COMMONWEALTH of VIRGINIA

Office of the Governor

Richard D. Brown
Secretary of Finance

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January 13, 2009

MEMORANDUM

TO: The Honorable Timothy M. Kaine

THROUGH: The Honorable Wayne M. Turnage

FROM: Richard D. Brown

SUBJECT: December Revenue Data

This month's revenue report contains general fund revenue collections for the first six months of fiscal year 2009. The report incorporates the revised general fund revenue forecast included in the introduced budget. The revised forecast used with the budget introduced on December 17 reflects a further downward revision from the October 2008 forecast. With the downward revenue revisions in December, total general fund revenues are now projected to decline by 4.8 percent in fiscal year 2009.

December and January are significant months for revenue collections. However, growth can be distorted during this time of year due to several timing issues. In December, in addition to normal monthly collections of withholding and holiday sales taxes, quarterly estimated payments are due from most corporations and some fourth quarter individual estimated payments due January 15 are received. Also, some withholding payments can be delayed by a larger volume of mail over the holidays, pushing some December payments into January. Finally, the bulk of sales tax collections from the holiday shopping season will be received in January. Due to all these factors, the months of December and January must be analyzed together to form a complete and accurate assessment of revenue growth.

In December, general fund revenues fell 2.6 percent despite two additional deposit days compared to December 2007. On a year-to-date basis, revenues fell 3.5 percent, compared to the revised annual forecast of a 4.8 percent decline.

National Economic Indicators

Most current indicators are at recession levels, with some at historical lows. Tight consumer and corporate credit, a flagging labor market, and a slowing global economy will continue to be a drag on growth.

- Real GDP fell at an annual rate of 0.5 percent in the third quarter, according to the final report. Consumer and business spending fell significantly.

- Payroll employment declined by 524,000 jobs in December, the largest one-month decline since December 1974. Losses for the prior two months were much greater than the preliminary data indicated, with an additional loss of 154,000 jobs. The labor market shed jobs every month in 2008, for a total loss of 2.59 million jobs. In a separate report, the unemployment rate rose to 7.2 percent from 6.8 percent, the highest rate since January 1993.

- Initial claims for unemployment fell by 24,000 to 467,000 during the week ending January 3, far fewer initial claims than expected, but not surprising given seasonal factors during the holiday season. The four-week moving average fell from 553,000 to 526,000, a level indicative of persistent weakening in the labor market.

- The manufacturing sector contracted for the fifth consecutive month in December. The Institute of Supply Management index fell 3.8 points to 32.4, its lowest level since 1980. Tight credit and weak demand are likely to constrain growth in this sector in the months to come.

- The Conference Board's index of leading indicators fell 0.4 percent to 99.0 in November. The leading index has fallen more than in the 2001 recession and almost as much as in the 1990-1991 recession.

- The Conference Board's index of consumer confidence fell in December from 44.7 to 38.0, the lowest level on record since 1969. Both the current conditions and expectations components fell.

- The federal funds rate is at its lowest level ever. At its December meeting, the Federal Reserve lowered the federal funds rate from 1.00 percent to a target of 0.0 to 0.25 percent.

Virginia Economy

In Virginia, payroll employment growth slowed in November, increasing only 0.1 percent for the month after increasing 0.5 percent on average over the past four months. Northern

Virginia posted job growth of 0.8 percent in November. Jobs grew by 1.5 percent in Hampton Roads, while the Richmond-Petersburg area shed jobs for the second month in a row, declining 0.6 percent. The unemployment rate rose from 4.2 percent to 4.6 percent in November.

The Virginia Leading Index fell 0.6 percent in November, the seventh decline in the last twelve months. All three components – auto registrations, building permits, and initial unemployment claims – contributed to the decline. The leading index fell in all eleven metro areas in November.

December Revenue Collections

Despite two additional deposit days, general fund revenues fell 2.6 percent in December. On a year-to-date basis, revenues fell 3.5 percent, compared to the revised annual forecast of a 4.8 percent decline.

