

Governor McAuliffe's Proposed 2016-2018 Budget

Economic Outlook & Revenue Forecast

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

December 17, 2015



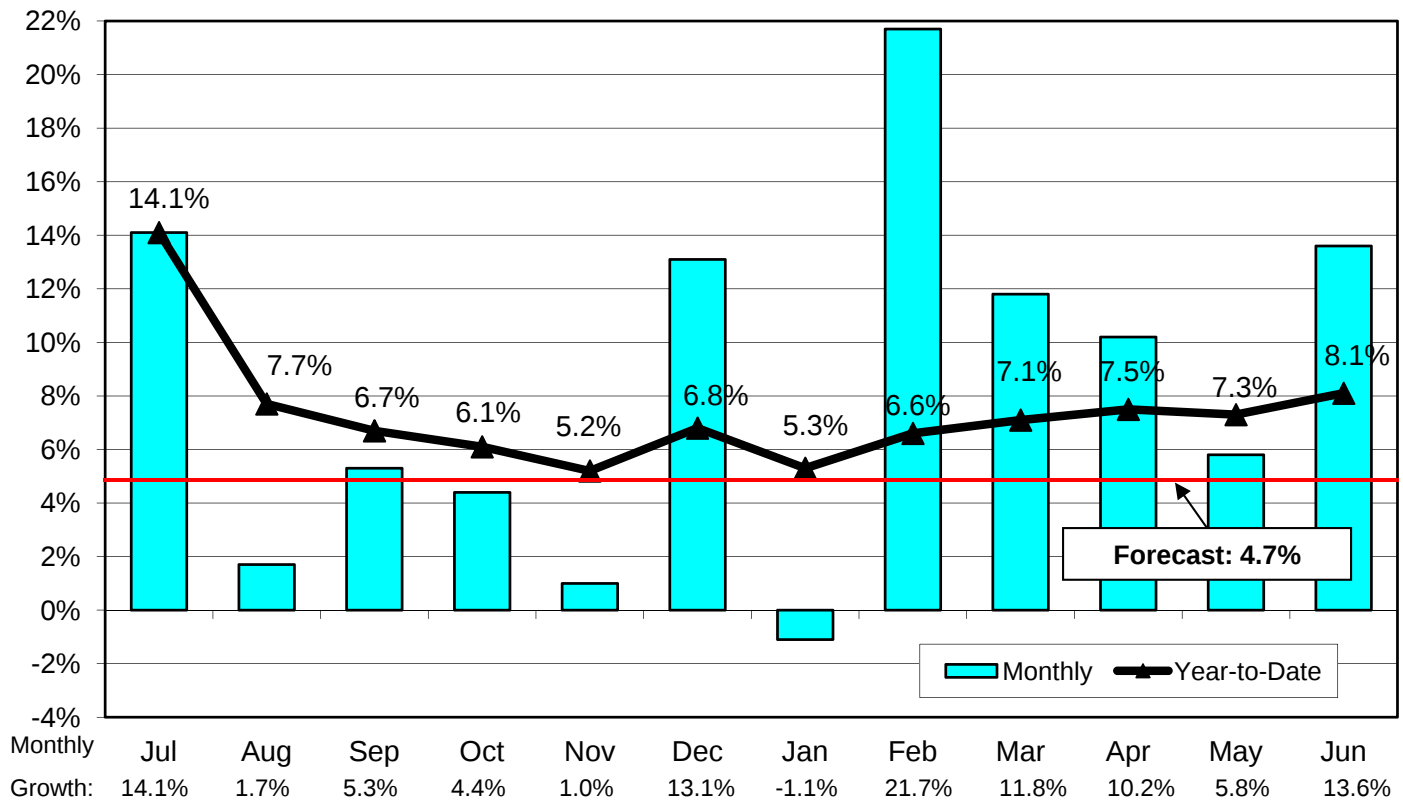
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Outline...

- Fiscal Year 2015 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

The Second Half of Fiscal Year 2015 Was Noticeably Stronger Than the First Half...

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



- Total general fund revenue collections exceeded the forecast by \$549.6 million (excluding transfers) in fiscal year 2015, a forecast variance of 3.2 percent.
- Total general fund revenue collections rose 8.1 percent, ahead of the revised annual forecast of 4.7 percent growth.

Excluding Transfers, Fiscal Year 2015 General Fund Revenues Grew 8.1 Percent and Finished \$549.6 Million (3.2 Percent) Above Forecast...

