscal Year % Change	138.1 0.6	134.3 (2.7)	130.1 (3.1)	130.9 0.6	133.0 1.6	135.2 1.6	137.5 1.7	140.1 1.9	142.9 2.0	145.9 2.1	148.1 1.6		
Virginia Total Nonag. Employment, Thousands, SA	3,775.6 0.1	3,653.3 (3.2)	3,649.0 (0.1)	3,695.1 1.3	3,737.0 1.1	3,765.5 0.8	3,789.6 0.6	3,860.3 1.6	3,919.3 1.8	3,977.9 1.5	4,014.6 0.9		
Fiscal Year % Change	3,781.8 0.7	3,719.0 (1.7)	3,634.0 (2.3)	3,672.8 1.1	3,716.6 1.2	3,755.6 1.0	3,770.2 0.4	3,820.0 1.3	3,883.3 1.7	3,952.4 1.8	3,997.9 1.1		
CPI, All Urban, 1982-1984=1.0, SA	2.2 3.8	2.1 (0.3)	2.2 1.6	2.2 3.1	2.3 2.1	2.3 1.5	2.4 1.9	2.4 1.5	2.4 1.5	2.5 1.8	2.5 2.0		
Fiscal Year % Change	2.1 3.7	2.1 1.4	2.2 1.0	2.2 2.0	2.3 2.9	2.3 1.7	2.3 1.5	2.4 2.0	2.4 1.3	2.5 1.8	2.5 1.9		
Refiner's Acquisition Cost of Oil, \$ per Barrel	94.3 26.3	59.2 (35.1)	76.7 17.5	101.8 25.1	101.0 (0.8)	100.5 (0.5)	98.3 (2.1)	92.5 (5.9)	94.7 2.3	97.0 2.3	100.1 3.1		
Fiscal Year Change	90.9 31.8	66.5 (24.4)	72.7 6.2	89.4 16.7	103.6 14.2	98.8 (4.7)	99.4 0.6	95.7 (3.7)	92.8 (2.9)	96.1 3.3	98.4 2.2		
Before-Tax Corporate Profits, Billions \$, SAAR	1,382.4 (20.9)	1,468.2 6.2	1,834.8 25.0	1,847.4 0.7	2,190.0 18.5	2,263.8 3.4	2,597.0 14.7	2,633.1 1.4	2,658.0 0.9	2,607.8 (1.9)	2,589.9 (0.7)		
Fiscal Year % Change	1,642.9 (9.7)	1,251.5 (23.8)	1,709.7 36.6	1,851.9 8.3	2,017.2 8.9	2,217.7 9.9	2,434.8 9.8	2,617.8 7.5	2,654.3 1.4	2,640.4 (0.5)	2,589.3 (1.9)		
S&P 500 Stock Market Index, Level	1,220.9 (17.3)	946.7 (22.5)	1,139.3 20.3	1,268.9 11.4	1,379.6 8.7	1,642.5 19.1	1,883.3 14.7	1,966.9 4.4	2,051.7 4.3	2,118.3 3.2	2,185.5 3.2		
Fiscal Year % Change	1,426.7 1.9	965.8 (32.3)	1,085.6 12.4	1,230.5 13.4	1,287.9 4.7	1,486.2 15.4	1,791.0 20.5	1,927.1 7.6	2,010.3 4.3	2,086.3 3.8	2,150.2 3.1		
30-Year Treasury Bonds, Level	4.3 (0.6)	4.1 (0.2)	4.3 0.2	3.9 (0.3)	2.9 (1.0)	3.4 0.5	3.8 0.3	4.2 0.5	4.6 0.4	4.7 0.1	4.8 0.0		
Fiscal Year Change	4.6 (0.2)	3.9 (0.7)	4.4 0.5	4.2 (0.2)	3.2 (1.0)	3.0 (0.2)	3.7 0.7	4.0 0.4	4.4 0.4	4.7 0.3	4.8 0.1		

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

	History										JABE Pessimistic Alternative Scenario		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total U.S. Employment, Millions, SA	137.2 (0.6)	131.2 (4.3)	130.3 (0.7)	131.8 1.2	134.1 1.7	136.4 1.7	138.8 1.8	141.5 1.9	144.4 2.1	147.1 1.8	148.9 1.3		
Fiscal Year % Change	138.1 0.6	134.3 (2.7)	130.1 (3.1)	130.9 0.6	133.0 1.6	135.2 1.6	137.5 1.7	140.1 1.9	142.9 2.0	145.9 2.1	148.1 1.6		
Virginia Total Nonag. Employment, Thousands, SA	3,775.6 0.1	3,653.3 (3.2)	3,649.0 (0.1)	3,695.1 1.3	3,737.0 1.1	3,765.5 0.8	3,789.6 0.6	3,819.0 1.0	3,886.0 1.8	3,944.6 1.5	3,981.3 0.9		
Fiscal Year % Change	3,781.8 0.7	3,719.0 (1.7)	3,634.0 (2.3)	3,672.8 1.1	3,716.6 1.2	3,755.6 1.0	3,770.2 0.4	3,795.2 0.7	3,850.0 1.4	3,919.1 1.8	3,964.5 1.2		
CPI, All Urban, 1982-1984=1.0, SA	2.2 3.8	2.1 (0.3)	2.2 1.6	2.2 3.1	2.3 2.1	2.3 1.5	2.4 1.9	2.4 1.5	2.4 1.5	2.4 1.8	2.5 2.0		
Fiscal Year % Change	2.1 3.7	2.1 1.4	2.2 1.0	2.2 2.0	2.3 2.9	2.3 1.7	2.3 1.5	2.4 2.0	2.4 1.3	2.5 1.8	2.5 1.9		
Refiner's Acquisition Cost of Oil, \$ per Barrel	94.3 26.3	59.2 (35.1)	76.7 17.5	101.8 25.1	101.0 (0.8)	100.5 (0.5)	98.3 (2.1)	92.5 (5.9)	94.7 2.3	97.0 2.3	100.1 3.1		
Fiscal Year Change	90.9 31.8	66.5 (24.4)	72.7 6.2	89.4 16.7	103.6 14.2	98.8 (4.7)	99.4 0.6	95.7 (3.7)	92.8 (2.9)	96.1 3.3	98.4 2.2		
Before-Tax Corporate Profits, Billions \$, SAAR	1,382.4 (20.9)	1,468.2 6.2	1,834.8 25.0	1,847.4 0.7	2,190.0 18.5	2,263.8 3.4	2,597.0 14.7	2,633.1 1.4	2,658.0 0.9	2,607.8 (1.9)	2,589.9 (0.7)		
Fiscal Year % Change	1,642.9 (9.7)	1,251.5 (23.8)	1,709.7 36.6	1,851.9 8.3	2,017.2 8.9	2,217.7 9.9	2,434.8 9.8	2,617.8 7.5	2,654.3 1.4	2,640.4 (0.5)	2,589.3 (1.9)		
S&P 500 Stock Market Index, Level	1,220.9 (17.3)	946.7 (22.5)	1,139.3 20.3	1,268.9 11.4	1,379.6 8.7	1,642.5 19.1	1,883.3 14.7	1,966.9 4.4	2,051.7 4.3	2,118.3 3.2	2,185.5 3.2		
Fiscal Year % Change	1,426.7 1.9	965.8 (32.3)	1,085.6 12.4	1,230.5 13.4	1,287.9 4.7	1,486.2 15.4	1,791.0 20.5	1,927.1 7.6	2,010.3 4.3	2,086.3 3.8	2,150.2 3.1		
30-Year Treasury Bonds, Level	4.3 (0.6)	4.1 (0.2)	4.3 0.2	3.9 (0.3)	2.9 (1.0)	3.4 0.5	3.8 0.3	4.2 0.5	4.6 0.4	4.7 0.1	4.8 0.0		
Fiscal Year Change	4.6 (0.2)	3.9 (0.7)	4.4 0.5	4.2 (0.2)	3.2 (1.0)	3.0 (0.2)	3.7 0.7	4.0 0.4	4.4 0.4	4.7 0.3	4.8 0.1		