Net Individual Income Tax (67% of general fund revenues): Through the first six months of the fiscal year, net individual income tax increased 4.4 percent, ahead of the annual estimate of a 0.7 percent decline. Performance in each component of individual income tax is as follows:

> ***Individual Income Tax Withholding (62% of general fund revenues)***: With two additional deposit days, collections of payroll withholding taxes grew 12.7 percent in December. January will have two less deposit days, so December and January must be analyzed together to accurately assess growth in this source. Year-to-date withholding growth is 5.9 percent, ahead of the projected annual growth rate of 3.4 percent.
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> ***Individual Income Tax Nonwithholding (17% of general fund revenues)***: Collections in this source grew 3.2 percent in December. Through December, collections fell 0.7 percent compared with the annual estimate of an 8.4 percent decline.
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> December and January are significant months for collections in this source, and growth can be distorted by the timing of payments. Taxpayers have until January 15 to submit their fourth estimated payment for tax year 2008. A clearer assessment of growth in this source will be possible at the end of January, when all quarterly payments have been received.
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> ***Individual Income Tax Refunds***: TAX issued $58.9 million in refunds in December compared with $43.5 million last December. The growth is primarily attributable to refunds related to overpayments. Over the first six months of the fiscal year, refunds have grown 18.0 percent compared with the forecast of an 8.1 percent increase.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting November sales, fell 17.2 percent in December. The main reason for the decline was that November 2007 contained eight post-Thanksgiving holiday shopping days whereas November 2008 contained only three. On a year-to-date basis, collections have fallen 5.4 percent, behind the annual estimate of a 2.1 percent decline. As with individual nonwithholding, January receipts are needed to more accurately assess growth in this source because a large part of holiday sales tax collections will be received in January.

Corporate Income Tax (5% of general fund revenues): Collections in corporate income tax fell 27.8 percent in December. On a year-to-date basis, collections in this source have fallen 21.0 percent from the same period last year, trailing expectations of a 15.2 percent decline.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – fell 40.1 percent in the month of December, and are down 35.7 percent on a year-to-date basis as compared to the forecast of a 34.7 percent decline. Adjusted for the transfer of 3 cents of the 25 cents per $100 recordation tax to the Commonwealth Transportation Fund, year-to-date collections are down 28.6 percent.

Other Revenue Sources

The following list provides data on December collections for other revenue sources:

	Year-to-Date	Annual Estimate
Insurance Premiums (2% GF revenues)*	-53.7%	-35.1%
Interest Income (1% GF revenues)	-41.8%	-36.2%
ABC Taxes (1% GF revenues)	1.7%	3.6%

**Monthly collections of insurance premiums are being transferred to the Transportation Trust Fund per HB 3202 until the required amount of $132.3 million has been booked.*

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue grew 12.9 percent in December – $43.7 million compared with $38.7 million last December. For the fiscal year-to-date, collections of All Other Revenue fell 26.7 percent from the same period in fiscal year 2008, trailing the annual estimate of a 24.2 percent decline. The large decline in year-to-date collections and the annual forecast is attributable to the repeal of the estate tax. The General Assembly repealed the tax effective July 1, 2007, and estates from deaths prior to that date had up to nine months to file.

Lottery Revenues: Net income for December 2008 totaled $38.5 million, a decline of 6.3 percent from December 2007. Year-to-date, net income is down 8.7 percent, trailing the annual estimate of a 5.4 percent decline. The decline in net income was a result of higher prize rates this December as compared to December 2007.

Summary

In December, general fund revenues fell 2.6 percent. On a year-to-date basis, revenues fell 3.5 percent compared to the revised annual forecast of a 4.8 percent decline.

The timing of payments in December and January can significantly affect growth rates when analyzed on a monthly basis. Individual estimated payments are due January 15, and the bulk of sales taxes from the holiday shopping season will be received in January. December and January receipts must be considered together to get a clearer picture of revenue growth.

