

Governor Northam's Proposed Amendments to the 2018-2020 Budget

Economic Outlook and Revenue Forecast

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

December 18, 2018



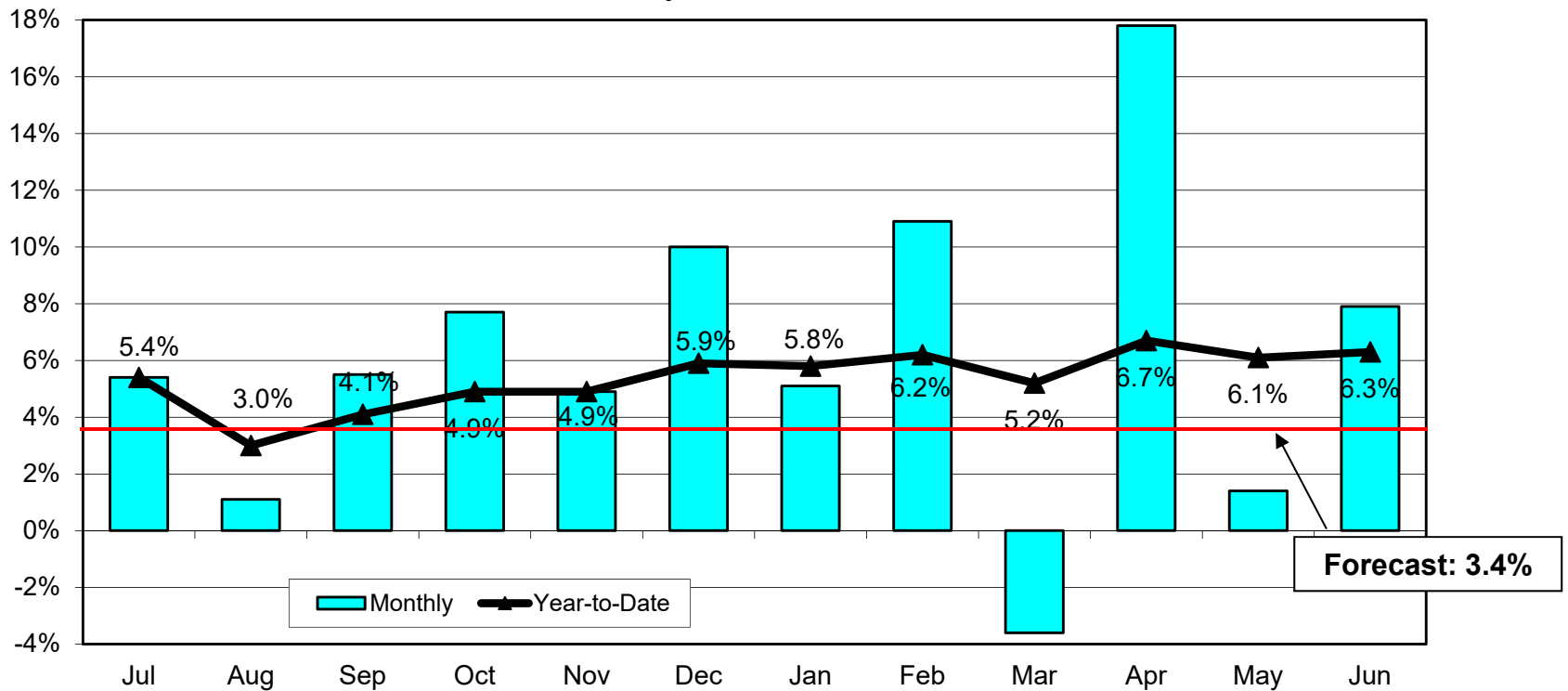
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Outline

- Fiscal Year 2018 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

Fiscal Year 2018 General Fund Revenue Grew at an Average Pace of 6.3 Percent

Growth in Total General Fund Revenue Collections FY18 Monthly and Year-to-Date



Monthly Growth: 5.4% 1.1% 5.5% 7.7% 4.9% 10.0% 5.1% 10.9% -3.5% 17.8% 1.4% 7.9%

- Total general fund revenue collections exceeded the forecast by \$552.6 million, excluding transfers in fiscal year 2018, a forecast variance of 2.9 percent.
- Total general fund revenues rose 6.3 percent, ahead of the annual forecast of 3.4 percent.

Including Transfers, Fiscal Year 2018 General Fund Resources Grew 6.0 Percent and Finished \$555.5 Million (2.8 Percent) Above Forecast

Summary of Fiscal Year 2018 Revenue Collections
(millions of dollars)

Major Sources	As a % of Total General Fund				% Growth Over FY 17	
		Official	Actual	Change	Official	Actual
Withholding	61.5%	\$12,313.3	\$12,540.5	\$227.2	3.5 %	5.4 %
Nonwithholding	15.6	3,147.3	3,472.9	325.6	4.3	15.1
Refunds	(9.6)	(1,968.7)	(1,907.6)	61.1	5.8	2.5
Net Individual	67.5%	\$13,491.9	\$14,105.8	\$613.9	3.4 %	8.1 %
Sales	17.4%	\$3,458.2	\$3,461.8	\$3.6	3.0 %	3.1 %
Corporate	4.3	874.0	861.9	(12.1)	5.7	4.2
Wills (Recordation)	2.0	407.2	394.9	(12.3)	3.3	0.1
Insurance	1.8	362.1	337.9	(24.2)	6.2	(0.9)
All Other Revenue	3.7	734.8	718.5	(16.3)	1.6	(0.6)
Total Revenue	96.6%	\$19,328.2	\$19,880.8	\$552.6	3.4 %	6.3 %
A.B.C. Profits	0.6	\$104.1	\$109.5	\$5.4	(5.8) %	(0.9) %
Sales Tax (0.375%)	1.9	379.1	376.6	(2.5)	3.6	2.9
Transfers	0.9	142.1	142.2	0.1	(19.7)	(19.6)
Total Transfers	3.4%	\$625.3	\$628.3	\$3.0	(4.3) %	(3.8) %
TOTAL GENERAL FUND	100.0%	\$19,953.5	\$20,509.0	\$555.5	3.1 %	6.0 %

- The gain in net individual income tax and sales tax, about \$618 million, was somewhat offset by shortfalls in all other revenue sources.

Recent National and State Economic Indicators Suggest Continued Expansion

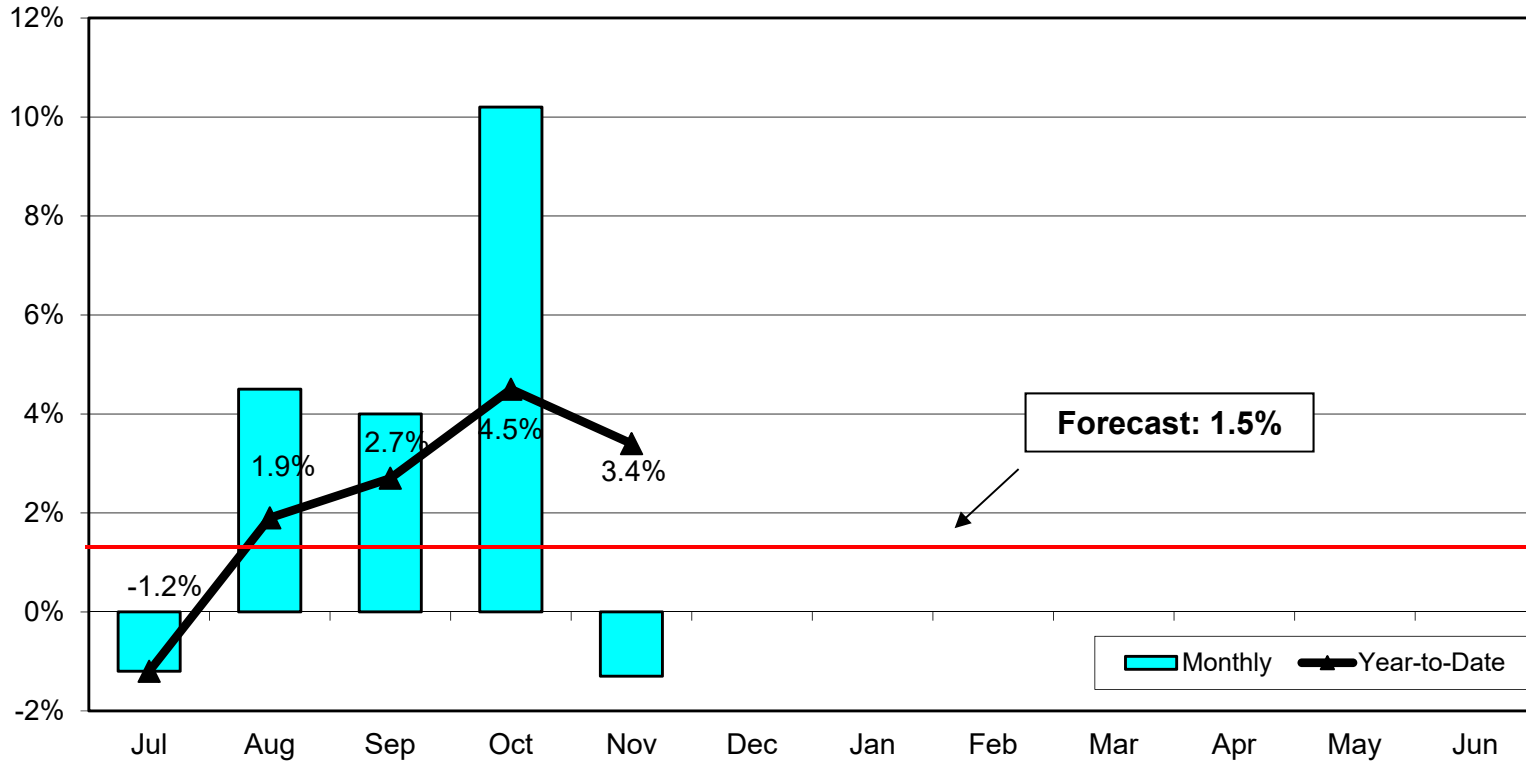
- According to the second estimate, real GDP grew at an annualized rate of 3.5 percent in the third quarter of 2018, down from 4.2 percent in the second quarter.
- Payroll employment growth slowed in November, rising by 155,000 jobs after adding 237,000 in October.
- The national unemployment rate remained at 3.7 percent in November.
- Initial claims for unemployment fell by 4,000 to 231,000 during the week ending December 1.
 - The four-week moving average rose by 4,250 to 228,000. Claims are volatile this time of year and the reporting period included the Thanksgiving holiday.
- The Conference Board's index of consumer confidence fell 2.2 points in November to 135.7. Confidence remains strong, with both components near their highest levels since 2000.
- The Conference Board's index of leading indicators rose 0.1 percent in October, suggesting the expansion should continue.
- Conditions in the manufacturing sector improved in November. The Institute of Supply Management index rose from 57.7 to 59.3.

Recent National and State Economic Indicators Suggest Continued Expansion (*continued*)

- The CPI rose 0.3 percent in October after a 0.1 percent gain in September and stands 2.5 percent above October 2017.
 - Core inflation (excluding food and energy prices) rose 0.2 percent, and has increased 2.2 percent from last year.
- At its November meeting, the Federal Reserve left the federal funds rate target unchanged at 2.00 to 2.25 percent.
- In Virginia, employment growth remains solid. Payroll employment rose 2.6 percent in October from a year ago.
 - Northern Virginia posted growth of 2.7 percent, Hampton Roads grew 1.9 percent, and Richmond-Petersburg rose 2.5 percent.
 - The seasonally adjusted unemployment rate held steady at 2.9 percent and stands 0.7 percentage point below October 2017.
- The net impact of federal and state tax relief to Virginians from the *Tax Cuts and Jobs Act* (TCJA) is projected to be about \$4 billion per year.

Fiscal Year 2019 Year-to-Date Revenue Collections Through November

Growth in Total General Fund Revenue Collections FY19 Monthly and Year-to-Date

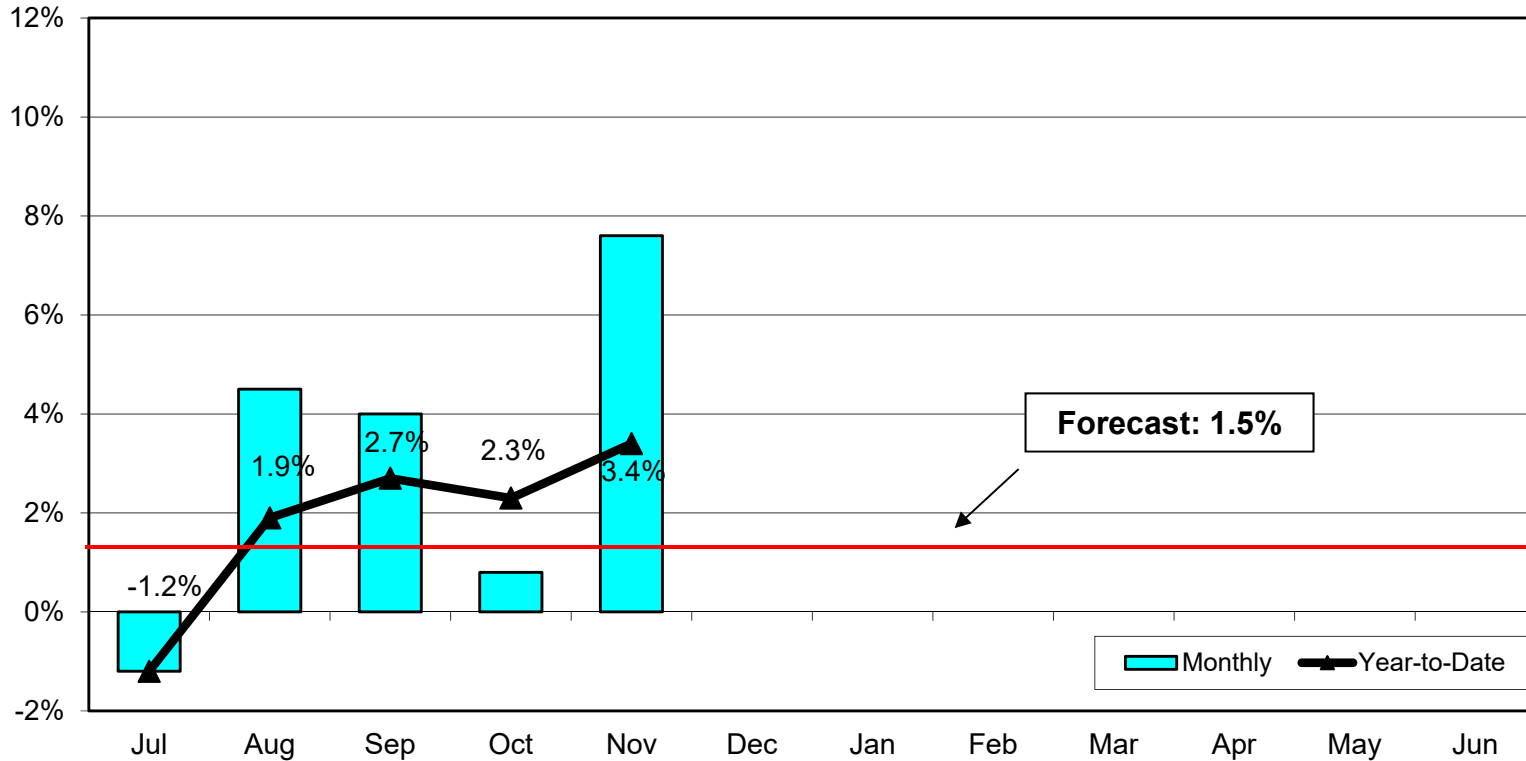


Monthly Growth: -1.2% 4.5% 4.0% 10.2% -1.3%

- Total general fund revenues decreased 1.3 percent in November.
 - Payroll withholding in November had one less deposit day.
- On a year-to-date basis, total revenues increased 3.4 percent, ahead of the annual forecast of a 1.5 percent increase.

Fiscal Year 2019 Year-to-Date Smoothed Revenue Collections Through November

Growth in Total General Fund Revenue Collections FY19 Monthly and Year-to-Date



Monthly Growth: -1.2% 4.5% 4.0% 0.8% 7.6%

- Total general fund revenues are adjusted for the extra October deposit day being counted as November revenue.
 - Each month now has the same number of deposit days.
- For illustrative purposes only.

Fall 2018 Consensus Forecasting Process

- **Joint Advisory Board of Economists (JABE)** met October 11th.
 - The September standard forecast was a bit stronger than the standard outlook adopted last year; 10 members voted for the standard, 4 members thought that Virginia would do better than the standard in the short-term, no members voted for the pessimistic, and no members supported the Moody's Analytics forecast.
- **Governor's Advisory Council on Revenue Estimates (GACRE)** met November 19th.
 - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for the FY18-20 biennium.
 - At the GACRE meeting, 11 business members voted for the standard. 1 member voted for a standard plus forecast and 1 for a standard minus forecast for the FY18-20 biennium.
 - No members were expecting a recession to start in this biennium.

GACRE Members Concurred with the JABE Recommended Forecast

- IHS Markit October U.S. standard forecast reflects economic growth slightly higher than the Official October forecast.
 - As a result, FY19 real GDP is expected to grow 3.0 percent, personal income is expected to grow 4.4 percent, and employment is expected to grow 1.6 percent.