Summary of Fiscal Year 2015 Revenue Collections (millions of dollars)

Major Sources	Official	Actual	Change	% Growth Over FY 14	
				Official	Actual
Withholding	\$10,903.9	\$11,044.3	\$140.4	4.0 %	5.3
Nonwithholding	2,725.2	3,041.6	316.4	7.9	20.5
Refunds	(1,812.8)	(1,757.3)	55.5	3.2	0.1
Net Individual	\$11,816.3	\$12,328.7	\$512.4	5.0 %	9.6 %
Sales	\$3,217.8	\$3,235.4	\$17.6	4.9 %	5.5 %
Corporate	840.9	831.9	(9.0)	11.0	9.8
Wills (Recordation)	318.3	346.3	28.0	2.4	11.4
Insurance	320.5	300.6	(19.9)	0.0	(6.2)
All Other Revenue	672.2	692.7	20.5	(4.4)	(1.5)
Total Revenue	\$17,186.0	\$17,735.6	\$549.6	4.7 %	8.1 %
A.B.C. Profits	\$83.3	\$83.3	\$0.0	15.3 %	15.3 %
Sales Tax (0.375%)	350.3	352.4	2.1	4.9	5.5
Transfers	211.4	198.2	(13.2)	60.8	50.7
Total Transfers	\$645.0	\$633.9	(\$11.1)	19.9 %	17.9 %
TOTAL GENERAL FUND	\$17,831.0	\$18,369.5	\$538.5	5.2 %	8.4 %

- Over 90 percent of the surplus was attributable to net individual income taxes.
- Recordation and sales tax collections also contributed to the strong fiscal year 2015 performance.

Take Away: The Fiscal Year 2015 General Fund Revenue Surplus Is Already Obligated by Law and Is Not Available for Other Spending...

Major Sources and Uses of the Fiscal Year 2015 General Fund Surplus

\$ in Millions

Sources

Revenue collections above the official forecast	\$ 549.6
Transfers to General Fund (actual vs. forecast)	(11.1)
Withdrawal from Revenue Stabilization Fund (actual vs budget) ^a	<u>(2.3)</u>
Net New General Fund Resources	\$ 536.2
Natural Disaster Reserve (write-offs less new authorizations) ^b	<u>1.8</u>
Total Major Sources	\$ 538.0

Uses

Addition to reserve for deposit to Revenue Stabilization Fund in FY2017 above the amount already budgeted (\$605.6 million required deposit less \$129.5 million in budget)	\$ 476.1
Reserve for Water Quality Improvement Fund Part A	55.0
Reserve for Water Quality Improvement Fund Part B	<u>6.7</u>
Total Major Uses	\$ 537.8

^a The withdrawal from the Revenue Stabilization Fund in fiscal year 2015 was budgeted at \$470.0 million. The actual withdrawal was \$467.7 million or \$2.3 million lower than the budgeted amount. The difference was caused by lower interest earnings on the Fund than what was anticipated in the budget.

^b The balances in existing natural disaster authorizations closed out in fiscal year 2015 totaled \$2.3 million whereas new authorizations equaled \$0.5 million for a net reduction or savings of \$1.8 million.

All Surplus Dollars Are Either Reserved, Committed, or Assigned...

Preliminary Balance Sheet General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2015 (millions of dollars)

Assets

Cash, Cash Equivalents, and Investments	\$ 1,794.5	
Cash, Travel Advances and Amounts Due from Other Funds	<u>0.7</u>	
Total Assets		<u>\$ 1,795.2</u>

Liabilities and Fund Equity

Liabilities:

Payments Awaiting Disbursement	31.6	
Deposits Pending Distribution	<u>4.4</u>	
Total Liabilities	\$	36.0

Fund Equity:

Reserved Fund Balance:

Revenue Stabilization Reserve Fund	467.7	
Revenue Stabilization Reserve 2017	605.6	
Lottery Proceeds Fund	2.8	
Water Supply Assistance Grant Fund	<u>6.5</u>	
Total Reserved Fund Balance		1,082.6

Commitments and Assignments:

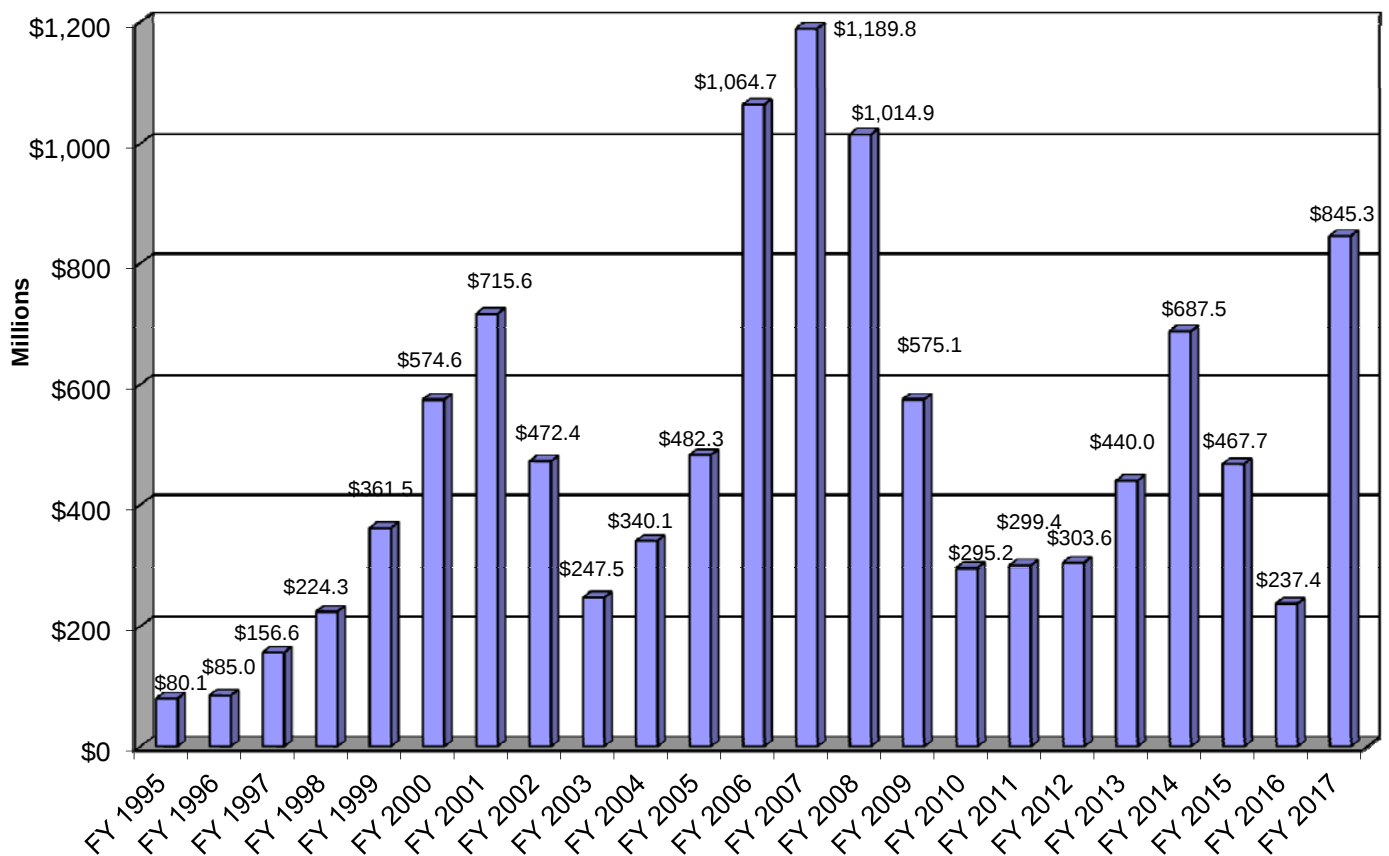
Reapp. 2015 Unexpended Bal. for Cap Outlay	21.5	
Central Capital Planning Fund	14.2	
Communication Sales and Use Tax	36.4	
Natural Disaster Sum Sufficient	24.1	
Amount Required by Chapter 665	247.2	
Amt. Required for Mandatory Reapp.	58.6	
Virginia Health Care Fund	8.8	
Virginia Water Quality Improvement Fund	32.9	
Virginia WQIF - Part A	55.0	
Virginia WQIF - Part B	6.7	
Commonwealth's Development Opportunity Fund	23.6	
Discretionary Reappropriations	60.7	
Federal Action Contingency Trust Fund	0.4	
Select NGF Balances	<u>86.5</u>	

Total Committed and Assigned Fund Balance 676.6

Total Fund Equity		<u>1,759.2</u>
Total Liabilities and Fund Balance		<u>\$ 1,795.2</u>

A Mandatory Deposit of \$605.6 Million Will Be Made to the Revenue Stabilization Fund in FY2017 Substantially Increasing the Size of the Fund to About \$845.0 Million by June 30, 2017...