FY 2009 Revised Estimate
Per House Bill 1600, December 17, 2008

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

Revenue	(1) FY 2009 Estimate	(2) As a % of Gen Fund Rev & Net Lottery Profits	(3) December FY 2009	(4) December FY 2008	(5) December % Change	(6) Year-To-Date FY 2009	(7) Year-To-Date FY 2008	(8) Year-To-Date % Change	(9) % Annual Growth Req By Est
Individual Income Tax:									
Withholding	$9,239,800	61.53	$885,671	$785,779	12.7	$4,560,034	$4,307,805	5.9	3.4
Tax Dues/Estimated Payments	2,621,200	17.46	116,524	112,961	3.2	649,771	654,220	(0.7)	(8.4)
Gross Individual Income Tax	$11,861,000	78.99	$1,002,195	$898,740	11.5	$5,209,805	$4,962,025	5.0	0.6
Individual and Fiduciary Income (Refunds)	(1,815,600)	(12.09)	(58,859)	(43,475)	35.4	(268,428)	(227,538)	18.0	8.1
Net Individual Income Tax	$10,045,400	66.90	$943,336	$855,265	10.3	$4,941,377	$4,734,487	4.4	(0.7)
Sales and Use Tax	$3,010,900	20.05	$232,662	$280,850	(17.2)	$1,499,164	$1,583,938	(5.4)	(2.1)
Corporations Income Tax	685,000	4.56	82,319	114,004	(27.8)	263,291	333,147	(21.0)	(15.2)
Wills, Suits, Deeds, Contracts	298,100	1.99	22,192	37,066	(40.1)	156,524	243,329	(35.7)	(34.7)
Insurance Premiums	257,500	1.71	75,582	91,221	(17.1)	75,582	163,246	(53.7)	(35.1)
Interest Income (a)	120,800	0.80	14,272	35,076	(59.3)	99,926	171,668	(41.8)	(36.2)
Alcoholic Beverage Sales (b)	174,900	1.16	3,228	3,439	(6.1)	54,332	53,442	1.7	3.6
All Other Revenues	422,700	2.83	43,692	38,704	12.9	188,700	257,579	(26.7)	(24.2)
Total General Fund Revenues	$15,015,300	100.00	$1,417,283	$1,455,625	(2.6)	$7,278,896	$7,540,836	(3.5)	(4.8)
Gross Lottery Revenue (c)	-	-	-	-	-	-	-	-	-
Less: Expenses (c)	-	-	-	-	-	-	-	-	-
Net Lottery Profits (c)	-	-	-	-	-	-	-	-	-
Total General Fund Revenues and Net Lottery Profits (c)	-	-	-	-	-	-	-	-	-

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

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

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

(c) Beginning in Fiscal Year 2009, Lottery proceeds will be deposited directly to the non-general Lottery Proceeds Fund and will no longer be reflected as part of the General Fund.

FY 2009 Revised Estimate
Per House Bill 1600, December 17, 2008

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

Revenue	(1) FY 2009 Estimate	(2) As a % of Total Gen Fund Rev	(3) December FY 2009	(4) December FY 2008	(5) December % Change	(6) Year-To-Date FY 2009	(7) Year-To-Date FY 2008	(8) Year-To-Date % Change	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	$9,239,800	61.53	$885,671	$785,779	12.7	$4,560,034	$4,307,805	5.9	3.4
Tax Dues/Estimated Payments	2,621,200	17.46	116,524	112,961	3.2	649,771	654,220	(0.7)	(8.4)
Gross Individual Income Tax	$11,861,000	78.99	$1,002,195	$898,740	11.5	$5,209,805	$4,962,025	5.0	0.6
Individ and Fiduc Income (Refunds)	(1,815,600)	(12.09)	(58,859)	(43,475)	35.4	(268,428)	(227,538)	18.0	8.1
Net Individual Income Tax	$10,045,400	66.90	$943,336	$855,265	10.3	$4,941,377	$4,734,487	4.4	(0.7)
Sales and Use Tax	3,010,900	20.05	232,662	280,850	(17.2)	1,499,164	1,583,938	(5.4)	(2.1)
Corporations Income	685,000	4.56	82,319	114,004	(27.8)	263,291	333,147	(21.0)	(15.2)
Public Service Corporations	92,400	0.62	5,959	2,435	144.7	39,668	40,820	(2.8)	(4.1)
Insurance Premiums	257,500	1.71	75,582	91,221	(17.1)	75,582	163,246	(53.7)	(35.1)
Alcoholic Beverage Excise	131,000	0.87	0	0	-	31,368	30,506	2.8	4.5
Beer and Beverage Excise	43,900	0.29	3,228	3,439	(6.1)	22,964	22,936	0.1	0.9
Wills, Suits, Deeds, Contracts	298,100	1.99	22,192	37,066	(40.1)	156,524	243,329	(35.7)	(34.7)
Inheritance, Gift, and Estate	0	0.00	406	16,520	(97.5)	5,343	92,856	(94.2)	(100.0)
Bank Franchise	13,300	0.09	0	(20)	100.0	2,676	37	#	(3.4)
Other Taxes	2,600	0.02	102	516	(80.2)	4,040	4,632	(12.8)	54.5
Total Taxes	$14,580,100	97.10	$1,365,786	$1,401,296	(2.5)	$7,041,997	$7,249,934	(2.9)	(4.6)
Rights and Privileges:									
Licenses and Permits	$4,600	0.03	$539	$490	10.0	$2,214	$2,337	(5.3)	(0.2)
Corp. Franchise and Charters	43,200	0.29	543	517	5.0	3,129	3,284	(4.7)	(8.2)
Fees for Misc. Privileges & Services	16,100	0.11	639	523	22.2	5,407	5,531	(2.2)	1.9
Total Rights and Privileges	$63,900	0.43	$1,721	$1,530	12.5	$10,750	$11,152	(3.6)	(5.3)
Other Revenues:									
Sales of Property & Commodities	$1,800	0.01	$0	($40)	100.0	$1	$1	0.0	-
Assessmts & Rcpts for Support of Special Svcs	400	0.00	0	21	(100.0)	128	188	(31.9)	(13.2)
Institutional Revenue	7,500	0.05	440	543	(19.0)	3,434	3,522	(2.5)	(1.2)
Interest (a)	120,800	0.80	14,272	35,076	(59.3)	99,926	171,668	(41.8)	(36.2)
Dividends and Rent	300	0.00	39	35	11.4	249	235	6.0	(19.6)
Fines, Forfeitures & Fees	227,200	1.51	17,359	16,240	6.9	106,974	110,446	(3.1)	3.1
Other Revenue	24,300	0.16	17,664	1,896	831.6	19,640	2,981	558.8	139.9
Excess Fees	(22,000)	(0.14)	(841)	(1,830)	54.0	(9,044)	(14,123)	36.0	9.7
Private Donations, Gifts & Cont.	900	0.01	38	100	(62.0)	38	130	(70.8)	#
Cities, Counties, and Towns	10,100	0.07	805	758	6.2	4,803	4,702	2.1	0.1
Total Other Revenues	$371,300	2.47	$49,776	$52,799	(5.7)	$226,149	$279,750	(19.2)	(10.3)
Total General Fund Revenues	$15,015,300	100.00	$1,417,283	$1,455,625	(2.6)	$7,278,896	$7,540,836	(3.5)	(4.8)