Key Virginia Economic Indicators
Official and October Standard Forecasts
Annual Percent Change

	Fiscal Year					
	17	18	19	20	21	22
Employment						
Official (Oct. '17)	1.2	1.3	1.0	0.8	0.7	0.7
Oct. Standard		1.4	1.7	1.1	0.6	0.3
Personal Income						
Official (Oct. '17)	2.4	3.3	4.3	4.6	4.5	4.1
Oct. Standard		4.1	4.1	4.8	4.6	4.5
Wages & Salaries						
Official (Oct. '17)	2.7	3.6	4.4	4.0	4.0	4.0

- With the advice of JABE and GACRE, the October 2018 Virginia Economic Outlook for FY19-20 remains the standard forecast and is higher than the Official (Oct. '17) forecast for employment and in line with the Official forecast for the income variables.

Virginia's Economy Is Expected To Mirror National Trends in Job Growth, and Have Slightly Softer Growth in Wages

Key U.S. and Virginia Economic Indicators
 U.S. October 2018 Standard and Virginia Standard Forecast
 (annual percent change)

	Fiscal Year					
	17	18	19	20	21	22
Real GDP	1.9	2.6	3.0	2.4	1.7	1.5
Consumer Spending	2.6	2.5	2.9	2.6	2.3	2.0
CPI	1.9	2.2	2.6	2.4	2.4	2.4
3-Month T-bill	0.6	1.4	2.4	3.0	3.2	3.2
Employment						
U.S.	1.7	1.5	1.6	1.3	0.7	0.3
Virginia	1.0	1.4	1.7	1.1	0.6	0.3
Personal Income						
U.S.	3.4	4.5	4.4	4.9	4.5	4.3
Virginia	2.8	4.1	4.1	4.8	4.6	4.5
Wages & Salaries						
U.S.	3.7	4.8	4.6	4.8	4.6	4.4
Virginia	3.3	4.0	4.3	4.2	4.0	3.9

GACRE Revenue Forecast Is Higher As Compared to Chapter 2 – Mainly Due to Strength in Fiscal Year 2018

- Total revenue is \$408.2 million higher than the Chapter 2 Official forecast over the biennium.
- FY19 revenue growth is now at 2.6 percent as compared to the 1.5 percent growth currently required to attain the Official forecast.
- FY20 revenue growth is now at 3.7 percent as compared to the 4.0 percent growth currently required to attain the Official forecast.
- Current law and policies as reflected in Chapter 2 are assumed throughout. Highlights include:
 - AST rollback is continued consistent with enacted budget assumption.
 - Nonwithholding Collar (15.89%) is applied and limited to 1% of general fund.
 - FY19 – Reduce forecast by \$540.0 million then add back \$333.0 million to get net collar reduction of \$207.0 million
 - FY20 – Reduce forecast by \$637.0 million then add back \$423 million to get net collar reduction of \$214.0 million.
 - Fiscal year 2019 payroll withholding model adjusted for the \$120 million in June payments.
 - There were no direct revenue impacts from the TCJA or Wayfair in the GACRE forecasts.

December Revenue Forecast (*Introduced Budget*) Includes Policy Adjustments

- Improved revenue collections through November would suggest that the GACRE forecast is conservative and in line with the advice of the GACRE members.
- The main post-GACRE revenue adjustment was to increase the payroll withholding forecast by \$70 million per year based on collection trends.
 - Many GACRE members commented that they believed payroll growth would be stronger given the recent rise in average wages and tight labor market.
- This forecast remains more conservative than the money committees' forecasts presented at the General Assembly retreats last month.
- Some tax policy changes (federal tax conformity and Wayfair estimates) are proposed by the Governor.
- Virginia currently conforms to the federal tax code as of December 1, 2017. A bill will be introduced to set fixed state conformity as of December 31, 2018.
 - The budget introduced today includes fully conforming to the IRS Code.

Fiscal Year Cash Flow of Almost \$600 Million per Year However, Significant Amount Is Not Permanent and Comes with Unknowns

Estimated Virginia Revenue Impact of the TCJA

Fiscal Years 2019 to 2024 (Includes Residents and Nonresidents)

(\$Millions)

By Source	2019	2020	2021	2022	2023	2024
Individual Provisions	532.1	443.8	466.7	492.5	520.0	546.1
Business Provisions	29.4	114.6	181.5	300.3	417.2	398.2
International Provisions	32.6	52.7	5.5	5.8	6.0	6.3
Total, All Provisions	594.2	611.1	653.7	798.7	943.2	950.6

(\$Millions)

By Provisions	2019	2020	2021	2022	2023	2024
Temporary Provisions (Expiring after 2025)	517.3	433.6	455.7	480.4	506.8	532.5
Permanent Provisions	76.9	177.5	198.0	318.3	436.4	418.1
Total, All Provisions	594.2	611.1	653.7	798.7	943.2	950.6

- Most of the individual provisions are temporary and expire after 2025; the only substantial individual provision that is permanent is related to alternative inflation measures.
- Due to the likely timing of Virginia’s conformity to the federal provisions, the full impact for Taxable Year 2018 is recognized in fiscal year 2019.
- Nonresidents account for approximately 11% of revenues.

Internet Sales (*Wayfair*)

Estimated Revenue Impact by Fund (millions of dollars)

State Sales and Use Tax (5.3% net of Dealer Discount)	5.280%	\$ 144.9
GF - Unrestricted ⁽¹⁾	2.015%	\$ 55.3
GF - Restricted 1% Education ⁽²⁾	0.990%	\$ 27.2
Education School Age 1/8% (GF transfer from Restricted)	0.125%	\$ 3.4
Education SOQ 1/4% (GF transfer from Unrestricted)	0.250%	\$ 6.9
Transportation ⁽³⁾	0.800%	\$ 22.0
HMOF (GF transfer)	0.100%	\$ 2.7
Local Option	1.000%	\$ 27.4
Regional Trans. Funds (0.7%) ⁽⁴⁾	0.367%	\$ 10.1
Hampton Roads (TPO)	0.127%	\$ 3.5
Northern Virginia (NVTA)	0.240%	\$ 6.6
Total Sales and Use Tax ⁽⁴⁾	5.647%	\$ 155.0

Notes:

- 1) Includes: 2.025% General Fund Unrestricted, -0.01% Dealer Discount.
- 2) Includes: 1% Education based on school age population, -0.01% Dealer Discount.
- 3) Includes 0.5% TTF, 0.175% HMOF, 0.050% IPROCF, and 0.075% Mass Transit Fund.
- 4) The assumed state, local and regional sales and use blended tax rate is 5.65%, after dealer discount.

December General Fund Revenue Forecast

Composition of the December Revenue Forecast Fiscal Years 2019 and 2020 (millions of dollars)

	FY19	FY20	2019-20 Biennium
<u>GACRE Revenue Forecast</u>	\$20,400.1	\$21,158.0	\$41,558.1
Total Revenue Growth: GACRE	2.6%	3.7%	
<u>Revenue Adjustments</u>			
Payroll Withholding Forecast	70.0	70.0	140.0
<u>Revenue Policy Adjustments</u>			
Wayfair internet sales (unrestricted amount)		55.3	55.3
Wayfair internet sales (restricted K-12 amount)		27.2	27.2
Federal tax conformity - permanent	76.9	177.5	254.4
Federal tax conformity - expires after 2025	517.3	433.6	950.9
Refundable Earned Income Tax Credit	(10.3)	(206.0)	(216.3)
Accelerated Sales Tax -- increase threshold to \$10 million		(27.2)	(27.2)
Miscellaneous minor actions	(3.4)	0.6	(2.8)
Total	650.5	531.0	1,181.5
Total General Fund Revenues	\$ 21,050.6	\$ 21,689.0	\$42,739.6
Total Revenue Growth	5.9%	3.0%	

Note: numbers may not add due to rounding.

Official and December Standard General Fund Forecasts

(Dollars in Millions)

12/18/2018

Major Sources	Fiscal Year 2018		Fiscal Year 2019				
	Actual	% Growth	Official	December	Change	% Growth Over FY 18	
			Official	December	Change	Official	December
Withholding	\$12,540.5	5.4 %	\$12,870.2	\$13,013.9	\$143.7	2.6 %	3.8
Nonwithholding	3,472.9	15.1	3,368.3	4,001.0	632.7	(3.0)	15.2
Refunds	<u>(1,907.6)</u>	<u>2.5</u>	<u>(2,054.7)</u>	<u>(1,969.7)</u>	<u>85.0</u>	<u>7.7</u>	<u>3.3</u>
Net Individual	\$14,105.8	8.1 %	\$14,183.8	\$15,045.2	\$861.4	0.6 %	6.7 %
Sales	\$3,461.8	3.1 %	\$3,547.3	\$3,591.1	\$43.8	2.5 %	3.7 %
Corporate	861.9	4.2	912.0	910.5	(1.5)	5.8	5.6
Wills (Recordation)	394.9	0.1	407.2	368.6	(38.6)	3.1	(6.7)
Insurance	337.9	(0.9)	376.6	395.3	18.7	11.4	17.0
All Other Revenue	\$ <u>718.5</u>	<u>(0.6)</u>	<u>746.8</u>	<u>739.9</u>	<u>(6.9)</u>	<u>3.9</u>	<u>3.0</u>
Total Revenue	\$19,880.8	6.3 %	\$20,173.7	\$21,050.6	\$876.9	1.5 %	5.9 %
A.B.C. Profits	\$ 109.5	(0.9) %	\$109.8	\$112.9	\$3.1	0.3 %	3.1 %
Sales Tax (0.375%)	376.6	2.9	386.7	390.0	3.3	2.7	3.6
Transfers	<u>142.2</u>	<u>(19.6)</u>	<u>124.5</u>	<u>119.2</u>	<u>(5.3)</u>	<u>(12.4)</u>	<u>(16.2)</u>
Total Transfers	\$ 628.3	(3.8) %	\$621.0	\$622.1	\$1.1	(1.2) %	(1.0) %
TOTAL GENERAL FUND	\$ 20,509.0	6.0 %	\$20,794.7	\$21,672.7	\$878.0	1.4 %	5.7 %

Official and December Standard General Fund Forecasts

(Dollars in Millions)

December 18, 2018

	Fiscal Year 2020						2018-2020 Biennium			
	Official	December	Change	% Growth Over FY19				Official	December	Change
				Official	December	Official	December			
Withholding	\$13,368.5	\$13,539.7	\$171.2	3.9	%	4.0	%	\$26,238.7	\$26,553.6	\$314.9
Nonwithholding	3,635.0	4,118.1	483.1	7.9		2.9		7,003.3	8,119.1	1,115.8
Refunds	(2,147.3)	(2,277.3)	(130.0)	4.5		15.6		(4,202.0)	(4,247.0)	(45.0)
Net Individual	\$14,856.2	\$15,380.5	\$524.3	4.7		2.2		\$29,040.0	\$30,425.7	\$1,385.7
Sales	\$3,625.2	\$3,731.1	\$105.9	2.2		3.9		\$7,172.5	\$7,322.2	\$149.7
Corporate	926.4	1,043.5	117.1	1.6		14.6		1,838.4	1,954.0	115.6
Wills (Recordation)	407.2	368.6	(38.6)	0.0		0.0		814.4	737.2	(77.2)
Insurance	397.6	410.3	12.7	5.6		3.8		774.2	805.6	31.4
All Other Revenue	763.6	755.0	(8.6)	2.2		2.0		1,510.4	1,494.9	(15.5)
Total Revenue	\$20,976.2	\$21,689.0	\$712.8	4.0	%	3.0	%	\$41,149.9	\$42,739.6	\$1,589.7
A.B.C. Profits	\$115.5	\$117.2	\$1.7	5.2	%	3.8	%	\$225.3	\$230.1	\$4.8
Sales Tax (0.375%)	395.2	409.3	14.1	2.2		4.9		781.9	799.3	17.4
Transfers Per Act	120.3	103.8	(16.5)	(3.4)		(12.9)		244.8	223.0	(21.8)
Total Transfers	\$631.0	\$630.3	(\$0.7)	1.6	%	1.3	%	\$1,252.0	\$1,252.4	\$0.4
TOTAL GENERAL FUND	\$21,607.2	\$22,319.3	\$712.1	3.9	%	3.0	%	\$42,401.9	\$43,992.0	\$1,590.1

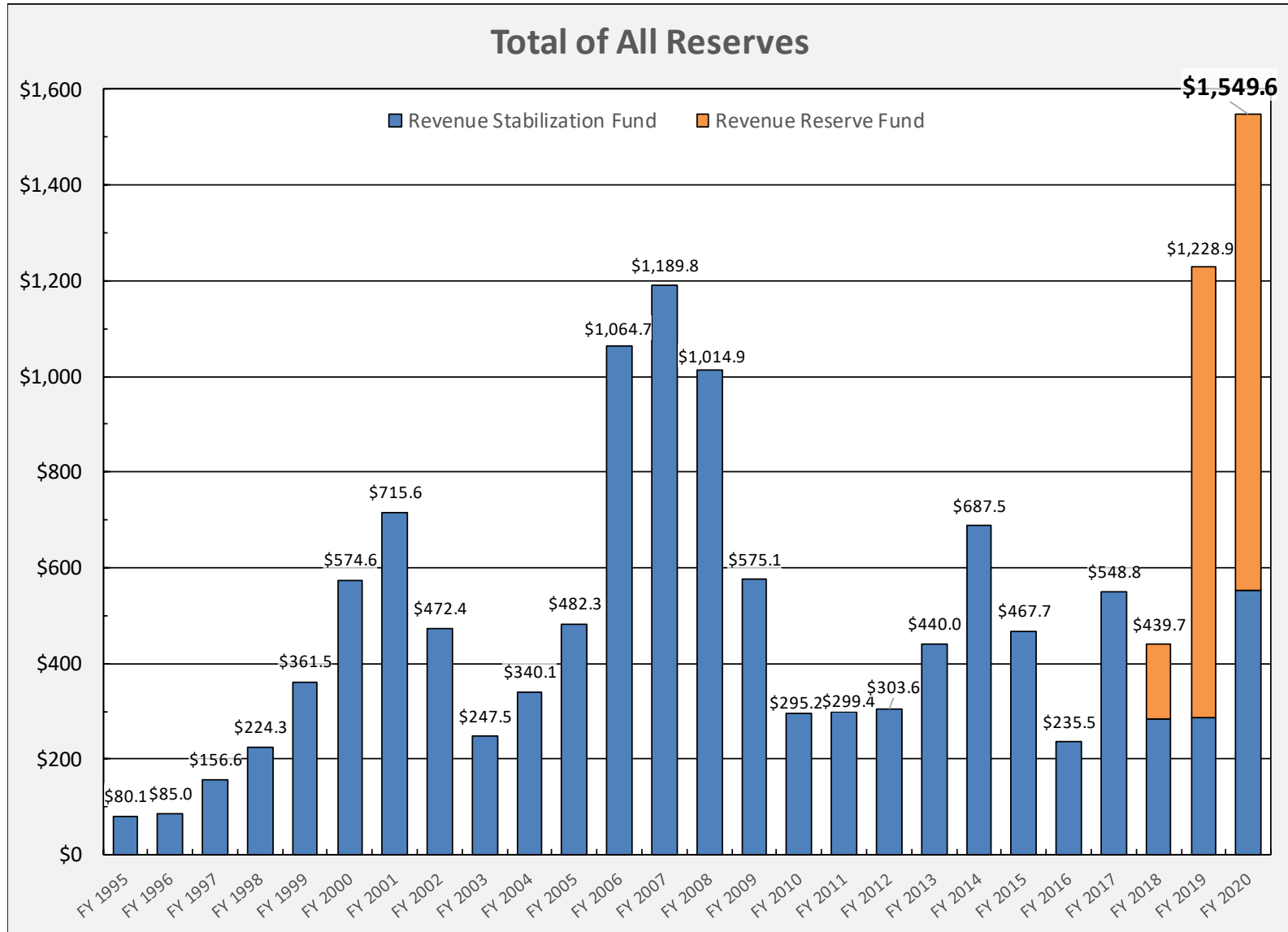
Fiscal Year 2019 Year-to-Date Revenue Collections Through November

November Year-to-Date Collections and FY19 December Forecast

Percent Growth over Prior Year

<u>Major Source</u>	As a % of Total <u>Revenues</u>	<u>YTD</u> <u>Actual</u>	<u>Annual</u> <u>Estimate</u>	<u>Variance</u>	<u>Dec-Jun Req'd</u> <u>to Meet Est.</u>	<u>Prior Year</u> <u>Dec-Jun</u>
Withholding	61.8 %	3.0 %	3.8 %	(0.8) %	4.3 %	6.3 %
Nonwithholding	19.0	12.2	15.2	(3.0)	15.9	18.8
Refunds	(9.4)	6.1	3.3	2.8	2.8	2.0
Net Individual	71.5	3.9	6.7	(2.8)	8.3	11.0
Sales	17.1	4.1	3.7	0.4	3.5	2.3
Corporate	4.3	(14.2)	5.6	(19.8)	14.8	(9.9)
Wills (Recordation)	1.8	(6.0)	(6.7)	0.7	(7.2)	2.1
Insurance	1.9	na	17.0	na	17.0	(0.9)
All Other Revenue	3.5	13.2	3.0	10.2	(2.1)	(1.9)
Total	100.0 %	3.4 %	5.9 %	(2.5) %	7.3 %	7.2 %

By the Close of FY 2020, Total Reserves Are Estimated to Exceed **\$1.5 Billion**, the Largest Total in History



Ongoing Versus One-Time General Fund Revenues

FY2019-FY2020 Revenues

(millions of dollars)

Revenue Source	FY19			FY20			Biennium Total		
	Ongoing	One-Time	Total	Ongoing	One-Time	Total	Ongoing	One-Time	Total
Chapter 2	\$20,173.7		\$20,173.7	\$20,976.2		\$20,976.2	\$41,149.9		\$41,149.9
GACRE November Standard	\$ 226.4		\$ 226.4	\$ 181.8		\$ 181.8	\$ 408.2		\$ 408.2
Post-GACRE revenue adjustments	\$ 70.0		\$ 70.0	\$ 70.0		\$ 70.0	\$ 140.0		\$ 140.0
Federal Tax Conformity	\$ 76.9	\$517.3	\$ 594.2	\$ 177.5	\$ 433.6	\$ 611.1	\$ 254.4	\$ 950.9	\$ 1,205.3
Wayfair internet sales tax				\$ 82.5		\$ 82.5	\$ 82.5		\$ 82.5
Refundable EITC		\$ (10.3)	\$ (10.3)		\$ (206.0)	\$ (206.0)		\$ (216.3)	\$ (216.3)
Accelerated Sales Tax - \$10m					\$ (27.2)	\$ (27.2)		\$ (27.2)	\$ (27.2)
Miscellaneous		\$ (3.4)	\$ (3.4)	\$ 0.6		\$ 0.6	\$ 0.6	\$ (3.4)	\$ (2.8)
Total Revenues	\$20,547.0	\$503.6	\$21,050.6	\$21,488.6	\$ 200.4	\$21,689.0	\$42,035.6	\$ 704.0	\$42,739.6

Note: numbers may not add due to rounding.