Revenue Stabilization Fund – June 30 Balance
 FY1995-2015 Actual and FY2016-2017 Forecast
 (millions of dollars)



- A deposit of \$243.2 million and a withdrawal of \$467.7 million occurred in FY2015.
- Another withdrawal estimated at \$235.0 million will occur in FY2016.
- A mandatory deposit of \$605.6 million is required in year 2017 based on actual general fund revenue collections for FY2015.

Chapter 665 Requires \$15.0 Million Less Revenue in Fiscal Year 2016 as Compared to Fiscal Year 2015 Actual Collections...

Fiscal Year 2015 Actual and Fiscal Year 2016 Official Chapter 665 (millions of dollars)

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>
<u>Major Sources</u>	<u>Actual</u>	<u>Official</u>
Withholding	\$11,044.3	\$11,275.1
Nonwithholding	3,041.6	2,785.2
Refunds	(1,757.3)	(1,840.6)
Net Individual	\$12,328.7	\$12,219.7
Sales	\$3,235.4	\$3,323.1
Corporate	831.9	820.7
Wills (Recordation)	346.3	318.3
Insurance	300.6	326.8
All Other Revenue	692.7	712.1
Total Revenue	\$17,735.6	\$17,720.7
A.B.C. Profits	\$83.3	\$80.2
Sales Tax (0.375%)	352.4	362.9
Transfers	198.2	121.4
Total Transfers	\$633.9	\$564.5
TOTAL GENERAL FUND	\$18,369.5	\$18,285.2

Recent National Indicators Suggest a Strengthening Economic Expansion...

- According to the second estimate, real GDP grew at an annualized rate of 2.1 percent in the third quarter of 2015, following 3.9 percent in the second quarter.
- Payroll employment rose by 211,000 jobs in November, exceeding expectations. Both September and October were revised upward by a combined 35,000. Over the last three months, job gains have averaged 218,000 per month.
- The national unemployment rate was unchanged at 5.0 percent in November, even as the labor force increased.
- Initial claims for unemployment rose by 9,000 to 269,000 during the week ending November 28.
 - The four-week moving average fell from 271,000 to 269,250, consistent with a healthy labor market.
- The Conference Board's index of leading indicators rose 0.6 percent in October after declining 0.1 percent in August and September. Nine of the ten components increased.
- The Conference Board's index of consumer confidence fell from 99.1 to 90.4 in November. Both the present conditions and expectations components declined.
- Activity in the manufacturing sector declined in November, with the Institute of Supply Management index falling from 50.1 to 48.6.
 - This was the first time in 35 months the index fell below its neutral threshold of 50.

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

- The CPI rose 0.2 percent in October and stands 0.1 percent above October 2014.
 - Core inflation (excluding food and energy prices) rose 0.2 percent in October, and has increased 1.9 percent from last year.
- At its October meeting, the Federal Reserve reaffirmed that the federal funds rate target was going to remain unchanged at 0.0 to 0.25 percent.
- In Virginia, payroll employment rose 1.3 percent in October from October of last year.
 - Northern Virginia posted growth of 2.3 percent, Hampton Roads grew 1.2 percent, and Richmond-Petersburg rose 1.0 percent.
 - The seasonally adjusted unemployment rate fell 0.1 percentage point to 4.2 percent in October and stands 0.7 percent below October 2014.
- The Virginia Leading Index rose 0.2 percent in October after rising 0.2 percent in September. Initial claims and the U.S. leading index improved while auto registrations and future employment declined.
 - The indices for Northern Virginia, Hampton Roads, Richmond, Roanoke, Lynchburg, Harrisonburg, Blacksburg, and Bristol increased, while the indexes for Winchester and Staunton declined. The index for Charlottesville was unchanged.

IHS Economics October U.S. Standard Forecast is Moderately Optimistic Moving Forward as the Fundamentals are in Place...