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

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

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

	FY 2009 Estimate (a)	December FY 2009	December FY 2008	December % Change	Year-To-Date FY 2009	Year-To-Date FY 2008	Year-To-Date % Change (b)	% Annual Growth Required By Estimate
Lottery Collections								
Win for Life	$34,900	$2,803	$3,189	(12.1)	$16,501	$18,407	(10.4)	(7.5)
Cash 5	29,000	2,551	2,430	5.0	14,363	14,249	0.8	(0.1)
Pick 4	191,400	16,840	15,797	6.6	91,180	89,307	2.1	4.0
Pick 3	277,200	22,231	21,780	2.1	123,362	126,110	(2.2)	8.0
Mega Millions	137,500	18,519	13,037	42.0	77,592	79,480	(2.4)	(17.2)
Fast Play	10,900	384	528	(27.3)	3,680	3,839	(4.1)	18.1
Raffle	10,600	7,774	8,799	(11.6)	8,906	8,799	1.2	20.5
Scratch	699,800	63,248	61,794	2.4	338,868	338,960	0.0	0.7
Gross Lottery Revenue	1,391,300	134,350	127,354	5.5	674,452	679,151	(0.7)	0.4
Expenses (c)	960,800	95,830 (d)	86,239	11.1	459,970 (d)	444,122	3.6	3.2
Net Lottery Ticket Profits	$430,500	$38,520 (d)	$41,115	(6.3)	$214,482 (d)	$235,029	(8.7)	(5.4)

(a) Estimate established by proposed amendments to Chapter 879, 2008 Acts of Assembly, and includes the residual amount of FY 2008 profits ($259,003) that were transferred in FY 2009. The estimated profit pursuant to FY 2009 Lottery operations is $430,200,000.
(b) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.
(c) "Expenses" includes prizes to winners, compensation to retailers, instant and online gaming costs, Lottery operating expenses, and net other income/expense.
(d) Current month includes operating expenses estimated (unaudited closing).

Commonwealth of Virginia/Department of Accounts

Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues

Summary Statement of Selected Revenue Estimates & Collections

For the Fiscal Years 2008 and 2009

(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	December FY 2009	December FY 2008	December % Change	Year-To-Date FY 2009	Year-To-Date FY 2008	Year-To-Date % Change	% Annual Growth Required By Estimate
Motor Fuel Taxes	$842,300	23.84	$74,805	$75,608	(1.1)	$364,322	$380,299	(4.2)	(2.4)
Priority Transportation Fund (PTF) (a)	152,300	4.31	20,041	0	-	140,286	8,000	#	-
Motor Vehicle Sales and Use Tax	460,300	13.03	30,048	40,243	(25.3)	229,348	297,457	(22.9)	(19.7)
State Sales and Use Tax	514,500	14.56	39,371	47,624	(17.3)	257,057	270,043	(4.8)	(2.0)
Motor Vehicle License Fees	239,200	6.78	15,069	15,792	(4.6)	114,213	118,745	(3.8)	(1.2)
International Registration Plan	51,400	1.46	5,995	6,016	(0.3)	20,746	34,634	(40.1)	(30.7)
Recordation Tax (b)	35,400	1.00	2,346	0	-	17,170	0	-	-
Interest Earnings	30,700	0.87	8	69	(88.4)	10,820	15,883	(31.9)	(50.6)
Misc. Taxes, Fees, and Revenues	13,200	0.37	944	1,367	(30.9)	6,494	7,750	(16.2)	(11.4)
Total State Taxes and Fees	$2,339,300	66.22	$188,627	$186,719	1.0	$1,160,456	$1,132,811	2.4	(1.5)