Next Steps in the Revenue Forecasting Process

- The mid-session review will incorporate the latest economic and revenue data.
 - IHS Markit January U.S. economic outlook:
 - Impact of any federal budget agreements
 - Holiday retail sales
 - Key additional revenue data will be available:
 - **December 17** – due date for the fourth quarter corporate estimated income tax payment
 - **January 15** – due date for the fourth quarter individual estimated income tax payment
 - **January 22** – due date for retail sales tax collections, reflecting the main holiday shopping season
- **Federal tax conformity needs to be passed as soon as possible.**

APPENDIX

This presentation and the appendix data listed below are available at the Secretary of Finance website (www.finance.virginia.gov).

- U.S. Economic Indicators
- Virginia Economic Indicators
- General Fund Forecast, FY 2019-2026
- Commonwealth Transportation Fund Forecast, FY 2019-2024
- Virginia Health Care Fund Forecast, FY 2019-2026
- GACRE November Standard Revenue Forecast
- GACRE November Pessimistic Revenue Forecast
- Growth in General Fund Revenues, FY 1961-2020
- Nongeneral Fund Forecast, FY 2018-2024
- November 2018 Revenue Report

Fiscal Years 2017-2022 Official and October Forecasts
U.S. Economic Forecasts - Income and Other Indicators (% Change)

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
<u>Output, Income, and Spending (% of Total)</u>							
Real GDP	Official (Oct '17)	1.9	2.4	2.3	2.2	2.2	2.1
	Oct Standard	1.9	2.6	3.0	2.4	1.7	1.5
	Oct Pessimistic			3.1	0.8	0.0	1.7
Total Personal Income	Official (Oct '17)	2.5	3.5	4.5	5.0	4.9	4.7
	Oct Standard	3.4	4.5	4.4	4.9	4.5	4.3
	Oct Pessimistic			4.2	3.3	2.5	4.3
Wages and Salaries (50%)	Official (Oct '17)	2.8	4.1	4.9	4.9	4.8	4.8
	Oct Standard	3.7	4.8	4.6	4.8	4.6	4.4
	Oct Pessimistic			4.4	3.3	3.1	4.7
Average Wage	Official (Oct '17)	1.1	2.7	3.7	3.8	4.0	4.0
	Oct Standard	1.9	3.2	3.0	3.5	3.9	4.1
	Oct Pessimistic			2.8	3.1	3.7	4.3
Real Consumer Spending	Official (Oct '17)	2.8	2.5	2.4	2.4	2.4	2.3
	Oct Standard	2.6	2.5	2.9	2.6	2.3	2.0
	Oct Pessimistic			2.7	1.4	0.6	1.5
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Oct '17)	0.6	1.3	2.1	2.8	2.9	2.9
	Oct Standard	0.6	1.4	2.4	3.0	3.2	3.2
	Oct Pessimistic			2.3	1.1	0.3	1.0
30-Year Treasury Bonds	Official (Oct '17)	2.8	3.3	4.0	4.6	4.6	4.6
	Oct Standard	2.8	2.9	3.3	3.7	3.8	3.8
	Oct Pessimistic			3.0	2.1	2.4	3.1
<u>Prices (% of Total)</u>							
CPI	Official (Oct '17)	1.9	1.8	2.0	2.5	2.6	2.4
	Oct Standard	1.9	2.2	2.6	2.4	2.4	2.4
	Oct Pessimistic			2.5	2.2	2.4	2.7
GDP Deflator	Official (Oct '17)	1.6	1.7	2.3	2.1	2.2	2.1
	Oct Standard	1.6	2.1	2.4	2.5	2.5	2.5
	Oct Pessimistic			2.3	2.2	2.6	3.0

The Official forecast is IHS Markit's October 2017 U.S. standard scenario.

The Oct Standard forecast is IHS Markit's October 2018 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit's October 2018 U.S. pessimistic alternative scenario.

Fiscal Years 2017-2022 Official and October Forecasts
U.S. Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
<u>Employment and Labor Markets (% of Total)</u>							
Total Nonagricultural Employment	Official (Oct '17)	1.6	1.4	1.2	1.0	0.8	0.8
	Oct Standard	1.7	1.5	1.6	1.3	0.7	0.3
	Oct Pessimistic			1.5	0.2	(0.5)	0.3
Construction (5%)	Official (Oct '17)	3.0	2.2	2.2	3.5	2.5	2.8
	Oct Standard	3.6	3.5	3.6	3.4	3.8	2.6
	Oct Pessimistic			4.1	2.1	(2.3)	1.5
Manufacturing (9%)	Official (Oct '17)	0.1	1.3	2.2	1.2	0.6	0.4
	Oct Standard	0.2	1.5	1.8	0.2	(0.7)	(0.9)
	Oct Pessimistic			1.1	(0.5)	(2.4)	(0.4)
Trade, Transportation, and Utilities (19%)	Official (Oct '17)	1.0	0.5	0.2	(0.1)	(0.2)	(0.1)
	Oct Standard	1.2	0.8	1.0	0.2	(0.6)	(0.7)
	Oct Pessimistic			0.8	(1.2)	(1.5)	(0.9)
Financial Activities (6%)	Official (Oct '17)	2.1	1.8	1.2	0.3	0.5	0.5
	Oct Standard	2.1	1.7	1.2	1.8	0.6	(0.2)
	Oct Pessimistic			1.6	1.2	(0.3)	(0.5)
Professional and Business Services (14%)	Official (Oct '17)	2.9	3.1	3.9	3.3	2.3	2.0
	Oct Standard	2.0	2.4	3.2	5.0	2.3	1.1
	Oct Pessimistic			2.4	0.7	(1.0)	4.0
Education and Health Services (16%)	Official (Oct '17)	2.5	2.0	1.1	0.8	0.8	0.9
	Oct Standard	2.7	2.1	2.0	0.8	0.2	0.5
	Oct Pessimistic			2.2	0.5	0.9	(0.1)
Leisure and Hospitality (11%)	Official (Oct '17)	2.3	1.5	0.2	(0.0)	0.8	0.7
	Oct Standard	2.9	2.1	1.4	0.2	2.0	0.8
	Oct Pessimistic			1.5	0.4	1.7	0.0
Government (15%)	Official (Oct '17)	0.9	0.2	0.4	0.8	0.2	0.5
	Oct Standard	0.9	0.1	0.1	0.9	0.4	0.6
	Oct Pessimistic			0.1	0.9	(0.6)	0.0
Unemployment Rate (%)	Official (Oct '17)	4.7	4.3	4.3	4.3	4.3	4.4
	Oct Standard	4.7	4.1	3.7	3.5	3.7	4.0
	Oct Pessimistic			3.8	4.6	5.6	5.7

The Official forecast is IHS Markit's October 2017 U.S. standard scenario.

The Oct Standard forecast is IHS Markit's October 2018 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit's October 2018 U.S. pessimistic alternative scenario.

Fiscal Years 2017-2022 Official and October Forecasts
Virginia Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
<u>Employment and Labor Markets (% of Total)</u>							
Total Nonagricultural Employment	Official (Oct '17)	1.2	1.3	1.0	0.8	0.7	0.7
	Oct Standard	1.0	1.4	1.7	1.1	0.6	0.3
	Oct Pessimistic			1.6	(0.0)	(0.6)	0.4
Construction and Mining (5%)	Official (Oct '17)	1.5	1.9	3.5	4.4	2.6	2.6
	Oct Standard	1.5	3.3	2.2	3.9	4.5	3.2
	Oct Pessimistic			2.8	2.5	(2.3)	2.0
Manufacturing (6%)	Official (Oct '17)	(0.5)	(0.7)	1.3	1.3	0.8	0.3
	Oct Standard	(0.1)	1.3	1.8	0.3	(0.9)	(1.3)
	Oct Pessimistic			0.9	(0.6)	(2.9)	(0.7)
Trade, Transportation, and Utilities (17%)	Official (Oct '17)	0.2	0.3	0.1	(0.1)	(0.2)	(0.4)
	Oct Standard	0.3	0.5	1.9	0.1	(0.8)	(0.8)
	Oct Pessimistic			1.6	(1.9)	(1.9)	(0.8)
Financial Activities (5%)	Official (Oct '17)	2.1	1.7	1.1	0.3	0.5	0.5
	Oct Standard	1.9	2.5	1.7	1.9	0.8	0.1
	Oct Pessimistic			2.3	1.1	(0.3)	(0.2)
Professional and Business Services (19%)	Official (Oct '17)	2.6	2.6	2.8	2.0	1.4	1.6
	Oct Standard	1.6	2.3	2.6	3.7	1.8	1.3
	Oct Pessimistic			1.9	0.3	(0.9)	3.4
Education and Health Services (14%)	Official (Oct '17)	1.4	2.0	0.8	0.5	0.9	1.1
	Oct Standard	1.3	1.9	2.4	0.8	0.4	0.9
	Oct Pessimistic			2.6	0.5	1.1	0.2
Leisure and Hospitality (10%)	Official (Oct '17)	2.1	1.8	0.8	0.2	0.8	0.5
	Oct Standard	1.9	1.8	2.1	0.2	1.7	0.8
	Oct Pessimistic			2.1	0.4	1.4	0.1
Government (18%)	Official (Oct '17)	0.3	0.4	(0.0)	0.2	0.3	0.3
	Oct Standard	0.5	(0.1)	(0.1)	0.4	(0.1)	(0.3)
	Oct Pessimistic			(0.1)	0.3	(0.2)	(0.2)
Unemployment Rate (%)	Official (Oct '17)	4.0	3.6	3.5	3.5	3.5	3.6
	Oct Standard	4.0	3.5	3.0	2.9	3.0	3.2
	Oct Pessimistic			3.1	3.6	4.2	4.2

The Official forecast is based on IHS Markit's October 2017 U.S. standard forecast with recommendations by JABE and GACRE.

The Oct Standard forecast is based on IHS Markit's October 2018 U.S. standard forecast.

The Oct Pessimistic forecast is based on IHS Markit's October 2018 U.S. pessimistic alternative scenario.

Fiscal Years 2017-2022 Official and October Forecasts
Virginia Economic Forecasts - Income (% Change)

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
<u>Income (% of Total)</u>							
Total Personal Income	Official (Oct '17)	2.4	3.3	4.3	4.6	4.5	4.1
	Oct Standard	2.8	4.1	4.1	4.8	4.6	4.5
	Oct Pessimistic			4.0	3.5	2.8	4.3
Wages and Salaries (52%)	Official (Oct '17)	2.7	3.6	4.4	4.0	4.0	4.0
	Oct Standard	3.3	4.0	4.3	4.2	4.0	3.9
	Oct Pessimistic			4.1	2.9	3.0	3.9
Average Wage	Official (Oct '17)	1.5	2.2	3.4	3.1	3.2	3.3
	Oct Standard	2.3	2.5	2.5	3.0	3.4	3.6
	Oct Pessimistic			2.5	3.0	3.6	3.5
Dividends, Interest, and Rent (20%)	Official (Oct '17)	2.2	3.2	5.3	7.2	6.1	4.6
	Oct Standard	3.1	4.4	3.8	6.8	5.8	5.4
	Oct Pessimistic			3.6	3.4	(0.9)	4.3
Supplements to Wages and Salaries (12%)	Official (Oct '17)	(0.1)	1.9	3.0	3.6	3.4	3.0
	Oct Standard	0.6	3.9	3.1	4.6	4.8	4.7
	Oct Pessimistic			2.9	4.4	4.3	4.3
Proprietor's Income (6%)	Official (Oct '17)	2.6	2.9	(0.2)	(3.7)	0.0	(0.5)
	Oct Standard	(0.9)	4.6	2.5	(2.5)	(4.0)	(3.3)
	Oct Pessimistic			1.9	(3.3)	(2.9)	(2.3)
Net Transfer Payments (6%)	Official (Oct '17)	3.8	3.9	6.7	10.0	8.9	8.3
	Oct Standard	4.6	5.3	4.3	9.8	12.0	11.1
	Oct Pessimistic			5.3	12.3	13.0	10.7

The Official forecast is based on IHS Markit's October 2017 U.S. standard forecast with recommendations by JABE and GACRE.

The Oct Standard forecast is based on IHS Markit's October 2018 U.S. standard forecast.

The Oct Pessimistic forecast is based on IHS Markit's October 2018 U.S. pessimistic alternative scenario.

The Official and December General Fund Forecast for Fiscal Year 2019
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2019				
	Official Forecast	December Forecast	Change	% Growth Over FY 18 Official	% Growth Over FY 18 December
MAJOR TAX SOURCES					
Corporate Income	\$ 912.0	\$ 910.5	\$ (1.5)	5.8 %	5.6 %
Individual Income Tax:					
Gross	16,238.5	17,014.9	776.4	1.4	6.3
Withholding	12,870.2	13,013.9	143.7	2.6	3.8
Nonwithholding	3,368.3	4,001.0	632.7	(3.0)	15.2
Refunds	<u>(2,054.7)</u>	<u>(1,969.7)</u>	<u>85.0</u>	<u>7.7</u>	<u>3.3</u>
Net	14,183.8	15,045.2	861.4	0.6	6.7
Insurance Company Premiums	376.6	395.3	18.7	11.4	17.0
State Sales & Use Tax	3,547.3	3,591.1	43.8	2.5	3.7
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>368.6</u>	<u>(38.6)</u>	<u>3.1</u>	<u>(6.7)</u>
Total Major Tax Sources	\$ 19,426.9	\$ 20,310.7	\$ 883.8	1.4 %	6.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 197.5	\$ 199.1	\$ 1.6	3.4 %	4.3 %
Bank Franchise Tax	22.0	24.0	2.0	(8.2)	0.2
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	3.5	0.1
Corporate Franchise & Charter Fees	51.2	53.7	2.5	(4.5)	0.1
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	3.2	(0.8)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.1	2.6	0.5	(23.9)	(5.7)
Interest & Rents	66.5	68.8	2.3	7.7 %	11.4
Licenses & Permits	4.2	4.1	(0.1)	4.8 %	2.3
Miscellaneous Taxes and Penalties	234.9	232.0	(2.9)	2.5 %	1.2
Other Miscellaneous Revenues	36.0	23.6	(12.4)	85.1 %	21.4
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>(0.7) %</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 746.8	\$ 739.9	\$ (6.9)	3.9 %	3.0 %
TOTAL GF REVENUES	\$ 20,173.7	\$ 21,050.6	\$ 876.9	1.5 %	5.9 %
TRANSFERS					
A.B.C. Profits	\$ 109.8	\$ 112.9	\$ 3.1	0.3 %	3.1 %
Sales Tax (0.375%)	386.7	390.0	3.3	2.7	3.6
Transfers Per Appropriations Act	<u>124.5</u>	<u>119.2</u>	<u>(5.3)</u>	<u>(12.4)</u>	<u>(16.2)</u>
Total Transfers	\$ 621.0	\$ 622.1	\$ 1.1	(1.2) %	(1.0) %
TOTAL GENERAL FUND	\$ <u>20,794.7</u>	\$ <u>21,672.7</u>	\$ <u>878.0</u>	<u>1.4 %</u>	<u>5.7 %</u>

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session, Chapter 2. The December forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and Governor's proposed tax policies affecting revenues.