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia	History												
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Construction and Mining Thousands, SA	Calendar Year	189.5	201.5	203.7	210.5	221.6	228.4	224.9	227.6	241.1	254.2	260.0	250.7
	% Change	3.8	6.3	1.1	3.3	5.3	3.1	(1.5)	1.2	5.9	5.4	2.3	(3.6)
	Fiscal Year	184.1	197.5	201.1	208.4	215.2	226.3	226.7	226.7	224.1	234.5	247.7	260.0
% Change	2.1	7.3	1.8	3.6	3.3	5.2	0.2	(1.1)	(1.1)	4.7	5.6	4.9	(1.6)
Manufacturing Thousands, SA	Calendar Year	370.9	374.5	375.6	366.9	363.6	341.3	320.1	305.0	298.7	295.8	288.1	277.8
	% Change	(0.6)	1.0	0.3	(2.3)	(0.9)	(6.1)	(6.2)	(4.7)	(2.1)	(1.0)	(2.6)	(3.6)
	Fiscal Year	371.7	372.0	376.0	370.6	366.7	354.6	328.4	313.8	299.3	298.0	292.7	282.9
% Change	(0.4)	0.1	1.1	(1.4)	(1.1)	(3.3)	(7.4)	(4.4)	(4.6)	(0.4)	(1.8)	(3.4)	
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	599.0	609.3	618.7	637.0	650.7	644.8	636.5	635.2	646.5	657.2	663.0	668.1
	% Change	2.2	1.7	1.5	3.0	2.2	(0.9)	(1.3)	(0.2)	1.8	1.7	0.9	0.8
	Fiscal Year	590.8	605.0	612.9	628.6	644.1	650.6	639.4	634.1	641.3	651.6	661.3	665.5
% Change	1.2	2.4	1.3	2.6	2.5	1.0	(1.7)	(0.8)	1.1	1.6	1.5	0.6	
Financial Activities Thousands, SA	Calendar Year	153.0	158.6	165.2	173.4	178.9	179.9	182.2	186.5	189.0	192.5	194.8	193.6
	% Change	2.9	3.7	4.1	5.0	3.2	0.6	1.2	2.4	1.4	1.8	1.2	(0.6)
	Fiscal Year	150.4	156.2	160.9	170.1	175.7	180.3	180.7	184.2	187.6	190.8	194.0	195.1
% Change	0.8	3.9	3.0	5.7	3.3	2.6	0.2	1.9	1.8	1.7	1.7	0.6	
Professional and Business Services Thousands, SA	Calendar Year	447.8	470.9	507.7	538.5	567.9	559.5	547.0	549.3	578.5	606.0	628.5	646.3
	% Change	5.3	5.1	7.8	6.1	5.5	(1.5)	(2.2)	0.4	5.3	4.8	3.7	2.8
	Fiscal Year	435.5	460.5	488.1	524.2	552.7	569.2	552.0	545.2	561.4	593.6	618.6	637.6
% Change	5.7	5.7	6.0	7.4	5.4	3.0	(3.0)	(1.2)	3.0	5.7	4.2	3.1	
Education and Health Services Thousands, SA	Calendar Year	296.0	310.6	318.7	329.1	336.2	351.9	368.7	376.5	387.5	399.4	414.4	431.9
	% Change	3.3	4.9	2.6	3.3	2.2	4.7	4.8	2.1	2.9	3.1	3.8	4.2
	Fiscal Year	290.3	303.7	314.9	324.1	332.0	343.7	360.5	373.4	381.7	392.8	406.9	422.2
% Change	2.8	4.6	3.7	2.9	2.4	3.5	4.9	3.6	2.2	2.9	3.6	3.8	
Leisure and Hospitality Thousands, SA	Calendar Year	270.5	278.6	281.8	287.1	297.1	301.2	303.9	308.5	320.1	329.4	338.8	345.3
	% Change	1.6	3.0	1.2	1.9	3.5	1.4	0.9	1.5	3.8	2.9	2.8	1.9
	Fiscal Year	267.9	275.4	279.4	284.9	291.9	300.1	301.3	305.9	314.3	325.1	334.4	342.4
% Change	2.6	2.8	1.5	2.0	2.4	2.8	0.4	1.5	2.8	3.4	2.9	2.4	
Government Thousands, SA	Calendar Year	596.2	596.6	602.0	611.2	624.6	629.2	634.9	637.5	650.9	661.9	674.8	683.0
	% Change	(0.2)	0.1	0.9	1.5	2.2	0.7	0.9	0.4	2.1	1.7	2.0	1.2
	Fiscal Year	594.6	597.2	597.8	606.1	618.5	627.6	631.5	636.0	643.6	656.6	668.5	679.4
% Change	(1.3)	0.4	0.1	1.4	2.0	1.5	0.6	0.7	1.2	2.0	1.8	1.6	