- Forecasted Real GDP growth of 1.9 percent in the 3rd quarter (actual was 2.1%) and 2.7 percent in the 4th quarter of 2015.
 - Growth in FY16 is projected to be 2.5 percent versus 2.4 percent in the Official.
 - Growth in FY17 is projected to be 3.1 percent the same as in the Official.
- Consumer spending is improving due to stronger real disposable income growth, a strengthening housing recovery, lower energy prices, and increasing household wealth.
- The labor market will continue to improve; employment is forecast to grow 1.8 percent in FY16 and 1.4 percent in FY17.
- The biggest risks are international conflicts and a decline in U.S. exports.

The Fall 2015 Consensus Forecasting Process...

- The Joint Advisory Board of Economists (JABE) met in October.
 - Members were presented a September standard economic outlook, a forecast that was in line with the official economic forecast.
 - A majority of JABE members supported the standard outlook, since it was similar to the official forecast which was a pessimistic plus scenario. The members also unanimously approved of maintaining a key assumption that Virginia would underperform the nation; however, the gap between the U.S. and Virginia would be smaller.
 - The October standard outlook was adjusted accordingly.
- 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 FY16 and the FY17-18 biennium.
 - Almost all of the business members (12 of 15) voted for the standard forecast, 2 voted for a standard minus forecast and 1 voted for a standard plus forecast.
 - The majority of the members of the General Assembly who attended supported a standard minus forecast, while 2 voted for 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, in FY16 real GDP is expected to grow 2.4 percent, personal income is expected to grow 4.2 percent, and employment is expected to grow 1.8 percent.
- Given GACRE's support of the standard forecast, JABE adjustments to the Virginia outlook were retained.

Key Virginia Economic Indicators

Official and November Forecasts
Annual Percent Change

	14	15	16	17	18
Employment					
Official (Nov '14)	0.6	0.9	1.4	1.8	1.2
Nov Standard	0.4	0.8	1.5	1.3	1.0
Personal Income					
Official (Nov '14)	1.4	3.7	3.8	4.8	5.0
Nov Standard	1.3	3.9	3.7	3.8	4.2
Wages & Salaries					
Official (Nov '14)	0.9	3.4	3.5	4.6	4.2
Nov Standard	0.7	3.0	3.9	4.3	4.0
Average Wage					
Official (Nov '14)	0.3	2.5	2.0	2.8	3.0
Nov Standard	0.3	2.2	2.4	2.9	3.0

- As a result, the November 2015 Virginia Economic Outlook for FY16-18 is a standard forecast that is consistent with the official November forecast and the recommendations of JABE and GACRE.

The December General Fund Revenue Forecast Includes Policy Adjustments for Fiscal Year 2016...

Decomposition of the December Revenue Forecast

Fiscal Year 2016
(millions of dollars)

	FY16
<u>Official Revenue Forecast - Chapter 665</u>	
GACRE Forecast	\$913.1
<u>Post-GACRE Adjustments</u>	
Withholding Collections Adjustment	(35.0)
Corporate Collections Adjustment	(60.0)
Nonwithholding Collar with 1% GF Limit	<u>(181.9)</u>
Total	(\$276.9)
<u>Technical Revisions</u>	
Remove MCI Revenues from Prisons	(2.6)
Adjust Federal TOPS Revenue Stream	(4.3)
Unwind NGF Interest Adjustment	(11.0)
Sale of Property	<u>(30.0)</u>
Total	(\$47.9)
Total Revenue Adjustments	\$588.3
Transfers Per Appropriations Act	<u>4.4</u>
December Forecast Revision	\$592.7

Note: numbers may not add due to rounding.

The December General Fund Revenue Forecast For Fiscal Year 2016...

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

Major Source	As a % of Total General Fund	Fiscal Year 2016			% Growth Over FY15		
		Official	December	Change	Official	December	
Withholding	60.9%	\$11,275.1	\$11,501.6	\$226.5	2.1 %	4.1	%
Nonwithholding	16.4	2,785.2	3,099.0	313.8	(8.4)	1.9	
Refunds	(9.7)	(1,840.6)	(1,822.6)	18.0	4.7	3.7	
Net Individual	67.7%	\$12,219.7	\$12,778.0	\$558.3	(0.9)	3.6	
Sales	18.0%	\$3,323.1	\$3,397.7	\$74.6	2.7	5.0	
Corporate	4.0	820.7	752.8	(67.9)	(1.3)	(9.5)	
Wills (Recordation)	2.0	318.3	373.0	54.7	(8.1)	7.7	
Insurance	1.7	326.8	317.7	(9.1)	8.7	5.7	
All Other Revenue	3.7	712.1	689.7	(22.4)	2.8	(0.4)	
Total Revenue	97.0%	\$17,720.7	\$18,308.9	\$588.3	(0.1) %	3.2	%
A.B.C. Profits	0.4	\$80.2	\$80.2	\$0.0	(3.7) %	(3.7)	%
Sales Tax (0.375%)	2.0	362.9	370.0	7.1	3.0	5.0	
Transfers Per Act	0.6	121.4	118.7	(2.7)	(38.7)	(40.1)	
Total Transfers	3.0%	\$564.5	\$568.9	\$4.4	(10.9) %	(10.3)	%
TOTAL GENERAL FUND	100.0%	\$18,285.2	\$18,877.8	\$592.7	(0.5) %	2.8	%