The Official and December General Fund Forecast for Fiscal Year 2020
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2020					2018-2020 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY 19 Official	% Growth Over FY 19 December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 926.4	\$ 1,043.5	\$ 117.1	1.6 %	14.6 %	\$ 1,838.4	\$ 1,954.0	\$ 115.6
Individual Income Tax:								
Gross	17,003.5	17,657.8	654.3	4.7	3.8	33,242.0	34,672.7	1,430.7
Withholding	13,368.5	13,539.7	171.2	3.9	4.0	26,238.7	26,553.6	314.9
Nonwithholding	3,635.0	4,118.1	483.1	7.9	2.9	7,003.3	8,119.1	1,115.8
Refunds	<u>(2,147.3)</u>	<u>(2,277.3)</u>	<u>(130.0)</u>	<u>4.5</u>	<u>15.6</u>	<u>(4,202.0)</u>	<u>(4,247.0)</u>	<u>(45.0)</u>
Net	14,856.2	15,380.5	524.3	4.7	2.2	29,040.0	30,425.7	1,385.7
Insurance Company Premiums	397.6	410.3	12.7	5.6	3.8	774.2	805.6	31.4
State Sales & Use Tax	3,625.2	3,731.1	105.9	2.2	3.9	7,172.5	7,322.2	149.7
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>368.6</u>	<u>(38.6)</u>	<u>0.0</u>	<u>0.0</u>	<u>814.4</u>	<u>737.2</u>	<u>(77.2)</u>
Total Major Tax Sources	\$ 20,212.6	\$ 20,934.0	\$ 721.4	4.0 %	3.1 %	\$ 39,639.5	\$ 41,244.7	\$ 1,605.2
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 205.9	\$ 207.5	\$ 1.6	4.3 %	4.2 %	\$ 403.4	\$ 406.6	\$ 3.2
Bank Franchise Tax	22.0	24.0	2.0	0.0	0.0	44.0	48.0	4.0
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	0.0	0.0	84.6	81.8	(2.8)
Corporate Franchise & Charter Fees	51.2	53.7	2.5	0.0	0.0	102.4	107.4	5.0
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	0.0	0.0	(15.8)	(15.2)	0.6
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.1	2.6	0.5	0.0	0.0	4.2	5.2	1.0
Interest & Rents	73.0	74.8	1.8	9.8	8.7	139.5	143.6	4.1
Licenses & Permits	4.2	4.1	(0.1)	0.0	0.0	8.4	8.2	(0.2)
Miscellaneous Taxes and Penalties	240.3	232.7	(7.6)	2.3	0.3	475.2	464.7	(10.5)
Other Miscellaneous Revenues	32.5	23.6	(8.9)	(9.7)	0.0	68.5	47.2	(21.3)
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>196.0</u>	<u>197.4</u>	<u>1.4</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	\$ 755.0	\$ (8.6)	2.2 %	2.0 %	\$ 1,510.4	\$ 1,494.9	\$ (15.5)
TOTAL GF REVENUES	\$ 20,976.2	\$ 21,689.0	\$ 712.8	4.0 %	3.0 %	\$ 41,149.9	\$ 42,739.6	\$ 1,589.7
TRANSFERS								
A.B.C. Profits	\$ 115.5	\$ 117.2	\$ 1.7	5.2 %	3.8 %	\$ 225.3	\$ 230.1	\$ 4.8
Sales Tax (0.375%)	395.2	409.3	14.1	2.2	4.9	781.9	799.3	17.4
Transfers Per Appropriations Act	<u>120.3</u>	<u>103.8</u>	<u>(16.5)</u>	<u>(3.4)</u>	<u>(12.9)</u>	<u>244.8</u>	<u>223.0</u>	<u>(21.8)</u>
Total Transfers	\$ 631.0	\$ 630.3	\$ (0.7)	1.6 %	1.3 %	\$ 1,252.0	\$ 1,252.4	\$ 0.4
TOTAL GENERAL FUND	\$ 21,607.2	\$ 22,319.3	\$ 712.1	3.9 %	3.0 %	\$ 42,401.9	\$ 43,992.0	\$ 1,590.1

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapter 2.

The December forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and Governor's proposed tax policies affecting revenues.

The December General Fund Forecast for Fiscal Years 2020-22
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2021		Fiscal Year 2022		2020-2022 Biennium	
	December Forecast	% Growth Over FY 20	December Forecast	% Growth Over FY 21	December Forecast	% Growth Over 18-20
MAJOR TAX SOURCES						
Corporate Income	\$ 1,085.0	4.0 %	\$ 1,226.4	13.0 %	\$ 2,311.4	18.3 %
Individual Income Tax:						
Gross	18,328.8	3.8	19,084.5	4.1	37,413.3	7.9
Withholding	14,039.8	3.7	14,607.4	4.0	28,647.2	7.9
Nonwithholding	4,289.0	4.1	4,477.1	4.4	8,766.1	8.0
Refunds	<u>(2,402.4)</u>	5.5	<u>(2,495.9)</u>	<u>3.9</u>	<u>(4,898.3)</u>	<u>15.3</u>
Net	15,926.4	3.5	16,588.6	4.2	32,515.0	6.9
Insurance Company Premiums	412.9	0.6	435.9	5.6	848.8	5.4
State Sales & Use Tax	3,844.2	3.0	3,933.4	2.3	7,777.6	6.2
Wills, Suits, Deeds, & Contract Fees	<u>368.6</u>	<u>0.0</u>	<u>368.6</u>	<u>0.0</u>	<u>737.2</u>	<u>0.0</u>
Total Major Tax Sources	\$ 21,637.1	3.4 %	\$ 22,552.9	4.2 %	\$ 44,190.0	7.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 215.7	4.0 %	\$ 224.1	3.9 %	\$ 439.8	8.2 %
Bank Franchise Tax	24.0	0.0	24.0	0.0	48.0	0.0
Beer & Beverage Excise Tax	40.9	0.0	40.9	0.0	81.8	0.0
Corporate Franchise & Charter Fees	53.7	0.0	53.7	0.0	107.4	0.0
Excess & Other Fees from Officers	(7.6)	0.0	(7.6)	0.0	(15.2)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.6	0.0	2.6	0.0	5.2	0.0
Interest & Rents	74.8	0.0	74.8	0.0	149.6	4.2
Licenses & Permits	4.1	0.0	4.1	0.0	8.2	0.0
Miscellaneous Taxes and Penalties	233.1	0.2	233.1	0.0	466.2	0.3
Other Miscellaneous Revenues	23.6	0.0	23.6	0.0	47.2	0.0
Public Service GR / Consumption Tax	<u>98.7</u>	<u>0.0</u>	<u>98.7</u>	<u>0.0</u>	<u>197.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	1.1 %	\$ 772.0	1.1 %	\$ 1,535.6	2.7 %
TOTAL GF REVENUES	\$ 22,400.7	3.3 %	\$ 23,324.9	4.1 %	\$ 45,725.6	7.0 %
TRANSFERS						
A.B.C. Profits	\$ 118.4	1.0 %	\$ 122.2	3.2 %	\$ 240.6	4.6 %
Sales Tax (0.375%)	408.3	(0.2)	418.0	2.4	826.3	3.4
Transfers Per Appropriations Act	<u>115.0</u>	<u>10.8</u>	<u>115.0</u>	<u>0.0</u>	<u>230.0</u>	<u>3.1</u>
Total Transfers	\$ 641.7	1.8 %	\$ 655.2	2.1 %	\$ 1,296.9	3.6 %
TOTAL GENERAL FUND	\$ 23,042.4	3.2 %	\$ 23,980.1	4.1 %	\$ 47,022.5	6.9 %

The December forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and Governor's proposed tax policies affecting revenues. The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapter 2.

The December General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
MAJOR TAX SOURCES				
Corporate Income	\$ 1,379.4	\$ 1,401.9	\$ 1,407.5	\$ 1,449.9
Individual Income Tax:				
Gross	19,880.7	20,679.9	21,548.7	22,166.5
Withholding	15,181.0	15,764.7	16,353.9	16,952.8
Nonwithholding	4,699.7	4,915.2	5,194.8	5,213.7
Refunds	<u>(2,595.7)</u>	<u>(2,693.9)</u>	<u>(2,853.7)</u>	<u>(2,929.6)</u>
Net	17,285.0	17,986.0	18,695.0	19,236.9
Insurance Company Premiums	453.6	472.7	491.1	510.9
State Sales & Use Tax	4,023.6	4,112.8	4,203.9	4,299.1
Wills, Suits, Deeds, & Contract Fees	<u>368.6</u>	<u>368.6</u>	<u>368.6</u>	<u>368.6</u>
Total Major Tax Sources	\$ 23,510.2	\$ 24,342.0	\$ 25,166.1	\$ 25,865.4
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 224.1	\$ 224.1	\$ 224.1	\$ 224.1
Bank Franchise Tax	24.0	24.0	24.0	24.0
Beer & Beverage Excise Tax	40.9	40.9	40.9	40.9
Corporate Franchise & Charter Fees	53.7	53.7	53.7	53.7
Excess & Other Fees from Officers	(7.6)	(7.6)	(7.6)	(7.6)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.6	2.6	2.6	2.6
Interest & Rents	74.8	74.8	74.8	74.8
Licenses & Permits	4.1	4.1	4.1	4.1
Miscellaneous Taxes and Penalties	233.1	233.1	233.1	233.1
Other Miscellaneous Revenues	23.6	23.6	23.6	23.6
Public Service GR / Consumption Tax	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>
Total Misc. Taxes and Other Revenues	\$ 772.0	\$ 772.0	\$ 772.0	\$ 772.0
TOTAL GF REVENUES	\$ 24,282.2	\$ 25,114.0	\$ 25,938.1	\$ 26,637.4
TRANSFERS				
A.B.C. Profits	\$ 122.2	\$ 122.2	\$ 122.2	\$ 122.2
Sales Tax (0.375%)	427.8	437.5	447.4	457.5
Transfers Per Appropriations Act	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>
Total Transfers	\$ 665.0	\$ 674.7	\$ 684.6	\$ 694.7
TOTAL GENERAL FUND	\$ 24,947.2	\$ 25,788.7	\$ 26,622.7	\$ 27,332.1
\$ Change From Previous Year	\$ 967.1	\$ 841.5	\$ 834.0	\$ 709.3
TOTAL BIENNIUM GENERAL FUND		\$ 50,735.9		\$ 53,954.8
\$ Change From Previous Biennium		\$ 3,713.4		\$ 3,218.9
% Growth From Previous Biennium		7.9		6.3 %

The December General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

December 18, 2018

	FY 23 % Growth Over FY 22	FY 24 % Growth Over FY 23	FY 25 % Growth Over FY 24	FY 26 % Growth Over FY 25
MAJOR TAX SOURCES				
Corporate Income	12.5 %	1.6 %	0.4 %	3.0 %
Individual Income Tax:				
Gross	4.2	4.0	4.2	2.9
Withholding	3.9	3.8	3.7	3.7
Nonwithholding	5.0	4.6	5.7	0.4
Refunds	<u>4.0</u>	<u>3.8</u>	<u>5.9</u>	<u>2.7</u>
Net	4.2	4.1	3.9	2.9
Insurance Company Premiums	4.1	4.2	3.9	4.0
State Sales & Use Tax	2.3	2.2	2.2	2.3
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	4.2 %	3.5 %	3.4 %	2.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	4.1 %	3.4 %	3.3 %	2.7 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.3	2.3	2.3	2.3
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	1.5 %	1.5 %	1.5 %	1.5 %
TOTAL GENERAL FUND	<u>4.0 %</u>	<u>3.4 %</u>	<u>3.2 %</u>	<u>2.7 %</u>

The Official and December Commonwealth Transportation Fund Update for Fiscal Year 2019
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2018		Fiscal Year 2019				
	Actual	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 18	
						Official	December
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 683.4	(1.7) %	\$ 724.4	\$ 720.4	\$ (4.0)	6.0 %	5.4 %
Road Tax	3.6	(14.3)	1.7	3.5	1.8	(52.8)	(2.8)
Motor Vehicle Sales And Use Tax	711.0	(1.5)	715.7	688.3	(27.4)	0.7	(3.2)
Motor Vehicle License Fees	237.2	(0.3)	236.7	236.6	(0.1)	(0.2)	(0.3)
Retail Sales and Use Tax	292.5	5.6	292.7	300.9	8.2	0.1	2.9
International Registration Plan	69.2	4.5	64.2	67.6	3.4	(7.2)	(2.3)
Miscellaneous	19.6	6.5	17.2	17.9	0.7	(12.2)	(8.7)
Total State Taxes and Fees	\$ 2,016.5	(0.2) %	\$ 2,052.6	\$ 2,035.2	\$ (17.4)	1.8 %	0.9 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 160.1	(1.7) %	\$ 172.1	\$ 171.1	\$ (1.0)	7.5 %	6.9 %
Insurance Premiums Tax (1/3)	168.0	3.0	176.7	168.7	(8.0)	5.2	0.4
Road Tax	8.0	(1.2)	8.6	8.6	0.0	7.5	7.5
Motor Vehicle Sales And Use Tax	232.7	(1.4)	236.9	227.8	(9.1)	1.8	(2.1)
Motor Vehicle License Fees	21.6	(2.7)	22.5	22.0	(0.5)	4.2	1.9
Retail Sales and Use Tax	751.3	1.1	775.1	772.7	(2.4)	3.2	2.8
Recordation Tax	47.8	(0.6)	48.3	43.6	(4.7)	1.0	(8.8)
Interest Earnings	8.9	39.1	4.2	3.8	(0.4)	(52.8)	(57.3)
Rental Tax	40.2	1.8	42.4	42.1	(0.3)	5.5	4.7
Aviation Fuels Tax	2.0	0.0	1.9	1.9	0.0	(5.0)	(5.0)
Total State Taxes and Fees	\$ 1,440.6	0.6 %	\$ 1,488.7	\$ 1,462.3	\$ (26.4)	3.3 %	1.5 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 843.5	(1.7) %	\$ 896.5	\$ 891.5	\$ (5.0)	6.3 %	5.7 %
Insurance Premiums Tax (1/3)	168.0	3.0	176.7	168.7	(8.0)	5.2	0.4
Road Tax	11.6	(5.7)	10.3	12.1	1.8	(11.2)	4.3
Motor Vehicle Sales and Use Tax	943.7	(1.5)	952.6	916.1	(36.5)	0.9	(2.9)
Motor Vehicle License Fees	258.8	(0.5)	259.2	258.6	(0.6)	0.2	(0.1)
International Registration Plan	69.2	4.5	64.2	67.6	3.4	(7.2)	(2.3)
Retail Sales and Use Tax	1,043.8	2.3	1,067.8	1,073.6	5.8	2.3	2.9
Recordation Tax (3 cents)	47.8	(0.6)	48.3	43.6	(4.7)	1.0	(8.8)
Interest Earnings	8.9	39.1	4.2	3.8	(0.4)	(52.8)	(57.3)
Rental Tax	40.2	1.8	42.4	42.1	(0.3)	5.5	4.7
Aviation Fuels Tax	2.0	0.0	1.9	1.9	0.0	(5.0)	(5.0)
Miscellaneous	19.6	6.5	17.2	17.9	0.7	(12.2)	(8.7)
Total State Taxes and Fees	\$ 3,457.1	0.1 %	\$ 3,541.3	\$ 3,497.5	\$ (43.8)	2.4 %	1.2 %
Transfers per the Appropriations Act							
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	n/a	\$ 0.0	\$ 0.0	\$ 0.0	n/a	n/a %
Total Transportation Fund	\$ 3,457.1	0.1	\$ 3,541.3	\$ 3,497.5	\$ (43.8)	2.4 %	1.2 %

The Official forecast is based on the October 2017 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December forecast is based on the October 2018 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

The Official and December Commonwealth Transportation Fund Update for Fiscal Year 2020
(Dollars in Millions)

December 18, 2018

	Fiscal Year 2020				
	Official	December	Change	% Growth over FY 19	
	Forecast	Forecast		Official	December
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 730.1	\$ 729.7	\$ (0.4)	0.8 %	1.3 %
Road Tax	1.4	3.2	1.8	(17.6)	(8.6)
Motor Vehicle Sales And Use Tax	723.2	692.2	(31.0)	1.0	0.6
Motor Vehicle License Fees	239.1	239.0	(0.1)	1.0	1.0
Retail Sales and Use Tax	299.2	312.7	13.5	2.2	3.9
International Registration Plan	65.0	65.0	0.0	1.2	(3.8)
Miscellaneous	17.2	17.9	0.7	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 2,075.2	\$ 2,059.7	\$ (15.5)	1.1 %	1.2 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 173.4	\$ 173.3	\$ (0.1)	0.8 %	1.3 %
Insurance Premiums Tax (1/3)	184.4	188.0	3.6	4.4	11.4
Road Tax	8.6	8.7	0.1	0.0	1.2
Motor Vehicle Sales And Use Tax	239.3	229.1	(10.2)	1.0	0.6
Motor Vehicle License Fees	22.9	22.3	(0.6)	1.8	1.4
Retail Sales and Use Tax	792.2	802.8	10.6	2.2	3.9
Recordation Tax	48.3	43.6	(4.7)	0.0	0.0
Interest Earnings	4.5	4.0	(0.5)	7.1	5.3
Rental Tax	43.2	43.5	0.3	1.9	3.3
Aviation Fuels Tax	1.9	2.0	0.1	0.0	5.3
Total State Taxes and Fees (TTF)	\$ 1,518.7	\$ 1,517.3	\$ (1.4)	2.0 %	3.8 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 903.5	\$ 903.0	\$ (0.5)	0.8 %	1.3 %
Insurance Premiums Tax (1/3)	184.4	188.0	3.6	4.4	11.4
Road Tax	10.0	11.9	1.9	(2.9)	(1.7)
Motor Vehicle Sales and Use Tax	962.5	921.3	(41.2)	1.0	0.6
Motor Vehicle License Fees	262.0	261.3	(0.7)	1.1	1.0
International Registration Plan	65.0	65.0	0.0	1.2	(3.8)
Retail Sales and Use Tax	1,091.4	1,115.5	24.1	2.2	3.9
Recordation Tax (3 cents)	48.3	43.6	(4.7)	0.0	0.0
Interest Earnings	4.5	4.0	(0.5)	7.1	5.3
Rental Tax	43.2	43.5	0.3	1.9	3.3
Aviation Fuels Tax	1.9	2.0	0.1	0.0	5.3
Miscellaneous	17.2	17.9	0.7	0.0	0.0
Total State Taxes and Fees	\$ 3,593.9	\$ 3,577.0	\$ (16.9)	1.5 %	2.3 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %
Total Transportation Fund	\$ 3,593.9	\$ 3,577.0	\$ (16.9)	1.5 %	2.3 %

The Official forecast is based on the October 2017 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December forecast is based on the October 2018 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