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia		History								May Standard Forecast		
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Construction and Mining Thousands, SA	Calendar Year	234.1	200.6	193.4	189.4	187.5	185.5	193.0	202.1	213.3	221.8	223.3
	% Change	(6.6)	(14.3)	(3.6)	(2.0)	(1.0)	(1.1)	4.0	4.7	5.6	4.0	0.7
	Fiscal Year	243.6	216.9	194.2	192.1	188.4	186.5	187.8	197.4	207.7	218.3	223.1
	% Change	(4.8)	(10.9)	(10.5)	(1.1)	(1.9)	(1.0)	0.7	5.1	5.2	5.1	2.2
Manufacturing Thousands, SA	Calendar Year	264.8	239.3	230.5	231.0	231.5	230.6	232.5	236.0	240.0	242.0	242.8
	% Change	(4.7)	(9.6)	(3.7)	0.2	0.2	(0.4)	0.8	1.5	1.7	0.8	0.3
	Fiscal Year	271.6	252.5	233.1	230.0	231.5	231.3	230.4	234.4	238.4	241.2	242.3
	% Change	(4.0)	(7.0)	(7.7)	(1.3)	0.6	(0.1)	(0.4)	1.7	1.7	1.2	0.4
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	659.2	624.4	621.1	628.7	633.5	636.6	639.8	642.8	648.4	654.0	656.6
	% Change	(1.3)	(5.3)	(0.5)	1.2	0.8	0.5	0.5	0.5	0.9	0.9	0.4
	Fiscal Year	666.3	642.0	618.9	625.4	631.3	634.1	638.9	641.1	645.3	651.6	655.7
	% Change	0.1	(3.7)	(3.6)	1.1	0.9	0.5	0.8	0.3	0.6	1.0	0.6
Financial Activities Thousands, SA	Calendar Year	188.6	179.9	179.1	182.6	188.3	192.3	194.8	195.3	194.8	192.1	190.0
	% Change	(2.6)	(4.6)	(0.5)	1.9	3.1	2.1	1.3	0.3	(0.3)	(1.4)	(1.1)
	Fiscal Year	191.1	184.5	178.1	180.6	185.3	190.8	193.5	195.5	195.2	193.8	190.7
	% Change	(2.1)	(3.4)	(3.5)	1.4	2.6	3.0	1.4	1.0	(0.1)	(0.7)	(1.6)
Professional and Business Services Thousands, SA	Calendar Year	657.0	640.1	650.3	667.5	678.5	678.8	670.8	694.4	714.3	730.8	742.9
	% Change	1.7	(2.6)	1.6	2.6	1.6	0.1	(1.2)	3.5	2.9	2.3	1.7
	Fiscal Year	653.3	649.8	641.3	660.1	673.3	682.2	670.0	682.4	704.2	723.6	737.1
	% Change	2.5	(0.5)	(1.3)	2.9	2.0	1.3	(1.8)	1.8	3.2	2.7	1.9
Education and Health Services Thousands, SA	Calendar Year	451.9	460.3	468.0	474.9	485.1	499.8	513.0	520.5	534.0	547.0	559.5
	% Change	4.6	1.8	1.7	1.5	2.1	3.0	2.6	1.5	2.6	2.4	2.3
	Fiscal Year	443.5	456.9	462.6	472.7	478.9	493.0	507.0	516.4	526.6	540.4	553.5
	% Change	5.0	3.0	1.2	2.2	1.3	3.0	2.8	1.8	2.0	2.6	2.4
Leisure and Hospitality Thousands, SA	Calendar Year	349.3	341.6	341.3	349.2	358.9	366.5	367.1	372.4	375.6	380.7	384.6
	% Change	1.2	(2.2)	(0.1)	2.3	2.8	2.1	0.2	1.5	0.8	1.4	1.0
	Fiscal Year	348.6	345.0	339.5	345.5	354.2	363.0	366.5	370.4	373.7	378.2	382.9
	% Change	1.8	(1.0)	(1.6)	1.8	2.5	2.5	1.0	1.1	0.9	1.2	1.2
Government Thousands, SA	Calendar Year	694.4	700.0	704.7	710.3	709.9	710.0	711.6	721.9	732.7	739.5	742.5
	% Change	1.7	0.8	0.7	0.8	(0.1)	0.0	0.2	1.4	1.5	0.9	0.4
	Fiscal Year	687.5	698.9	703.4	705.6	711.2	709.7	709.4	717.0	726.9	737.3	741.0
	% Change	1.2	1.7	0.6	0.3	0.8	(0.2)	(0.0)	1.1	1.4	1.4	0.5

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES

Virginia	History										JABE Pessimistic Alternative Scenario		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Construction and Mining Thousands, SA	Calendar Year	234.1	200.6	193.4	189.4	187.5	185.5	193.0	195.3	205.0	213.5	215.0	
	% Change	(6.6)	(14.3)	(3.6)	(2.0)	(1.0)	(1.1)	4.0	2.4	5.0	4.1	0.7	
	Fiscal Year	243.6	216.9	194.2	192.1	188.4	186.5	187.8	192.5	199.4	210.0	214.8	
	% Change	(4.8)	(10.9)	(10.5)	(1.1)	(1.9)	(1.0)	0.7	2.5	3.6	5.3	2.3	
Manufacturing Thousands, SA	Calendar Year	264.8	239.3	230.5	231.0	231.5	230.6	232.5	229.2	233.0	235.0	235.8	
	% Change	(4.7)	(9.6)	(3.7)	0.2	0.2	(0.4)	0.8	(0.2)	1.6	0.9	0.3	
	Fiscal Year	271.6	252.5	233.1	230.0	231.5	231.3	230.4	228.4	231.4	234.2	235.3	
	% Change	(4.0)	(7.0)	(7.7)	(1.3)	0.6	(0.1)	(0.4)	(0.9)	1.3	1.2	0.4	
Trade, Transportation, and Utilities Thousands, SA	Calendar Year	659.2	624.4	621.1	628.7	633.5	636.6	639.8	645.8	651.4	657.0	659.6	
	% Change	(1.3)	(5.3)	(0.5)	1.2	0.8	0.5	0.5	0.7	0.9	0.9	0.4	
	Fiscal Year	666.3	642.0	618.9	625.4	631.3	634.1	638.9	644.1	648.3	654.6	658.7	
	% Change	0.1	(3.7)	(3.6)	1.1	0.9	0.5	0.8	0.6	1.0	0.6		
Financial Activities Thousands, SA	Calendar Year	188.6	179.9	179.1	182.6	188.3	192.3	194.8	194.8	194.3	191.6	189.5	
	% Change	(2.6)	(4.6)	(0.5)	1.9	3.1	2.1	1.3	0.1	(0.3)	(1.4)	(1.1)	
	Fiscal Year	191.1	184.5	178.1	180.6	185.3	190.8	193.5	195.0	194.7	193.3	190.2	
	% Change	(2.1)	(3.4)	(3.5)	1.4	2.6	3.0	1.4	0.8	(0.1)	(0.7)	(1.6)	
Professional and Business Services Thousands, SA	Calendar Year	657.0	640.1	650.3	667.5	678.5	678.8	670.8	687.4	707.3	723.8	735.9	
	% Change	1.7	(2.6)	1.6	2.6	1.6	0.1	(1.2)	2.8	2.9	2.3	1.7	
	Fiscal Year	653.3	649.8	641.3	660.1	673.3	682.2	670.0	676.9	697.2	716.6	730.1	
	% Change	2.5	(0.5)	(1.3)	2.9	2.0	1.3	(1.8)	1.0	3.0	2.8	1.9	
Education and Health Services Thousands, SA	Calendar Year	451.9	460.3	468.0	474.9	485.1	499.8	513.0	520.5	534.0	547.0	559.5	
	% Change	4.6	1.8	1.7	1.5	2.1	3.0	2.6	1.5	2.6	2.4	2.3	
	Fiscal Year	443.5	456.9	462.6	472.7	478.9	493.0	507.0	516.4	526.6	540.4	553.5	
	% Change	5.0	3.0	1.2	2.2	1.3	3.0	2.8	1.8	2.0	2.6	2.4	
Leisure and Hospitality Thousands, SA	Calendar Year	349.3	341.6	341.3	349.2	358.9	366.5	367.1	374.4	377.6	382.7	386.6	
	% Change	1.2	(2.2)	(0.1)	2.3	2.8	2.1	0.2	1.7	0.8	1.4	1.0	
	Fiscal Year	348.6	345.0	339.5	345.5	354.2	363.0	366.5	372.4	375.7	380.2	384.9	
	% Change	1.8	(1.0)	(1.6)	1.8	2.5	2.5	1.0	1.6	0.9	1.2	1.2	
Government Thousands, SA	Calendar Year	694.4	700.0	704.7	710.3	709.9	710.0	711.6	710.6	721.2	728.0	731.0	
	% Change	1.7	0.8	0.7	0.8	(0.1)	0.0	0.2	0.4	1.5	0.9	0.4	
	Fiscal Year	687.5	698.9	703.4	705.6	711.2	709.7	709.4	707.9	715.4	725.8	729.5	
	% Change	1.2	1.7	0.6	0.3	0.8	(0.2)	(0.0)	(0.2)	1.1	1.5	0.5	