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

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

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

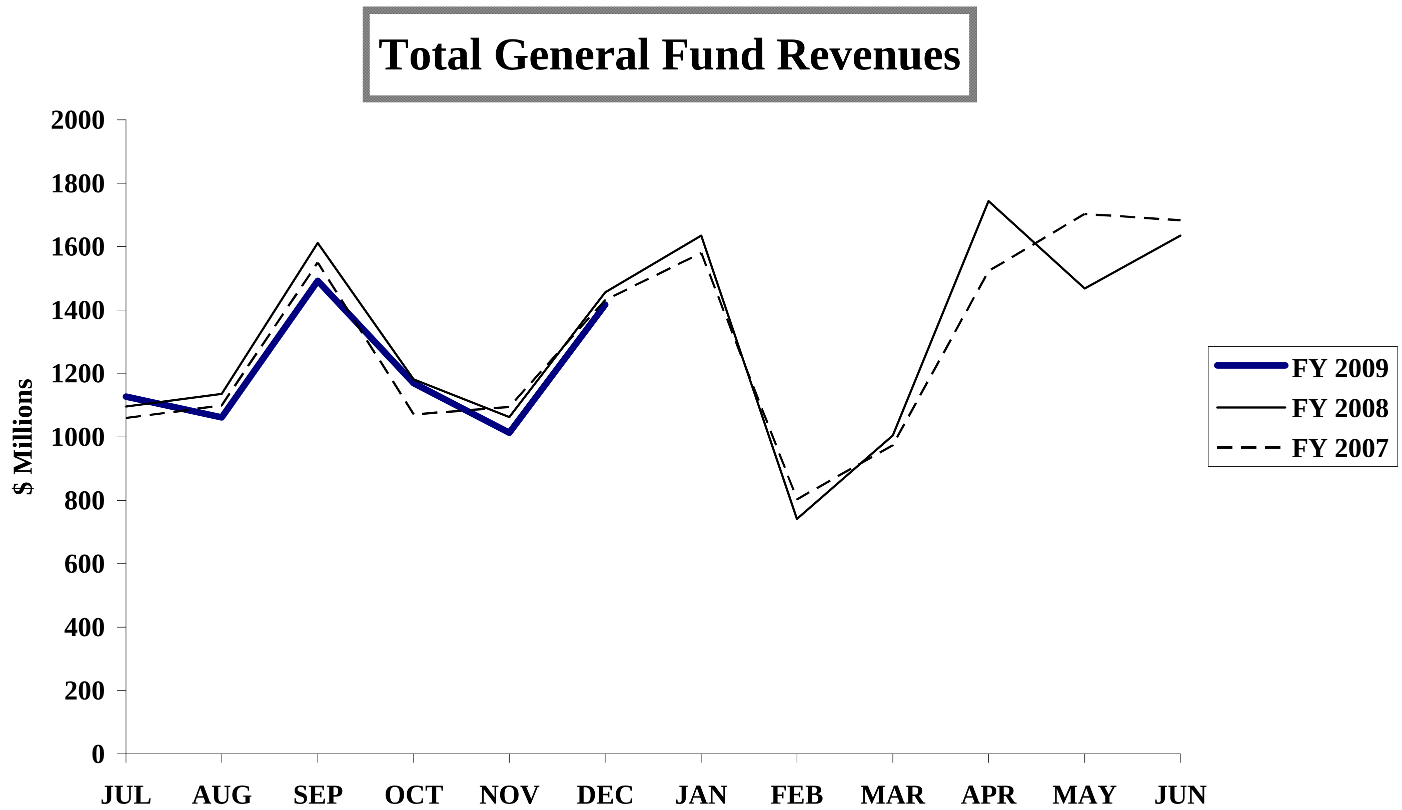
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2008 and 2009
(Dollars in Thousands)