**The December Commonwealth Transportation Fund Update for Fiscal Years 2021 through 2024
(Dollars in Millions)**

December 18, 2018

	Fiscal Years 2021 through 2024								
	FY 21	%	FY 22	%	FY 23	%	FY 24	%	
	Forecast	Growth	Forecast	Growth	Forecast	Growth	Forecast	Growth	
Highway Maintenance & Operating Fund									High
Motor Fuels Tax	\$ 733.3	0.5	\$ 733.7	0.1	\$ 732.3	(0.2)	\$ 730.2	(0.3)	
Road Tax	2.7	(15.6)	2.7	0.0	2.8	(3.7)	2.8	0.0	
Motor Vehicle Sales And Use Tax	696.3	0.6	713.5	2.5	723.1	1.3	735.7	1.7	
Motor Vehicle License Fees	239.2	0.1	239.2	0.0	239.2	0.0	239.2	0.0	
Retail Sales and Use Tax	322.2	3.0	329.7	2.3	337.2	2.3	344.7	2.2	
International Registration Plan	65.7	1.1	66.1	0.6	66.0	(0.2)	66.3	0.5	
Miscellaneous	17.9	0.0	17.9	0.0	17.9	0.0	17.9	0.0	
Total State Taxes and Fees (HMOF)	\$ 2,077.3	0.9	\$ 2,102.8	1.2%	\$ 2,118.5	0.7%	\$ 2,136.8	0.9%	
Transportation Trust Fund									Trans
Motor Fuels Tax	174.1	0.5	174.3	0.1	173.9	(0.2)	173.3	(0.3)	
Insurance Premiums Tax (1/3)	199.4	6.1	199.8	0.2	209.0	4.6	218.0	4.3	
Road Tax	8.6	(1.1)	8.5	(1.2)	8.3	(2.4)	8.2	(1.2)	
Motor Vehicle Sales And Use Tax	230.3	0.5	235.8	2.4	238.8	1.3	242.9	1.7	
Motor Vehicle License Fees	22.3	0.0	22.3	0.0	22.3	0.0	22.3	0.0	
Retail Sales and Use Tax	827.2	3.0	846.4	2.3	865.8	2.3	884.9	2.2	
Recordation Tax	43.6	0.0	43.6	0.0	43.6	0.0	43.6	0.0	
Interest Earnings	4.0	0.0	4.0	0.0	4.0	0.0	4.0	0.0	
Rental Tax	44.2	1.6	44.2	0.0	44.2	0.0	44.2	0.0	
Aviation Fuels Tax	1.9	(5.0)	2.0	5.3	2.0	0.0	2.0	0.0	
Total State Taxes and Fees (TTF)	\$ 1,555.6	2.5	\$ 1,580.9	1.6%	\$ 1,611.9	2.0%	\$ 1,643.4	2.0%	
Total HMOF And TTF									Total
Motor Fuels Tax	907.4	0.5	908.0	0.1	906.2	(0.2)	903.5	(0.3)	
Insurance Premiums Tax (1/3)	199.4	6.1	199.8	0.2	209.0	4.6	218.0	4.3	
Road Tax	11.3	(5.0)	11.2	(0.9)	11.1	(0.9)	11.0	(0.9)	
Motor Vehicle Sales and Use Tax	926.6	0.6	949.3	2.4	961.9	1.3	978.6	1.7	
Motor Vehicle License Fees	261.5	0.1	261.5	0.0	261.5	0.0	261.5	0.0	
International Registration Plan	65.7	1.1	66.1	0.6	66.0	(0.2)	66.3	0.5	
Retail Sales and Use Tax	1,149.4	3.0	1,176.1	2.3	1,203.0	2.3	1,229.6	2.2	
Recordation Tax (3 cents)	43.6	0.0	43.6	0.0	43.6	0.0	43.6	0.0	
Interest Earnings	4.0	0.0	4.0	0.0	4.0	0.0	4.0	0.0	
Rental Tax	44.2	1.6	44.2	0.0	44.2	0.0	44.2	0.0	
Aviation Fuels Tax	1.9	(5.0)	2.0	5.3	2.0	0.0	2.0	0.0	
Miscellaneous	17.9	0.0	17.9	0.0	17.9	0.0	17.9	0.0	
Total State Taxes and Fees	\$ 3,632.9	1.6	\$ 3,683.7	1.4%	\$ 3,730.4	1.3%	\$ 3,780.2	1.3%	Total
Transfers per the Appropriations Act									Trans
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	
Total Transfers	\$ -	n/a	\$ -	n/a	\$ -	n/a	\$ -	n/a	
Total Transportation Fund	\$ 3,632.9	1.6	\$ 3,683.7	1.4%	\$ 3,730.4	1.3%	\$ 3,780.2	1.3%	Total

The Official forecast is based on the October 2017 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December forecast is based on the October 2018 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

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Virginia Health Care Fund Forecast

12/18/2018

\$ in millions

	Actual	Actual	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Master Settlement Agreement	48.2	47.7	49.0	58.3	58.3	58.7	58.1	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Tobacco Taxes:														
Total Cigarette Taxes	159.9	159.3	151.1	139.2	139.2	125.3	122.8	122.8	122.8	122.8	122.8	122.8	122.8	122.8
Other Tobacco Products	<u>19.1</u>	<u>19.5</u>	<u>20.1</u>	<u>21.2</u>	<u>21.2</u>	<u>21.9</u>	<u>22.5</u>	<u>23.9</u>	<u>23.9</u>	<u>24.6</u>	<u>24.6</u>	<u>25.3</u>	<u>26.1</u>	<u>26.9</u>
Total Tobacco Taxes	179.0	178.7	171.2	160.4	160.4	147.1	145.3	146.7	146.7	147.4	147.4	148.1	148.9	149.7
Medicaid Recoveries:														
Rev Max Cash Transfer In	16.6	14.2	16.5	0.0	0.0	31.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Regular Recoveries	32.4	66.8	48.0	30.6	30.6	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Pharmacy Rebates (Prior Year)	<u>70.5</u>	<u>106.1</u>	<u>98.4</u>	<u>152.7</u>	<u>152.7</u>	<u>112.7</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>	<u>115.6</u>
Total Recoveries	119.5	187.1	162.9	183.3	183.3	174.2	160.6	160.6	160.6	160.6	160.6	160.6	160.6	160.6
TOTAL FUND	346.7	413.5	383.1	402.0	402.0	380.0	364.0	355.3	354.6	356.0	356.7	357.5	358.3	358.3

NOTES:

*The FY 2019 amounts do not reflect a \$30.2 million FY 2018 year end cash balance that is appropriated in the bill.

The Official and November General Fund Forecast for Fiscal Year 2019
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2019				
	Official Forecast	November Forecast	Change	% Growth Over FY 18	
				Official	November
MAJOR TAX SOURCES					
Corporate Income	\$ 912.0	\$ 848.4	\$ (63.6)	5.8 %	(1.6) %
Individual Income Tax:					
Gross	16,238.5	16,464.9	226.4	1.4	2.8
Withholding	12,870.2	12,943.9	73.7	2.6	3.2
Nonwithholding	3,368.3	3,521.0	152.7	(3.0)	1.4
Refunds	<u>(2,054.7)</u>	<u>(2,011.5)</u>	<u>43.2</u>	<u>7.7</u>	<u>5.4</u>
Net	14,183.8	14,453.4	269.6	0.6	2.5
Insurance Company Premiums	376.6	395.3	18.7	11.4	17.0
State Sales & Use Tax	3,547.3	3,591.1	43.8	2.5	3.7
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>368.6</u>	<u>(38.6)</u>	<u>3.1</u>	<u>(6.7)</u>
Total Major Tax Sources	\$ 19,426.9	\$ 19,656.8	\$ 229.9	1.4 %	2.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 197.5	\$ 199.1	\$ 1.6	3.4 %	4.3 %
Bank Franchise Tax	22.0	24.0	2.0	(8.2)	0.2
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	3.5	0.1
Corporate Franchise & Charter Fees	51.2	53.7	2.5	(4.5)	0.1
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	3.2	(0.8)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.1	2.6	0.5	(23.9)	(5.7)
Interest & Rents	66.5	68.8	2.3	7.7	11.4
Licenses & Permits	4.2	4.1	(0.1)	4.8	2.3
Miscellaneous Taxes and Penalties	234.9	232.0	(2.9)	2.5	1.2
Other Miscellaneous Revenues	36.0	27.0	(9.0)	85.1	38.8
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>(0.7) %</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 746.8	\$ 743.3	\$ (3.5)	3.9 %	3.5 %
TOTAL GF REVENUES	\$ 20,173.7	\$ 20,400.1	\$ 226.4	1.5 %	2.6 %
TRANSFERS					
A.B.C. Profits	\$ 109.8	\$ 112.9	\$ 3.1	0.3 %	3.1 %
Sales Tax (0.375%)	386.7	389.9	3.2	2.7	3.5
Transfers Per Appropriations Act	<u>124.5</u>	<u>124.5</u>	<u>0.0</u>	<u>(12.4)</u>	<u>(12.4)</u>
Total Transfers	\$ 621.0	\$ 627.3	\$ 6.3	(1.2) %	(0.2) %
TOTAL GENERAL FUND	\$ <u>20,794.7</u>	\$ <u>21,027.4</u>	\$ <u>232.7</u>	<u>1.4 %</u>	<u>2.5 %</u>

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session, Chapters 1 and 2. The November forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The Official and November General Fund Forecast for Fiscal Year 2020
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2020					2018-2020 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY 19 Official	% Growth Over FY 19 November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 926.4	\$ 876.2	\$ (50.2)	1.6 %	3.3 %	\$ 1,838.4	\$ 1,724.6	\$ (113.8)
Individual Income Tax:								
Gross	17,003.5	17,187.8	184.3	4.7	4.4	33,242.0	33,652.7	410.7
Withholding	13,368.5	13,469.7	101.2	3.9	4.1	26,238.7	26,413.6	174.9
Nonwithholding	3,635.0	3,718.1	83.1	7.9	5.6	7,003.3	7,239.1	235.8
Refunds	<u>(2,147.3)</u>	<u>(2,115.1)</u>	<u>32.2</u>	<u>4.5</u>	<u>5.2</u>	<u>(4,202.0)</u>	<u>(4,126.6)</u>	<u>75.4</u>
Net	14,856.2	15,072.7	216.5	4.7	4.3	29,040.0	29,526.1	486.1
Insurance Company Premiums	406.0	410.3	4.3	7.8	3.8	782.6	805.6	23.0
State Sales & Use Tax	3,625.2	3,675.2	50.0	2.2	2.3	7,172.5	7,266.3	93.8
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>368.6</u>	<u>(38.6)</u>	<u>0.0</u>	<u>0.0</u>	<u>814.4</u>	<u>737.2</u>	<u>(77.2)</u>
Total Major Tax Sources	\$ 20,221.0	\$ 20,403.0	\$ 182.0	4.1 %	3.8 %	\$ 39,647.9	\$ 40,059.8	\$ 411.9
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 205.9	\$ 207.5	\$ 1.6	4.3 %	4.2 %	\$ 403.4	\$ 406.6	\$ 3.2
Bank Franchise Tax	22.0	24.0	2.0	0.0	0.0	44.0	48.0	4.0
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	0.0	0.0	84.6	81.8	(2.8)
Corporate Franchise & Charter Fees	51.2	53.7	2.5	0.0	0.0	102.4	107.4	5.0
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	0.0	0.0	(15.8)	(15.2)	0.6
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.1	2.6	0.5	0.0	0.0	4.2	5.2	1.0
Interest & Rents	73.0	74.8	1.8	9.8	8.7	139.5	143.6	4.1
Licenses & Permits	4.2	4.1	(0.1)	0.0	0.0	8.4	8.2	(0.2)
Miscellaneous Taxes and Penalties	240.3	232.7	(7.6)	2.3	0.3	475.2	464.7	(10.5)
Other Miscellaneous Revenues	32.5	23.6	(8.9)	(9.7)	(12.6)	68.5	50.6	(17.9)
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>196.0</u>	<u>197.4</u>	<u>1.4</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	\$ 755.0	\$ (8.6)	2.2 %	1.6 %	\$ 1,510.4	\$ 1,498.3	\$ (12.1)
TOTAL GF REVENUES	\$ 20,984.6	\$ 21,158.0	\$ 173.4	4.0 %	3.7 %	\$ 41,158.3	\$ 41,558.1	\$ 399.8
TRANSFERS								
A.B.C. Profits	\$ 115.5	\$ 117.2	\$ 1.7	5.2 %	3.8 %	\$ 225.3	\$ 230.1	\$ 4.8
Sales Tax (0.375%)	395.2	399.0	3.8	2.2	2.3	781.9	788.9	7.0
Transfers Per Appropriations Act	<u>120.3</u>	<u>120.3</u>	<u>0.0</u>	<u>(3.4)</u>	<u>(3.4)</u>	<u>244.8</u>	<u>244.8</u>	<u>0.0</u>
Total Transfers	\$ 631.0	\$ 636.5	\$ 5.5	1.6 %	1.5 %	\$ 1,252.0	\$ 1,263.8	\$ 11.8
TOTAL GENERAL FUND	\$ 21,615.6	\$ 21,794.5	\$ 178.9	3.9 %	3.6 %	\$ 42,410.3	\$ 42,821.9	\$ 411.6

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapters 1 and 2.

The November forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The November General Fund Forecast for Fiscal Years 2020-22
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2021		Fiscal Year 2022		2020-2022 Biennium	
	<u>November Forecast</u>	<u>% Growth Over FY 20</u>	<u>November Forecast</u>	<u>% Growth Over FY 21</u>	<u>November Forecast</u>	<u>% Growth Over 18-20</u>
MAJOR TAX SOURCES						
Corporate Income	\$ 898.0	2.5 %	\$ 920.3	2.5 %	\$ 1,818.3	5.4 %
Individual Income Tax:						
Gross	17,907.8	4.2	18,641.5	4.1	36,549.3	8.6
Withholding	14,039.8	4.2	14,607.4	4.0	28,647.2	8.5
Nonwithholding	3,868.0	4.0	4,034.1	4.3	7,902.1	9.2
Refunds	<u>(2,235.2)</u>	5.7	<u>(2,325.4)</u>	4.0	<u>(4,560.6)</u>	10.5
Net	15,672.6	4.0	16,316.1	4.1	31,988.7	8.3
Insurance Company Premiums	412.9	0.6	435.9	5.6	848.8	5.4
State Sales & Use Tax	3,761.1	2.3	3,850.3	2.4	7,611.4	4.7
Wills, Suits, Deeds, & Contract Fees	<u>368.6</u>	<u>0.0</u>	<u>368.6</u>	<u>0.0</u>	<u>737.2</u>	<u>0.0</u>
Total Major Tax Sources	\$ 21,113.2	3.5 %	\$ 21,891.2	3.7 %	\$ 43,004.4	7.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 215.7	4.0 %	\$ 224.1	3.9 %	\$ 439.8	8.2 %
Bank Franchise Tax	24.0	0.0	24.0	0.0	48.0	0.0
Beer & Beverage Excise Tax	40.9	0.0	40.9	0.0	81.8	0.0
Corporate Franchise & Charter Fees	53.7	0.0	53.7	0.0	107.4	0.0
Excess & Other Fees from Officers	(7.6)	0.0	(7.6)	0.0	(15.2)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.6	0.0	2.6	0.0	5.2	0.0
Interest & Rents	74.8	0.0	74.8	0.0	149.6	4.2
Licenses & Permits	4.1	0.0	4.1	0.0	8.2	0.0
Miscellaneous Taxes and Penalties	233.1	0.2	233.1	0.0	466.2	0.3
Other Miscellaneous Revenues	23.6	0.0	23.6	0.0	47.2	(6.7)
Public Service GR / Consumption Tax	<u>98.7</u>	<u>0.0</u>	<u>98.7</u>	<u>0.0</u>	<u>197.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	1.1 %	\$ 772.0	1.1 %	\$ 1,535.6	2.5 %
TOTAL GF REVENUES	\$ 21,876.8	3.4 %	\$ 22,663.2	3.6 %	\$ 44,540.0	7.2 %
TRANSFERS						
A.B.C. Profits	\$ 118.4	1.0 %	\$ 122.2	3.2 %	\$ 240.6	4.6 %
Sales Tax (0.375%)	408.3	2.3	418.0	2.4	826.3	4.7
Transfers Per Appropriations Act	<u>115.0</u>	<u>(4.4)</u>	<u>115.0</u>	<u>0.0</u>	<u>230.0</u>	<u>(6.0)</u>
Total Transfers	\$ 641.7	0.8 %	\$ 655.2	2.1 %	\$ 1,296.9	2.6 %
TOTAL GENERAL FUND	\$ 22,518.5	3.3 %	\$ 23,318.4	3.6 %	\$ 45,836.9	7.0 %

The November forecast is based on the October 2018 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapters 1 and 2.