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**APPENDIX B
GENERAL FUND DATA**

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2000.3	2000.4	2001.1	2001.2	2001.3	2001.4	2002.1	2002.2	2002.3	2002.4	2003.1	2003.2	2003.3	2003.4
Withholding	1,444.0	1,575.6	1,659.1	1,576.2	1,494.4	1,617.8	1,693.4	1,616.8	1,535.8	1,667.1	1,706.3	1,658.2	1,606.0	1,801.6
Annual % Change	6.8	3.5	9.6	6.9	3.5	2.7	2.1	2.6	2.8	3.0	0.8	2.6	4.6	8.1
Nonwithholding	261.0	127.2	395.6	1,023.1	243.1	139.9	316.6	759.9	236.6	143.4	288.4	734.3	240.5	160.5
Annual % Change	10.9	(30.1)	29.9	7.9	(6.8)	10.0	(20.0)	(25.7)	(2.7)	2.5	(8.9)	(3.4)	1.6	11.9
Gross Individual Income Tax	1,704.9	1,702.8	2,054.7	2,599.3	1,737.5	1,757.8	2,010.0	2,376.6	1,772.4	1,810.4	1,994.7	2,392.6	1,846.5	1,962.0
Annual % Change	7.4	(0.1)	13.0	7.3	1.9	3.2	(2.2)	(8.6)	2.0	3.0	(0.8)	0.7	4.2	8.4
Individual Refunds	124.5	56.6	322.9	331.4	175.3	73.1	451.2	471.6	119.6	66.4	518.4	490.0	86.4	72.5
Annual % Change	78.6	42.9	0.0	22.8	40.8	29.1	39.8	42.3	(31.8)	(9.1)	14.9	3.9	(27.8)	9.2
Net Individual Income Tax	1,580.4	1,646.2	1,731.9	2,267.8	1,562.2	1,684.7	1,558.8	1,905.1	1,652.8	1,744.0	1,476.3	1,902.6	1,760.2	1,889.5
Annual % Change	4.2	(1.1)	15.8	5.4	(1.2)	2.3	(10.0)	(16.0)	5.8	3.5	(5.3)	(0.1)	6.5	8.3
Sales and Use Tax	573.6	564.0	573.9	561.5	575.0	579.1	551.9	723.8	457.6	576.6	564.9	737.0	488.6	620.0
Annual % Change	4.3	1.5	5.8	1.5	0.3	2.7	(3.8)	28.9	(20.4)	(0.4)	2.3	1.8	6.8	7.5
Corporate Income Tax	125.3	27.7	34.0	176.8	77.5	37.9	26.7	148.1	89.8	55.9	16.3	181.4	112.9	38.0
Annual % Change	(9.9)	(66.4)	(34.6)	(39.6)	(38.1)	37.0	(21.4)	(16.2)	15.8	47.3	(39.0)	22.5	25.8	(32.0)
Wills, Suits, Deeds, Contracts	39.1	39.8	36.8	51.8	51.9	54.9	49.4	58.2	65.3	74.3	63.7	82.6	93.6	79.5
Annual % Change	1.5	11.0	21.7	24.6	32.7	37.8	34.2	12.2	25.8	35.2	28.9	42.0	43.4	7.1
Insurance Premiums	65.3	42.3	26.2	134.3	67.4	53.0	30.8	141.5	76.8	59.7	35.2	161.3	79.7	63.1
Annual % Change	7.9	(3.6)	6.1	10.1	3.2	25.4	17.6	5.4	13.9	12.6	14.5	14.0	3.8	5.7
Interest Income	60.4	37.6	44.9	(9.7)	55.3	21.4	26.1	(2.3)	40.3	22.8	8.4	10.1	29.8	11.1
Annual % Change	14.8	30.8	12.4	(198.0)	(8.4)	(43.0)	(42.0)	(75.8)	(27.1)	6.6	(67.7)	(532.6)	(26.0)	(51.5)
Alcoholic Beverage Sales	11.8	29.0	32.8	49.3	11.6	29.9	34.7	51.3	11.8	31.2	36.4	49.3	12.9	32.9
Annual % Change	3.4	6.0	2.3	6.5	(1.9)	3.0	5.7	3.9	1.9	4.5	4.9	(3.9)	9.1	5.3
All Other Revenues	90.4	119.9	119.2	220.9	84.4	124.8	110.3	193.6	118.9	125.5	143.3	195.2	146.5	111.8
Annual % Change	(32.4)	(13.6)	54.1	12.4	(6.6)	4.1	(7.5)	(12.4)	40.8	0.5	29.9	0.8	23.2	(10.9)
Total General Fund Revenues	2,546.4	2,506.5	2,599.6	3,452.8	2,485.4	2,585.8	2,388.6	3,219.1	2,513.3	2,689.9	2,344.5	3,319.5	2,724.3	2,846.0
Annual % Change	1.7	(2.7)	13.3	1.1	(2.4)	3.2	(8.1)	(6.8)	1.1	4.0	(1.8)	3.1	8.4	5.8