- Total general fund resources, including revenues and transfers, are \$592.7 million above the official forecast for fiscal year 2016.

The December General Fund Revenue Forecast...

Decomposition of the December Revenue Forecast

Fiscal Years 2017 and 2018

(millions of dollars)

	FY17	FY18	2017-18 Biennium
<u>GACRE Revenue Forecast</u>	\$19,201.1	\$19,911.0	\$39,112.1
Total Revenue Growth: GACRE	3.0%	3.7%	
<u>Post GACRE Adjustments</u>			
Withholding Collections Adjustment	(35.0)	0.0	(35.0)
Corporate Collections Adjustment	(30.0)	(30.0)	(60.0)
Nonwithholding Collar with 1% GF Limit	<u>(188.2)</u>	<u>(194.3)</u>	<u>(382.5)</u>
Total	(253.2)	(224.3)	(477.5)
<u>Policy Adjustments</u>			
Accelerated Sales Tax (Additional Relief)	(36.7)	(27.0)	(63.7)
Personal Income Exemption Increase	(13.9)	(28.1)	(42.0)
Corporate Rate Reduction to 5.75%	(17.2)	(46.5)	(63.7)
Increase Angel Investor Credit	(4.0)	(4.0)	(8.0)
Increase Neighborhood Asst. Credit	(5.0)	(5.0)	(10.0)
Increase Existing R&D Credit		(1.0)	(1.0)
Large Company R&D Credit		(15.0)	(15.0)
ABLE Accounts Tax Credit	(0.2)	(0.5)	(0.7)
Food Bank Tax Credit	<u>(0.2)</u>	<u>(0.3)</u>	<u>(0.5)</u>
Total	(77.2)	(127.4)	(204.6)
<u>Technical Revisions</u>			
Remove MCI Revenues from Prisons	(2.6)	(2.6)	(5.2)
Adjust Federal TOPS Revenue Stream	(0.3)	(0.8)	(1.1)
Unwind NGF Interest Adjustment	(11.1)	(11.1)	(22.2)
TAX Enhanced Refund Review	3.2	5.2	8.4
TAX Enhanced Tobacco Sales Tax	<u>0.4</u>	<u>1.5</u>	<u>1.9</u>
Total	(10.4)	(7.8)	(18.2)
Total General Fund Revenues	\$ 18,860.3	\$ 19,551.4	\$ 38,411.7
Total Revenue Growth: December	3.0%	3.7%	

Note: numbers may not add due to rounding.

Summary of the December Standard General Fund Forecast: Fiscal Years 2017-2018 (millions of dollars)...

	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 16-18
Withholding	11,944.7	3.9	12,382.1	3.7	24,326.8	7.9
Nonwithholding	3,156.8	1.9	3,384.3	7.2	6,541.1	6.5
Refunds	<u>(1,939.1)</u>	<u>6.4</u>	<u>(2,013.2)</u>	<u>3.8</u>	<u>(3,952.3)</u>	<u>10.4</u>
Net Individual	13,162.4	3.0	13,753.2	4.5	26,915.6	7.2
State Sales & Use Tax	3,528.9	3.9	3,663.1	3.8	7,191.9	8.4
Corporate Income	\$ 778.0	3.3 %	\$ 724.9	(6.8) %	\$ 1,502.9	(5.2) %
Wills (Recordation)	379.4	1.7	379.4	0.0	758.8	5.5
Insurance	330.6	4.0	345.3	4.5	675.9	9.3
All Other Revenue	<u>\$ 681.1</u>	<u>(1.2) %</u>	<u>\$ 685.5</u>	<u>0.6 %</u>	<u>\$ 1,366.6</u>	<u>(1.1) %</u>
Total Revenue	\$18,860.3	3.0 %	\$19,551.4	3.7 %	38,411.7	6.6 %
A.B.C. Profits	\$ 78.9	(1.6) %	\$ 79.5	0.8 %	\$ 158.4	(3.1) %
Sales Tax (0.375%)	388.2	4.9	401.7	3.5	789.9	9.3
Transfers Per Act	<u>103.0</u>	<u>(13.2)</u>	<u>103.0</u>	<u>0.0</u>	<u>206.0</u>	<u>(35.0)</u>
Total Transfers	\$ 570.1	0.2 %	\$ 584.2	2.5 %	\$ 1,154.3	(4.0) %
TOTAL GENERAL FUND	\$ 19,430.4	2.9 %	\$ 20,135.6	3.6 %	\$ 39,566.0	6.2 %

