

Governor McAuliffe's Proposed Amendments to the 2014-2016 Budget

Economic Outlook & Revenue Forecast

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

December 17, 2014



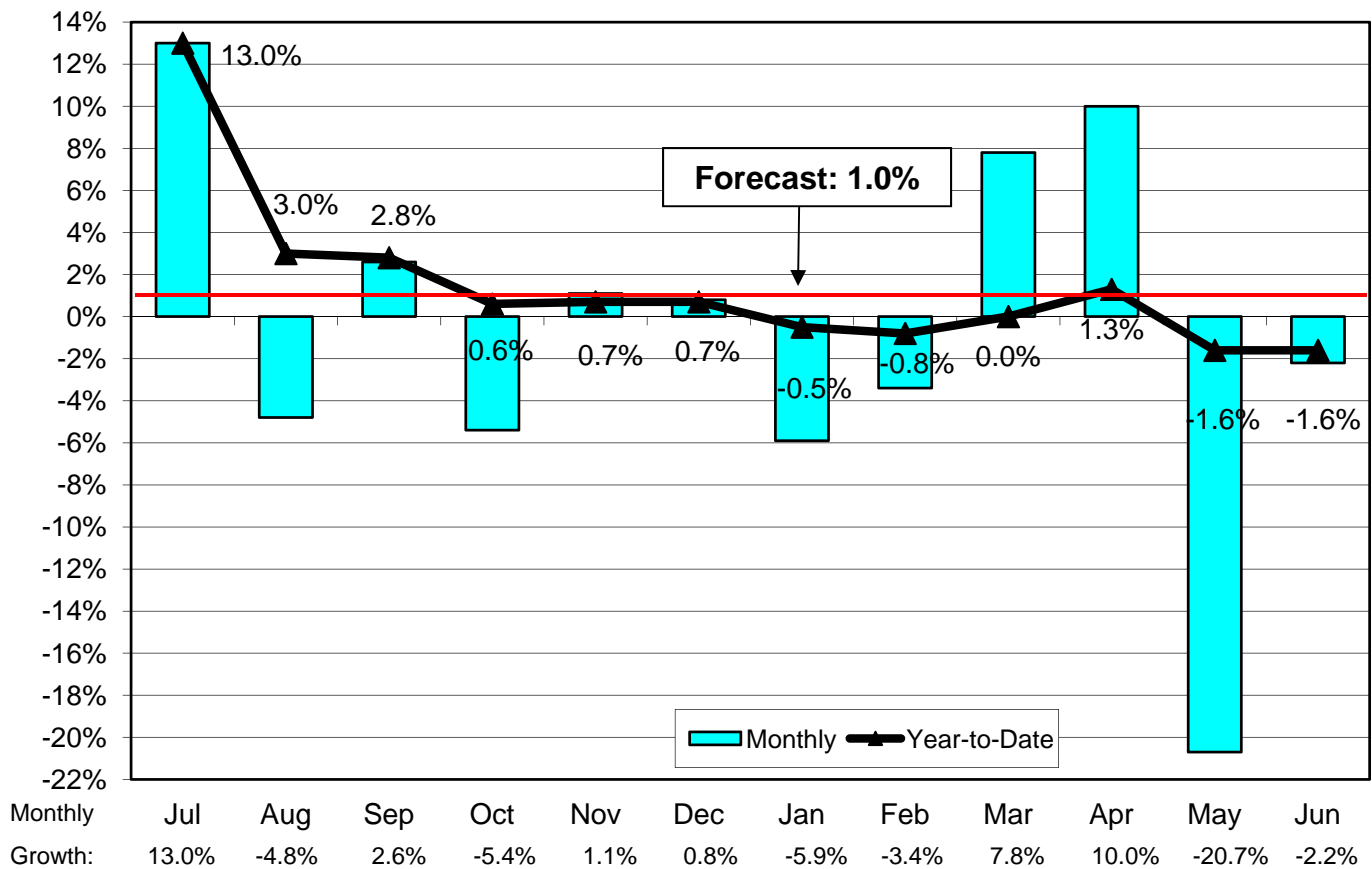
Richard D. Brown
Secretary of Finance
Commonwealth of Virginia
www.finance.virginia.gov

Outline...

- Fiscal Year 2014 Year-in-Review
- August Interim Revenue Forecast
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

The Drop-Off in May Pushed the Fiscal Year-to-Date Growth Down Into Negative Territory...

Growth in Total General Fund Revenue Collections
FY14 Monthly and Year-to-Date



- Total general fund revenue collections were short of the forecast by \$438.0 million in FY14, a forecast variance of 2.6 percent.
- Total general fund revenue collections fell 1.6 percent, behind the official forecast of 1.0 percent growth.
 - Adjusting for the accelerated sales tax (AST) program, total revenues fell 0.6 percent, behind the economic-base forecast of 2.1 percent growth.

Fiscal Year 2014 Revenues And Transfers Finished \$437.8 Million (2.5 Percent) Below Forecast...

Summary of Fiscal Year 2014 Revenue Collections (millions of dollars)

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>% Growth Over FY13</u>	
			<u>Dollars</u>	<u>Percent</u>	<u>Forecast</u>	<u>Actual</u>
Withholding	\$ 10,550.2	\$ 10,484.2	\$ (66.0)	(0.6) %	2.9 %	2.3 %
Nonwithholding	2,926.0	2,524.9	(401.1)	(13.7)	4.2	(10.1)
Refunds	(1,807.1)	(1,755.8)	51.3	(2.8)	5.1	2.1
Net Individual	11,669.1	11,253.3	(415.8)	(3.6)	2.9	(0.8)
Sales	3,079.4	3,066.5	(12.9)	(0.4)	(4.4)	(4.8)
Corporate	769.9	757.5	(12.4)	(1.6)	(3.4)	(4.9)
Wills (Recordation)	377.5	310.8	(66.7)	(17.7)	0.0	(17.7)
Insurance	289.4	320.4	31.0	10.7	10.4	22.2
All Other Revenue	664.1	702.9	38.8	5.8	(3.5)	2.1
Total Revenues	\$ 16,849.4	\$ 16,411.4	\$ (438.0)	(2.6) %	1.0 %	(1.6) %
ABC Profits	71.6	72.2	0.6	0.8	5.3	6.2
Sales Tax (0.25%)	334.7	334.0	(0.7)	(0.2)	51.2	50.9
Transfers	131.2	131.5	0.3	0.2	(3.0)	(2.7)
Total Transfers	\$ 537.5	\$ 537.7	\$ 0.2	0.0 %	26.6 %	26.6 %
Total General Fund	\$ 17,386.9	\$ 16,949.1	\$ (437.8)	(2.5) %	1.6 %	(0.9) %

In Mid-May, the Governor Directed The Secretary Of Finance To Conduct A Reforecast Of Revenues...

- The August 2014 interim revenue forecast is based on the updated economic outlook for Virginia as approved by the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE) .
 - The GACRE members endorsed the standard forecast for the U.S. but made the key assumption that Virginia would underperform the nation.
 - However, based on JABE members' comments, the May pessimistic forecast for Virginia employment and wages & salaries was too conservative.
 - Their recommendation for Virginia was for a pessimistic plus scenario.
- Governor McAuliffe released the interim revenue forecast on August 15, 2014, reducing revenues by \$2.0 billion for fiscal years 2015 and 2016.
 - When combined with the fiscal year 2014 revenue shortfall, the total budget shortfall is \$2.4 billion.

Recent National Indicators Suggest a Strengthening Economic Expansion...

- Real GDP grew 3.9 percent in the third quarter of 2014, after growing 4.6 percent in the second quarter.
- Payroll employment grew by 321,000 jobs in November. Monthly gains have averaged 278,000 over the last three months.
 - The November gain and the three-month average are the strongest since early 2012.
- The unemployment rate was unchanged at 5.8% in November.
- In Virginia employment has been growing at about 0.3 percent. Payroll employment grew 0.4 percent in October.
 - Employment increased 0.3 percent Northern Virginia, 0.8 percent in Hampton Roads and 1.7 percent in Richmond-Petersburg.
- The seasonally adjusted unemployment rate in Virginia fell slightly from 5.5 percent to 5.3 percent in October. The rate is 0.1 percent below October of last year.
- During the week ending December 6, initial claims for unemployment fell from 297,000 to 294,000. The four-week moving average rose from 299,000 to 299,250.
- The Conference Board's index of leading indicators rose 0.9 percent in October, its 13th increase in 15 months. The behavior of the index is consistent with a strengthening in underlying economic conditions.

Recent National Indicators Suggest a Strengthening Economic Expansion (continued)...

- Consumer confidence slid in November, as the Conference Board's index of consumer confidence fell from 94.1 to 88.7.
 - October's reading of 94.1 was a seven-year high.
- Conditions in the manufacturing sector weakened modestly in November as the Institute of Supply Management index fell from 59.0 to 58.7.
 - The index remains in expansionary territory.
- Amid falling energy prices, the CPI was unchanged in October from the previous month and stands 1.7 percent above October of last year.
 - Core inflation (excluding food and energy prices) rose 0.2 percent and has increased 1.8 percent from October 2013.
- According to RealtyTrac, U.S. foreclosure activity for November declined 1.0 percent from November 2013.
 - One in every 1,170 U.S. housing units received a foreclosure notice in October.
 - In Virginia, one in every 2,432 households received a foreclosure notice.
- The U.S. personal savings rate was unchanged at 5.0 percent in October.
- The Federal Reserve announced at its October meeting that it will keep the federal funds rate target at 0.0 to 0.25 percent as it ended the quantitative easing program.

The Fall 2014 Consensus Forecasting Process...

- The Joint Advisory Board of Economists (JABE) met in October.
 - Members were presented a September standard and a pessimistic economic outlook to compare with the Interim economic forecast.
 - A majority of JABE members continued to support the pessimistic plus outlook. The members also unanimously approved maintaining a key assumption that Virginia would underperform the nation.
 - The October standard outlook was adjusted accordingly and re-affirms the May Interim economic outlook.
- The Governor's Advisory Council on Revenue Estimates (GACRE) met in November.
 - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for the FY15-16 biennium.
 - At the GACRE meeting, 13 business members voted for the pessimistic plus forecast and 3 voted for the standard forecast.
 - Most members of the General Assembly who attended supported the pessimistic plus forecast – one supported the standard forecast.

Since GACRE, the U.S. and Virginia Economic Outlooks Have Been Updated...

- IHS Economics' November U.S. standard forecast reflects economic growth similar to the October forecast.
 - As a result, FY15 real GDP is expected to grow 2.5 percent, personal income is expected to grow 4.5 percent, and employment is expected to grow 1.9 percent.

Key Virginia Economic Indicators Interim and JABE Pessimistic Plus Forecasts Annual Percent Change

	13	14	15	16
Employment				
Interim (May '14)	1.0	0.4	0.7	1.4
JABE Pess Plus	1.0	0.6	0.9	1.4
Personal Income				
Interim (May '14)	3.0	2.1	3.7	3.8
JABE Pess Plus	3.3	1.4	3.7	3.8
Wages & Salaries				
Interim (May '14)	2.9	1.3	3.2	3.6
JABE Pess Plus	2.9	0.9	3.4	3.5
Average Wage				
Interim (May '14)	1.8	0.9	2.5	2.1
JABE Pess Plus	1.8	0.3	2.5	2.0

- As a result, the November 2014 Virginia Economic Outlook for FY15-16 remains a pessimistic plus forecast that is consistent with the Interim May forecast and the advice of JABE and GACRE.

The December Revenue Forecast Essentially Confirms HB5010/Chapter 3...

- Revenue collections through November do not point to a material change from the HB5010/Chapter 3 forecast for fiscal year 2015.
- The GACRE forecast called for a slightly lower (minus \$14.7 million) revenue projection for fiscal year 2015 and a small \$34.5 million positive adjustment mainly in payroll withholding for fiscal year 2016.
- Post-GACRE revenue adjustments were mostly technical in nature. The forecast was not lowered in fiscal year 2015 mainly because of actual collections year-to-date or money in the bank.
- Proposed tax policy changes by the Governor primarily affect fiscal year 2016.

A Recap of the General Fund Revenue Forecast...

Decomposition of the December Revenue Forecast

Fiscal Years 2015 and 2016

(millions of dollars)

	FY15	FY16	2015-16 Biennium
<u>Official Revenue Forecast - Chapter 2</u>	\$17,721.9	\$18,448.6	\$36,170.5
Total Revenue Growth: Official	5.2%	4.1%	
<u>Interim Revenue Forecast</u>	\$16,862.4	\$17,313.3	\$34,175.7
Total Revenue Growth: GACRE	2.7%	2.7%	
<u>HB5010 Adjustments</u>			
Federal TOPS Program	<u>12.0</u>	<u>4.0</u>	<u>16.0</u>
<u>Official Revenue Forecast - Chapter 3</u>	\$ 16,874.4	\$ 17,317.3	\$ 34,191.7
Total Revenue Growth: December	2.8%	2.6%	

The December Revenue Forecast...

Decomposition of the December Revenue Forecast

Fiscal Years 2015 and 2016

(millions of dollars)

	FY15	FY16	2015-16 Biennium
<u>Official Revenue Forecast - Chapter 3</u>	\$16,874.4	\$17,317.3	\$34,191.7
Total Revenue Growth: Official	2.8%	2.6%	
<u>GACRE Revenue Forecast</u>	-\$14.7	\$34.5	\$19.8
Total Revenue Growth: GACRE	2.7%	2.9%	
<u>Post GACRE Adjustments</u>			
Adjust for year-to-date Collections	14.7		14.7
Adopt ABC Excise Tax GACRE Forecast	6.1	6.9	13.0
Interest from Nongeneral Funds		(0.1)	(0.1)
Racing Commission Revenues	(0.1)	(0.1)	(0.2)
Adjust Federal TOPS Program		1.0	1.0
Reestimate Scholarship Cap	5.0	5.0	10.0
Misc Savings from Reduction Plans	<u>1.3</u>	<u>21.2</u>	<u>22.5</u>
Total	27.0	33.9	60.9
<u>Policy Adjustments</u>			
Limit Coal Employment/Production Credit		5.2	5.2
Limit Coalfield Employment Tax credit		14.7	14.7
Reduce Long Term Care Deduction		9.4	9.4
Limit Land Preservation Tax Credit		22.4	22.4
Combine 3 Sales Tax Holidays	1.6	1.0	2.6
Online Travel Companies Sales Tax		1.7	1.7
Repeal Subtraction for Sale of Land		0.5	0.5
Reduce Accelerated Sales Tax Threshold	<u>39.2</u>	<u>18.6</u>	<u>57.8</u>
Total	40.8	73.5	114.3
Total General Fund Revenues	\$ 16,927.4	\$ 17,459.3	\$ 34,386.7
Total Revenue Growth: December	3.1%	3.1%	

Note: Numbers may not add due to rounding

The December Revenue Forecast FY2015...