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2004.1	2004.2	2004.3	2004.4	2005.1	2005.2	2005.3	2005.4	2006.1	2006.2	2006.3	2006.4	2007.1	2007.2	2007.3
Withholding	1,861.8	1,769.9	1,768.0	1,905.5	1,992.0	1,847.5	1,897.2	1,996.5	2,131.5	2,028.5	1,970.4	2,110.3	2,292.5	2,192.2	2,062.9
Annual % Change	9.1	6.7	10.1	5.8	7.0	4.4	7.3	4.8	7.0	9.8	3.9	5.7	7.6	8.1	4.7
Nonwithholding	304.4	857.5	286.6	209.9	415.0	1,162.0	349.0	225.7	483.9	1,435.1	356.4	264.8	512.5	1,648.3	394.1
Annual % Change	5.6	16.8	19.2	30.8	36.3	35.5	21.8	7.5	16.6	23.5	2.1	17.3	5.9	14.9	10.6
Gross Individual Income Tax	2,166.2	2,627.4	2,054.7	2,115.5	2,407.0	3,009.5	2,246.3	2,222.2	2,615.5	3,463.6	2,326.8	2,375.2	2,805.0	3,840.4	2,457.0
Annual % Change	8.6	9.8	11.3	7.8	11.1	14.5	9.3	5.0	8.7	15.1	3.6	6.9	7.2	10.9	5.6
Individual Refunds	578.8	479.5	87.8	81.1	588.0	477.3	50.5	62.5	638.4	531.2	110.2	109.8	740.4	599.5	83.6
Annual % Change	11.7	(2.1)	1.6	11.8	1.6	(0.5)	(42.5)	(22.9)	8.6	11.3	118.3	75.6	16.0	12.9	(24.1)
Net Individual Income Tax	1,587.3	2,147.9	1,966.9	2,034.3	1,819.0	2,532.2	2,195.8	2,159.7	1,977.0	2,932.4	2,216.7	2,265.4	2,064.6	3,240.9	2,373.3
Annual % Change	7.5	12.9	11.7	7.7	14.6	17.9	11.6	6.2	8.7	15.8	1.0	4.9	4.4	10.5	7.1
Sales and Use Tax	622.9	830.8	524.3	727.0	736.0	958.8	579.3	728.6	758.5	746.3	762.3	746.9	774.8	765.1	785.8
Annual % Change	10.3	12.7	7.3	17.3	18.2	15.4	10.5	0.2	3.1	(22.2)	31.6	2.5	2.1	2.5	3.1
Corporate Income Tax	44.3	230.5	122.0	124.9	90.0	279.9	214.7	256.1	116.0	280.3	256.9	186.6	118.7	317.4	217.7
Annual % Change	171.7	27.1	8.1	228.4	103.2	21.4	76.0	105.1	29.0	0.2	19.7	(27.2)	2.3	13.2	(15.2)
Wills, Suits, Deeds, Contracts	67.7	99.7	113.8	150.6	141.9	189.8	202.8	170.1	149.7	172.1	150.8	143.6	133.9	154.7	130.7
Annual % Change	6.3	20.7	21.5	89.3	109.6	90.4	78.3	13.0	5.5	(9.3)	(25.7)	(15.6)	(10.5)	(10.1)	(13.3)
Insurance Premiums	42.6	165.8	88.0	69.0	38.3	178.3	84.1	72.1	36.3	181.3	87.9	61.4	38.0	197.6	101.7
Annual % Change	20.9	2.8	10.4	9.3	(10.1)	7.5	(4.4)	4.4	(5.2)	1.7	4.5	(14.8)	4.7	9.0	15.8
Interest Income	13.9	6.6	27.1	22.1	23.8	10.8	44.7	26.0	39.6	6.1	91.7	42.9	53.8	(12.4)	105.5
Annual % Change	65.3	(35.0)	(9.2)	99.7	71.0	64.5	65.0	17.7	66.4	(43.9)	105.0	64.7	35.7	(303.9)	15.1
Alcoholic Beverage Sales	37.3	55.0	12.6	34.8	38.1	59.0	13.5	36.4	40.6	62.4	14.3	38.0	42.1	67.5	13.8
Annual % Change	2.4	11.6	(2.6)	5.8	2.4	7.2	7.4	4.7	6.5	5.8	5.5	4.2	3.6	8.2	(3.4)
All Other Revenues	144.0	251.3	155.2	122.6	118.5	177.9	110.9	111.7	148.8	180.2	127.2	111.1	128.6	176.9	113.6
Annual % Change	0.5	28.7	6.0	9.6	(17.7)	(29.2)	(28.6)	(8.9)	25.7	1.3	14.7	(0.5)	(13.6)	(1.8)	(10.7)
Total General Fund Revenues	2,560.0	3,787.7	3,009.8	3,285.3	3,005.5	4,386.6	3,445.8	3,560.8	3,266.7	4,561.0	3,707.7	3,595.9	3,354.5	4,907.7	3,842.1
Annual % Change	9.2	14.1	10.5	15.4	17.4	15.8	14.5	8.4	8.7	4.0	7.6	1.0	2.7	7.6	3.6

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2007 4	2008 1	2008 2	2008 3	2008 4	2009 1	2009 2	2009 3	2009 4	2010 1	2010 2	2010 3	2010 4	2011 1
Withholding	2,244.9	2,411.8	2,213.9	2,175.8	2,384.3	2,306.6	2,271.5	2,125.0	2,328.6	2,416.4	2,306.1	2,219.1	2,459.9	2,538.5
Annual % Change	6.4	5.2	1.0	5.5	6.2	(4.4)	2.6	(2.3)	(2.3)	4.8	1.5	4.4	5.6	5.1
Nonwithholding	260.1	556.6	1,650.4	406.5	243.3	458.8	1,201.8	311.3	217.8	373.0	1,004.6	292.9	204.6	435.7
Annual % Change	(1.8)	8.6	0.1	3.1	(6.5)	(17.6)	(27.2)	(23.4)	(10.5)	(18.7)	(16.4)	(5.9)	(6.0)	16.8
Gross Individual Income Tax	2,505.1	2,968.4	3,864.3	2,582.2	2,627.6	2,765.4	3,473.3	2,436.3	2,546.4	2,789.4	3,310.7	2,512.0	2,664.5	2,974.2
Annual % Change	5.5	5.8	0.6	5.1	4.9	(6.8)	(10.1)	(5.6)	(3.1)	0.9	(4.7)	3.1	4.6	6.6
Individual Refunds	143.9	811.3	641.1	127.2	141.3	873.2	825.8	150.8	182.3	947.1	714.4	123.1	160.9	888.2
Annual % Change	31.1	9.6	6.9	52.0	(1.8)	7.6	28.8	18.6	29.1	8.5	(13.5)	(18.4)	(11.8)	(6.2)
Net Individual Income Tax	2,361.2	2,157.2	3,223.2	2,455.0	2,486.3	1,892.2	2,647.5	2,285.5	2,364.1	1,842.3	2,596.4	2,388.9	2,503.6	2,086.1
Annual % Change	4.2	4.5	(0.5)	3.4	5.3	(12.3)	(17.9)	(6.9)	(4.9)	(2.6)	(1.9)	4.5	5.9	13.2
Sales and Use Tax	798.2	723.3	768.3	769.9	729.2	708.8	695.4	724.7	724.0	674.5	959.4	577.9	746.3	719.7
Annual % Change	6.9	(6.6)	0.4	(2.0)	(8.6)	(2.0)	(9.5)	(5.9)	(0.7)	(4.8)	38.0	(20.3)	3.1	6.7
Corporate Income Tax	115.4	138.7	336.0	191.4	71.9	71.1	313.6	176.3	175.6	56.8	397.8	177.6	160.5	127.8
Annual % Change	(38.1)	16.9	5.8	(12.1)	(37.7)	(48.7)	(6.7)	(7.9)	144.4	(20.2)	26.8	0.7	(8.6)	125.1
Wills, Suits, Deeds, Contracts	112.6	98.6	114.5	90.3	66.2	68.4	89.3	80.5	74.6	60.1	75.0	75.7	77.7	63.3
Annual % Change	(21.6)	(26.4)	(26.0)	(30.9)	(41.2)	(30.6)	(22.0)	(10.9)	12.8	(12.2)	(16.0)	(5.9)	4.1	5.4
Insurance Premiums	61.5	32.1	201.5	0.0	75.6	(20.2)	199.6	0.0	75.1	(20.3)	207.1	0.0	80.5	(9.4)
Annual % Change	0.1	(15.7)	2.0	(100.0)	22.9	(163.0)	(0.9)	NA	(0.6)	0.4	3.7	NA	7.2	(53.7)
Interest Income	66.2	37.5	(19.9)	74.6	25.4	23.3	(19.0)	40.3	26.4	33.3	(5.7)	25.7	21.6	23.8
Annual % Change	54.4	(30.3)	60.5	(29.3)	(61.7)	(37.8)	(4.2)	(45.9)	3.9	42.8	(70.0)	(36.2)	(18.0)	(28.5)
Alcoholic Beverage Sales	39.6	45.5	70.0	12.8	41.5	47.1	71.8	12.3	42.2	47.5	73.0	12.8	43.2	48.7
Annual % Change	4.5	8.0	3.6	(7.2)	4.7	3.5	2.7	(4.0)	1.7	1.0	1.7	3.9	2.2	2.5
All Other Revenues	144.0	147.2	152.6	85.8	102.9	103.4	143.7	87.4	71.8	97.5	164.1	89.4	81.1	105.7
Annual % Change	29.6	14.4	(13.8)	(24.5)	(28.5)	(29.8)	(5.8)	1.9	(30.2)	(5.7)	14.2	2.4	12.9	8.4
Total General Fund Revenues	3,698.7	3,380.0	4,846.1	3,679.9	3,599.0	2,894.2	4,142.0	3,407.0	3,553.9	2,791.6	4,467.0	3,348.1	3,714.5	3,165.6
Annual % Change	2.9	0.8	(1.3)	(4.2)	(2.7)	(14.4)	(14.5)	(7.4)	(1.3)	(3.5)	7.8	(1.7)	4.5	13.4