Revenue	FY 2009 Estimate	As a % of Total Fund	December FY 2009	December FY 2008	December % Change	Year-To-Date FY 2009	Year-To-Date FY 2008	Year-To-Date % Change	% Annual Growth Required By Est
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	$725,300	20.53	$64,774	$65,640	(1.3)	$313,135	$324,514	(3.5)	(2.1)
Motor Vehicle Sales and Use Tax	277,900	7.87	18,073	24,606	(26.6)	139,108	184,376	(24.6)	(21.7)
Motor Vehicle License Fees	218,500	6.19	13,683	14,375	(4.8)	103,933	108,524	(4.2)	(1.0)
International Registration Plan	51,400	1.46	5,995	6,016	(0.3)	20,746	34,634	(40.1)	(30.7)
Recordation Tax (1 cent) (a)	11,800	0.33	782	0	-	5,723	0	-	-
Misc. Taxes, Fees, and Revenues	13,200	0.37	944	1,367	(30.9)	6,494	7,750	(16.2)	(11.4)
Total State Taxes and Fees	$1,298,100	36.75	$104,251	$112,004	(6.9)	$589,139	$659,798	(10.7)	(7.6)
Other Revenues:									
Federal Grants and Contracts	$0	0.00	$2,228	$2,638	(15.5)	$11,547	$19,162	(39.7)	(100.0)
Miscellaneous Revenues	19,605	0.55	1,118	970	15.3	8,039	7,932	1.3	16.3
Transfer (to) / from Transportation Trust Fund	384,970	10.90	65,000	63,143	2.9	345,000	263,143	31.1	45.0
Total Highway Maintenance and Operating Fund	$1,702,675	48.20	$172,597	$178,755	(3.4)	$953,725	$950,035	0.4	(0.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	$117,000	3.31	$10,031	$9,968	0.6	$51,187	$55,785	(8.2)	(4.4)
PTF Motor Fuels	20,000	0.57	2,000	0	-	8,000	8,000	0.0	0.0
PTF Insurance Premiums Tax (a)	132,300	3.74	18,041	0	-	132,286	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	182,400	5.16	11,975	15,637	(23.4)	90,240	113,081	(20.2)	(16.3)
State Sales and Use Tax	514,500	14.56	39,371	47,624	(17.3)	257,057	270,043	(4.8)	(2.0)
Motor Vehicle License Fees	20,700	0.59	1,386	1,417	(2.2)	10,280	10,221	0.6	(3.0)
Recordation Tax (2 cents) (a)	23,600	0.67	1,564	0	-	11,447	0	-	-
Interest Earnings	30,700	0.87	8	69	(88.4)	10,820	15,883	(31.9)	(50.6)
Total State Taxes and Fees	$1,041,200	29.47	$84,376	$74,715	12.9	$571,317	$473,013	20.8	7.5
Other Revenues:									
Federal Grants and Contracts	$938,474	26.57	$50,909	$58,977	(13.7)	$378,785	$441,839	(14.3)	9.7
Receipts from Cities/Counties	97,299	2.76	(741)	(1,043)	29.0	20,309	27,769	(26.9)	114.4
Toll Revenues (Includes Route 28) (b)	106,041	3.00	17,139	12,675	35.2	46,146	59,375	(22.3)	(18.3)
Miscellaneous Revenues	31,806	0.90	3,715	657	465.4	9,331	7,259	28.5	115.1
Total Other Revenues	$1,173,620	33.23	$71,022	$71,266	(0.3)	$454,571	$536,242	(15.2)	12.2
Transfer (to) / from Highway Maintenance and Operating Fund	($384,970)	(10.90)	($65,000)	($63,143)	(2.9)	($345,000)	($263,143)	(31.1)	(45.0)
Total Transportation Trust Fund	$1,829,850	51.80	$90,398	$82,838	9.1	$680,888	$746,112	(8.7)	4.6
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	$3,532,525	100.00	$262,995	$261,593	0.5	$1,634,613	$1,696,147	(3.6)	2.0