The November General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
MAJOR TAX SOURCES				
Corporate Income	\$ 956.2	\$ 997.4	\$ 1,037.9	\$ 1,077.8
Individual Income Tax:				
Gross	19,410.7	20,187.9	20,975.2	21,798.8
Withholding	15,181.0	15,764.7	16,353.9	16,952.8
Nonwithholding	4,229.7	4,423.2	4,621.3	4,846.0
Refunds	<u>(2,419.1)</u>	<u>(2,514.2)</u>	<u>(2,609.9)</u>	<u>(2,675.8)</u>
Net	16,991.6	17,673.7	18,365.3	19,123.0
Insurance Company Premiums	453.6	472.7	491.1	510.9
State Sales & Use Tax	3,940.5	4,029.7	4,120.8	4,216.0
Wills, Suits, Deeds, & Contract Fees	<u>368.6</u>	<u>368.6</u>	<u>368.6</u>	<u>368.6</u>
Total Major Tax Sources	\$ 22,710.5	\$ 23,542.1	\$ 24,383.7	\$ 25,296.3
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 224.1	\$ 224.1	\$ 224.1	\$ 224.1
Bank Franchise Tax	24.0	24.0	24.0	24.0
Beer & Beverage Excise Tax	40.9	40.9	40.9	40.9
Corporate Franchise & Charter Fees	53.7	53.7	53.7	53.7
Excess & Other Fees from Officers	(7.6)	(7.6)	(7.6)	(7.6)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.6	2.6	2.6	2.6
Interest & Rents	74.8	74.8	74.8	74.8
Licenses & Permits	4.1	4.1	4.1	4.1
Miscellaneous Taxes and Penalties	233.1	233.1	233.1	233.1
Other Miscellaneous Revenues	23.6	23.6	23.6	23.6
Public Service GR / Consumption Tax	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>
Total Misc. Taxes and Other Revenues	\$ 772.0	\$ 772.0	\$ 772.0	\$ 772.0
TOTAL GF REVENUES	\$ 23,482.5	\$ 24,314.1	\$ 25,155.7	\$ 26,068.3
TRANSFERS				
A.B.C. Profits	\$ 122.2	\$ 122.2	\$ 122.2	\$ 122.2
Sales Tax (0.375%)	427.8	437.5	447.4	457.5
Transfers Per Appropriations Act	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>
Total Transfers	\$ 665.0	\$ 674.7	\$ 684.6	\$ 694.7
TOTAL GENERAL FUND	\$ 24,147.5	\$ 24,988.8	\$ 25,840.3	\$ 26,763.0
\$ Change From Previous Year	\$ 829.1	\$ 841.3	\$ 851.5	\$ 922.6
TOTAL BIENNIUM GENERAL FUND		\$ 49,136.3		\$ 52,603.3
\$ Change From Previous Biennium		\$ 3,299.4		\$ 3,467.0
% Growth From Previous Biennium		7.2		7.1 %

The November General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

November 19, 2018

	FY 19 % Growth Over FY 18	FY 20 % Growth Over FY 19	FY 21 % Growth Over FY 20	FY 22 % Growth Over FY 21
MAJOR TAX SOURCES				
Corporate Income	3.9 %	4.3 %	4.1 %	3.8 %
Individual Income Tax:				
Gross	4.1	4.0	3.9	3.9
Withholding	3.9	3.8	3.7	3.7
Nonwithholding	4.8	4.6	4.5	4.9
Refunds	<u>4.0</u>	<u>3.9</u>	<u>3.8</u>	<u>2.5</u>
Net	4.1	4.0	3.9	4.1
Insurance Company Premiums	4.1	4.2	3.9	4.0
State Sales & Use Tax	2.3	2.3	2.3	2.3
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	3.7 %	3.7 %	3.6 %	3.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	3.6 %	3.5 %	3.5 %	3.6 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.3	2.3	2.3	2.3
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	1.5 %	1.5 %	1.5 %	1.5 %
TOTAL GENERAL FUND	<u>3.6 %</u>	<u>3.5 %</u>	<u>3.4 %</u>	<u>3.6 %</u>

The Official and November Pessimistic General Fund Forecast for Fiscal Year 2019
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2019				
	Official	Nov Pess	Change	% Growth Over FY 18	
	Forecast	Forecast		Official	Nov Pess
MAJOR TAX SOURCES					
Corporate Income	\$ 912.0	\$ 824.8	\$ (87.2)	5.8 %	(4.3) %
Individual Income Tax:					
Gross	16,238.5	16,382.4	143.9	1.4	2.3
Withholding	12,870.2	12,871.4	1.2	2.6	2.6
Nonwithholding	3,368.3	3,511.0	142.7	(3.0)	1.1
Refunds	<u>(2,054.7)</u>	<u>(2,011.5)</u>	<u>43.2</u>	<u>7.7</u>	<u>5.4</u>
Net	14,183.8	14,370.9	187.1	0.6	1.9
Insurance Company Premiums	376.6	394.7	18.1	11.4	16.8
State Sales & Use Tax	3,547.3	3,591.1	43.8	2.5	3.7
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>366.4</u>	<u>(40.8)</u>	<u>3.1</u>	<u>(7.2)</u>
Total Major Tax Sources	\$ 19,426.9	\$ 19,547.9	\$ 121.0	1.4 %	2.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 197.5	\$ 199.1	\$ 1.6	3.4 %	4.3 %
Bank Franchise Tax	22.0	24.0	2.0	(8.2)	0.2
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	3.5	0.1
Corporate Franchise & Charter Fees	51.2	53.7	2.5	(4.5)	0.1
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	3.2	(0.8)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	2.1	2.6	0.5	(23.9)	(5.7)
Interest & Rents	66.5	68.8	2.3	7.7 %	11.4
Licenses & Permits	4.2	4.1	(0.1)	4.8 %	2.3
Miscellaneous Taxes and Penalties	234.9	232.0	(2.9)	2.5 %	1.2
Other Miscellaneous Revenues	36.0	27.0	(9.0)	85.1 %	38.8
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>(0.7) %</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 746.8	\$ 743.3	\$ (3.5)	3.9 %	3.5 %
TOTAL GF REVENUES	\$ 20,173.7	\$ 20,291.2	\$ 117.5	1.5 %	2.1 %
TRANSFERS					
A.B.C. Profits	\$ 109.8	\$ 112.9	\$ 3.1	0.3 %	3.1 %
Sales Tax (0.375%)	386.7	389.9	3.2	2.7	3.5
Transfers Per Appropriations Act	<u>124.5</u>	<u>124.5</u>	<u>0.0</u>	<u>(12.4)</u>	<u>(12.4)</u>
Total Transfers	\$ 621.0	\$ 627.3	\$ 6.3	(1.2) %	(0.2) %
TOTAL GENERAL FUND	\$ <u>20,794.7</u>	\$ <u>20,918.5</u>	\$ <u>123.8</u>	<u>1.4 %</u>	<u>2.0 %</u>

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session, Chapters 1 and 2. The November forecast is based on the October 2018 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The Official and November Pessimistic General Fund Forecast for Fiscal Year 2020
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2020					2018-2020 Biennium		
	Official	Nov Pess	Change	% Growth Over FY 19		Official	Nov Pess	Change
	Forecast	Forecast		Official	Nov Pess	Forecast	Forecast	
MAJOR TAX SOURCES								
Corporate Income	\$ 926.4	\$ 820.9	\$ (105.5)	1.6 %	(0.5) %	\$ 1,838.4	\$ 1,645.7	\$ (192.7)
Individual Income Tax:								
Gross	17,003.5	16,857.2	(146.3)	4.7	2.9	33,242.0	33,239.6	(2.4)
Withholding	13,368.5	13,286.9	(81.6)	3.9	3.2	26,238.7	26,158.3	(80.4)
Nonwithholding	3,635.0	3,570.3	(64.7)	7.9	1.7	7,003.3	7,081.3	78.0
Refunds	<u>(2,147.3)</u>	<u>(2,115.1)</u>	<u>32.2</u>	<u>4.5</u>	<u>5.2</u>	<u>(4,202.0)</u>	<u>(4,126.6)</u>	<u>75.4</u>
Net	14,856.2	14,742.1	(114.1)	4.7	2.6	29,040.0	29,113.0	73.0
Insurance Company Premiums	406.0	410.5	4.5	7.8	4.0	782.6	805.2	22.6
State Sales & Use Tax	3,625.2	3,612.3	(12.9)	2.2	0.6	7,172.5	7,203.4	30.9
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>339.4</u>	<u>(67.8)</u>	<u>0.0</u>	<u>(7.4)</u>	<u>814.4</u>	<u>705.8</u>	<u>(108.6)</u>
Total Major Tax Sources	\$ 20,221.0	\$ 19,925.2	\$ (295.8)	4.1 %	1.9 %	\$ 39,647.9	\$ 39,473.1	\$ (174.8)
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 205.9	\$ 207.5	\$ 1.6	4.3 %	4.2 %	\$ 403.4	\$ 406.6	\$ 3.2
Bank Franchise Tax	22.0	24.0	2.0	0.0	0.0	44.0	48.0	4.0
Beer & Beverage Excise Tax	42.3	40.9	(1.4)	0.0	0.0	84.6	81.8	(2.8)
Corporate Franchise & Charter Fees	51.2	53.7	2.5	0.0	0.0	102.4	107.4	5.0
Excess & Other Fees from Officers	(7.9)	(7.6)	0.3	0.0	0.0	(15.8)	(15.2)	0.6
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	2.1	2.6	0.5	0.0	0.0	4.2	5.2	1.0
Interest & Rents	73.0	74.8	1.8	9.8	8.7	139.5	143.6	4.1
Licenses & Permits	4.2	4.1	(0.1)	0.0	0.0	8.4	8.2	(0.2)
Miscellaneous Taxes and Penalties	240.3	232.7	(7.6)	2.3	0.3	475.2	464.7	(10.5)
Other Miscellaneous Revenues	32.5	23.6	(8.9)	(9.7)	(12.6)	68.5	50.6	(17.9)
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.7</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>196.0</u>	<u>197.4</u>	<u>1.4</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	\$ 755.0	\$ (8.6)	2.2 %	1.6 %	\$ 1,510.4	\$ 1,498.3	\$ (12.1)
TOTAL GF REVENUES	\$ 20,984.6	\$ 20,680.2	\$ (304.4)	4.0 %	1.9 %	\$ 41,158.3	\$ 40,971.4	\$ (186.9)
TRANSFERS								
A.B.C. Profits	\$ 115.5	\$ 117.2	\$ 1.7	5.2 %	3.8 %	\$ 225.3	\$ 230.1	\$ 4.8
Sales Tax (0.375%)	395.2	399.0	3.8	2.2	2.3	781.9	788.9	7.0
Transfers Per Appropriations Act	<u>120.3</u>	<u>120.3</u>	<u>0.0</u>	<u>(3.4)</u>	<u>(3.4)</u>	<u>244.8</u>	<u>244.8</u>	<u>0.0</u>
Total Transfers	\$ 631.0	\$ 636.5	\$ 5.5	1.6 %	1.5 %	\$ 1,252.0	\$ 1,263.8	\$ 11.8
TOTAL GENERAL FUND	\$ 21,615.6	\$ 21,316.7	\$ (298.9)	3.9 %	1.9 %	\$ 42,410.3	\$ 42,235.2	\$ (175.1)

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapters 1 and 2.

The November forecast is based on the October 2018 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The November Pessimistic General Fund Forecast for Fiscal Years 2020-22
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2021		Fiscal Year 2022		2020-2022 Biennium	
	Nov Pess Forecast	% Growth Over FY 20	Nov Pess Forecast	% Growth Over FY 21	Nov Pess Forecast	% Growth Over 18-20
MAJOR TAX SOURCES						
Corporate Income	\$ 858.8	4.6 %	\$ 898.1	4.6 %	\$ 1,756.9	6.8 %
Individual Income Tax:						
Gross	17,324.9	2.8	18,024.7	4.0	35,349.6	6.3
Withholding	13,788.1	3.8	14,364.4	4.2	28,152.5	7.6
Nonwithholding	3,536.8	(0.9)	3,660.3	3.5	7,197.1	1.6
Refunds	<u>(2,235.2)</u>	5.7	<u>(2,325.4)</u>	4.0	<u>(4,560.6)</u>	10.5
Net	15,089.7	2.4	15,699.3	4.0	30,789.0	5.8
Insurance Company Premiums	399.9	(2.6)	427.2	6.8	827.1	2.7
State Sales & Use Tax	3,667.0	1.5	3,751.7	2.3	7,418.7	3.0
Wills, Suits, Deeds, & Contract Fees	<u>339.4</u>	<u>0.0</u>	<u>339.4</u>	<u>0.0</u>	<u>678.8</u>	<u>(3.8)</u>
Total Major Tax Sources	\$ 20,354.8	2.2 %	\$ 21,115.7	3.7 %	\$ 41,470.5	5.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 215.7	4.0 %	\$ 224.1	3.9 %	\$ 439.8	8.2 %
Bank Franchise Tax	24.0	0.0	24.0	0.0	48.0	0.0
Beer & Beverage Excise Tax	40.9	0.0	40.9	0.0	81.8	0.0
Corporate Franchise & Charter Fees	53.7	0.0	53.7	0.0	107.4	0.0
Excess & Other Fees from Officers	(7.6)	0.0	(7.6)	0.0	(15.2)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.6	0.0	2.6	0.0	5.2	0.0
Interest & Rents	74.8	0.0	74.8	0.0	149.6	4.2
Licenses & Permits	4.1	0.0	4.1	0.0	8.2	0.0
Miscellaneous Taxes and Penalties	233.1	0.2	233.1	0.0	466.2	0.3
Other Miscellaneous Revenues	23.6	0.0	23.6	0.0	47.2	(6.7)
Public Service GR / Consumption Tax	<u>98.7</u>	<u>0.0</u>	<u>98.7</u>	<u>0.0</u>	<u>197.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 763.6	1.1 %	\$ 772.0	1.1 %	\$ 1,535.6	2.5 %
TOTAL GF REVENUES	\$ 21,118.4	2.1 %	\$ 21,887.7	3.6 %	\$ 43,006.1	5.0 %
TRANSFERS						
A.B.C. Profits	\$ 118.4	1.0 %	\$ 122.2	3.2 %	\$ 240.6	4.6 %
Sales Tax (0.375%)	408.3	2.3	418.0	2.4	826.3	4.7
Transfers Per Appropriations Act	<u>115.0</u>	<u>(4.4)</u>	<u>115.0</u>	<u>0.0</u>	<u>230.0</u>	<u>(6.0)</u>
Total Transfers	\$ 641.7	0.8 %	\$ 655.2	2.1 %	\$ 1,296.9	2.6 %
TOTAL GENERAL FUND	\$ 21,760.1	2.1 %	\$ 22,542.9	3.6 %	\$ 44,303.0	4.9 %

The November forecast is based on the October 2018 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 2.

The Official forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2018 General Assembly Session. Chapters 1 and 2.

The November Pessimistic General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

November 19, 2018

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
MAJOR TAX SOURCES				
Corporate Income	\$ 937.0	\$ 928.3	\$ 954.1	\$ 987.5
Individual Income Tax:				
Gross	18,843.8	19,677.9	4,195.3	21,417.8
Withholding	14,976.5	15,604.5	(103.7)	16,868.1
Nonwithholding	3,867.3	4,073.4	4,298.9	4,549.7
Refunds	<u>(2,419.1)</u>	<u>(2,514.2)</u>	<u>(2,609.9)</u>	<u>(2,675.8)</u>
Net	16,424.7	17,163.7	1,585.4	18,742.0
Insurance Company Premiums	444.9	464.0	482.5	502.2
State Sales & Use Tax	3,845.4	3,937.1	4,032.4	4,132.3
Wills, Suits, Deeds, & Contract Fees	<u>339.4</u>	<u>339.4</u>	<u>339.4</u>	<u>339.4</u>
Total Major Tax Sources	\$ 21,991.4	\$ 22,832.5	\$ 7,393.7	\$ 24,703.4
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 224.1	\$ 224.1	\$ 224.1	\$ 224.1
Bank Franchise Tax	24.0	24.0	24.0	24.0
Beer & Beverage Excise Tax	40.9	40.9	40.9	40.9
Corporate Franchise & Charter Fees	53.7	53.7	53.7	53.7
Excess & Other Fees from Officers	(7.6)	(7.6)	(7.6)	(7.6)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.6	2.6	2.6	2.6
Interest & Rents	74.8	74.8	74.8	74.8
Licenses & Permits	4.1	4.1	4.1	4.1
Miscellaneous Taxes and Penalties	233.1	233.1	233.1	233.1
Other Miscellaneous Revenues	23.6	23.6	23.6	23.6
Public Service GR / Consumption Tax	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>	<u>98.7</u>
Total Misc. Taxes and Other Revenues	\$ 772.0	\$ 772.0	\$ 772.0	\$ 772.0
TOTAL GF REVENUES	\$ 22,763.4	\$ 23,604.5	\$ 8,165.7	\$ 25,475.4
TRANSFERS				
A.B.C. Profits	\$ 122.2	\$ 122.2	\$ 122.2	\$ 122.2
Sales Tax (0.375%)	427.8	437.5	447.4	457.5
Transfers Per Appropriations Act	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>
Total Transfers	\$ 665.0	\$ 674.7	\$ 684.6	\$ 694.7
TOTAL GENERAL FUND	\$ 23,428.4	\$ 24,279.2	\$ 8,850.3	\$ 26,170.1
\$ Change From Previous Year	\$ 885.5	\$ 850.8	\$ (15,428.9)	\$ 17,319.8
TOTAL BIENNIUM GENERAL FUND		\$ 47,707.6		\$ 35,020.4
\$ Change From Previous Biennium		\$ 3,404.6		\$ (12,687.2)
% Growth From Previous Biennium		7.7		(26.6) %

The November Pessimistic General Fund Forecast for Fiscal Years 2023-26
(Dollars in Millions)

November 19, 2018

	FY 19 % Growth Over FY 18	FY 20 % Growth Over FY 19	FY 21 % Growth Over FY 20	FY 22 % Growth Over FY 21
MAJOR TAX SOURCES				
Corporate Income	4.3 %	(0.9) %	2.8 %	3.5 %
Individual Income Tax:				
Gross	4.5	4.4	(78.7)	410.5
Withholding	4.3	4.2	(100.7)	(16,374.1)
Nonwithholding	5.7	5.3	5.5	5.8
Refunds	<u>4.0</u>	<u>3.9</u>	<u>3.8</u>	<u>2.5</u>
Net	4.6	4.5	(90.8)	1,082.2
Insurance Company Premiums	4.1	4.3	4.0	4.1
State Sales & Use Tax	2.5	2.4	2.4	2.5
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	4.1 %	3.8 %	(67.6) %	234.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	4.0 %	3.7 %	(65.4) %	212.0 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.3	2.3	2.3	2.3
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	1.5 %	1.5 %	1.5 %	1.5 %
TOTAL GENERAL FUND	<u>3.9 %</u>	<u>3.6 %</u>	<u>(63.5) %</u>	<u>195.7 %</u>