TABLE B.1 - QUARTERLY GENERAL FUND REVENUES
(Millions of Dollars)

	2011.2	2011.3	2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2	2013.3	2013.4	2014.1
Withholding	2,417.6	2,308.0	2,510.9	2,640.7	2,580.0	2,292.0	2,606.4	2,761.1	2,591.9	2,403.1	2,659.9	2,803.7
Annual % Change	4.8	4.0	2.1	4.0	6.7	(0.7)	3.8	4.6	0.5	4.8	2.1	1.5
Nonwithholding	1,245.4	348.0	222.8	468.9	1,318.3	362.4	201.3	575.7	1,668.3	372.8	260.6	496.7
Annual % Change	24.0	18.8	8.9	7.6	5.9	4.1	(9.6)	22.8	26.5	2.9	29.4	(13.7)
Gross Individual Income Tax	3,663.0	2,655.9	2,733.7	3,109.6	3,898.3	2,654.4	2,807.7	3,336.8	4,260.1	2,775.9	2,920.4	3,300.5
Annual % Change	10.6	5.7	2.6	4.6	6.4	(0.1)	2.7	7.3	9.3	4.6	4.0	(1.1)
Individual Refunds	697.1	105.7	132.1	862.9	684.1	98.2	108.9	827.8	684.2	118.6	156.9	820.2
Annual % Change	(2.4)	(14.1)	(17.9)	(2.9)	(1.9)	(7.1)	(17.6)	(4.1)	0.0	20.8	44.2	(0.9)
Net Individual Income Tax	2,965.8	2,550.2	2,601.6	2,246.7	3,214.2	2,556.2	2,698.9	2,509.1	3,575.9	2,657.3	2,763.5	2,480.3
Annual % Change	14.2	6.8	3.9	7.7	8.4	0.2	3.7	11.7	11.3	4.0	2.4	(1.1)
Sales and Use Tax	968.5	620.4	772.0	768.1	961.0	684.7	777.1	787.0	971.0	653.9	766.1	721.1
Annual % Change	0.9	7.3	3.5	6.7	(0.8)	10.4	0.7	2.5	1.0	(4.5)	(1.4)	(8.4)
Corporate Income Tax	356.4	191.3	134.4	162.4	371.8	168.8	197.9	84.5	345.6	201.5	102.2	124.0
Annual % Change	(10.4)	7.7	(16.3)	27.1	4.3	(11.8)	47.2	(48.0)	(7.0)	19.4	(48.4)	46.8
Wills, Suits, Deeds, Contracts	74.7	78.9	79.8	73.5	89.8	90.7	92.2	91.3	103.3	93.2	76.2	60.6
Annual % Change	(0.4)	4.2	2.8	16.1	20.2	14.9	15.5	24.1	15.1	2.8	(17.3)	(33.6)
Insurance Premiums	210.4	0.0	56.4	(15.2)	211.7	0.0	79.9	(21.0)	203.3	0.0	90.3	3.5
Annual % Change	1.6	NA	(29.9)	62.4	0.6	NA	41.7	37.7	(4.0)	#DIV/0!	12.9	(116.5)
Interest Income	10.0	29.5	17.0	19.9	10.8	26.9	15.1	21.8	3.7	18.3	22.8	23.4
Annual % Change	(274.5)	14.5	(21.5)	(16.2)	8.0	(8.9)	(10.9)	9.2	(65.4)	(31.7)	50.5	7.3
Alcoholic Beverage Sales	74.3	13.8	45.0	50.6	77.0	15.7	46.1	53.2	80.2	14.8	47.7	54.4
Annual % Change	1.7	7.9	4.2	4.0	3.6	13.7	2.6	5.1	4.1	(5.8)	3.4	2.3
All Other Revenues	151.9	89.1	77.2	107.3	140.3	76.6	88.2	101.3	159.6	83.3	79.5	105.0
Annual % Change	(7.4)	(0.3)	(4.9)	1.6	(7.7)	(14.0)	14.3	(5.6)	13.8	8.7	(9.8)	3.6
Total General Fund Revenues	4,812.0	3,573.2	3,783.4	3,413.4	5,076.6	3,619.5	3,995.5	3,627.1	5,442.5	3,722.3	3,948.3	3,572.3
Annual % Change	7.7	6.7	1.9	7.8	5.5	1.3	5.6	6.3	7.2	2.8	(1.2)	(1.5)