Summary of the December General Fund Revenue Forecast Fiscal Years 2015 (millions of dollars)

Major Sources	As a % of Total Revenues	Fiscal Year 2015			% Growth Over FY 14	
		HB5010	December	Change	HB5010	December
Withholding	61.7%	\$10,770.3	\$10,787.9	\$17.6	2.7 %	2.9
Nonwithholding	15.4	2,685.2	2,685.2	0.0	6.3	6.3
Refunds	(10.4)	(1,819.0)	(1,827.8)	(8.8)	3.6	4.1
Net Individual	66.6%	\$11,636.5	\$11,645.3	\$8.8	3.4 %	3.5 %
Sales	18.1%	\$3,152.5	\$3,197.8	\$45.3	2.8 %	4.3 %
Corporate	4.3	750.9	757.9	7.0	(0.9)	0.1
Wills (Recordation)	1.8	314.5	318.3	3.8	1.2	2.4
Insurance	2.0	344.4	334.5	(9.9)	7.5	4.4
All Other Revenue	3.9	675.6	673.6	(2.0)	(3.9)	(4.2)
Total Revenue	96.6%	\$16,874.4	\$16,927.4	\$53.0	2.8 %	3.1 %
A.B.C. Profits	0.4	\$74.8	\$77.3	\$2.5	3.6 %	7.0 %
Sales Tax (0.375%)	2.0	350.6	348.1	(2.5)	5.0	4.2
Transfers	0.9	162.7	208.1	45.4	23.7	58.3
Total Transfers	3.4%	\$588.1	\$633.5	\$45.4	9.4 %	17.8 %
TOTAL GENERAL FUND	100.0%	\$17,462.5	\$17,560.9	\$98.4	3.0 %	3.6 %

- Total general fund resources, including revenues and transfers, are \$98.4 million above the HB 5010/Chapter 3 forecast for fiscal year 2015.

The December Revenue Forecast FY2016...

Summary of the December General Fund Revenue Forecast Fiscal Years 2016 (millions of dollars)

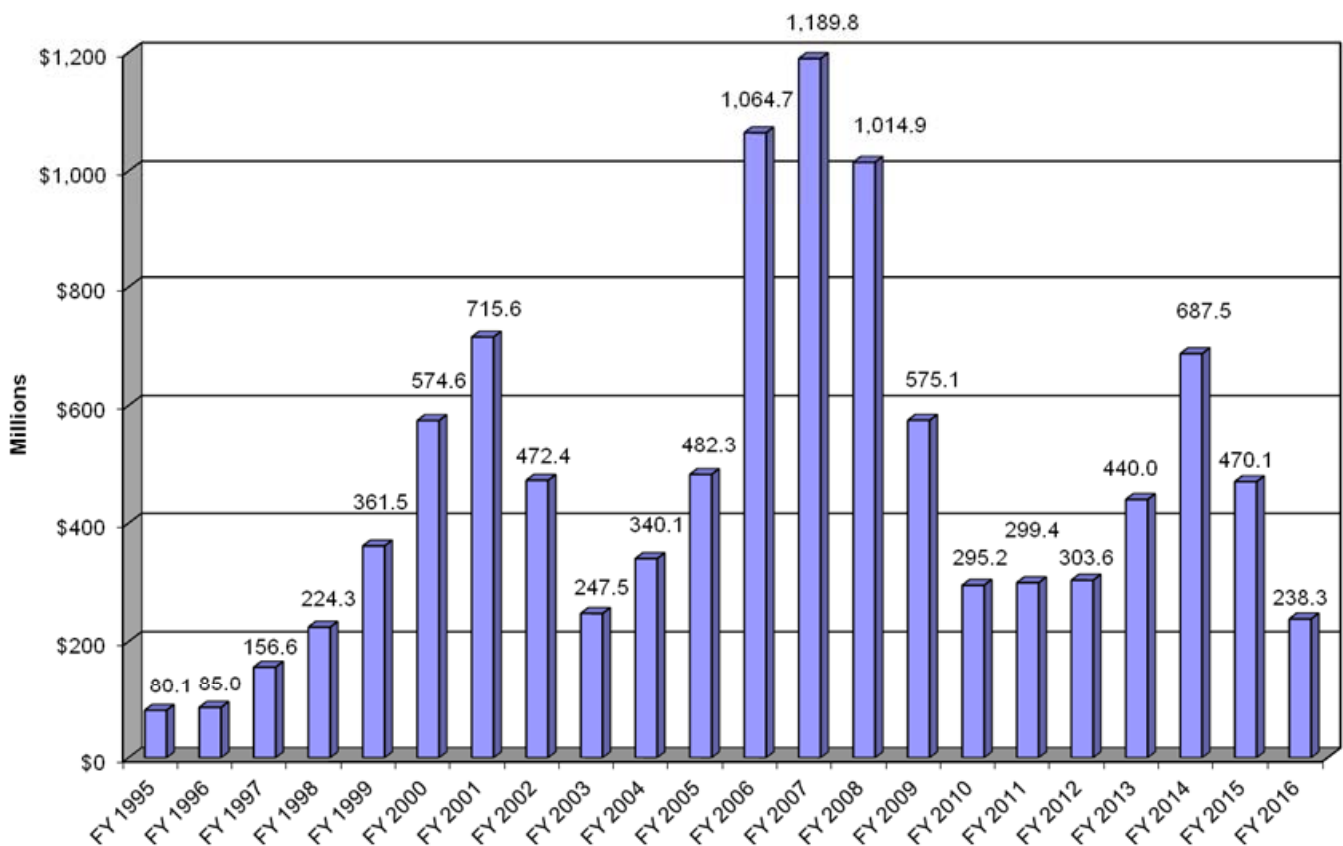
	Fiscal Year 2016						2014-2016 Biennium		
	HB5010	December	Change	% Growth Over FY15		HB5010	December	Change	
				HB5010	December				
Withholding	\$11,100.5	\$11,140.1	\$39.6	3.1 %	3.3 %	\$21,870.8	\$21,928.0	\$57.2	
Nonwithholding	2,747.3	2,751.6	4.3	2.3	2.5	5,432.5	5,436.8	4.3	
Refunds	(1,884.5)	(1,855.6)	28.9	3.6	1.5	(3,703.5)	(3,683.4)	20.1	
Net Individual	\$11,963.3	\$12,036.1	\$72.8	2.8	3.4	\$23,599.8	\$23,681.4	\$81.6	
Sales	\$3,265.5	\$3,292.0	\$26.5	3.6	2.9	\$6,418.0	\$6,489.8	\$71.8	
Corporate	748.2	771.6	23.4	(0.4)	1.8	1,499.1	1,529.5	30.4	
Wills (Recordation)	314.5	318.3	3.8	0.0	0.0	629.0	636.6	7.6	
Insurance	330.2	326.8	(3.4)	(4.1)	(2.3)	674.6	661.3	(13.3)	
All Other Revenue	695.6	714.5	18.9	3.0	6.1	1,371.2	1,388.1	16.9	
Total Revenue	\$17,317.3	\$17,459.3	\$142.0	2.6 %	3.1 %	\$34,191.7	\$34,386.7	\$195.0	
A.B.C. Profits	\$78.2	\$80.2	\$2.0	4.5 %	3.8 %	\$153.0	\$157.5	\$4.5	
Sales Tax (0.375%)	363.0	359.3	(3.7)	3.5	3.2	713.6	707.4	(6.2)	
Transfers	113.9	124.6	10.7	(30.0)	(40.1)	276.6	332.7	56.1	
Total Transfers	\$555.1	\$564.1	\$9.0	(5.6) %	(11.0) %	\$1,143.2	\$1,197.6	\$54.4	
TOTAL GENERAL FUND	\$17,872.4	\$18,023.4	\$151.0	2.3 %	2.6 %	\$35,334.9	\$35,584.3	\$249.4	

- Total general fund resources, including revenues and transfers, are forecast to be above the HB 5010/Chapter 3 forecast by \$151.0 million for fiscal year 2016 and \$249.4 million for the biennium.

Withdrawals from the Revenue Stabilization Fund to Address the Budget Shortfall Will Cause the Fund to Decline Between the End of FY2014 and FY2016...

Revenue Stabilization Fund – June 30 Balance
 FY1995-2014 Actual and FY2015-2016 Forecast
 (millions of dollars)

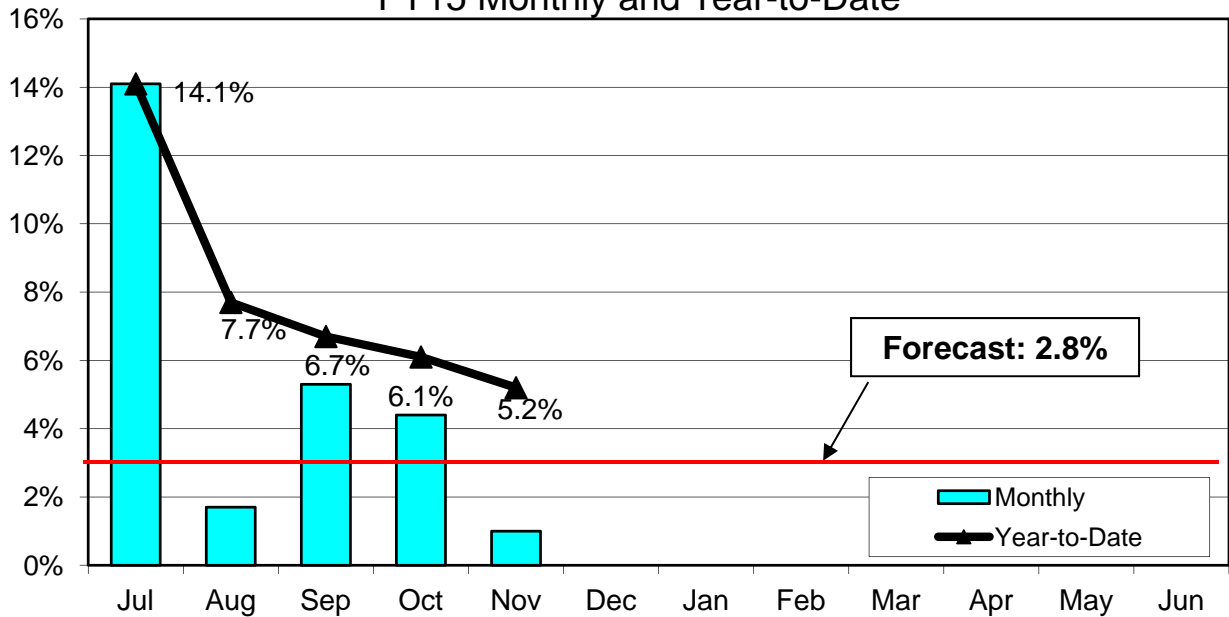
Revenue Stabilization Fund



- A mandatory deposit of \$243.2 million in fiscal year 2015 is required. The withdrawals in fiscal years 2015 and 2016 are assumed to be \$470.0 and \$235.0 million, respectively.

Total General Fund Revenue Growth Continues to be Above Forecast...

Growth in Total General Fund Revenue Collections
FY15 Monthly and Year-to-Date



Monthly Growth: 14.1% 1.7% 5.3% 4.4% 1.0%

- Total general fund revenues increased 1.0 percent in November, driven by growth in sales tax payments.
- On a year-to-date basis, total revenues increased 5.2 percent, ahead of the annual forecast of 2.8 percent growth.
 - Adjusting for the HB2313 program, total revenues grew 5.2 percent through October, ahead of the economic-base forecast of 2.9 percent growth.
- Only 38.2 percent of the total general fund revenue estimate has been collected through the first 5 months of the fiscal year.
 - The 15 year average is 37.7 percent.

Fiscal Year 2015 Year-to-Date Revenue Collections Through November Are Slightly Ahead of Target...

November Year-to-Date Collections and FY 2015 Forecasts (annual percent change)

<u>Major Source</u>	As a % of Total <u>Revenues</u>	Percent Growth over Prior Year			
		<u>YTD Actual</u>	<u>Annual Estimate</u>	<u>Variance</u>	<u>Dec-Jun Req'd to Meet Est.</u>
Withholding	63.8 %	4.2 %	2.7 %	1.5 %	1.8 %
Nonwithholding	15.9	14.8	6.3	8.5	4.1
Refunds	(10.8)	0.8	3.6	(2.8)	4.1
Net Individual	69.0	5.6	3.4	2.2	2.0
Sales	18.7	3.9	2.8	1.1	2.2
Corporate	4.4	19.0	(0.9)	19.9	(6.6)
Wills (Recordation)	1.9	(2.9)	1.2	(4.1)	4.7
Insurance	2.0	n/a	7.5	n/a	7.5
All Other Revenue	4.0	(1.8)	(3.9)	2.1	(4.9)
Total	100.0 %	5.2 %	2.8 %	2.4 %	1.4 %
Sales (x HB2313 & AST)		4.3 %	3.4 %	0.9 %	2.7 %
Total (x HB2313 & AST)		5.2 %	2.9 %	2.3 %	1.5 %

- Total revenues grew 5.2 percent through November, ahead of the estimate of 2.8 percent -- adjusting for HB2313 & AST, total revenues grew 5.2 percent, ahead of the economic-base forecast of 2.9 percent growth.

Next Steps In The Revenue Forecasting Process...

- The mid-session review will incorporate the latest economic and revenue data.
 - IHS Economics' January U.S. economic outlook.
 - Impact of any federal budget agreements.
 - Retail holiday sales.
 - Key additional revenue data will be available.
 - December 15: Due date for the fourth quarter corporate estimated income tax payment.
 - January 15: Due date for the fourth quarter individual estimated income tax payment.
 - Retail sales tax collections reflecting the main holiday shopping season.

APPENDIX

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 2015-2022

Commonwealth Transportation Fund Forecast, FY 2014-2020

Virginia Health Care Fund Forecast, FY 2014-2022

GACRE October JABE Pessimistic Plus Revenue Forecast

GACRE October Standard Revenue Forecast

Growth in General Fund Revenues, FY 1961-2016

Nongeneral Fund Forecast, FY 2014-2020

November 2014 Revenue Report

Fiscal Years 2013-2018 Interim, JABE Pessimistic Plus and November Standard Forecasts
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
<u>Output, Income, and Spending (% Change)</u>							
Real GDP	Interim (May '14)	2.0	2.4	2.7	3.4	3.4	2.9
	JABE Pess Plus	2.0	2.5	2.5	2.4	3.1	2.8
	Nov Standard			2.5	2.4	3.1	2.8
Total Personal Income	Interim (May '14)	3.7	3.1	4.5	5.4	5.7	5.5
	JABE Pess Plus	4.0	2.7	4.5	4.5	5.4	5.4
	Nov Standard			4.5	4.5	5.4	5.4
Wages and Salaries (51%)	Interim (May '14)	4.0	3.3	4.6	5.3	5.3	5.0
	JABE Pess Plus	3.9	3.6	5.0	4.7	5.0	5.1
	Nov Standard			5.0	4.7	5.0	5.1
Average Wage	Interim (May '14)	2.3	1.5	2.7	3.2	3.1	3.4
	JABE Pess Plus	2.3	1.8	3.0	3.1	3.6	4.0
	Nov Standard			3.0	3.1	3.6	4.0
Real Consumer Spending	Interim (May '14)	2.0	2.4	2.8	3.3	3.4	3.2
	JABE Pess Plus	2.1	2.4	2.4	2.9	3.1	2.9
	Nov Standard			2.4	2.9	3.1	2.9
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Interim (May '14)	0.1	0.0	0.1	1.2	3.1	3.7
	JABE Pess Plus	0.1	0.0	0.1	0.9	2.5	3.5
	Nov Standard			0.1	0.9	2.5	3.5
30-Year Treasury Bonds	Interim (May '14)	3.0	3.7	4.0	4.4	4.7	4.8
	JABE Pess Plus	3.0	3.7	3.4	4.1	4.4	4.6
	Nov Standard			3.4	4.1	4.4	4.6
<u>Prices (% Change)</u>							
CPI	Interim (May '14)	1.7	1.5	2.0	1.3	1.8	1.9
	JABE Pess Plus	1.7	1.6	1.2	1.3	1.8	2.3
	Nov Standard			1.2	1.3	1.8	2.3
GDP Deflator	Interim (May '14)	1.6	1.4	1.9	1.6	1.7	1.7
	JABE Pess Plus	1.7	1.5	1.7	1.8	1.8	1.9
	Nov Standard			1.7	1.8	1.8	1.9

The Interim forecast for FY15 - FY18 is IHS Economics May 2014 U.S. standard scenario.