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2020

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	91	5,471,879,000	-0.4%
62	242,144,567	4.8%	92	5,623,213,000	2.8%
63	286,304,265	18.2%	93	6,133,637,000	9.1%
64	298,033,919	4.1%	94	6,503,368,000	6.0%
65	323,213,412	8.4%	95	6,881,145,000	5.8%
66	365,129,776	13.0%	96	7,356,110,000	6.9%
67	414,755,644	13.6%	97	7,949,327,000	8.1%
68	533,597,744	28.7%	98	8,773,520,000	10.4%
69	706,254,374	32.4%	99	9,702,747,000	10.6%
70	743,721,322	5.3%	00	10,788,482,000	11.2%
71	807,954,651	8.6%	01	11,105,275,000	2.9%
72	922,653,686	14.2%	02	10,678,954,000	-3.8%
73	1,054,469,443	14.3%	03	10,867,149,000	1.8%
74	1,168,562,871	10.8%	04	11,917,867,000	9.7%
75	1,303,178,893	11.5%	05	13,687,252,000	14.8%
76	1,428,421,157	9.6%	06	14,834,298,000	8.4%
77	1,636,301,819	14.6%	07	15,565,827,000	4.9%
78	1,923,085,084	17.5%	08	15,766,951,000	1.3%
79	2,115,211,522	10.0%	09	14,315,060,000	-9.2%
80	2,344,928,934	10.9%	10	14,219,477,000	-0.7%
81	2,579,663,941	10.0%	11	15,040,200,000	5.8%
82	2,796,458,741	8.4%	12	15,846,665,000	5.4%
83	2,975,687,935	6.4%	13	16,684,600,000	5.3%
84	3,397,710,261	14.2%	14	16,411,400,000	-1.6%
85	3,790,816,000	11.6%	15	17,735,600,000	8.1%
86	4,131,778,000	9.0%	16	18,040,100,000	1.7%
87	4,590,434,000	11.1%	17	18,695,100,000	3.6%
88	5,054,382,000	10.1%	18	19,880,800,000	6.3%
89	5,478,912,000	8.4%	19*	21,050,600,000	5.9%
90	5,494,884,000	0.3%	20*	21,689,000,000	3.0%

* December 18, 2018 forecast (excludes transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2020

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	1,393,511,316	-	91	8,473,713,023	-4.5%
62	1,447,064,673	3.8%	92	8,476,449,462	0.0%
63	1,690,806,502	16.8%	93	9,007,569,655	6.3%
64	1,735,833,420	2.7%	94	9,346,974,765	3.8%
65	1,857,148,097	7.0%	95	9,675,196,670	3.5%
66	2,060,290,178	10.9%	96	10,140,554,028	4.8%
67	2,278,689,361	10.6%	97	10,730,153,609	5.8%
68	2,843,579,771	24.8%	98	11,710,322,505	9.1%
69	3,610,199,865	27.0%	99	12,822,787,704	9.5%
70	3,629,546,610	0.5%	00	13,960,702,662	8.9%
71	3,774,078,153	4.0%	01	14,032,398,179	0.5%
72	4,151,282,571	10.0%	02	13,330,945,679	-5.0%
73	4,573,067,960	10.2%	03	13,314,565,938	-0.1%
74	4,689,962,860	2.6%	04	14,308,279,758	7.5%
75	4,740,685,515	1.1%	05	16,008,481,871	11.9%
76	4,878,071,056	2.9%	06	16,829,760,645	5.1%
77	5,283,719,294	8.3%	07	17,256,296,994	2.5%
78	5,822,942,784	10.2%	08	16,961,735,660	-1.7%
79	5,944,652,868	2.1%	09	15,225,993,102	-10.2%
80	5,977,044,228	0.5%	10	14,955,748,499	-1.8%
81	5,966,334,253	-0.2%	11	15,543,016,587	3.9%
82	6,044,861,556	1.3%	12	15,978,608,359	2.8%
83	6,133,605,283	1.5%	13	16,571,705,258	3.7%
84	6,732,471,910	9.8%	14	16,067,003,774	-3.0%
85	7,257,233,656	7.8%	15	17,220,659,237	7.2%
86	7,678,421,862	5.8%	16	17,679,040,002	2.7%
87	8,350,380,871	8.8%	17	17,773,668,586	0.5%
88	8,869,593,142	6.2%	18	18,553,959,940	4.4%
89	9,208,062,016	3.8%	19*	19,226,083,160	3.6%
90	8,877,535,887	-3.6%	20*	19,386,170,159	0.8%

* December 18, 2018 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2019 Through 2024
 \$ (Millions)

	Actual						
	2018	2019	2020	2021	2022	2023	2024
Taxes:							
Motor vehicle fuel tax	\$897.7	\$948.3	\$960.2	\$966.9	\$967.5	\$965.7	\$962.9
Unemployment compensation payroll tax	\$434.6	\$358.0	\$354.8	\$354.8	\$354.8	\$354.8	\$354.8
Special highway tax from sales tax	\$724.9	\$776.4	\$793.5	\$811.8	\$822.9	\$840.6	\$858.1
Motor vehicle sales tax and use tax	\$943.7	\$916.1	\$921.3	\$926.6	\$949.3	\$961.9	\$978.6
Other taxes	\$1,518.7	\$1,548.2	\$1,590.6	\$1,624.4	\$1,637.2	\$1,656.8	\$1,676.0
Total	\$4,519.5	\$4,547.0	\$4,620.4	\$4,684.4	\$4,731.7	\$4,779.7	\$4,830.5
Rights and privileges:							
Motor Vehicle Licenses	\$344.6	\$347.3	\$350.9	\$351.2	\$351.2	\$351.2	\$351.3
Other Rights & Privileges	\$1,363.3	\$830.5	\$856.2	\$860.7	\$843.2	\$846.4	\$856.4
Total	\$1,707.9	\$1,177.9	\$1,207.1	\$1,211.9	\$1,194.4	\$1,197.6	\$1,207.6
Sales of property and commodities:							
Alocoholic Beverage Sales	\$812.2	\$1,031.0	\$1,078.4	\$1,124.3	\$1,172.0	\$1,221.9	\$1,273.8
Other Sales	\$905.6	\$792.0	\$784.4	\$790.3	\$793.2	\$793.5	\$793.8
Total	\$1,717.9	\$1,823.0	\$1,862.9	\$1,914.6	\$1,965.2	\$2,015.4	\$2,067.6
Assessment & Receipts for Support of Special Services:	\$759.6	\$1,188.9	\$1,645.6	\$1,859.2	\$1,954.8	\$2,057.7	\$2,167.0
Institutional revenue:							
Institutions of Higher Education ²	\$2,703.2	\$6,437.4	\$6,644.9	\$6,901.2	\$6,946.7	\$7,101.0	\$7,255.9
Other Educational Institutions	\$3.6	\$3.2	\$3.1	\$3.1	\$2.9	\$2.9	\$3.0
Medical Hospitals ²	\$0.0	\$1,874.9	\$2,075.9	\$2,182.4	\$2,313.1	\$2,432.1	\$2,558.0
Mental Hospitals	\$200.3	\$164.2	\$167.4	\$161.0	\$150.1	\$151.1	\$161.0
Corrections	\$49.9	\$56.9	\$56.9	\$57.4	\$57.1	\$57.6	\$57.6
Other Institutions	\$70.1	\$75.8	\$75.7	\$77.0	\$77.7	\$80.0	\$80.6
Total	\$3,027.1	\$8,612.4	\$9,023.8	\$9,382.0	\$9,547.6	\$9,824.6	\$10,116.1
Interest dividends and rents:	\$263.6	\$189.4	\$201.6	\$208.1	\$215.5	\$223.5	\$232.6
Grants and donations:							
Federal grants and contracts	\$9,502.9	\$11,370.3	\$14,018.9	\$14,068.1	\$14,220.2	\$14,383.9	\$14,509.6
Other grants & contracts	\$245.9	\$414.3	\$352.1	\$350.1	\$346.7	\$343.3	\$339.7
Total	\$9,748.8	\$11,784.6	\$14,371.0	\$14,418.2	\$14,566.9	\$14,727.2	\$14,849.3
Other Revenue:	\$2,518.1	\$2,595.8	\$2,642.3	\$2,711.8	\$2,360.0	\$2,537.8	\$2,375.2
Total Nongeneral Fund Revenue: ¹	\$24,262.4	\$31,918.9	\$35,574.6	\$36,390.1	\$36,536.1	\$37,363.5	\$37,845.9
\$ Amount change from previous year		\$7,656.5	\$3,655.7	\$815.5	\$146.0	\$827.4	\$482.4
% Change from previous year		31.6%	11.5%	2.3%	0.4%	2.3%	1.3%

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

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

FY 2019 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2019 Estimate	As a % of Gen Fund Rev	FY 2019	FY 2018	% Change	FY 2019	FY 2018	% Change	% Annual Growth Req By Est
Revenue				November			Year-T-to-Date		
Individual Income Tax:									
Withholding	\$12,870,200	63.79	\$1,016,879	\$1,030,758	(1.3)	\$5,053,726	\$4,908,075	3.0	2.6
Tax Dues/Estimated Payments	\$3,368,300	16.70	57,070	67,503	(15.5)	720,235	641,722	12.2	(3.0)
Gross Individual Income Tax	\$16,238,500	80.49	\$1,073,949	\$1,098,261	(2.2)	\$5,773,961	\$5,549,797	4.0	1.4
Individual and Fiduciary Income (Refunds)	(2,054,700)	(10.18)	(42,103)	(40,689)	3.5	(263,415)	(248,308)	6.1	7.7
Net Individual Income Tax	\$14,183,800	70.31	\$1,031,846	\$1,057,572	(2.4)	\$5,510,546	\$5,301,489	3.9	0.6
Sales and Use Tax	\$3,547,300	17.58	\$288,831	\$282,758	2.1	\$1,296,233	\$1,245,240	4.1	2.5
Corporations Income Tax	912,000	4.52	(6,155)	3,162	(294.7)	233,446	272,128	(14.2)	5.8
Wills, Suits, Deeds, Contracts	407,200	2.02	28,124	27,736	1.4	158,811	168,874	(6.0)	3.1
Insurance Premiums	376,600	1.87	0	0	-	0	0	-	11.4
Interest Income (a)	66,200	0.33	14,941	13,233	12.9	49,636	38,444	29.1	7.8
Alcoholic Beverage Sales (b)	239,800	1.19	51,160	48,714	5.0	68,354	67,374	1.5	3.4
All Other Revenues	440,800	2.18	30,106	24,389	23.4	153,749	134,241	14.5	3.7
Total General Fund Revenues	\$20,173,700	100.00	\$1,438,853	\$1,457,564	(1.3)	\$7,470,775	\$7,227,790	3.4	1.5

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

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

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

FY 2019 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	(1) FY 2019 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2019	(4) November FY 2018	(5) % Change	(6) FY 2019	(7) Year-To-Date FY 2018	(8) % Change	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$12,870,200	63.79	\$1,016,879	\$1,030,758	(1.3)	\$5,053,726	\$4,908,075	3.0	2.6
Tax Dues/Estimated Payments	3,368,300	16.70	57,070	67,503	(15.5)	720,235	641,722	12.2	(3.0)
Gross Individual Income Tax	\$16,238,500	80.49	\$1,073,949	\$1,098,261	(2.2)	\$5,773,961	\$5,549,797	4.0	1.4
Individ and Fiduc Income (Refunds)	(2,054,700)	(10.18)	(42,103)	(40,689)	3.5	(263,415)	(248,308)	6.1	7.7
Net Individual Income Tax	\$14,183,800	70.31	\$1,031,846	\$1,057,572	(2.4)	\$5,510,546	\$5,301,489	3.9	0.6
Sales and Use Tax	3,547,300	17.58	288,831	282,758	2.1	1,296,233	1,245,240	4.1	2.5
Corporations Income	912,000	4.52	(6,155)	3,162	(294.7)	233,446	272,128	(14.2)	5.8
Public Service Corporations	98,000	0.49	6,854	5,970	14.8	36,315	34,285	5.9	(0.7)
Insurance Premiums	376,600	1.87	0	0	-	0	0	-	11.4
Alcoholic Beverage Excise	197,500	0.98	47,749	45,358	5.3	50,311	49,038	2.6	3.4
Beer and Beverage Excise	42,300	0.21	3,411	3,356	1.6	18,043	18,336	(1.6)	3.5
Wills, Suits, Deeds, Contracts	407,200	2.02	28,124	27,736	1.4	158,811	168,874	(6.0)	3.1
Inheritance, Gift, and Estate	0	0.00	0	677	(100.0)	43	817	(94.7)	(100.0)
Bank Franchise	22,000	0.11	141	0	-	52	229	(77.3)	(8.2)
Other Taxes	13,100	0.06	1,151	781	47.4	8,456	8,337	1.4	(15.1)
Total Taxes	\$19,799,800	98.15	\$1,401,952	\$1,427,370	(1.8)	\$7,312,256	\$7,098,773	3.0	1.4
Rights and Privileges:									
Licenses and Permits	\$4,200	0.02	\$339	\$308	10.1	\$1,616	\$1,558	3.7	4.8
Corp. Franchise and Charters	51,200	0.25	477	447	6.7	2,546	2,510	1.4	(4.5)
Fees for Misc. Privileges & Services	11,600	0.06	384	426	(9.9)	4,415	3,777	16.9	(5.5)
Total Rights and Privileges	\$67,000	0.33	\$1,200	\$1,181	1.6	\$8,577	\$7,845	9.3	(4.2)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$6	(100.0)	\$412	\$5,389	(92.4)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	3	29	(89.7)	181	345	(47.5)	(31.4)
Institutional Revenue	2,100	0.01	434	115	277.4	1,319	1,152	14.5	(23.9)
Interest (a)	66,200	0.33	14,941	13,233	12.9	49,636	38,444	29.1	7.8
Dividends and Rent	300	0.00	16	11	45.5	204	283	(27.9)	(7.4)
Fines, Forfeitures & Fees	221,800	1.10	19,355	15,508	24.8	96,490	86,540	11.5	3.8
Other Revenue	16,600	0.08	777	88	783.0	2,230	(9,743)	122.9	372.8
Excess Fees	(7,900)	(0.04)	(550)	(646)	14.9	(3,391)	(3,894)	12.9	(3.2)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	7,400	0.04	725	669	8.4	2,861	2,656	7.7	1.7
Total Other Revenues	\$306,900	1.52	\$35,701	\$29,013	23.1	\$149,942	\$121,172	23.7	10.5
Total General Fund Revenues	\$20,173,700	100.00	\$1,438,853	\$1,457,564	(1.3)	\$7,470,775	\$7,227,790	3.4	1.5

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

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

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

	FY 2019 Estimate	November		Year-To-Date		% Annual Growth Required
		(a)	(b)	(b)	(c)	
		FY 2019	FY 2018	FY 2019	FY 2018	By Estimate
			Change		Change	
			%		%	
Lottery Collections						
Total Lottery Sales	\$2,134,426	\$179,223	\$167,558	7.0	\$855,443	11.9
Other Income	541	325	149	118.1	299	242.1
Total Income	\$2,134,967	\$179,548	\$167,707	7.1	\$855,742	12.0
Less:						
Prize Expenses	\$1,311,464	\$120,050	\$102,251	17.4	\$511,765	15.7
Retailer Commissions	120,080	10,199	9,320	9.4	48,723	9.7
Operating Expenses	110,890	8,721	8,866	(1.6)	43,723	5.3
Total Expenses	\$1,542,434	\$138,970	\$120,437	15.4	\$604,211	14.5
Net Proceeds from Operations						
Net Lottery Ticket Profits	\$592,533	\$40,578	\$47,270	(14.2)	\$251,531	5.9
Prior Year Residual Profit Transfer	0	0	0	-	11,819	(19.1)
Available to Lottery Proceeds Fund	\$592,533	\$40,578	\$47,270	(14.2)	\$263,350	4.8

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

(a) Estimate established by Chapter 2, 2018 Virginia Acts of Assembly Special Session I. The Prior Year Residual Profit Transfer of \$9,563,109 was made on August 13, 2018. The FY 2019 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2019 sales and profits, as well as the residual transfer from FY 2018.

(b) Amounts reported are accrual-based estimates (unaudited closing).