- Total general fund revenue is expected to grow 3.0 percent in fiscal year 2017 and 3.7 percent in fiscal year 2018.

Fiscal Year 2016 Year-to-Date Revenue Collections Through November...

November Year-to-Date Collections and FY16 December Forecast Percent Growth over Prior Year

<u>Major Source</u>	<u>As a % of Total Revenues</u>	<u>YTD Actual</u>	<u>Annual Estimate</u>	<u>Variance</u>	<u>Dec-Jun Req'd to Meet Est.</u>	<u>Prior Year Dec-Jun</u>
Withholding	62.8 %	2.0 %	4.1 %	(2.1) %	5.5 %	6.1 %
Nonwithholding	16.9	5.7	1.9	3.8	1.0	21.9
Refunds	(10.0)	1.8	3.7	(1.9)	4.0	0.0
Net Individual	69.8	2.4	3.6	(1.2)	4.4	12.1
Sales	18.6	0.6	5.0	(4.4)	7.7	6.5
Corporate	4.1	(30.1)	(9.5)	(20.6)	(3.0)	7.2
Wills (Recordation)	2.0	9.6	7.7	1.9	6.4	23.8
Insurance	1.7	n/a	5.7	n/a	5.7	(6.2)
All Other Revenue	3.8	3.6	(0.4)	4.0	(2.4)	(1.3)
Total	100.0 %	1.3 %	3.2 %	(1.9) %	4.4 %	9.8 %
Sales (x AST)		4.5 %	5.0 %	(0.5) %	5.3 %	6.2 %
Total (x AST)		2.1 %	3.2 %	(1.1) %	3.9 %	9.7 %

- In November, total revenues grew 5.2 percent
 - Payroll withholding grew 2.9 percent and net income tax revenue increased by 2.1 percent.
 - Sales tax increased by 12.1 percent.
 - Wills increased by 9.2 percent.
- Total revenues grew 1.3 percent through November, behind the December estimate of 3.2 percent – adjusting for the AST program, total revenues grew 2.1 percent, behind the economic-base forecast of 3.2 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 19: 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 2016-2022