The JABE pessimistic plus forecast is IHS Economics November 2014 U.S. standard forecast.

The Nov standard forecast is IHS Economics November 2014 U.S. standard forecast.

Fiscal Years 2013-2018 Interim, JABE Pessimistic Plus and November Standard Forecasts
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Interim (May '14)	1.6	1.7	1.9	2.0	2.1	1.6
	JABE Pess Plus	1.6	1.7	1.9	1.6	1.4	1.0
	Nov Standard			1.9	1.6	1.4	1.0
Construction (4%)	Interim (May '14)	2.4	3.3	5.4	10.1	9.7	4.3
	JABE Pess Plus	2.4	3.2	4.0	6.2	6.8	6.1
	Nov Standard			4.0	6.2	6.8	6.1
Manufacturing (9%)	Interim (May '14)	1.2	0.6	1.6	1.6	1.0	0.3
	JABE Pess Plus	1.2	0.6	1.1	0.9	0.2	0.2
	Nov Standard			1.1	0.9	0.2	0.2
Trade, Transportation, and Utilities (19%)	Interim (May '14)	1.3	1.9	1.7	1.0	1.3	1.4
	JABE Pess Plus	1.3	2.0	1.8	1.2	0.9	0.6
	Nov Standard			1.8	1.2	0.9	0.6
Financial Activities (6%)	Interim (May '14)	1.2	0.9	0.9	0.2	(0.1)	(0.7)
	JABE Pess Plus	1.2	1.0	1.3	(0.1)	(0.4)	(1.4)
	Nov Standard			1.3	(0.1)	(0.4)	(1.4)
Professional and Business Services (14%)	Interim (May '14)	3.4	3.7	4.4	4.6	3.4	2.3
	JABE Pess Plus	3.4	3.7	3.9	3.9	3.7	1.6
	Nov Standard			3.9	3.9	3.7	1.6
Education and Health Services (16%)	Interim (May '14)	2.1	1.7	1.6	2.4	2.5	2.2
	JABE Pess Plus	2.1	1.8	2.1	1.6	1.3	0.7
	Nov Standard			2.1	1.6	1.3	0.7
Leisure and Hospitality (11%)	Interim (May '14)	3.2	3.2	1.9	0.9	1.2	1.3
	JABE Pess Plus	3.2	3.2	2.4	1.7	0.4	1.7
	Nov Standard			2.4	1.7	0.4	1.7
Government (16%)	Interim (May '14)	(0.4)	(0.1)	0.5	0.6	1.1	1.2
	JABE Pess Plus	(0.4)	(0.1)	0.3	0.4	0.7	1.1
	Nov Standard			0.3	0.4	0.7	1.1
Unemployment Rate (%)	Interim (May '14)	7.8	6.8	6.3	5.8	5.5	5.2
	JABE Pess Plus	7.8	6.8	5.8	5.6	5.4	5.3
	Nov Standard			5.8	5.6	5.4	5.3

The Interim forecast for FY15 - FY18 is IHS Economics May 2014 U.S. standard scenario.

The JABE pessimistic plus forecast is IHS Economics November 2014 U.S. standard forecast.

The Nov standard forecast is IHS Economics November 2014 U.S. standard forecast.

Fiscal Years 2013-2018 Interim, JABE Pessimistic Plus and Standard Forecasts

Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Interim (May '14)	1.0	0.4	0.7	1.4	1.8	1.2
	JABE Pess Plus	1.0	0.6	0.9	1.4	1.8	1.2
	Nov Standard			1.5	1.6	1.6	1.0
Construction and Mining (5%)	Interim (May '14)	(1.0)	0.7	2.5	3.6	5.3	2.3
	JABE Pess Plus	(1.0)	(0.8)	2.1	3.5	5.4	2.4
	Nov Standard			2.3	6.9	6.4	4.8
Manufacturing (6%)	Interim (May '14)	(0.1)	(0.4)	(0.9)	1.3	1.2	0.4
	JABE Pess Plus	(0.1)	0.2	0.3	1.3	1.2	0.4
	Nov Standard			1.0	1.4	0.4	(0.2)
Trade, Transportation, and Utilities (17%)	Interim (May '14)	0.5	0.8	0.8	0.6	1.0	0.6
	JABE Pess Plus	0.5	1.8	0.8	0.6	1.0	0.6
	Nov Standard			1.7	0.5	0.5	0.1
Financial Activities (5%)	Interim (May '14)	3.0	1.4	0.8	(0.1)	(0.7)	(1.6)
	JABE Pess Plus	3.0	1.6	1.5	(0.1)	(0.7)	(1.6)
	Nov Standard			0.3	(0.1)	(0.5)	(2.2)
Professional and Business Services (18%)	Interim (May '14)	1.3	(1.8)	1.0	3.0	2.8	1.9
	JABE Pess Plus	1.3	(1.2)	0.8	3.0	2.8	1.9
	Nov Standard			2.6	2.5	2.5	1.4
Education and Health Services (13%)	Interim (May '14)	3.0	2.8	1.8	2.0	2.6	2.4
	JABE Pess Plus	3.0	2.4	1.4	2.0	2.6	2.4
	Nov Standard			2.2	1.8	2.3	1.7
Leisure and Hospitality (10%)	Interim (May '14)	2.5	1.0	1.6	0.9	1.2	1.2
	JABE Pess Plus	2.5	1.4	2.2	0.9	1.2	1.2
	Nov Standard			2.0	1.2	0.7	1.7
Government (19%)	Interim (May '14)	(0.2)	(0.0)	(0.2)	1.1	1.5	0.5
	JABE Pess Plus	(0.2)	(0.1)	0.1	1.1	1.5	0.5
	Nov Standard			0.3	1.7	1.5	0.5
Unemployment Rate (%)	Interim (May '14)	5.7	5.2	4.9	4.8	4.7	4.6
	JABE Pess Plus	5.7	5.2	5.0	4.9	4.8	4.7
	Nov Standard			4.7	4.5	4.2	4.0

The Interim forecast is based on IHS' Economics May 2014 U.S. standard scenario and recommendations from JABE members.

The JABE Pessimistic Plus forecast is based on IHS' Economics November 2014 U.S. standard scenario and recommendations from JABE members.

The Nov Standard forecast is based on IHS' Economics November 2014 U.S. standard forecast.

Fiscal Years 2013-2018 Interim, JABE Pessimistic Plus and Standard Forecasts

Virginia Economic Forecasts - Income

		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
<u>Income (% Change)</u>							
Total Personal Income	Interim (May '14)	3.0	2.1	3.7	3.8	4.8	5.0
	JABE Pess Plus	3.3	1.4	3.7	3.8	4.8	5.0
	Nov Standard			4.2	4.2	5.5	5.2
Wages and Salaries (52%)	Interim (May '14)	2.9	1.3	3.2	3.6	4.6	4.2
	JABE Pess Plus	2.9	0.9	3.4	3.5	4.6	4.2
	Nov Standard			4.2	4.3	4.8	4.5
Average Wage	Interim (May '14)	1.8	0.9	2.5	2.1	2.8	3.0
	JABE Pess Plus	1.8	0.3	2.5	2.0	2.8	3.0
	Nov Standard			2.6	2.6	3.2	3.4
Dividends, Interest, and Rent (21%)	Interim (May '14)	4.7	4.2	4.7	4.5	6.8	7.3
	JABE Pess Plus	7.6	2.0	3.3	4.5	6.9	7.4
	Nov Standard			3.7	5.2	9.8	8.3
Supplements to Wages and Salaries (12%)	Interim (May '14)	2.4	1.1	4.5	6.9	5.5	6.8
	JABE Pess Plus	3.1	1.9	3.1	7.0	5.6	6.9
	Nov Standard			2.6	4.0	5.4	5.8
Proprietor's Income (7%)	Interim (May '14)	6.7	4.5	2.4	0.7	(0.2)	(0.7)
	JABE Pess Plus	8.0	4.4	4.2	0.7	(0.2)	(0.7)
	Nov Standard			3.0	0.9	(1.4)	(2.0)
Net Transfer Payments (5%)	Interim (May '14)	(2.0)	2.6	5.5	1.0	3.7	6.7
	JABE Pess Plus	(5.4)	(0.4)	3.8	0.8	3.6	6.8
	Nov Standard			6.3	4.1	6.2	7.7

The Interim forecast is based on IHS' Economics May 2014 U.S. standard scenario and recommendations from JABE members.

The JABE Pessimistic Plus forecast is based on IHS' Economics November 2014 U.S. standard scenario and recommendations from JABE members.

The Nov Standard forecast is based on IHS' Economics November 2014 U.S. standard forecast.

The HB5010 and December General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2015				
	<u>HB5010 Forecast</u>	<u>December Forecast</u>	<u>Change</u>	<u>% Growth Over FY 14 HB5010</u>	<u>December</u>
MAJOR TAX SOURCES					
Corporate Income	\$ 750.9	\$ 757.9	\$ 7.0	(0.9) %	0.1 %
Individual Income Tax:					
Gross	13,455.5	13,473.1	17.6	3.4	3.6
Withholding	10,770.3	10,787.9	17.6	2.7	2.9
Nonwithholding	2,685.2	2,685.2	0.0	6.3	6.3
Refunds	<u>(1,819.0)</u>	<u>(1,827.8)</u>	<u>(8.8)</u>	<u>3.6</u>	<u>4.1</u>
Net	11,636.5	11,645.3	8.8	3.4	3.5
Insurance Company Premiums	344.4	334.5	(9.9)	7.5	4.4
State Sales & Use Tax	3,152.5	3,197.8	45.3	2.8	4.3
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>1.2</u>	<u>2.4</u>
Total Major Tax Sources	\$ 16,198.8	\$ 16,253.8	\$ 55.0	3.1 %	3.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 162.6	\$ 6.1	(0.6) %	3.3 %
Bank Franchise Tax	20.0	16.8	(3.2)	(11.3)	(25.5)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	1.1	(0.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	(4.6)	(5.8)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	31.9	24.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.5	(0.1)	(0.8)	(2.5)
Interest & Rents	60.4	63.7	3.3	(18.8) %	(14.4)
Licenses & Permits	4.3	4.0	(0.3)	6.7 %	(0.8)
Miscellaneous Taxes and Penalties	218.9	213.7	(5.2)	(1.5) %	(3.9)
Other Miscellaneous Revenues	31.4	30.3	(1.1)	(5.8) %	(9.1)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>(0.5) %</u>	<u>(1.4)</u>
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 673.6	\$ (2.0)	(3.9) %	(4.2) %
TOTAL GF REVENUES	\$ 16,874.4	\$ 16,927.4	\$ 53.0	2.8 %	3.1 %
TRANSFERS					
A.B.C. Profits	\$ 74.8	\$ 77.3	\$ 2.5	3.6 %	7.0 %
Sales Tax (0.375%)	350.6	348.1	(2.5)	5.0	4.2
Transfers Per Appropriations Act	<u>162.7</u>	<u>208.1</u>	<u>45.4</u>	<u>23.7</u>	<u>58.3</u>
Total Transfers	\$ 588.1	\$ 633.5	\$ 45.4	9.4 %	17.8 %
TOTAL GENERAL FUND	\$ <u>17,462.5</u>	\$ <u>17,560.9</u>	\$ <u>98.4</u>	<u>3.0 %</u>	<u>3.6 %</u>

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1 -- Chapter 3. The December forecast is based on the November IHS Economics US Standard outlook and a JABE Pessimistic Plus forecast with recommendations from the Governor's Advisory Council on Revenue Estimates (GACRE) and Governor's amendments.

The HB5010 and December General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2016					2014-2016 Biennium		
	HB5010 Forecast	December Forecast	Change	% Growth Over FY 15 HB5010	December	HB5010 Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 748.2	\$ 771.6	\$ 23.4	(0.4) %	1.8 %	\$ 1,499.1	\$ 1,529.5	\$ 30.4
Individual Income Tax:								
Gross	13,847.8	13,891.7	43.9	2.9	3.1	27,303.3	27,364.8	61.5
Withholding	11,100.5	11,140.1	39.6	3.1	3.3	21,870.8	21,928.0	57.2
Nonwithholding	2,747.3	2,751.6	4.3	2.3	2.5	5,432.5	5,436.8	4.3
Refunds	<u>(1,884.5)</u>	<u>(1,855.6)</u>	<u>28.9</u>	<u>3.6</u>	<u>1.5</u>	<u>(3,703.5)</u>	<u>(3,683.4)</u>	<u>20.1</u>
Net	11,963.3	12,036.1	72.8	2.8	3.4	23,599.8	23,681.4	81.6
Insurance Company Premiums	330.2	326.8	(3.4)	(4.1)	(2.3)	674.6	661.3	(13.3)
State Sales & Use Tax	3,265.5	3,292.0	26.5	3.6	2.9	6,418.0	6,489.8	71.8
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>0.0</u>	<u>0.0</u>	<u>629.0</u>	<u>636.6</u>	<u>7.6</u>
Total Major Tax Sources	\$ 16,621.7	\$ 16,744.8	\$ 123.1	2.6 %	3.0 %	\$ 32,820.5	\$ 32,998.6	\$ 178.1
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 159.2	\$ 166.1	\$ 6.9	1.7 %	2.2 %	\$ 315.7	\$ 328.7	\$ 13.0
Bank Franchise Tax	20.0	20.5	0.5	0.0	22.0	40.0	37.3	(2.7)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	0.0	0.0	84.6	83.6	(1.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	0.0	0.0	95.8	94.6	(1.2)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	0.0	0.0	(18.8)	(17.8)	1.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	5.6	5.5	(0.1)	0.0	0.0	11.2	11.0	(0.2)
Interest & Rents	65.4	67.4	2.0	8.3	5.8	125.8	131.1	5.3
Licenses & Permits	4.3	4.0	(0.3)	0.0	0.0	8.6	8.0	(0.6)
Miscellaneous Taxes and Penalties	220.3	212.9	(7.4)	0.6	(0.4)	439.2	426.6	(12.6)
Other Miscellaneous Revenues	42.3	61.1	18.8	34.7	101.7	73.7	91.4	17.7
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>193.6</u>	<u>(1.8)</u>
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 714.5	\$ 18.9	3.0 %	6.1 %	\$ 1,371.2	\$ 1,388.1	\$ 16.9
TOTAL GF REVENUES	\$ 17,317.3	\$ 17,459.3	\$ 142.0	2.6 %	3.1 %	\$ 34,191.7	\$ 34,386.7	\$ 195.0
TRANSFERS								
A.B.C. Profits	\$ 78.2	\$ 80.2	\$ 2.0	4.5 %	3.8 %	\$ 153.0	\$ 157.5	\$ 4.5
Sales Tax (0.375%)	363.0	359.3	(3.7)	3.5	3.2	713.6	707.4	(6.2)
Transfers Per Appropriations Act	<u>113.9</u>	<u>124.6</u>	<u>10.7</u>	<u>(30.0)</u>	<u>(40.1)</u>	<u>276.6</u>	<u>332.7</u>	<u>56.1</u>
Total Transfers	\$ 555.1	\$ 564.1	\$ 9.0	(5.6) %	(11.0) %	\$ 1,143.2	\$ 1,197.6	\$ 54.4
TOTAL GENERAL FUND	\$ 17,872.4	\$ 18,023.4	\$ 151.0	2.3 %	2.6 %	\$ 35,334.9	\$ 35,584.3	\$ 249.4

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1 -- Chapter 3.