(c) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

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

For the Fiscal Years 2018 and 2019

(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total		November		Year-To-Date		% Change	% Annual Growth Required By Estimate
		Fund	Fund	FY 2019	FY 2018	FY 2019	FY 2018		
Motor Fuel Taxes	\$908,700	17.93	17.93	\$56,727	\$68,770	\$343,535	\$320,930	7.0	6.0
Priority Transportation Fund (PTF)	168,655	3.33	3.33	5,913	3,716	142,169	138,658	2.5	0.4
Motor Vehicle Sales and Use Tax	995,000	19.63	19.63	79,492	74,485	432,966	416,884	3.9	1.1
State Sales and Use Tax	1,067,800	21.08	21.08	87,223	85,546	400,383	376,898	6.2	2.3
Motor Vehicle License Fees	259,200	5.12	5.12	19,792	17,567	112,341	105,413	6.6	0.1
International Registration Plan	64,200	1.26	1.26	4,420	5,530	20,511	22,474	(8.7)	(7.2)
Recordation Tax	48,300	0.95	0.95	3,434	3,372	19,531	20,479	(4.6)	1.1
Interest Earnings	4,200	0.08	0.08	58	64	2,984	1,965	51.9	(52.7)
Misc. Taxes, Fees, and Revenues	17,200	0.34	0.34	1,692	1,435	8,328	7,229	15.2	(12.3)
Total State Taxes and Fees	\$3,533,255	69.72	69.72	\$258,751	\$260,485	\$1,482,748	\$1,410,930	5.1	2.2

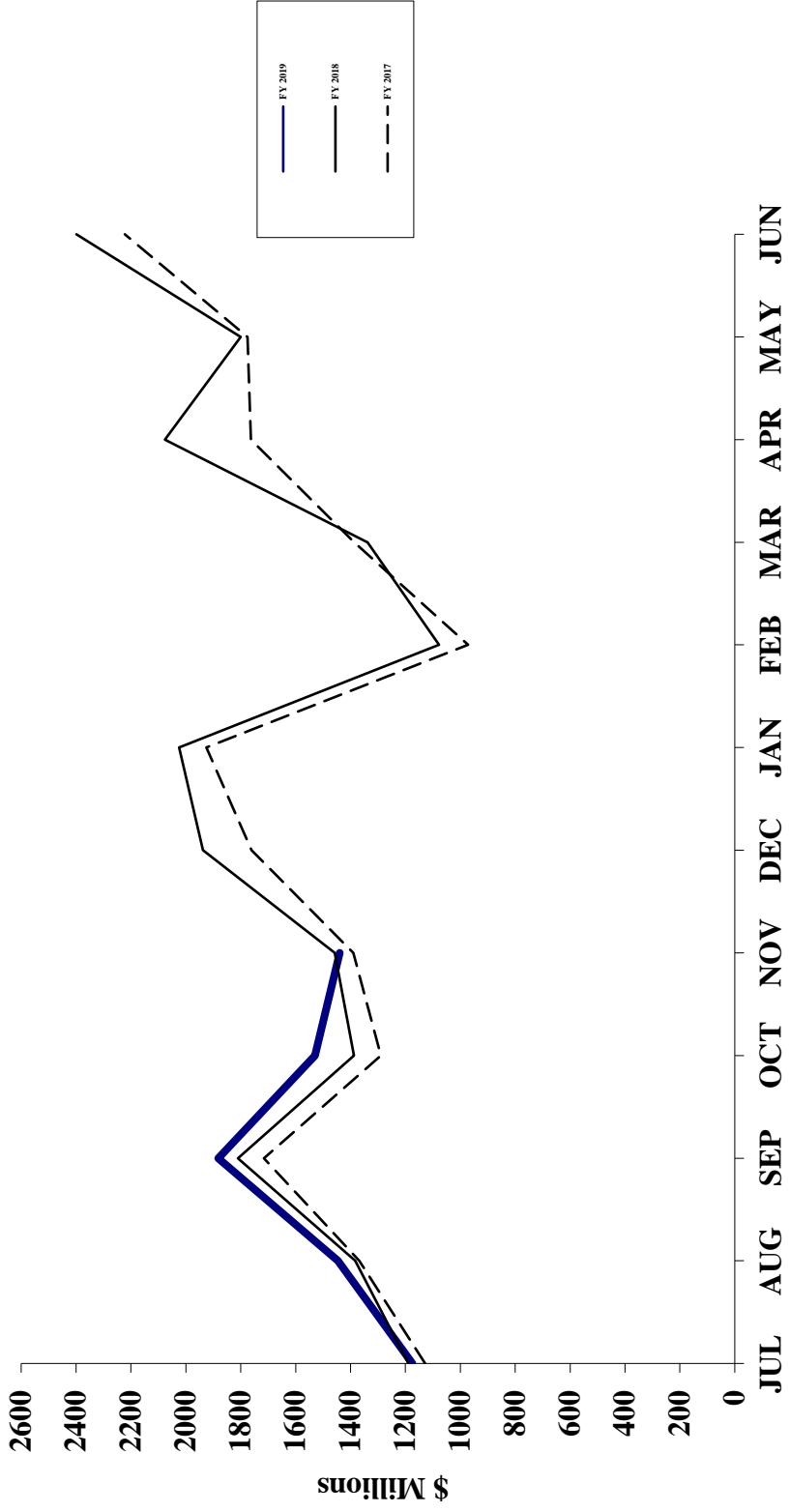
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total Fund	November		FY 2018		FY 2019		FY 2018		% Annual Growth Required By Est
			FY 2019	FY 2018	FY 2018	FY 2019	FY 2018	FY 2019	Change	Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:											
Motor Fuel Taxes (Includes Road Tax)	\$726,100	14.33	\$34,604	\$54,185	\$277,017	\$260,050	6.5	6.5	5.7		
Motor Vehicle Sales and Use Tax	715,700	14.12	57,182	53,689	313,223	300,470	4.2	4.2	0.7		
State Sales and Use Tax	292,700	5.78	23,707	23,795	111,126	107,181	3.7	3.7	0.1		
Motor Vehicle License Fees	236,700	4.67	18,055	16,016	101,123	96,285	5.0	5.0	(0.2)		
International Registration Plan	64,200	1.26	4,420	5,530	20,511	22,474	(8.7)	(8.7)	(7.2)		
Misc. Taxes, Fees, and Revenues	17,200	0.34	1,692	1,435	8,328	7,229	15.2	15.2	(12.3)		
Total State Taxes and Fees	\$2,052,600	40.50	\$139,660	\$154,650	\$831,328	\$793,689	4.7	4.7	1.8		
Other Revenues:											
Federal Grants and Contracts	\$0	0.00	\$1,323	\$1,761	\$13,644	\$18,372	(25.7)	(25.7)	(100.0)		
Miscellaneous Revenues	275,947	5.44	2,283	4,265	271,382	13,230	#	#	(7.6)		
Transfer (to) / from Transportation Trust Fund	181,785	3.59	0	0	0	19,832	(100.0)	(100.0)	28.1		
Total Highway Maintenance and Operating Fund	\$2,510,332	49.53	\$143,266	\$160,676	\$1,116,354	\$845,123	32.1	32.1	0.5		
TRANSPORTATION TRUST FUND:											
Motor Fuel Taxes	\$182,600	3.60	\$22,123	\$14,585	\$66,518	\$60,880	9.3	9.3	7.3		
(Includes Aviation & Road Taxes)	168,655	3.33	5,913	3,716	142,169	138,658	2.5	2.5	0.4		
PTF Insurance Premiums Tax	279,300	5.51	22,310	20,796	119,743	116,414	2.9	2.9	2.4		
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	775,100	15.30	63,516	61,751	289,257	269,717	7.2	7.2	3.2		
State Sales and Use Tax	22,500	0.45	1,737	1,551	11,218	9,128	22.9	22.9	4.1		
Motor Vehicle License Fees	48,300	0.95	3,434	3,372	19,531	20,479	(4.6)	(4.6)	1.1		
Recordation Tax	4,200	0.08	58	64	2,984	1,965	51.9	51.9	(52.7)		
Interest Earnings	\$1,480,655	29.22	\$119,091	\$105,835	\$651,420	\$617,241	5.5	5.5	2.8		
Total State Taxes and Fees											
Other Revenues:											
Federal Grants and Contracts	\$1,044,332	20.61	\$39,352	\$38,955	\$736,194	\$682,529	7.9	7.9	4.2		
Receipts from Cities/Counties	150,600	2.97	35,461	22,433	89,412	108,453	(17.6)	(17.6)	(38.8)		
Toll Revenues (Includes Route 28)	44,727	0.88	3,143	982	16,090	5,331	201.8	201.8	36.2		
Miscellaneous Revenues	19,229	0.38	11,913	14,509	267,167	24,572	987.3	987.3	(94.6)		
Total Other Revenues	\$1,258,888	24.84	\$89,869	\$76,879	\$1,108,863	\$820,885	35.1	35.1	(23.1)		
Transfer (to) / from Highway Maintenance and Operating Fund	(\$181,785)	(3.59)	\$0	\$0	\$0	(\$19,832)	100.0	100.0	(28.1)		
Total Transportation Trust Fund	\$2,557,758	50.47	\$208,960	\$182,714	\$1,760,283	\$1,418,294	24.1	24.1	(12.9)		
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$5,068,090	100.00	\$352,226	\$343,390	\$2,876,637	\$2,263,417	27.1	27.1	(6.7)		

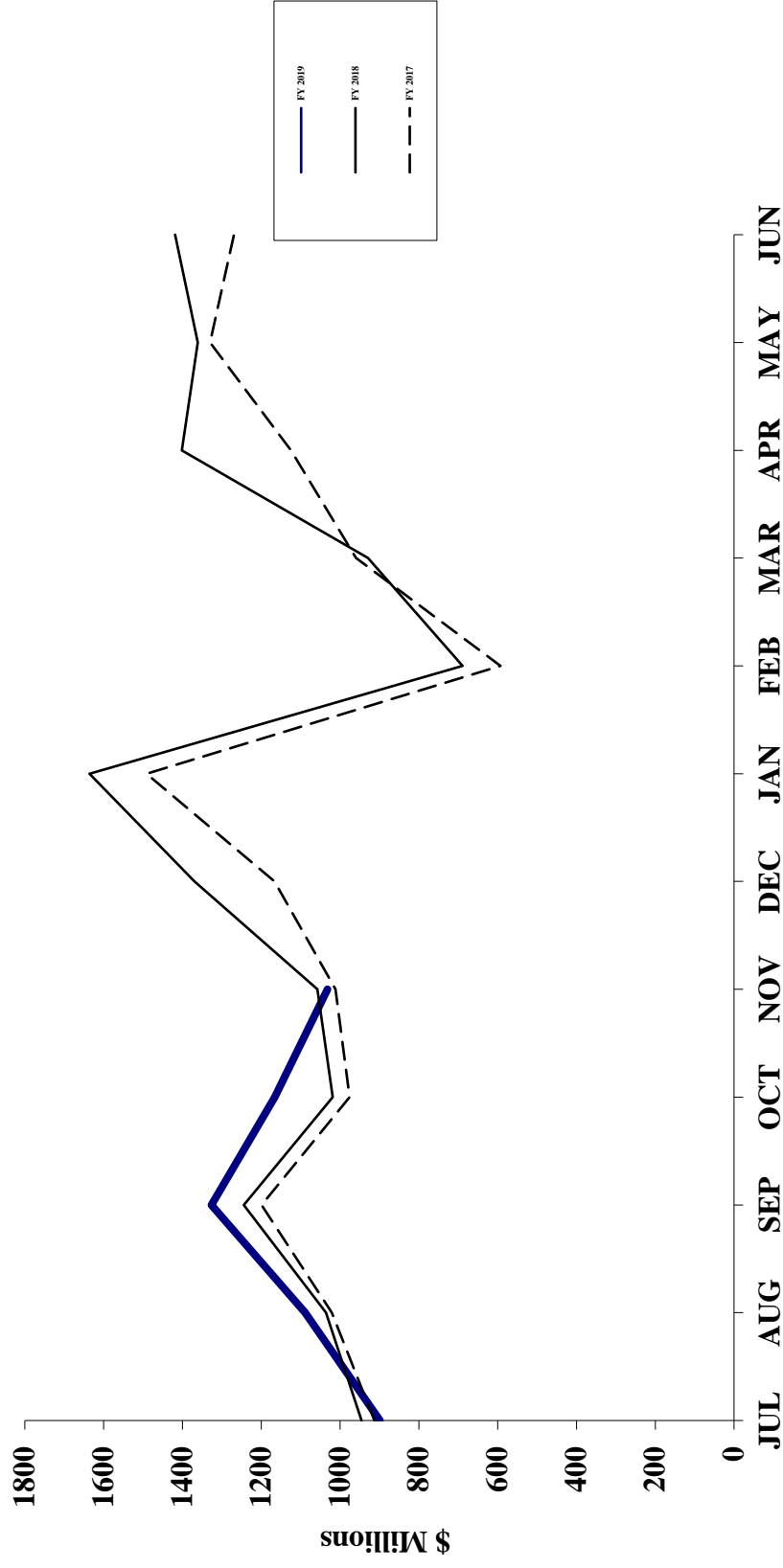
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



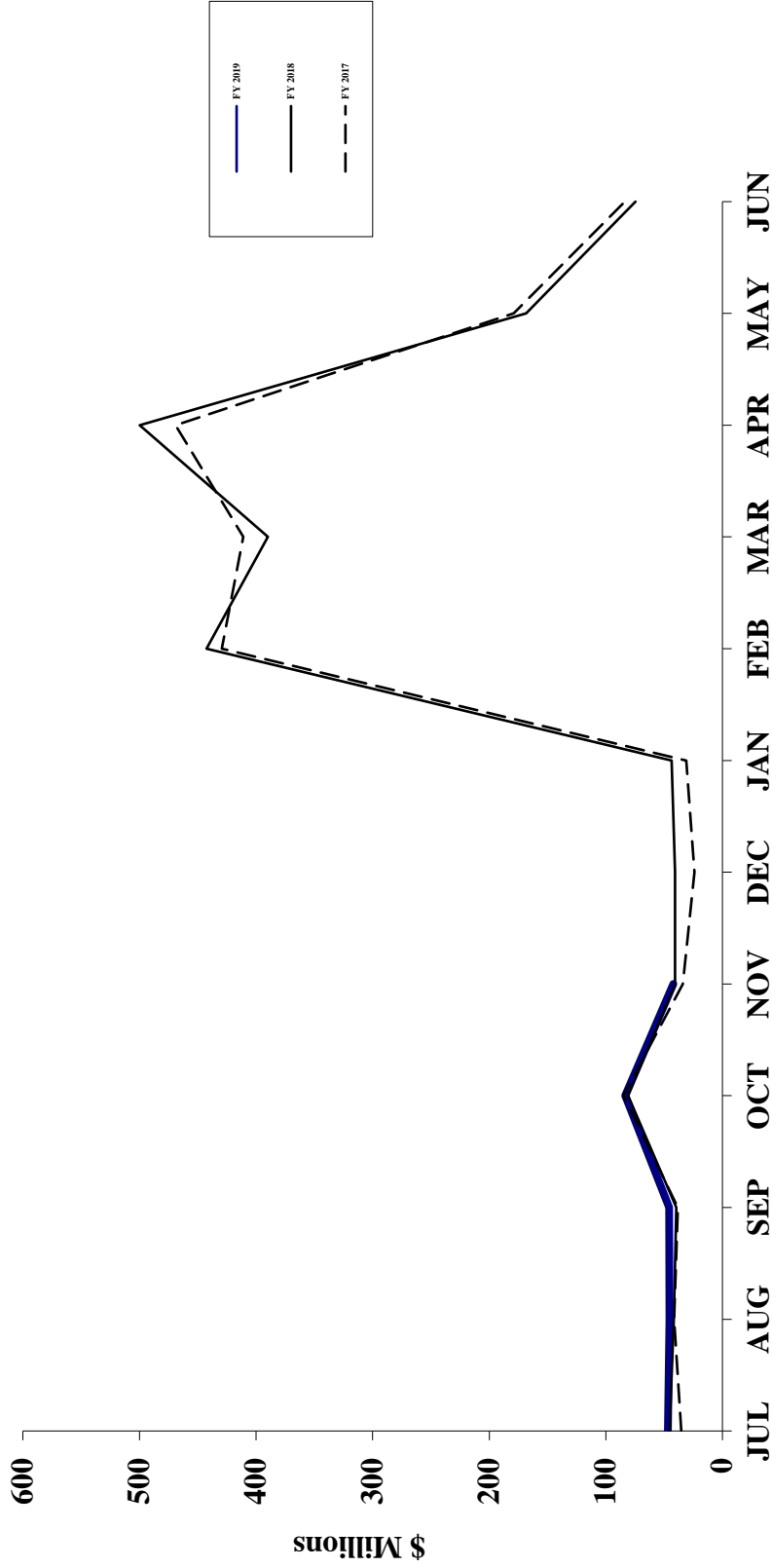
FY 2017 Actual = \$18,695.1 Million
FY 2018 Actual = \$19,880.8 Million
FY 2019 Estimate = \$20,173.7 Million

Net Individual Income Tax



FY 2017 Actual = \$13,052.9 Million
FY 2018 Actual = \$14,105.8 Million
FY 2019 Estimate = \$14,183.8 Million

Individual and Fiduciary Income Tax Refunds



FY 2017 Actual = \$1,861.0 Million
FY 2018 Actual = \$1,907.6 Million
FY 2019 Estimate = \$2,054.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2019
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹ Yield
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2018	\$5,881.1	2.12%	\$1,264.1	0.55%	\$7,145.2	1.84%	2.39%
August	\$5,225.6	2.12%	\$1,267.0	6.90%	\$6,492.6	3.05%	2.45%
September	\$5,777.9	2.17%	\$1,268.5	-4.34%	\$7,046.4	1.00%	2.56%
October	\$6,209.6	2.31%	\$1,264.2	-3.78%	\$7,473.8	1.28%	2.65%
November	\$6,034.2	2.40%	\$1,264.9	5.73%	\$7,299.1	2.98%	2.70%
December							
January, 2019							
February							
March							
April							
May							
June							
Year-to-Date Average	\$5,825.7	2.23%	\$1,265.7	1.02%	\$7,091.4	2.01%	2.55%

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

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2019

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$283,274,671	\$0	\$0	\$0	\$283,274,671
August	\$283,274,671	\$0	\$0	\$0	\$283,274,671
September	\$283,274,671	\$0	\$0	\$0	\$283,274,671
October	\$283,274,671	\$0	\$0	\$1,385,406	\$284,660,077
November	\$284,660,077	\$0	\$0	\$0	\$284,660,077
December					
January					
February					
March					
April					
May					
June					

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