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

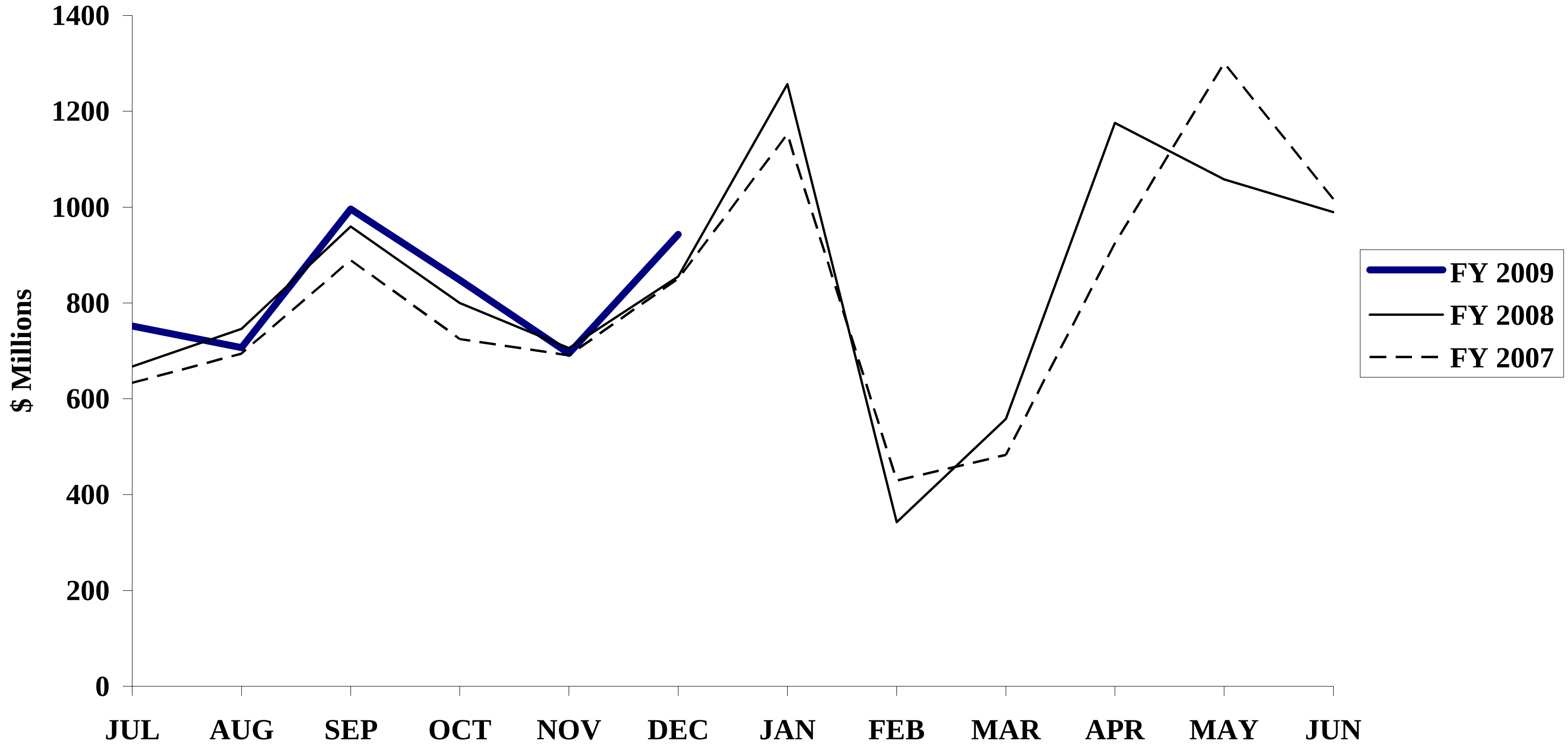
(a) These line items were added to the Fiscal Year 2009 Revenue Forecast. Since there were no collections for these line items during Fiscal Year 2008, the Monthly and Year-To-Date % Change columns do not provide comparable data.

(b) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.