The December forecast is based on the November IHS Economics US Standard outlook and a JABE Pessimistic Plus forecast with recommendations from the Governor's Advisory Council on Revenue Estimates (GACRE) and Governor's amendments.

The December General Fund Forecast for Fiscal Years 2017-2018
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	December Forecast	% Growth Over FY 16	December Forecast	% Growth Over FY 17	December Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 753.8	(2.3) %	\$ 740.9	(1.7) %	\$ 1,494.7	(2.3) %
Individual Income Tax:						
Gross	14,456.5	4.1	15,052.6	4.1	29,509.0	7.8
Withholding	11,623.0	4.3	12,116.3	4.2	23,739.2	8.3
Nonwithholding	2,833.5	3.0	2,936.3	3.6	5,769.8	6.1
Refunds	<u>(1,949.1)</u>	5.0	<u>(2,030.2)</u>	<u>4.2</u>	<u>(3,979.3)</u>	<u>8.0</u>
Net	12,507.4	3.9	13,022.4	4.1	25,529.7	7.8
Insurance Company Premiums	349.3	6.9	367.3	5.2	716.6	8.4
State Sales & Use Tax	3,348.0	1.7	3,483.1	4.0	6,831.1	5.3
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>0.0</u>	<u>318.3</u>	<u>0.0</u>	<u>636.6</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,276.7	3.2 %	\$ 17,932.0	3.8 %	\$ 35,208.7	6.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 169.6	2.1 %	\$ 173.2	2.1 %	\$ 342.8	4.3 %
Bank Franchise Tax	20.5	0.0	20.5	0.0	41.0	9.9
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	0.0
Corporate Franchise & Charter Fees	47.3	0.0	47.3	0.0	94.6	0.0
Excess & Other Fees from Officers	(8.9)	0.0	(8.9)	0.0	(17.8)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.5	0.0	5.5	0.0	11.0	0.0
Interest & Rents	54.8	(18.7)	54.8	0.0	109.6	(16.4)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	0.0
Miscellaneous Taxes and Penalties	212.9	0.0	212.9	0.0	425.8	(0.2)
Other Miscellaneous Revenues	28.5	(53.4)	28.5	0.0	57.0	(37.6)
Public Service GR / Consumption Tax	<u>96.8</u>	<u>0.0</u>	<u>96.8</u>	<u>0.0</u>	<u>193.6</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 672.8	(5.8) %	\$ 676.4	0.5 %	\$ 1,349.2	(2.8) %
TOTAL GF REVENUES	\$ 17,949.5	2.8 %	\$ 18,608.4	3.7 %	\$ 36,557.9	6.3 %
TRANSFERS						
A.B.C. Profits	\$ 71.0	(11.5) %	\$ 71.0	0.0 %	\$ 142.0	(9.8) %
Sales Tax (0.375%)	373.7	4.0	389.0	4.1	762.7	7.8
Transfers Per Appropriations Act	<u>120.0</u>	<u>(3.7)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(27.9)</u>
Total Transfers	\$ 564.7	0.1 %	\$ 580.0	2.7 %	\$ 1,144.7	(4.4) %
TOTAL GENERAL FUND	\$ 18,514.2	2.7 %	\$ 19,188.4	3.6 %	\$ 37,702.6	6.0 %

The December forecast is based on the November IHS Economics US Standard outlook and a JABE Pessimistic Plus forecast with recommendations from the Governor's Advisory Council on Revenue Estimates (GACRE) and Governor's amendments.

The December General Fund Forecast for Fiscal Years 2019-2022
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
MAJOR TAX SOURCES				
Corporate Income	\$ 745.1	\$ 755.0	\$ 767.6	\$ 787.1
Individual Income Tax:				
Gross	15,693.6	16,385.1	17,097.6	17,828.4
Withholding	12,602.2	13,116.4	13,654.2	14,214.0
Nonwithholding	3,091.4	3,268.7	3,443.4	3,614.4
Refunds	<u>(2,119.5)</u>	<u>(2,212.8)</u>	<u>(2,310.2)</u>	<u>(2,411.8)</u>
Net	13,574.1	14,172.3	14,787.5	15,416.6
Insurance Company Premiums	382.4	397.0	414.2	430.7
State Sales & Use Tax	3,607.5	3,731.6	3,881.8	4,038.3
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>318.3</u>	<u>318.3</u>	<u>318.3</u>
Total Major Tax Sources	\$ 18,627.4	\$ 19,374.2	\$ 20,169.4	\$ 20,991.0
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 173.2	\$ 173.2	\$ 173.2	\$ 173.2
Bank Franchise Tax	20.5	20.5	20.5	20.5
Beer & Beverage Excise Tax	41.8	41.8	41.8	41.8
Corporate Franchise & Charter Fees	47.3	47.3	47.3	47.3
Excess & Other Fees from Officers	(8.9)	(8.9)	(8.9)	(8.9)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	5.5	5.5	5.5	5.5
Interest & Rents	54.8	54.8	54.8	54.8
Licenses & Permits	4.0	4.0	4.0	4.0
Miscellaneous Taxes and Penalties	212.9	212.9	212.9	212.9
Other Miscellaneous Revenues	28.5	28.5	28.5	28.5
Public Service GR / Consumption Tax	<u>96.8</u>	<u>96.8</u>	<u>96.8</u>	<u>96.8</u>
Total Misc. Taxes and Other Revenues	\$ 676.4	\$ 676.4	\$ 676.4	\$ 676.4
TOTAL GF REVENUES	\$ 19,303.8	\$ 20,050.6	\$ 20,845.8	\$ 21,667.4
TRANSFERS				
A.B.C. Profits	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0
Sales Tax (0.375%)	403.4	417.5	431.7	445.9
Transfers Per Appropriations Act	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total Transfers	\$ 594.4	\$ 608.5	\$ 622.7	\$ 636.9
TOTAL GENERAL FUND	\$ <u>19,898.2</u>	\$ <u>20,659.1</u>	\$ <u>21,468.5</u>	\$ <u>22,304.3</u>
\$ Change From Previous Year	\$ 709.8	\$ 760.9	\$ 809.4	\$ 835.9
TOTAL BIENNIUM GENERAL FUND		\$ 40,557.2		\$ 43,772.8
\$ Change From Previous Biennium		\$ 2,854.6		\$ 3,215.6
% Growth From Previous Biennium		7.6		7.9 %

The December General Fund Forecast for Fiscal Years 2019-2022
(Dollars in Millions)

December 17, 2014

	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	0.6 %	1.3 %	1.7 %	2.5 %
Individual Income Tax:				
Gross	4.3	4.4	4.3	4.3
Withholding	4.0	4.1	4.1	4.1
Nonwithholding	5.3	5.7	5.3	5.0
Refunds	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
Net	4.2	4.4	4.3	4.3
Insurance Company Premiums	4.1	3.8	4.3	4.0
State Sales & Use Tax	3.6	3.4	4.0	4.0
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	3.9 %	4.0 %	4.1 %	4.1 %
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	3.7 %	3.9 %	4.0 %	3.9 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	3.7	3.5	3.4	3.3
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	2.5 %	2.4 %	2.3 %	2.3 %
TOTAL GENERAL FUND	<u>3.7 %</u>	<u>3.8 %</u>	<u>3.9 %</u>	<u>3.9 %</u>

The Official and December Transportation Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2014		Fiscal Year 2015				
	Actual	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 14 Official	December
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 527.3	(25.6) %	\$ 573.0	\$ 575.5	\$ 2.5	8.7 %	9.1 %
Road Tax	0.5	(119.2)	(0.1)	0.7	0.8	(120.0)	40.0
Motor Vehicle Sales And Use Tax	581.2	50.0	653.5	606.4	(47.1)	12.4	4.3
Motor Vehicle License Fees	227.6	1.7	232.8	223.6	(9.2)	2.3	(1.8)
Retail Sales and Use Tax	191.3	n/a	270.5	282.9	12.4	41.4	47.9
International Registration Plan	59.6	(3.6)	63.5	60.2	(3.3)	6.5	1.0
Recordation Tax (1 cent)	12.5	(18.8)	15.0	12.7	(2.3)	20.0	1.6
Miscellaneous	17.3	16.9	16.1	15.7	(0.4)	(6.9)	(9.2)
Total State Taxes and Fees	\$ 1,617.3	14.7 %	\$ 1,824.3	\$ 1,777.7	\$ (46.6)	12.8 %	9.9 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 122.4	(2.6) %	\$ 136.0	\$ 136.6	\$ 0.6	11.1 %	11.6 %
Insurance Premiums Tax (1/3)	130.8	0.5	140.1	150.4	10.3	7.1	15.0
Road Tax	8.0	3.9	7.8	7.8	0.0	(2.5)	(2.5)
Motor Vehicle Sales And Use Tax	207.4	2.8	222.1	207.8	(14.3)	7.1	0.2
Motor Vehicle License Fees	21.7	0.0	22.4	22.0	(0.4)	3.2	1.4
Retail Sales and Use Tax	631.3	21.1	666.1	702.4	36.3	5.5	11.3
Recordation Tax (2 cents)	24.9	(19.4)	30.5	25.2	(5.3)	22.5	1.2
Interest Earnings	7.2	(22.6)	10.5	14.3	3.8	45.8	98.6
Rental Tax	33.3	(0.3)	34.0	35.1	1.1	2.1	5.4
Aviation Fuels Tax	2.0	11.1	2.0	2.0	0.0	0.0	0.0
Total State Taxes and Fees	\$ 1,189.0	9.7 %	\$ 1,271.5	\$ 1,303.6	\$ 32.1	6.9 %	9.6 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 649.7	(22.2) %	\$ 709.0	\$ 712.1	\$ 3.1	9.1 %	9.6 %
Insurance Premiums Tax (1/3)	130.8	0.5	140.1	150.4	10.3	7.1	15.0
Road Tax	8.5	66.7	7.7	8.5	0.8	(9.4)	0.0
Motor Vehicle Sales and Use Tax	788.6	33.8	875.6	814.2	(61.4)	11.0	3.2
Motor Vehicle License Fees	249.3	1.5	255.2	245.6	(9.6)	2.4	(1.5)
International Registration Plan	59.6	(3.6)	63.5	60.2	(3.3)	6.5	1.0
Retail Sales and Use Tax	822.6	57.8	936.6	985.3	48.7	13.9	19.8
Recordation Tax (3 cents)	37.4	(19.2)	45.5	37.9	(7.6)	21.7	1.3
Interest Earnings	7.2	(22.6)	10.5	14.3	3.8	45.8	98.6
Rental Tax	33.3	(0.3)	34.0	35.1	1.1	2.1	5.4
Aviation Fuels Tax	2.0	11.1	2.0	2.0	0.0	0.0	0.0
Miscellaneous	17.3	16.9	16.1	15.7	(0.4)	(6.9)	(9.2)
Total State Taxes and Fees	\$ 2,806.3	12.5 %	\$ 3,095.8	\$ 3,081.3	\$ (14.5)	10.3 %	9.8 %
Transfers							
AST 0.5% TTF	21.7	3.8	17.5	22.0	4.5	(19.4)	*
AST Diversion HMOF	0.0	*	1.3	1.3	0.0	*	*
Total Transfers	\$ 21.7	3.8	\$ 18.8	\$ 23.3	\$ 4.5	(13.4)	7.4 %
Total Transportation Fund	\$ 2,828.0	12.5	\$ 3,114.6	\$ 3,104.6	\$ (10.0)	10.1 %	9.8 %

The Official forecast is based on the November 2013 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December forecast is based on the JABE Pessimistic Plus outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon.

Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increases by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

The Official and December Transportation Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

December 17, 2014

	Fiscal Year 2016					% Growth over FY 15	
	Official Forecast	December Forecast	Change	Official	December	Official	December
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 672.4	\$ 678.5	\$ 6.1	17.3 %		17.9 %	
Road Tax	(0.3)	0.6	0.9	200.0		(14.3)	
Motor Vehicle Sales And Use Tax	675.7	628.3	(47.4)	3.4		3.6	
Motor Vehicle License Fees	234.6	222.7	(11.9)	0.8		(0.4)	
Retail Sales and Use Tax	279.9	278.9	(1.0)	3.5		(1.4)	
International Registration Plan	62.7	60.4	(2.3)	(1.3)		0.3	
Recordation Tax (1 cent)	15.0	12.7	(2.3)	0.0		0.0	
Miscellaneous	16.1	15.7	(0.4)	0.0		0.0	
Total State Taxes and Fees (HMOF)	\$ 1,956.1	\$ 1,897.8	\$ (58.3)	7.2 %		6.8 %	
Transportation Trust Fund							
Motor Fuels Tax	\$ 159.6	\$ 161.2	\$ 1.6	17.4 %		18.0 %	
Insurance Premiums Tax (1/3)	143.7	161.7	18.0	2.6		7.5	
Road Tax	8.1	7.9	(0.2)	3.8		1.3	
Motor Vehicle Sales And Use Tax	225.9	211.7	(14.2)	1.7		1.9	
Motor Vehicle License Fees	22.5	21.9	(0.6)	0.4		(0.5)	
Retail Sales and Use Tax	685.5	718.6	33.1	2.9		2.3	
Recordation Tax (2 cents)	30.5	25.2	(5.3)	0.0		0.0	
Interest Earnings	10.9	14.8	3.9	3.8		3.5	
Rental Tax	35.1	35.6	0.5	3.2		1.4	
Aviation Fuels Tax	2.1	2.0	(0.1)	5.0		0.0	
Total State Taxes and Fees (TTF)	\$ 1,323.9	\$ 1,360.6	\$ 36.7	4.1 %		4.4 %	
Total HMOF And TTF							
Motor Fuels Tax	\$ 832.0	\$ 839.7	\$ 7.7	17.3 %		17.9 %	
Insurance Premiums Tax (1/3)	143.7	161.7	18.0	2.6		7.5	
Road Tax	7.8	8.5	0.7	1.3		0.0	
Motor Vehicle Sales and Use Tax	901.6	840.0	(61.6)	3.0		3.2	
Motor Vehicle License Fees	257.1	244.6	(12.5)	0.7		(0.4)	
International Registration Plan	62.7	60.4	(2.3)	(1.3)		0.3	
Retail Sales and Use Tax	965.4	997.5	32.1	3.1		1.2	
Recordation Tax (3 cents)	45.5	37.9	(7.6)	0.0		0.0	
Interest Earnings	10.9	14.8	3.9	3.8		3.5	
Rental Tax	35.1	35.6	0.5	3.2		1.4	
Aviation Fuels Tax	2.1	2.0	(0.1)	5.0		0.0	
Miscellaneous	16.1	15.7	(0.4)	0.0		0.0	
Total State Taxes and Fees	\$ 3,280.0	\$ 3,258.4	\$ (21.6)	5.9 %		5.7 %	
Transfers							
AST 0.5% TTF	14.9	0.0	(14.9)	(14.9)	*	*	
AST Diversion HMOF	1.3	0.0	(1.3)	*		(100.0)	
Total Transfers	\$ 16.2	\$ 0.0	\$ (16.2)	(13.8) %		(100.0) %	
Total Transportation Fund	\$ 3,296.2	\$ 3,258.4	\$ (37.8)	5.8 %		5.0 %	

The Official forecast is based on the November 2013 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December forecast is based on the JABE Pessimistic Plus outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon.

Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increases by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

The Official and December Transportation Fund Forecast for Fiscal Year 2017-20
(Dollars in Millions)

December 17, 2014

	Fiscal Years 2017 through 2020								
	FY 17	%	FY 18	%	FY 19	%	FY 20	%	
	Forecast	Growth	Forecast	Growth	Forecast	Growth	Forecast	Growth	
Highway Maintenance & Operating Fund									
Motor Fuels Tax	\$ 685.5	1.0	\$ 693.9	1.2	\$ 708.3	2.1	\$ 715.6	1.0	
Road Tax	0.6	0.0	0.6	0.0	0.4	33.3	0.4	0.0	
Motor Vehicle Sales And Use Tax	643.2	2.4	647.3	0.6	658.3	1.7	668.1	1.5	
Motor Vehicle License Fees	224.7	0.9	223.9	(0.4)	224.3	0.2	224.9	0.3	
Retail Sales and Use Tax	293.9	5.4	305.8	4.0	317.1	3.7	327.9	3.4	
International Registration Plan	60.6	0.3	60.8	0.3	61.1	0.5	61.4	0.5	
Recordation Tax (1 cent)	12.7	0.0	12.7	0.0	12.7	0.0	12.7	0.0	
Miscellaneous	15.7	0.0	15.7	0.0	15.7	0.0	15.7	0.0	
Total State Taxes and Fees (HMOF)	\$ 1,936.9	2.1	\$ 1,960.7	1.2%	\$ 1,997.9	1.9%	\$ 2,026.7	1.4%	
Transportation Trust Fund									
Motor Fuels Tax	162.8	1.0	164.8	1.2	168.2	2.1	170.0	1.1	
Insurance Premiums Tax (1/3)	162.8	0.7	170.7	4.9	179.3	5.0	187.2	4.4	
Road Tax	7.8	(1.3)	8.0	2.6	8.3	3.8	8.3	0.0	
Motor Vehicle Sales And Use Tax	213.3	0.8	214.6	0.6	218.1	1.6	221.2	1.4	
Motor Vehicle License Fees	22.3	1.8	22.1	(0.9)	22.2	0.5	22.3	0.5	
Retail Sales and Use Tax	747.2	4.0	777.9	4.1	806.9	3.7	834.7	3.4	
Recordation Tax (2 cents)	25.2	0.0	25.2	0.0	25.2	0.0	25.2	0.0	
Interest Earnings	17.3	16.9	19.0	9.8	20.8	9.5	28.9	38.9	
Rental Tax	36.1	1.4	36.7	1.7	37.7	2.7	38.7	2.7	
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0	
Total State Taxes and Fees (TTF)	\$ 1,396.8	2.7	\$ 1,441.0	3.2%	\$ 1,488.7	3.3%	\$ 1,538.5	3.3%	
Total HMOF And TTF									
Motor Fuels Tax	848.3	1.0	858.7	1.2	876.5	2.1	885.6	1.0	
Insurance Premiums Tax (1/3)	162.8	0.7	170.7	4.9	179.3	5.0	187.2	4.4	
Road Tax	8.4	(1.2)	8.6	2.4	8.7	1.2	8.7	0.0	
Motor Vehicle Sales and Use Tax	856.5	2.0	861.9	0.6	876.4	1.7	889.3	1.5	
Motor Vehicle License Fees	247.0	1.0	246.0	(0.4)	246.5	0.2	247.2	0.3	
International Registration Plan	60.6	0.3	60.8	0.3	61.1	0.5	61.4	0.5	
Retail Sales and Use Tax	1,041.1	4.4	1,083.7	4.1	1,124.0	3.7	1,162.6	3.4	
Recordation Tax (3 cents)	37.9	0.0	37.9	0.0	37.9	0.0	37.9	0.0	
Interest Earnings	17.3	16.9	19.0	9.8	20.8	9.5	28.9	38.9	
Rental Tax	36.1	1.4	36.7	1.7	37.7	2.7	38.7	2.7	
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0	
Miscellaneous	15.7	0.0	15.7	0.0	15.7	0.0	15.7	0.0	
Total State Taxes and Fees	\$ 3,333.7	2.3	\$ 3,401.7	2.0%	\$ 3,486.6	2.5%	\$ 3,565.2	2.3%	
Transfers									
AST 0.5% TTF	0.0	*	0.0	*	0.0	*	0.0	*	
AST Diversion HMOF	0.0	*	0.0	*	0.0	*	0.0	*	
Total Transfers	\$ -	*	\$ -	*	\$ -	*	\$ -	*	
Total Transportation Fund	\$ 3,333.7	2.3%	\$ 3,401.7	2.0%	\$ 3,486.6	2.5%	\$ 3,565.2	2.3%	

The December forecast is based on the JABE Pessimistic Plus outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

This forecast assumes that federal legislation implementing the Marketplace Fairness Act (MFA) is not passed through the forecast horizon. Therefore, this forecast does not include revenues attributable to the MFA. In addition, according to provisions of HB2313 (2013), if federal legislation implementing the MFA is not passed, the motor fuels sales tax rate on gasoline increases by 1.6% on January 1, 2015 and the incremental sales tax commitment remains at the fiscal year 2015 rate of 0.1%.

Virginia Health Care Fund Forecast

\$ in millions

December 17, 2014	Actual									
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Master Settlement Agreement	74.0	48.9	48.5	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Tobacco Taxes:										
Total Cigarette Taxes	169.5	161.6	156.8	152.1	152.1	152.1	152.1	152.1	152.1	152.1
Other Tobacco Products	18.7	19.1	19.5	20.0	20.5	21.0	21.5	22.1	22.6	23.2
Tax Stam Roll Fee (\$12 per roll)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Total Tobacco Taxes	188.2	180.7	176.3	172.3	172.8	173.3	173.9	174.4	174.9	175.5
Medicaid Recoveries:										
Regular Recoveries	70.6	58.8	78.7	71.4	71.4	71.4	71.4	71.4	71.4	71.4
Pharmacy Rebates (Prior Year)	<u>100.7</u>	<u>76.3</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>	<u>49.7</u>
Total Recoveries	171.3	135.1	128.4	121.1	121.1	121.1	121.1	121.1	121.1	121.1
TOTAL FUND	433.5	364.7	353.2	341.4	341.9	342.4	343.0	343.5	344.0	344.6

(Presented to the Governor's Advisory Council on Revenue Estimates)
The HB5010 and JABE Pessimistic Plus General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2015				
	HB5010 Forecast	JABE Pess Forecast	Change	% Growth Over FY 14 HB5010	JABE Pess
MAJOR TAX SOURCES					
Corporate Income	\$ 750.9	\$ 752.9	\$ 2.0	(0.9) %	(0.6) %
Individual Income Tax:					
Gross	13,455.5	13,458.7	3.2	3.4	3.5
Withholding	10,770.3	10,787.9	17.6	2.7	2.9
Nonwithholding	2,685.2	2,670.8	(14.4)	6.3	5.8
Refunds	<u>(1,819.0)</u>	<u>(1,827.8)</u>	<u>(8.8)</u>	<u>3.6</u>	<u>4.1</u>
Net	11,636.5	11,630.9	(5.6)	3.4	3.4
Insurance Company Premiums	344.4	334.5	(9.9)	7.5	4.4
State Sales & Use Tax	3,152.5	3,157.0	4.5	2.8	3.0
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>1.2</u>	<u>2.4</u>
Total Major Tax Sources	\$ 16,198.8	\$ 16,193.6	\$ (5.2)	3.1 %	3.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 156.5	\$ 0.0	(0.6) %	(0.6) %
Bank Franchise Tax	20.0	16.8	(3.2)	(11.3)	(25.5)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	1.1	(0.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	(4.6)	(5.8)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	31.9	24.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.5	(0.1)	(0.8)	(2.5)
Interest & Rents	60.4	63.7	3.3	(18.8) %	(14.4)
Licenses & Permits	4.3	4.0	(0.3)	6.7 %	(0.8)
Miscellaneous Taxes and Penalties	218.9	213.7	(5.2)	(1.5) %	(3.9)
Other Miscellaneous Revenues	31.4	28.9	(2.5)	(5.8) %	(13.3)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>(0.5) %</u>	<u>(1.4)</u>
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 666.1	\$ (9.5)	(3.9) %	(5.2) %
TOTAL GF REVENUES	\$ 16,874.4	\$ 16,859.7	\$ (14.7)	2.8 %	2.7 %
TRANSFERS					
A.B.C. Profits	\$ 74.8	\$ 74.8	\$ 0.0	3.6 %	3.6 %
Sales Tax (0.375%)	350.6	347.5	(3.1)	5.0	4.0
Transfers Per Appropriations Act	<u>162.7</u>	<u>162.7</u>	<u>0.0</u>	<u>23.7</u>	<u>23.7</u>
Total Transfers	\$ 588.1	\$ 585.0	\$ (3.1)	9.4 %	8.8 %
TOTAL GENERAL FUND	\$ <u>17,462.5</u>	\$ <u>17,444.7</u>	\$ <u>(17.8)</u>	<u>3.0 %</u>	<u>2.9 %</u>

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1. The JABE Pessimistic Plus forecast is based on the October IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from the Joint Advisory Board of Economists (JABE).

(Presented to the Governor's Advisory Council on Revenue Estimates)
The HB5010 and JABE Pessimistic Plus General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2016					2014-2016 Biennium		
	HB5010 Forecast	JABE Pess Forecast	Change	% Growth Over FY 15 HB5010	JABE Pess	HB5010 Forecast	JABE Pess Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 748.2	\$ 745.7	\$ (2.5)	(0.4) %	(1.0) %	\$ 1,499.1	\$ 1,498.6	\$ (0.5)
Individual Income Tax:								
Gross	13,847.8	13,881.8	34.0	2.9	3.1	27,303.3	27,340.5	37.2
Withholding	11,100.5	11,140.1	39.6	3.1	3.3	21,870.8	21,928.0	57.2
Nonwithholding	2,747.3	2,741.7	(5.6)	2.3	2.7	5,432.5	5,412.5	(20.0)
Refunds	<u>(1,884.5)</u>	<u>(1,878.0)</u>	<u>6.5</u>	<u>3.6</u>	<u>2.7</u>	<u>(3,703.5)</u>	<u>(3,705.8)</u>	<u>(2.3)</u>
Net	11,963.3	12,003.8	40.5	2.8	3.2	23,599.8	23,634.7	34.9
Insurance Company Premiums	330.2	326.8	(3.4)	(4.1)	(2.3)	674.6	661.3	(13.3)
State Sales & Use Tax	3,265.5	3,270.7	5.2	3.6	3.6	6,418.0	6,427.7	9.7
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>0.0</u>	<u>0.0</u>	<u>629.0</u>	<u>636.6</u>	<u>7.6</u>
Total Major Tax Sources	\$ 16,621.7	\$ 16,665.3	\$ 43.6	2.6 %	2.9 %	\$ 32,820.5	\$ 32,858.9	\$ 38.4
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 0.0	1.7 %	1.7 %	\$ 315.7	\$ 315.7	\$ 0.0
Bank Franchise Tax	20.0	20.5	0.5	0.0	22.0	40.0	37.3	(2.7)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	0.0	0.0	84.6	83.6	(1.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	0.0	0.0	95.8	94.6	(1.2)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	0.0	0.0	(18.8)	(17.8)	1.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	5.6	5.5	(0.1)	0.0	0.0	11.2	11.0	(0.2)
Interest & Rents	65.4	67.5	2.1	8.3	6.0	125.8	131.2	5.4
Licenses & Permits	4.3	4.0	(0.3)	0.0	0.0	8.6	8.0	(0.6)
Miscellaneous Taxes and Penalties	220.3	212.9	(7.4)	0.6	(0.4)	439.2	426.6	(12.6)
Other Miscellaneous Revenues	42.3	39.9	(2.4)	34.7	38.1	73.7	68.8	(4.9)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>193.6</u>	<u>(1.8)</u>
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 686.5	\$ (9.1)	3.0 %	3.1 %	\$ 1,371.2	\$ 1,352.6	\$ (18.6)
TOTAL GF REVENUES	\$ 17,317.3	\$ 17,351.8	\$ 34.5	2.6 %	2.9 %	\$ 34,191.7	\$ 34,211.5	\$ 19.8
TRANSFERS								
A.B.C. Profits	\$ 78.2	\$ 78.2	\$ 0.0	4.5 %	4.5 %	\$ 153.0	\$ 153.0	\$ 0.0
Sales Tax (0.375%)	363.0	358.6	(4.4)	3.5	3.2	713.6	706.1	(7.5)
Transfers Per Appropriations Act	<u>113.9</u>	<u>113.9</u>	<u>0.0</u>	<u>(30.0)</u>	<u>(30.0)</u>	<u>276.6</u>	<u>276.6</u>	<u>0.0</u>
Total Transfers	\$ 555.1	\$ 550.7	\$ (4.4)	(5.6) %	(5.9) %	\$ 1,143.2	\$ 1,135.7	\$ (7.5)
TOTAL GENERAL FUND	\$ 17,872.4	\$ 17,902.5	\$ 30.1	2.3 %	2.6 %	\$ 35,334.9	\$ 35,347.2	\$ 12.3

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1.

The JABE Pessimistic Plus forecast is based on the October IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from the Joint Advisory Board of Economists (JABE).

(Presented to the Governor's Advisory Council on Revenue Estimates)
The JABE Pessimistic Plus General Fund Forecast for Fiscal Years 2017-2018
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	<u>JABE Pess Forecast</u>	<u>% Growth Over FY 16</u>	<u>JABE Pess Forecast</u>	<u>% Growth Over FY 17</u>	<u>JABE Pess Forecast</u>	<u>% Growth Over 14-16</u>
MAJOR TAX SOURCES						
Corporate Income	\$ 753.8	1.1 %	\$ 740.9	(1.7) %	\$ 1,494.7	(0.3) %
Individual Income Tax:						
Gross	14,456.5	4.1	15,052.6	4.1	29,509.0	7.9
Withholding	11,623.0	4.3	12,116.3	4.2	23,739.2	8.3
Nonwithholding	2,833.5	3.3	2,936.3	3.6	5,769.8	6.6
Refunds	<u>(1,949.1)</u>	3.8	<u>(2,030.2)</u>	<u>4.2</u>	<u>(3,979.3)</u>	<u>7.4</u>
Net	12,507.4	4.2	13,022.4	4.1	25,529.7	8.0
Insurance Company Premiums	349.3	6.9	367.3	5.2	716.6	8.4
State Sales & Use Tax	3,348.0	2.4	3,483.1	4.0	6,831.1	6.3
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>0.0</u>	<u>318.3</u>	<u>0.0</u>	<u>636.6</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,276.7	3.7 %	\$ 17,932.0	3.8 %	\$ 35,208.7	7.2 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 159.2	0.0 %	\$ 159.2	0.0 %	\$ 318.4	0.9 %
Bank Franchise Tax	20.5	0.0	20.5	0.0	41.0	9.9
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	0.0
Corporate Franchise & Charter Fees	47.3	0.0	47.3	0.0	94.6	0.0
Excess & Other Fees from Officers	(8.9)	0.0	(8.9)	0.0	(17.8)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.5	0.0	5.5	0.0	11.0	0.0
Interest & Rents	54.8	(18.8)	54.8	0.0	109.6	(16.5)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	0.0
Miscellaneous Taxes and Penalties	212.9	0.0	212.9	0.0	425.8	(0.2)
Other Miscellaneous Revenues	28.5	(28.6)	28.5	0.0	57.0	(17.2)
Public Service GR / Consumption Tax	<u>96.8</u>	<u>0.0</u>	<u>96.8</u>	<u>0.0</u>	<u>193.6</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 662.4	(3.5) %	\$ 662.4	0.0 %	\$ 1,324.8	(2.1) %
TOTAL GF REVENUES	\$ 17,939.1	3.4 %	\$ 18,594.4	3.7 %	\$ 36,533.5	6.8 %
TRANSFERS						
A.B.C. Profits	\$ 71.0	(9.2) %	\$ 71.0	0.0 %	\$ 142.0	(7.2) %
Sales Tax (0.375%)	372.9	4.0	388.2	4.1	761.1	7.8
Transfers Per Appropriations Act	<u>120.0</u>	<u>5.4</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(13.2)</u>
Total Transfers	\$ 563.9	2.4 %	\$ 579.2	2.7 %	\$ 1,143.1	0.7 %
TOTAL GENERAL FUND	\$ 18,503.0	3.4 %	\$ 19,173.6	3.6 %	\$ 37,676.6	6.6 %

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1.