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Withholding											
Calendar Year	3,446.5	3,658.7	3,922.3	4,148.0	4,550.9	4,979.1	5,673.3	6,007.5	6,347.5	6,513.0	6,772.2
% Change	7.1	6.2	7.2	5.8	9.7	9.4	13.9	5.9	5.7	2.6	4.0
Fiscal Year	3,347.8	3,562.6	3,798.6	4,049.0	4,303.0	4,759.0	5,311.9	5,861.3	6,254.9	6,422.4	6,567.4
% Change	8.0	6.4	6.6	6.6	6.3	10.6	11.6	10.3	6.7	2.7	2.3
Nonwithholding											
Calendar Year	764.0	772.3	794.6	890.4	1,084.4	1,317.7	1,596.4	1,640.6	1,801.7	1,456.4	1,423.7
% Change	2.1	1.1	2.9	12.1	21.8	21.5	21.2	2.8	9.8	(19.2)	(2.2)
Fiscal Year	751.3	775.3	783.4	878.1	1,041.9	1,284.7	1,487.8	1,669.7	1,806.8	1,459.5	1,402.7
% Change	3.1	3.2	1.0	12.1	18.6	23.3	15.8	12.2	8.2	(19.2)	(3.9)
Gross Individual Income Tax											
Calendar Year	4,210.5	4,431.0	4,716.9	5,038.4	5,635.3	6,296.7	7,269.7	7,648.1	8,149.2	7,969.4	8,195.9
% Change	6.2	5.2	6.5	6.8	11.8	11.7	15.5	5.2	6.6	(2.2)	2.8
Fiscal Year	4,099.0	4,338.0	4,581.9	4,927.2	5,344.9	6,043.7	6,799.8	7,530.9	8,061.7	7,881.9	7,970.1
% Change	7.1	5.8	5.6	7.5	8.5	13.1	12.5	10.8	7.0	(2.2)	1.1
Individual Refunds											
Calendar Year	512.7	530.6	547.4	587.5	628.5	655.2	717.4	773.8	902.6	1,108.8	1,167.3
% Change	2.6	3.5	3.2	7.3	7.0	4.2	9.5	7.9	16.6	22.8	5.3
Fiscal Year	514.3	526.1	553.8	579.1	617.1	638.2	711.9	702.0	835.4	1,171.1	1,194.4
% Change	1.6	2.3	5.3	4.6	6.6	3.4	11.5	(1.4)	19.0	40.2	2.0
Net Individual Income Tax											
Calendar Year	3,697.8	3,900.4	4,169.5	4,451.0	5,006.8	5,641.5	6,552.3	6,874.3	7,246.6	6,860.6	7,028.6
% Change	6.7	5.5	6.9	6.8	12.5	12.7	16.1	4.9	5.4	(5.3)	2.4
Fiscal Year	3,584.8	3,811.9	4,028.1	4,348.0	4,727.8	5,405.4	6,087.9	6,828.9	7,226.3	6,710.8	6,775.7
% Change	7.9	6.3	5.7	7.9	8.7	14.3	12.6	12.2	5.8	(7.1)	1.0
Sales and Use Tax											
Calendar Year	1,479.4	1,612.1	1,682.8	1,783.1	1,872.4	1,992.4	2,140.7	2,233.3	2,289.5	2,309.9	2,410.4
% Change	6.3	9.0	4.4	6.0	5.0	6.4	7.4	4.3	2.5	0.9	4.4
Fiscal Year	1,441.6	1,539.1	1,657.7	1,722.0	1,826.8	1,919.2	2,065.3	2,201.5	2,273.0	2,429.8	2,336.0
% Change	6.9	6.8	7.7	3.9	6.1	5.1	7.6	6.6	3.2	6.9	(3.9)
Corporate Income Tax											
Calendar Year	384.7	323.1	411.8	386.9	448.8	458.1	462.8	497.5	326.2	320.5	348.6
% Change	37.6	(16.0)	27.4	(6.0)	16.0	2.1	1.0	7.5	(34.4)	(1.8)	8.8
Fiscal Year	371.5	312.1	376.4	402.3	432.3	450.8	420.4	565.9	363.8	290.2	343.3
% Change	34.6	(16.0)	20.6	6.9	7.4	4.3	(6.7)	34.6	(35.7)	(20.2)	18.3
Wills, Suits, Deeds, Contracts											
Calendar Year	110.2	99.0	86.4	99.1	112.5	148.5	151.3	150.8	195.5	247.2	319.5
% Change	14.7	(10.2)	(12.7)	14.7	13.5	32.0	1.9	(0.3)	29.6	26.4	29.3
Fiscal Year	99.6	114.9	84.7	95.5	103.4	126.8	157.9	146.3	167.6	214.4	285.8
% Change	19.0	15.4	(26.3)	12.7	8.3	22.6	24.5	(7.3)	14.6	27.9	33.3

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Withholding										
Calendar Year	7,305.3	7,733.2	8,240.8	8,792.5	9,185.8	9,031.7	9,401.4	9,775.0	10,119.1	10,415.9
% Change	7.9	5.9	6.6	6.7	4.5	(1.7)	4.1	4.0	3.5	2.9
Fiscal Year	7,039.3	7,513.0	8,053.7	8,565.5	8,933.6	9,138.1	9,176.2	9,635.1	10,039.7	10,251.3
% Change	7.2	6.7	7.2	6.4	4.3	2.3	0.4	5.0	4.2	2.1
Nonwithholding										
Calendar Year	1,658.4	2,151.8	2,540.3	2,815.0	2,856.7	2,189.8	1,875.2	2,251.8	2,350.9	2,877.3
% Change	16.5	29.7	18.1	10.8	1.5	(23.3)	(14.4)	20.1	4.4	22.4
Fiscal Year	1,562.8	2,073.5	2,493.8	2,782.0	2,861.2	2,310.4	1,906.8	2,178.6	2,357.9	2,807.7
% Change	11.4	32.7	20.3	11.6	2.8	(19.2)	(17.5)	14.3	8.2	19.1
Gross Individual Income Tax										
Calendar Year	8,963.7	9,884.9	10,781.0	11,607.5	12,042.5	11,221.4	11,276.6	12,026.8	12,470.0	13,293.3
% Change	9.4	10.3	9.1	7.7	3.7	(6.8)	0.5	6.7	3.7	6.6
Fiscal Year	8,602.1	9,586.6	10,547.5	11,347.4	11,794.7	11,448.5	11,082.9	11,813.7	12,397.6	13,059.0
% Change	7.9	11.4	10.0	7.6	3.9	(2.9)	(3.2)	6.6	4.9	5.3
Individual Refunds										
Calendar Year	1,227.3	1,178.3	1,389.6	1,567.4	1,720.8	2,032.1	1,945.5	1,823.1	1,754.0	1,787.6
% Change	5.1	(4.0)	17.9	12.8	9.8	18.1	(4.3)	(6.3)	(3.8)	1.9
Fiscal Year	1,217.2	1,234.2	1,282.6	1,559.8	1,679.9	1,967.4	1,994.7	1,869.3	1,784.7	1,719.1
% Change	1.9	1.4	3.9	21.6	7.7	17.1	1.4	(6.3)	(4.5)	(3.7)
Net Individual Income Tax										
Calendar Year	7,736.4	8,706.7	9,391.4	10,040.0	10,321.7	9,189.3	9,331.1	10,203.8	10,716.0	11,505.7
% Change	10.1	12.5	7.9	6.9	2.8	(11.0)	1.5	9.4	5.0	7.4
Fiscal Year	7,384.9	8,352.4	9,264.9	9,787.6	10,114.8	9,481.1	9,088.3	9,944.4	10,612.8	11,340.0
% Change	9.0	13.1	10.9	5.6	3.3	(6.3)	(4.1)	9.4	6.7	6.9
Sales and Use Tax										
Calendar Year	2,705.1	3,002.6	3,014.1	3,123.8	2,990.8	2,853.0	2,958.0	3,080.6	3,190.9	3,178.0
% Change	12.2	11.0	0.4	3.6	(4.3)	(4.6)	3.7	4.1	3.6	(0.4)
Fiscal Year	2,562.3	2,946.1	2,812.7	3,049.1	3,075.5	2,903.4	3,082.5	3,012.4	3,121.5	3,219.8
% Change	9.7	15.0	(4.5)	8.4	0.9	(5.6)	6.2	(2.3)	3.6	3.1
Corporate Income Tax										
Calendar Year	521.7	840.6	839.8	769.3	738.0	736.7	792.7	809.9	900.9	733.7
% Change	49.7	61.1	(0.1)	(8.4)	(4.1)	(0.2)	7.6	2.2	11.2	(18.6)
Fiscal Year	425.7	616.7	867.1	879.6	807.9	648.0	806.5	822.3	859.9	796.7
% Change	24.0	44.9	40.6	1.4	(8.2)	(19.8)	24.4	2.0	4.6	(7.3)
Wills, Suits, Deeds, Contracts										
Calendar Year	431.7	704.7	616.2	531.9	369.5	312.8	288.5	296.8	346.2	364.0
% Change	35.1	63.2	(12.6)	(13.7)	(30.5)	(15.3)	(7.8)	2.9	16.6	5.1
Fiscal Year	340.6	596.1	694.7	582.9	456.3	314.3	290.2	291.5	322.1	377.5
% Change	19.1	75.0	16.6	(16.1)	(21.7)	(31.1)	(7.7)	0.4	10.5	17.2