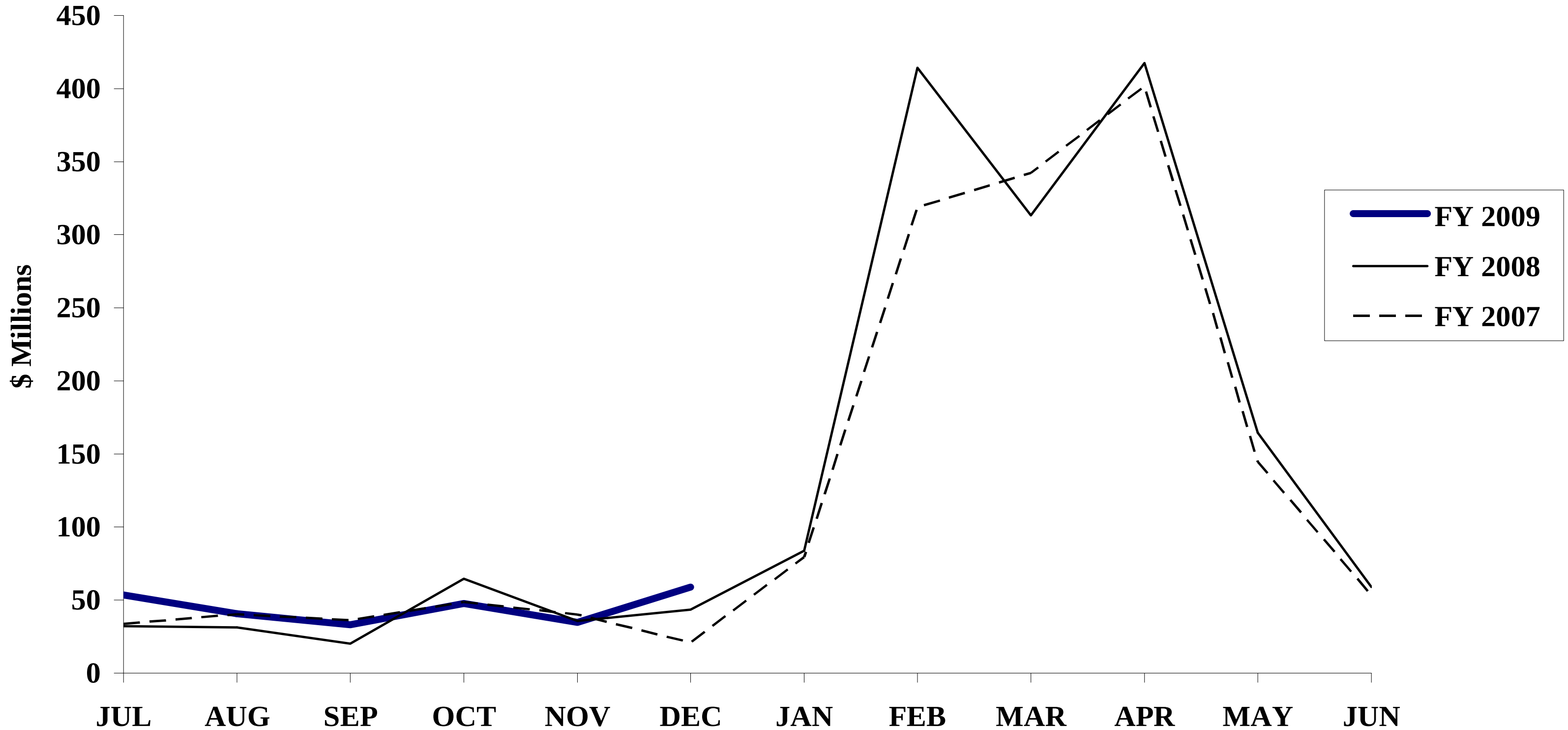
FY 2007 Actual = $15,565.8 Million
FY 2008 Actual = $15,766.9 Million
FY 2009 Estimate = $15,015.3 Million

Net Individual Income Tax



FY 2007 Actual = $9,787.6 Million
FY 2008 Actual = $10,114.8 Million
FY 2009 Estimate = $10,045.4 Million

Individual and Fiduciary Income Tax Refunds



FY 2007 Actual = $1,559.8 Million
FY 2008 Actual = $1,679.9 Million
FY 2009 Estimate = $1,815.6 Million

DEPARTMENT OF THE TREASURY

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

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2008	$4,914.2	3.16%	$1,812.2	-3.54%	$6,726.4	1.35%
August	$4,238.3	3.20%	$1,812.8	6.74%	$6,051.1	4.26%
September	$4,315.2	3.27%	$1,800.1	-24.46%	$6,115.3	-4.89%
October	$4,146.7	3.64%	$1,767.2	-21.27%	$5,913.9	-3.80%
November	$3,820.7	3.48%	$1,702.0 [1]	14.82% [1]	$5,522.7 [1]	6.97% [1]
December	$3,567.5	3.01%	$1,662.0	36.73%	$5,229.5	13.73%
January, 2009						
February						
March						
April						
May						
June						
Year-to-Date Average	$4,167.1	3.29%	$1,759.4	1.06%	$5,926.5	2.63%

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

[1] Revised External Manager Extended Duration Avg. Balance & Annualized Total Return and Composite Avg. Balance & Rate for November 2008.

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

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	$1,014,870,245	$0	$0	$0	$1,014,870,245
August	$1,014,870,245	$0	$0	$0	$1,014,870,245
September	$1,014,870,245	$0	$0	$0	$1,014,870,245
October	$1,014,870,245	$0	$0	$9,828,002	$1,024,698,247
November	$1,024,698,247	$0	$0	$0	$1,024,698,247
December	$1,024,698,247	$0	$0	$0	$1,024,698,247
January					
February					
March					
April					
May					
June					

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