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

(Presented to the Governor's Advisory Council on Revenue Estimates)
The HB5010 and October Standard General Fund Forecast for Fiscal Year 2015
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2015				
	<u>HB5010 Forecast</u>	<u>October Forecast</u>	<u>Change</u>	<u>% Growth Over FY 14 HB5010</u>	<u>October</u>
MAJOR TAX SOURCES					
Corporate Income	\$ 750.9	\$ 752.9	\$ 2.0	(0.9) %	(0.6) %
Individual Income Tax:					
Gross	13,455.5	13,666.2	210.7	3.4	5.1
Withholding	10,770.3	10,955.0	184.7	2.7	4.5
Nonwithholding	2,685.2	2,711.2	26.0	6.3	7.4
Refunds	<u>(1,819.0)</u>	<u>(1,827.8)</u>	<u>(8.8)</u>	<u>3.6</u>	<u>4.1</u>
Net	11,636.5	11,838.4	201.9	3.4	5.2
Insurance Company Premiums	344.4	334.5	(9.9)	7.5	4.4
State Sales & Use Tax	3,152.5	3,211.9	59.4	2.8	4.7
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>1.2</u>	<u>2.4</u>
Total Major Tax Sources	\$ 16,198.8	\$ 16,456.0	\$ 257.2	3.1 %	4.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 156.5	\$ 156.5	\$ 0.0	(0.6) %	(0.6) %
Bank Franchise Tax	20.0	16.8	(3.2)	(11.3)	(25.5)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	1.1	(0.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	(4.6)	(5.8)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	31.9	24.9
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.6	5.5	(0.1)	(0.8)	(2.5)
Interest & Rents	60.4	63.7	3.3	(18.8) %	(14.4)
Licenses & Permits	4.3	4.0	(0.3)	6.7 %	(0.8)
Miscellaneous Taxes and Penalties	218.9	213.7	(5.2)	(1.5) %	(3.9)
Other Miscellaneous Revenues	31.4	28.9	(2.5)	(5.8) %	(13.3)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>(0.5) %</u>	<u>(1.4)</u>
Total Misc. Taxes and Other Revenues	\$ 675.6	\$ 666.1	\$ (9.5)	(3.9) %	(5.2) %
TOTAL GF REVENUES	\$ 16,874.4	\$ 17,122.1	\$ 247.7	2.8 %	4.3 %
TRANSFERS					
A.B.C. Profits	\$ 74.8	\$ 74.8	\$ 0.0	3.6 %	3.6 %
Sales Tax (0.375%)	350.6	353.9	3.3	5.0	6.0
Transfers Per Appropriations Act	<u>162.7</u>	<u>162.7</u>	<u>0.0</u>	<u>23.7</u>	<u>23.7</u>
Total Transfers	\$ 588.1	\$ 591.4	\$ 3.3	9.4 %	10.0 %
TOTAL GENERAL FUND	\$ <u>17,462.5</u>	\$ <u>17,713.5</u>	\$ <u>251.0</u>	<u>3.0 %</u>	<u>4.5 %</u>

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1. The October Standard forecast is based on the October IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The HB5010 and October Standard General Fund Forecast for Fiscal Year 2016
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2016					2014-2016 Biennium		
	HB5010 Forecast	October Forecast	Change	% Growth Over FY 15 HB5010	October	HB5010 Forecast	October Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 748.2	\$ 749.3	\$ 1.1	(0.4) %	(0.5) %	\$ 1,499.1	\$ 1,502.2	\$ 3.1
Individual Income Tax:								
Gross	13,847.8	14,209.1	361.3	2.9	4.0	27,303.3	27,875.3	572.0
Withholding	11,100.5	11,406.0	305.5	3.1	4.1	21,870.8	22,361.0	490.2
Nonwithholding	2,747.3	2,803.1	55.8	2.3	3.4	5,432.5	5,514.3	81.8
Refunds	<u>(1,884.5)</u>	<u>(1,878.0)</u>	<u>6.5</u>	<u>3.6</u>	<u>2.7</u>	<u>(3,703.5)</u>	<u>(3,705.8)</u>	<u>(2.3)</u>
Net	11,963.3	12,331.1	367.8	2.8	4.2	23,599.8	24,169.5	569.7
Insurance Company Premiums	330.2	326.8	(3.4)	(4.1)	(2.3)	674.6	661.3	(13.3)
State Sales & Use Tax	3,265.5	3,335.8	70.3	3.6	3.9	6,418.0	6,547.7	129.7
Wills, Suits, Deeds, & Contract Fees	<u>314.5</u>	<u>318.3</u>	<u>3.8</u>	<u>0.0</u>	<u>0.0</u>	<u>629.0</u>	<u>636.6</u>	<u>7.6</u>
Total Major Tax Sources	\$ 16,621.7	\$ 17,061.3	\$ 439.6	2.6 %	3.7 %	\$ 32,820.5	\$ 33,517.3	\$ 696.8
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 159.2	\$ 159.2	\$ 0.0	1.7 %	1.7 %	\$ 315.7	\$ 315.7	\$ 0.0
Bank Franchise Tax	20.0	20.5	0.5	0.0	22.0	40.0	37.3	(2.7)
Beer & Beverage Excise Tax	42.3	41.8	(0.5)	0.0	0.0	84.6	83.6	(1.0)
Corporate Franchise & Charter Fees	47.9	47.3	(0.6)	0.0	0.0	95.8	94.6	(1.2)
Excess & Other Fees from Officers	(9.4)	(8.9)	0.5	0.0	0.0	(18.8)	(17.8)	1.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	n/a
Institutional Revenues	5.6	5.5	(0.1)	0.0	0.0	11.2	11.0	(0.2)
Interest & Rents	65.4	67.5	2.1	8.3	6.0	125.8	131.2	5.4
Licenses & Permits	4.3	4.0	(0.3)	0.0	0.0	8.6	8.0	(0.6)
Miscellaneous Taxes and Penalties	220.3	212.9	(7.4)	0.6	(0.4)	439.2	426.6	(12.6)
Other Miscellaneous Revenues	42.3	39.9	(2.4)	34.7	38.1	73.7	68.8	(4.9)
Public Service GR / Consumption Tax	<u>97.7</u>	<u>96.8</u>	<u>(0.9)</u>	<u>0.0</u>	<u>0.0</u>	<u>195.4</u>	<u>193.6</u>	<u>(1.8)</u>
Total Misc. Taxes and Other Revenues	\$ 695.6	\$ 686.5	\$ (9.1)	3.0 %	3.1 %	\$ 1,371.2	\$ 1,352.6	\$ (18.6)
TOTAL GF REVENUES	\$ 17,317.3	\$ 17,747.8	\$ 430.5	2.6 %	3.7 %	\$ 34,191.7	\$ 34,869.9	\$ 678.2
TRANSFERS								
A.B.C. Profits	\$ 78.2	\$ 78.2	\$ 0.0	4.5 %	4.5 %	\$ 153.0	\$ 153.0	\$ 0.0
Sales Tax (0.375%)	363.0	366.3	3.3	3.5	3.5	713.6	720.2	6.6
Transfers Per Appropriations Act	<u>113.9</u>	<u>113.9</u>	<u>0.0</u>	<u>(30.0)</u>	<u>(30.0)</u>	<u>276.6</u>	<u>276.6</u>	<u>0.0</u>
Total Transfers	\$ 555.1	\$ 558.4	\$ 3.3	(5.6) %	(5.6) %	\$ 1,143.2	\$ 1,149.8	\$ 6.6
TOTAL GENERAL FUND	\$ 17,872.4	\$ 18,306.2	\$ 433.8	2.3 %	3.3 %	\$ 35,334.9	\$ 36,019.7	\$ 684.8

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1.

The October Standard forecast is based on the October IHS Economics US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation.

(Presented to the Governor's Advisory Council on Revenue Estimates)
The October Standard General Fund Forecast for Fiscal Years 2017-2018
(Dollars in Millions)

November 10, 2014

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	October Forecast	% Growth Over FY 16	October Forecast	% Growth Over FY 17	October Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 760.7	1.5 %	\$ 748.4	(1.6) %	\$ 1,509.1	0.5 %
Individual Income Tax:						
Gross	14,852.8	4.5	15,507.9	4.4	30,360.7	8.9
Withholding	11,942.4	4.7	12,483.6	4.5	24,426.0	9.2
Nonwithholding	2,910.4	3.8	3,024.3	3.9	5,934.7	7.6
Refunds	<u>(1,949.1)</u>	3.8	<u>(2,030.2)</u>	<u>4.2</u>	<u>(3,979.3)</u>	<u>7.4</u>
Net	12,903.7	4.6	13,477.7	4.4	26,381.4	9.2
Insurance Company Premiums	349.3	6.9	367.3	5.2	716.6	8.4
State Sales & Use Tax	3,440.4	3.1	3,589.4	4.3	7,029.8	7.4
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>0.0</u>	<u>318.3</u>	<u>0.0</u>	<u>636.6</u>	<u>0.0</u>
Total Major Tax Sources	\$ 17,772.4	4.2 %	\$ 18,501.1	4.1 %	\$ 36,273.5	8.2 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 159.2	0.0 %	\$ 159.2	0.0 %	\$ 318.4	0.9 %
Bank Franchise Tax	20.5	0.0	20.5	0.0	41.0	9.9
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	0.0
Corporate Franchise & Charter Fees	47.3	0.0	47.3	0.0	94.6	0.0
Excess & Other Fees from Officers	(8.9)	0.0	(8.9)	0.0	(17.8)	0.0
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	5.5	0.0	5.5	0.0	11.0	0.0
Interest & Rents	54.8	(18.8)	54.8	0.0	109.6	(16.5)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	0.0
Miscellaneous Taxes and Penalties	212.9	0.0	212.9	0.0	425.8	(0.2)
Other Miscellaneous Revenues	28.5	(28.6)	28.5	0.0	57.0	(17.2)
Public Service GR / Consumption Tax	<u>96.8</u>	<u>0.0</u>	<u>96.8</u>	<u>0.0</u>	<u>193.6</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 662.4	(3.5) %	\$ 662.4	0.0 %	\$ 1,324.8	(2.1) %
TOTAL GF REVENUES	\$ 18,434.8	3.9 %	\$ 19,163.5	4.0 %	\$ 37,598.3	7.8 %
TRANSFERS						
A.B.C. Profits	\$ 71.0	(9.2) %	\$ 71.0	0.0 %	\$ 142.0	(7.2) %
Sales Tax (0.375%)	383.1	4.6	399.6	4.3	782.7	8.7
Transfers Per Appropriations Act	<u>120.0</u>	<u>5.4</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(13.2)</u>
Total Transfers	\$ 574.1	2.8 %	\$ 590.6	2.9 %	\$ 1,164.7	1.3 %
TOTAL GENERAL FUND	\$ 19,008.9	3.8 %	\$ 19,754.1	3.9 %	\$ 38,763.0	7.6 %

The HB5010 forecast is based on the May 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE. It includes actions of the 2014 General Assembly Special Session 1.

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

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2016

(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	-	89	5,478,912,000	8.4%
62	242,144,567	4.8%	90	5,494,884,000	0.3%
63	286,304,265	18.2%	91	5,471,879,000	-0.4%
64	298,033,919	4.1%	92	5,623,213,000	2.8%
65	323,213,412	8.4%	93	6,133,637,000	9.1%
66	365,129,776	13.0%	94	6,503,368,000	6.0%
67	414,755,644	13.6%	95	6,881,145,000	5.8%
68	533,597,744	28.7%	96	7,356,110,000	6.9%
69	706,254,374	32.4%	97	7,949,327,000	8.1%
70	743,721,322	5.3%	98	8,773,520,000	10.4%
71	807,954,651	8.6%	99	9,702,747,000	10.6%
72	922,653,686	14.2%	00	10,788,482,000	11.2%
73	1,054,469,443	14.3%	01	11,105,275,000	2.9%
74	1,168,562,871	10.8%	02	10,678,954,000	-3.8%
75	1,303,178,893	11.5%	03	10,867,149,000	1.8%
76	1,428,421,157	9.6%	04	11,917,867,000	9.7%
77	1,636,301,819	14.6%	05	13,687,252,000	14.8%
78	1,923,085,084	17.5%	06	14,834,298,000	8.4%
79	2,115,211,522	10.0%	07	15,565,827,000	4.9%
80	2,344,928,934	10.9%	08	15,766,951,000	1.3%
81	2,579,663,941	10.0%	09	14,315,060,000	-9.2%
82	2,796,458,741	8.4%	10	14,219,477,000	-0.7%
83	2,975,687,935	6.4%	11	15,040,200,000	5.8%
84	3,397,710,261	14.2%	12	15,846,665,000	5.4%
85	3,790,816,000	11.6%	13	16,684,600,000	5.3%
86	4,131,778,000	9.0%	14	16,411,400,000	-1.6%
87	4,590,434,000	11.1%	15*	16,927,400,000	3.1%
88	5,054,382,000	10.1%	16*	17,459,300,000	3.1%

* December 17, 2014 Forecast (Excludes Transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2016

(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	1,305,078,458	-	89	8,641,817,035	3.8%
62	1,360,362,736	4.2%	90	8,338,215,478	-3.5%
63	1,590,579,250	16.9%	91	7,964,889,374	-4.5%
64	1,628,600,650	2.4%	92	7,964,890,935	0.0%
65	1,747,099,524	7.3%	93	8,471,874,309	6.4%
66	1,931,903,577	10.6%	94	8,788,335,135	3.7%
67	2,137,915,691	10.7%	95	9,102,043,651	3.6%
68	2,667,988,720	24.8%	96	9,540,998,703	4.8%
69	3,395,453,721	27.3%	97	10,087,978,426	5.7%
70	3,411,565,697	0.5%	98	11,022,010,050	9.3%
71	3,543,660,750	3.9%	99	12,068,093,284	9.5%
72	3,893,053,527	9.9%	00	13,140,660,171	8.9%
73	4,286,461,150	10.1%	01	13,204,845,422	0.5%
74	4,393,093,500	2.5%	02	12,548,712,103	-5.0%
75	4,447,709,532	1.2%	03	12,519,756,912	-0.2%
76	4,578,272,939	2.9%	04	13,466,516,384	7.6%
77	4,958,490,361	8.3%	05	15,057,482,948	11.8%
78	5,463,309,898	10.2%	06	15,831,694,771	5.1%
79	5,581,033,040	2.2%	07	16,248,253,653	2.6%
80	5,609,877,833	0.5%	08	15,974,621,074	-1.7%
81	5,595,800,306	-0.3%	09	14,329,389,389	-10.3%
82	5,672,330,103	1.4%	10	14,078,690,099	-1.7%
83	5,755,682,660	1.5%	11	14,644,790,652	4.0%
84	6,315,446,582	9.7%	12	15,063,369,772	2.9%
85	6,805,773,788	7.8%	13	15,636,925,961	3.8%
86	7,198,219,512	5.8%	14	15,742,949,907	0.7%
87	7,833,505,119	8.8%	15*	16,166,453,382	2.7%
88	8,326,823,723	6.3%	16*	16,507,906,559	2.1%