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Insurance Premiums											
Calendar Year	186.6	203.6	212.9	216.6	220.4	243.6	248.3	254.3	280.9	308.7	339.4
% Change	6.2	9.1	4.6	1.7	1.8	10.5	1.9	2.4	10.5	9.9	9.9
Fiscal Year	180.3	196.4	208.2	218.0	219.0	237.0	244.9	251.1	268.1	292.7	333.0
% Change	3.2	8.9	6.0	4.7	0.5	8.2	3.4	2.5	6.8	9.2	13.8
Interest Income											
Calendar Year	52.5	61.0	80.1	94.6	116.5	125.0	118.3	147.8	111.9	86.9	59.5
% Change	7.9	16.1	31.4	18.1	23.1	7.3	(5.4)	24.9	(24.3)	(22.4)	(31.5)
Fiscal Year	48.1	53.4	64.5	82.3	114.9	105.8	126.1	131.2	133.2	100.4	81.7
% Change	13.3	11.1	20.8	27.5	39.7	(7.9)	19.2	4.0	1.5	(24.6)	(18.6)
Alcoholic Beverage Sales											
Calendar Year	101.8	101.5	102.1	103.0	103.8	107.2	111.9	119.2	123.6	129.0	131.5
% Change	(0.4)	(0.3)	0.5	0.9	0.8	3.2	4.4	6.5	3.7	4.3	1.9
Fiscal Year	102.5	101.1	101.0	104.4	103.5	105.5	110.6	117.2	123.0	127.5	128.7
% Change	0.5	(1.4)	(0.1)	3.4	(0.9)	1.9	4.8	6.0	4.9	3.6	1.0
All Other Revenues											
Calendar Year	323.9	374.0	371.4	397.5	429.8	432.6	560.6	484.2	549.3	548.2	596.8
% Change	11.3	15.5	(0.7)	7.0	8.1	0.6	29.6	(13.6)	13.5	(0.2)	8.9
Fiscal Year	305.3	374.4	360.5	383.5	421.5	422.9	489.7	546.4	550.4	513.1	582.9
% Change	11.3	22.6	(3.7)	6.4	9.9	0.3	15.8	11.6	0.7	(6.8)	13.6
Total General Fund Revenues											
Calendar Year	6,336.9	6,674.7	7,116.9	7,531.8	8,311.0	9,148.7	10,346.2	10,761.3	11,123.6	10,810.9	11,234.2
% Change	8.3	5.3	6.6	5.8	10.3	10.1	13.1	4.0	3.4	(2.8)	3.9
Fiscal Year	6,133.6	6,503.4	6,881.1	7,356.1	7,949.3	8,773.5	9,702.7	10,788.5	11,105.3	10,679.0	10,867.1
% Change	9.1	6.0	5.8	6.9	8.1	10.4	10.6	11.2	2.9	(3.8)	1.8
ABC Profits											
Fiscal Year	26.8	20.7	19.0	26.0	23.8	20.7	25.5	30.1	28.1	25.4	14.2
% Change	13.0	(22.8)	(8.2)	36.8	(8.5)	(12.9)	23.0	18.2	(6.8)	(9.6)	(44.1)
Transfers per Appropriations Act											
Fiscal Year	377.2	388.0	273.4	443.0	364.2	367.9	371.1	407.4	354.5	702.0	1,028.5
% Change	(40.2)	2.9	(29.5)	62.0	(17.8)	1.0	0.9	9.8	(13.0)	98.0	46.5

TABLE B.2 - ANNUAL GENERAL FUND REVENUES
(Millions of Dollars)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Insurance Premiums										
Calendar Year	365.4	372.8	366.9	398.8	309.2	254.5	267.3	257.4	276.4	272.6
% Change	7.7	2.0	(1.6)	8.7	(22.5)	(17.7)	5.0	(3.7)	7.4	(1.4)
Fiscal Year	351.3	373.6	373.8	384.9	396.9	255.0	261.9	281.6	252.9	262.2
% Change	5.5	6.3	0.1	3.0	3.1	(35.7)	2.7	7.5	(10.2)	3.7
Interest Income										
Calendar Year	69.7	105.4	180.2	213.1	117.6	71.0	75.0	80.2	72.7	66.6
% Change	17.3	51.2	71.0	18.2	(44.8)	(39.6)	5.5	7.0	(9.4)	(8.3)
Fiscal Year	61.4	83.9	116.5	175.9	189.3	104.2	94.3	81.1	77.2	67.5
% Change	(24.8)	36.6	38.9	51.1	7.6	(44.9)	(9.5)	(14.0)	(4.9)	(12.5)
Alcoholic Beverage Sales										
Calendar Year	139.6	147.0	155.2	163.1	169.8	173.4	176.5	181.8	189.4	195.9
% Change	6.2	5.3	5.6	5.0	4.1	2.2	1.8	3.0	4.2	3.4
Fiscal Year	138.0	144.5	153.0	161.8	168.9	173.2	175.1	178.9	186.4	195.2
% Change	7.2	4.7	5.9	5.8	4.3	2.6	1.1	2.2	4.2	4.7
All Other Revenues										
Calendar Year	673.1	518.9	567.4	563.1	488.5	406.3	432.1	423.9	412.4	423.7
% Change	12.8	(22.9)	9.3	(0.8)	(13.3)	(16.8)	6.4	(1.9)	(2.7)	2.7
Fiscal Year	653.6	574.1	551.6	543.9	557.4	435.7	420.7	428.1	413.9	425.7
% Change	12.1	(12.2)	(3.9)	(1.4)	2.5	(21.8)	(3.4)	1.8	(3.3)	2.9
Total General Fund Revenues										
Calendar Year	12,642.8	14,398.7	15,131.3	15,803.1	15,505.0	13,997.0	14,321.2	15,334.3	16,105.0	16,740.2
% Change	12.5	13.9	5.1	4.4	(1.9)	(9.7)	2.3	7.1	5.0	3.9
Fiscal Year	11,917.9	13,687.3	14,834.3	15,565.8	15,767.0	14,315.1	14,219.5	15,040.2	15,846.7	16,684.6
% Change	9.7	14.8	8.4	4.9	1.3	(9.2)	(0.7)	5.8	5.4	5.3
ABC Profits										
Fiscal Year	16.8	24.9	30.0	27.6	36.1	44.1	50.0	50.5	63.8	66.6
% Change	18.0	48.9	20.4	(8.3)	31.0	22.2	13.4	1.0	26.3	4.4
Transfers per Appropriations Act										
Fiscal Year	996.0	714.6	835.6	792.7	776.4	362.4	517.2	361.6	437.5	358.0
% Change	(3.2)	(28.3)	16.9	(5.1)	(2.1)	(53.3)	42.7	(30.1)	21.0	(18.2)