* December 17, 2014 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2015 Through 2020
 \$ (Millions)

	Actual						
	2014	2015	2016	2017	2018	2019	2020
Taxes:							
Motor vehicle fuel tax	\$697.1	\$760.8	\$889.6	\$898.5	\$909.6	\$928.3	\$937.8
Unemployment compensation payroll tax	\$735.2	\$696.7	\$673.7	\$615.8	\$546.7	\$499.7	\$475.0
Special highway tax from sales tax	\$571.1	\$886.2	\$916.0	\$953.1	\$991.0	\$1,026.6	\$1,061.1
Motor vehicle sales tax and use tax	\$788.6	\$814.2	\$840.0	\$856.5	\$861.9	\$876.4	\$889.3
Other taxes	\$1,986.7	\$1,370.0	\$1,378.4	\$1,389.0	\$1,404.0	\$1,422.6	\$1,441.6
Total	\$4,778.7	\$4,527.9	\$4,697.8	\$4,712.9	\$4,713.2	\$4,753.6	\$4,804.9
Rights and privileges:							
Motor Vehicle Licenses	\$249.5	\$254.2	\$253.1	\$256.3	\$255.1	\$255.8	\$256.7
Other Rights & Privileges	\$752.7	\$833.2	\$827.6	\$873.2	\$880.5	\$893.9	\$902.2
Total	\$1,002.2	\$1,087.4	\$1,080.6	\$1,129.5	\$1,135.7	\$1,149.7	\$1,158.9
Sales of property and commodities:							
Alocoholic Beverage Sales	\$668.7	\$698.9	\$716.3	\$734.3	\$752.7	\$771.5	\$790.8
Other Sales	\$1,167.8	\$783.2	\$750.4	\$747.4	\$747.5	\$747.5	\$747.6
Total	\$1,836.5	\$1,482.1	\$1,466.7	\$1,481.7	\$1,500.2	\$1,519.0	\$1,538.4
Assessment & Receipts for Support of Special Services:	\$227.1	\$226.7	\$234.2	\$237.5	\$239.9	\$243.1	\$246.2
Institutional revenue:							
Institutions of Higher Education ²	\$2,377.8	\$5,384.9	\$5,582.9	\$5,741.4	\$5,912.6	\$6,079.5	\$6,245.1
Other Educational Institutions	\$3.4	\$3.8	\$3.8	\$3.8	\$3.8	\$3.8	\$3.8
Medical Hospitals ²	\$0.0	\$1,418.6	\$1,474.9	\$1,603.5	\$1,677.6	\$1,741.9	\$1,803.0
Mental Hospitals	\$298.5	\$238.3	\$199.5	\$176.5	\$154.0	\$139.0	\$133.0
Corrections	\$57.4	\$59.8	\$59.8	\$53.8	\$54.3	\$54.8	\$55.3
Other Institutions	\$50.5	\$51.7	\$52.3	\$52.1	\$52.8	\$53.4	\$53.9
Total	\$2,787.5	\$7,157.1	\$7,373.3	\$7,631.0	\$7,855.1	\$8,072.3	\$8,294.1
Interest dividends and rents:	\$401.0	\$149.0	\$164.2	\$180.0	\$196.0	\$196.0	\$221.3
Grants and donations:							
Federal grants and contracts	\$9,157.8	\$9,489.5	\$9,665.9	\$9,959.6	\$10,156.7	\$10,288.9	\$10,514.1
Other grants & contracts	\$66.9	\$200.5	\$206.9	\$212.5	\$216.9	\$220.5	\$223.5
Total	\$9,224.7	\$9,690.0	\$9,872.9	\$10,172.1	\$10,373.5	\$10,509.4	\$10,737.6
Other Revenue:	\$1,752.3	\$1,974.2	\$1,827.1	\$1,831.7	\$1,840.1	\$1,847.4	\$1,856.0
Total Nongeneral Fund Revenue: ¹	\$22,009.8	\$26,294.4	\$26,716.8	\$27,376.3	\$27,853.6	\$28,290.5	\$28,857.3
\$ Amount change from previous year		\$4,284.6	\$422.4	\$659.5	\$477.3	\$436.9	\$566.9
% Change from previous year		19.5%	1.6%	2.5%	1.7%	1.6%	2.0%

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 CARS.

FY 2015 Revised Estimate
Per Chapter 3

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2015 Estimate	As a % of Gen Fund Rev	FY 2015	FY 2014	% Change	FY 2015	FY 2014	% Change	% Annual Growth Req By Est
				November			Year-To-Date		
Revenue									
Individual Income Tax:									
Withholding	\$10,770,300	63.83	\$809,495	\$818,981	(1.2)	\$4,322,614	\$4,149,162	4.2	2.7
Tax Dues/Estimated Payments	2,685,200	15.91	43,603	35,373	23.3	596,943	519,857	14.8	6.3
Gross Individual Income Tax	\$13,455,500	79.74	\$853,098	\$854,354	(0.1)	\$4,919,557	\$4,669,019	5.4	3.4
Individual and Fiduciary Income (Refunds)	(1,819,000)	(10.78)	(31,348)	(40,611)	(22.8)	(247,574)	(245,567)	0.8	3.6
Net Individual Income Tax	\$11,636,500	68.96	\$821,750	\$813,743	1.0	\$4,671,983	\$4,423,452	5.6	3.4
Sales and Use Tax	\$3,152,500	18.68	\$264,466	\$254,147	4.1	\$1,212,320	\$1,167,319	3.9	2.8
Corporations Income Tax	750,900	4.45	(14,460)	(15,919)	9.2	200,340	168,339	19.0	(0.9)
Wills, Suits, Deeds, Contracts	314,500	1.86	23,221	24,208	(4.1)	139,585	143,773	(2.9)	1.2
Insurance Premiums	344,400	2.04	0	0	-	0	0	-	7.5
Interest Income (a)	60,100	0.36	6,940	12,079	(42.5)	25,767	33,418	(22.9)	(18.9)
Alcoholic Beverage Sales (b)	198,800	1.18	42,296	40,924	3.4	61,135	59,221	3.2	(0.2)
All Other Revenues	416,700	2.47	21,411	25,102	(14.7)	140,498	138,851	1.2	(3.0)
Total General Fund Revenues	\$16,874,400	100.00	\$1,165,624	\$1,154,284	1.0	\$6,451,628	\$6,134,373	5.2	2.8

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2014 Virginia Acts of Assembly.
(b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2015 Revised Estimate
Per Chapter 3

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2014 and 2015

(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2015 Estimate	As a % of Total Gen Fund Rev	FY 2015	November FY 2014	% Change	FY 2015	FY 2014	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$10,770,300	63.83	\$809,495	\$818,981	(1.2)	\$4,322,614	\$4,149,162	4.2	2.7
Tax Dues/Estimated Payments	2,685,200	15.91	43,603	35,373	23.3	596,943	519,857	14.8	6.3
Gross Individual Income Tax	\$13,455,500	79.74	\$853,098	\$854,354	(0.1)	\$4,919,557	\$4,669,019	5.4	3.4
Individ and Fiduc Income (Refunds)	(1,819,000)	(10.78)	(31,348)	(40,611)	(22.8)	(247,574)	(245,567)	0.8	3.6
Net Individual Income Tax	\$11,636,500	68.96	\$821,750	\$813,743	1.0	\$4,671,983	\$4,423,452	5.6	3.4
Sales and Use Tax	3,152,500	18.68	264,466	254,147	4.1	1,212,320	1,167,319	3.9	2.8
Corporations Income	750,900	4.45	(14,460)	(15,919)	9.2	200,340	168,339	19.0	(0.9)
Public Service Corporations	97,700	0.58	1,920	5,696	(66.3)	29,362	33,011	(11.1)	(0.5)
Insurance Premiums	344,400	2.04	0	0	-	0	0	-	7.5
Alcoholic Beverage Excise	156,500	0.93	38,981	37,433	4.1	42,271	40,465	4.5	(0.6)
Beer and Beverage Excise	42,300	0.25	3,315	3,491	(5.0)	18,864	18,756	0.6	1.1
Wills, Suits, Deeds, Contracts	314,500	1.86	23,221	24,208	(4.1)	139,585	143,773	(2.9)	1.2
Inheritance, Gift, and Estate	0	0.00	0	35	(100.0)	35	29	20.7	(100.0)
Bank Franchise	20,000	0.12	0	517	(100.0)	3	527	(99.4)	(11.3)
Other Taxes	(200)	0.00	(903)	634	(242.4)	3,576	1,363	162.4	(103.1)
Total Taxes	\$16,515,100	97.87	\$1,138,290	\$1,123,985	1.3	\$6,318,339	\$5,997,034	5.4	3.0
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$392	\$275	42.5	\$1,640	\$1,530	7.2	6.7
Corp. Franchise and Charters	47,900	0.28	462	438	5.5	2,465	2,526	(2.4)	(4.6)
Fees for Misc. Privileges & Services	10,800	0.06	414	568	(27.1)	4,129	4,083	1.1	(4.3)
Total Rights and Privileges	\$63,000	0.37	\$1,268	\$1,281	(1.0)	\$8,234	\$8,139	1.2	(3.9)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$449	\$2,330	(80.7)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	6	33	(81.8)	147	95	54.7	(10.7)
Institutional Revenue	5,600	0.03	935	442	111.5	3,770	2,190	72.1	(0.8)
Interest (a)	60,100	0.36	6,940	12,079	(42.5)	25,767	33,418	(22.9)	(18.9)
Dividends and Rent	300	0.00	17	24	(29.2)	247	211	17.1	(4.8)
Fines, Forfeitures & Fees	219,100	1.30	16,721	16,371	2.1	91,724	90,548	1.3	1.5
Other Revenue	12,400	0.08	1,616	127	#	3,298	1,388	137.6	18.6
Excess Fees	(9,400)	(0.06)	(551)	(598)	7.9	(3,035)	(4,292)	29.3	(31.9)
Private Donations, Gifts & Cont.	0	0.00	1	0	-	1	2	(50.0)	(100.0)
Cities, Counties, and Towns	7,800	0.05	381	540	(29.4)	2,687	3,310	(18.8)	(5.9)
Total Other Revenues	\$296,300	1.76	\$26,066	\$29,018	(10.2)	\$125,055	\$129,200	(3.2)	(4.7)
Total General Fund Revenues	\$16,874,400	100.00	\$1,165,624	\$1,154,284	1.0	\$6,451,628	\$6,134,373	5.2	2.8

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2014 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

	FY 2015 Estimate (a)	November		Year-To-Date		% Annual Growth Required By Estimate (c)			
		FY 2015	(b) FY 2014	Change	%		FY 2015	(b) FY 2014	Change
Lottery Collections									
Total Lottery Sales	\$1,892,566	\$147,100	\$139,506	5.4	\$737,346	\$718,411	2.6	4.5	
Other Income	1,750	150	287	(47.7)	544	910	(40.2)	19.5	
Total Income	\$1,894,316	\$147,250	\$139,793	5.3	\$737,890	\$719,321	2.6	4.5	
Less:									
Prize Expenses	\$1,160,671	\$95,291	\$83,576	14.0	\$451,179	\$421,666	7.0	7.2	
Retailer Commissions	108,610	8,929	7,679	16.3	41,766	39,630	5.4	7.0	
Operating Expenses	99,986	7,896	7,539	4.7	35,679	35,499	0.5	11.4	
Total Expenses	\$1,369,267	\$112,116	\$98,794	13.5	\$528,624	\$496,795	6.4	7.5	
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$525,049	\$35,134	\$40,999	(14.3)	\$209,266	\$222,526	(6.0)	2.8	
Prior Year Residual Profit Transfer	28,051	0	0	-	28,051	22,199	26.4	-	
Available to Lottery Proceeds Fund	\$553,100	\$35,134	\$40,999	(14.3)	\$237,317	\$244,725	(3.0)	3.8	

(a) Estimate established by Chapter 3, 2014 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$28,051,120 was made on August 18, 2014, and is included in the total revenue estimate.

(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 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	November		Year-To-Date		% Change	% Change	% Annual Growth Required By Estimate
			FY 2015	FY 2014	FY 2015	FY 2014			
Motor Fuel Taxes	\$718,700	17.11	\$49,232	\$50,792	(3.1)	\$219,526	\$245,364	(10.5)	8.9
Priority Transportation Fund (PTF)	150,397	3.58	4,348	3,174	37.0	121,195	117,581	3.1	15.0
Motor Vehicle Sales and Use Tax	909,600	21.66	59,047	58,777	0.5	369,532	339,928	8.7	10.7
State Sales and Use Tax	886,800	21.11	80,464	72,195	11.5	380,303	318,379	19.4	7.8
Motor Vehicle License Fees	247,900	5.90	15,532	16,173	(4.0)	99,168	101,702	(2.5)	(0.6)
International Registration Plan	63,500	1.51	2,472	1,797	37.6	19,890	17,343	14.7	6.5
Recordation Tax	45,500	1.09	2,845	2,898	(1.8)	16,893	17,408	(3.0)	21.9
Interest Earnings	10,500	0.25	0	28	(100.0)	1,599	1,898	(15.8)	46.7
Misc. Taxes, Fees, and Revenues	16,100	0.39	1,419	928	52.9	7,471	6,964	7.3	(7.0)
Total State Taxes and Fees	\$3,048,997	72.60	\$215,359	\$206,762	4.2	\$1,235,577	\$1,166,567	5.9	8.6

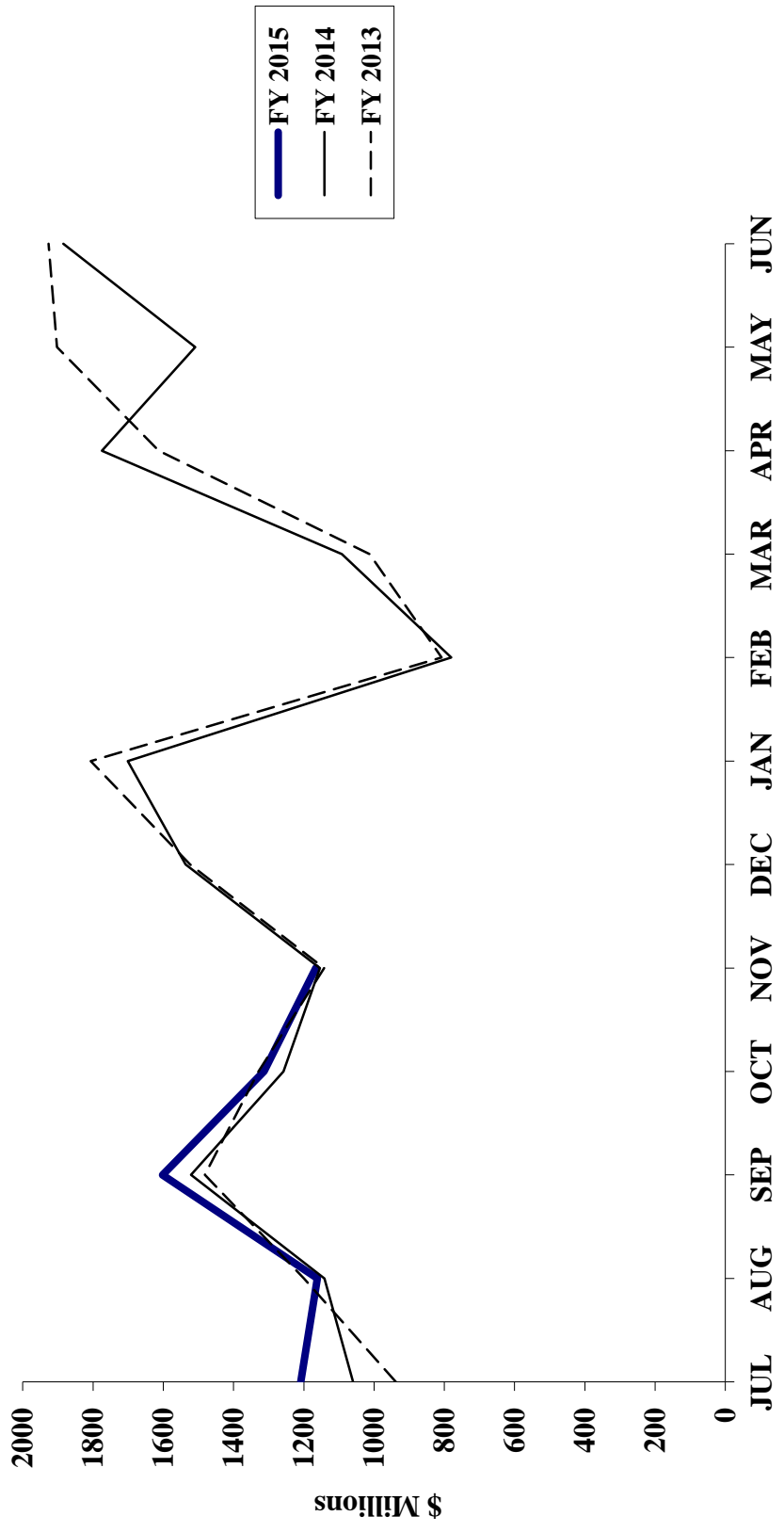
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2014 and 2015
(Dollars in Thousands)

Revenue	FY 2015 Estimate	As a % of Total Fund	November		Year-To-Date		% Annual Growth Required By Est
			FY 2015	FY 2014	FY 2015	FY 2014	
HIGHWAY MAINTENANCE AND OPERATING FUND:							
Motor Fuel Taxes (Includes Road Tax)	\$572,900	13.64	\$39,267	\$40,818	\$173,652	\$197,102	8.5
Motor Vehicle Sales and Use Tax	653,500	15.56	41,616	41,828	262,736	240,510	12.4
State Sales and Use Tax	220,700	5.25	22,212	17,106	107,940	71,159	15.4
Motor Vehicle License Fees	225,500	5.37	14,157	14,698	90,264	92,883	(0.9)
International Registration Plan	63,500	1.51	2,472	1,797	19,890	17,343	6.5
Recordation Tax (1 cent)	15,000	0.36	948	975	5,631	5,812	20.4
Misc. Taxes, Fees, and Revenues	16,100	0.39	1,419	928	7,471	6,964	(7.0)
Total State Taxes and Fees	\$1,767,200	42.08	\$122,091	\$118,150	\$667,584	\$631,773	9.3
Other Revenues:							
Federal Grants and Contracts	\$0	0.00	\$2,069	\$4,387	\$11,615	\$12,325	(100.0)
Miscellaneous Revenues	8,878	0.21	974	1,121	7,774	7,103	(56.7)
Transfer (to) / from Transportation Trust Fund	193,012	4.59	0	50,000	0	100,000	(39.2)
Total Highway Maintenance and Operating Fund	\$1,969,090	46.88	\$125,134	\$173,658	\$686,973	\$751,201	(0.6)
TRANSPORTATION TRUST FUND:							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$145,800	3.47	\$9,965	\$9,974	\$45,874	\$48,262	10.1
PTF Insurance Premiums Tax	150,397	3.58	4,348	3,174	121,195	117,581	15.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	256,100	6.10	17,431	16,949	106,796	99,418	6.4
State Sales and Use Tax	666,100	15.86	58,252	55,089	272,363	247,220	5.5
Motor Vehicle License Fees	22,400	0.53	1,375	1,475	8,904	8,819	3.2
Recordation Tax (2 cents)	30,500	0.73	1,897	1,923	11,262	11,596	22.6
Interest Earnings	10,500	0.25	0	28	1,599	1,898	46.7
Total State Taxes and Fees	\$1,281,797	30.52	\$93,268	\$88,612	\$567,993	\$534,794	7.8
Other Revenues:							
Federal Grants and Contracts	\$902,510	21.49	\$56,010	\$67,373	\$747,916	\$748,419	(27.5)
Receipts from Cities/Counties	203,616	4.85	(1,152)	4,840	76,495	42,380	149.9
Toll Revenues (Includes Route 28)	16,000	0.38	878	910	5,338	5,266	1.4
Miscellaneous Revenues	19,936	0.47	1,159	2,850	7,202	10,920	(33.6)
Total Other Revenues	\$1,142,062	27.19	\$56,895	\$75,973	\$836,951	\$806,985	(16.9)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$193,012)	(4.59)	\$0	(\$50,000)	\$0	(\$100,000)	39.2
Total Transportation Trust Fund	\$2,230,847	53.12	\$150,163	\$114,585	\$1,404,944	\$1,241,779	(0.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,199,937	100.00	\$275,297	\$288,243	\$2,091,917	\$1,992,980	(0.6)

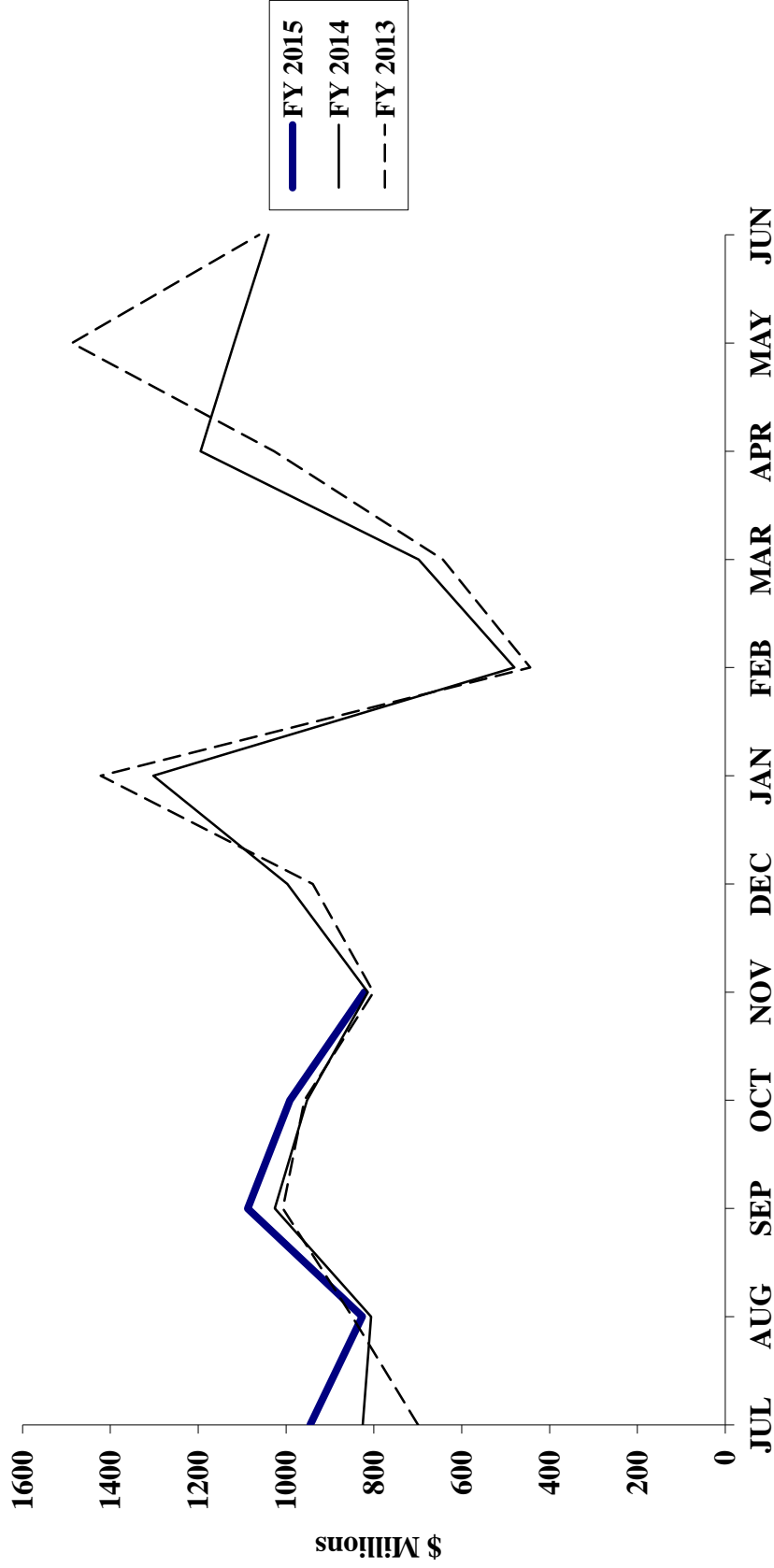
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



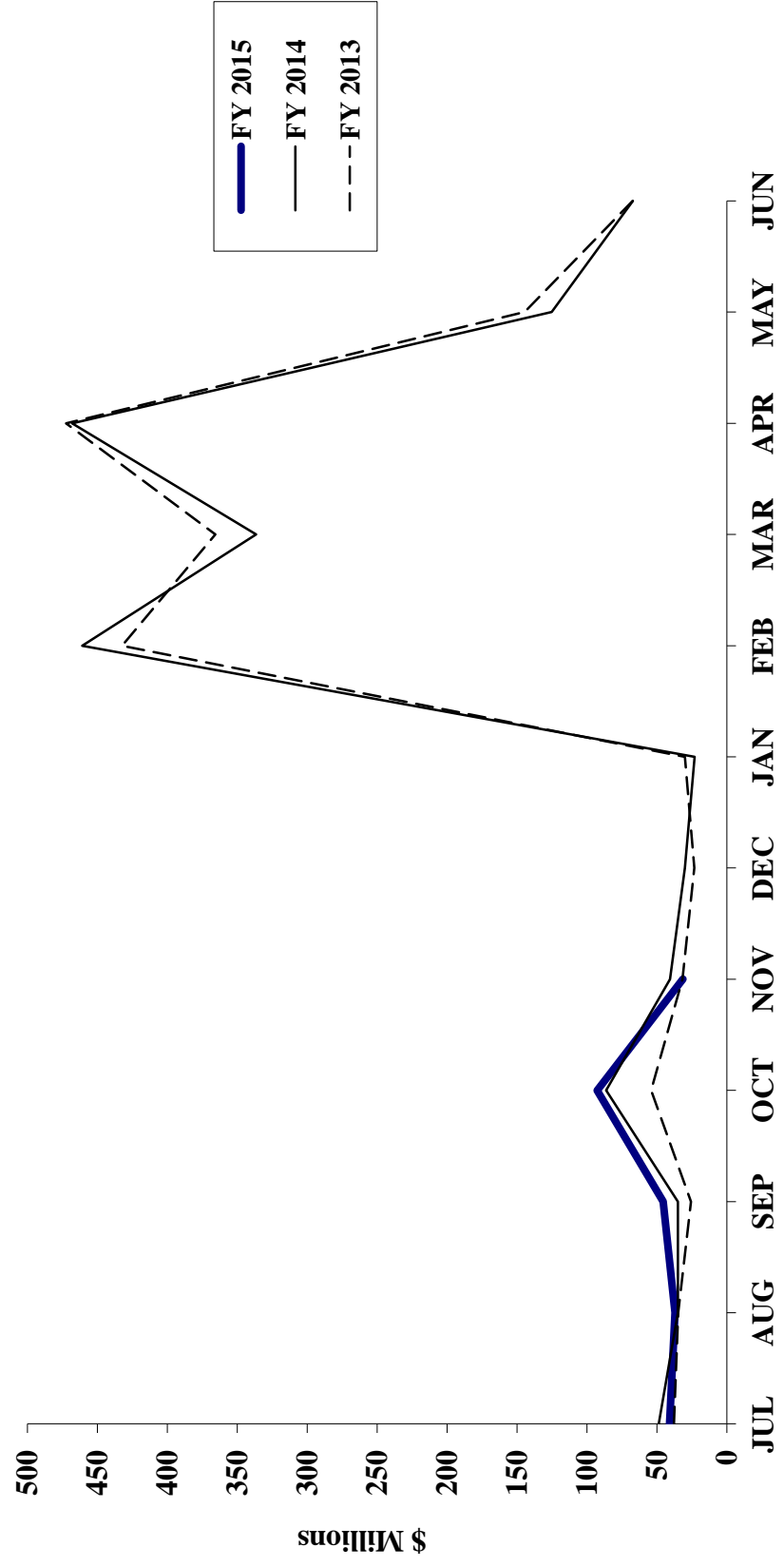
FY 2013 Actual = \$16,684.6 Million
FY 2014 Actual = \$16,411.4 Million
FY 2015 Estimate = \$16,874.4 Million

Net Individual Income Tax



FY 2013 Actual = \$11,340.0 Million
FY 2014 Actual = \$11,253.3 Million
FY 2015 Estimate = \$11,636.5 Million

Individual and Fiduciary Income Tax Refunds



FY 2013 Actual = \$1,719.1 Million
FY 2014 Actual = \$1,755.8 Million
FY 2015 Estimate = \$1,819.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2015
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2014	\$4,274.2	0.22%	\$1,194.1 ²	-1.73%	\$5,468.3 ²	-0.21%	0.11%
August	\$3,723.6	0.23%	\$1,197.3 ²	8.43%	\$4,920.9 ²	2.23%	0.11%
September	\$4,007.8	0.23%	\$1,198.9 ²	-5.06%	\$5,206.7 ²	-0.99%	0.11%
October	\$4,230.8	0.24%	\$1,200.1	8.02%	\$5,430.9	1.96%	0.10%
November	\$3,936.2	0.24%	\$1,207.1	6.39%	\$5,143.3	1.68%	0.13%
December							
January, 2015							
February							
March							
April							
May							
June							
Year-to-Date Average	\$4,034.5	0.23%	\$1,199.5	3.25%	\$5,234.0	0.92%	0.11%

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

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

² GSAM balance corrections resulted in revised Avg. Balances for External Managers and Composite for July, August and September as well as revised Composite Rate for August.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2015**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$687,530,104	\$0	\$0	\$0	\$687,530,104
August	\$687,530,104	\$0	\$0	\$0	\$687,530,104
September	\$687,530,104	\$0	\$0	\$0	\$687,530,104
October	\$687,530,104	\$0	\$0	\$1,214,889	\$688,744,993
November	\$688,744,993	\$0	\$0	\$0	\$688,744,993
December					
January					
February					
March					
April					
May					
June					

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