Commonwealth Transportation Fund Forecast, FY 2016-2022

Virginia Health Care Fund Forecast, FY 2016-2022

GACRE November Standard Revenue Forecast

GACRE November Alternative Revenue Forecast

Growth in General Fund Revenues, FY 1961-2018

Nongeneral Fund Forecast, FY 2016-2022

November 2015 Revenue Report

Fiscal Years 2013-2018 Official, November Standard and Alternative 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	Official (Nov '14)	2.0	2.5	2.5	2.4	3.1	2.8
	Nov Standard	1.4	2.1	2.7	2.4	3.0	2.7
	Nov Alternate			2.7	1.6	1.3	2.6
Total Personal Income	Official (Nov '14)	4.0	2.7	4.5	4.5	5.4	5.4
	Nov Standard	3.5	2.3	4.6	4.2	4.9	5.4
	Nov Alternate			4.6	3.8	3.0	4.5
Wages and Salaries (50%)	Official (Nov '14)	3.9	3.6	5.0	4.7	5.0	5.1
	Nov Standard	3.8	3.7	4.9	4.0	5.2	5.2
	Nov Alternate			4.9	3.4	3.0	4.4
Average Wage	Official (Nov '14)	2.3	1.8	3.0	3.1	3.6	4.0
	Nov Standard	2.2	1.9	2.7	2.2	3.7	3.8
	Nov Alternate			2.7	1.9	2.7	3.5
Real Consumer Spending	Official (Nov '14)	2.1	2.4	2.4	2.9	3.1	2.9
	Nov Standard	1.4	2.1	3.2	3.1	3.1	2.9
	Nov Alternate			3.2	2.7	2.1	2.6
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Nov '14)	0.1	0.0	0.1	0.9	2.5	3.5
	Nov Standard	0.1	0.0	0.0	0.3	1.3	2.3
	Nov Alternate			0.0	0.0	0.1	0.3
30-Year Treasury Bonds	Official (Nov '14)	3.0	3.7	3.4	4.1	4.4	4.6
	Nov Standard	3.0	3.7	2.9	3.1	3.4	3.6
	Nov Alternate			2.9	2.9	2.7	2.8
<u>Prices (% Change)</u>							
CPI	Official (Nov '14)	1.7	1.6	1.2	1.3	1.8	2.3
	Nov Standard	1.7	1.6	0.7	0.5	2.3	2.6
	Nov Alternate			0.7	0.3	1.8	2.8
GDP Deflator	Official (Nov '14)	1.7	1.5	1.7	1.8	1.8	1.9
	Nov Standard	1.8	1.6	1.3	1.4	2.0	2.1
	Nov Alternate			1.3	1.3	1.6	2.1

The Official forecast for FY15 - FY18 is IHS Economics November 2014 U.S. standard scenario.

The Nov Standard forecast is IHS Economics November 2015 U.S. standard forecast.

The Nov Alternate forecast is IHS Economics November 2015 U.S. alternative scenario.

Fiscal Years 2013-2018 Official, November Standard and Alternative 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	Official (Nov '14)	1.6	1.7	1.9	1.6	1.4	1.0
	Nov Standard	1.6	1.8	2.1	1.8	1.5	1.3
	Nov Alternate			2.1	1.5	0.3	0.9
Construction (4%)	Official (Nov '14)	2.4	3.2	4.0	6.2	6.8	6.1
	Nov Standard	2.4	4.4	4.8	2.9	5.6	4.8
	Nov Alternate			4.8	2.5	3.3	2.5
Manufacturing (9%)	Official (Nov '14)	1.2	0.6	1.1	0.9	0.2	0.2
	Nov Standard	1.2	0.9	1.6	0.1	1.0	1.1
	Nov Alternate			1.6	(0.3)	(0.7)	1.3
Trade, Transportation, and Utilities (19%)	Official (Nov '14)	1.3	2.0	1.8	1.2	0.9	0.6
	Nov Standard	1.3	1.9	2.1	1.6	1.0	0.7
	Nov Alternate			2.1	1.5	(0.1)	0.4
Financial Activities (6%)	Official (Nov '14)	1.2	1.0	1.3	(0.1)	(0.4)	(1.4)
	Nov Standard	1.3	1.2	1.7	1.5	(0.6)	(1.2)
	Nov Alternate			1.7	0.6	(1.6)	(1.3)
Professional and Business Services (14%)	Official (Nov '14)	3.4	3.7	3.9	3.9	3.7	1.6
	Nov Standard	3.3	3.1	3.4	3.1	4.1	3.0
	Nov Alternate			3.4	1.7	0.3	3.9
Education and Health Services (15%)	Official (Nov '14)	2.1	1.8	2.1	1.6	1.3	0.7
	Nov Standard	2.1	1.7	2.3	2.7	1.7	1.1
	Nov Alternate			2.3	2.7	2.0	1.1
Leisure and Hospitality (10%)	Official (Nov '14)	3.2	3.2	2.4	1.7	0.4	1.7
	Nov Standard	3.2	3.4	3.1	2.7	1.1	1.4
	Nov Alternate			3.1	2.9	1.0	0.6
Government (16%)	Official (Nov '14)	(0.4)	(0.1)	0.3	0.4	0.7	1.1
	Nov Standard	(0.4)	(0.2)	0.3	0.8	0.4	1.0
	Nov Alternate			0.3	0.8	(0.4)	(0.3)
Unemployment Rate (%)	Official (Nov '14)	7.8	6.8	5.8	5.6	5.4	5.3
	Nov Standard	7.8	6.8	5.7	5.1	5.0	5.0
	Nov Alternate			5.7	5.3	5.9	5.9

The Official forecast for FY15 - FY18 is IHS Economics November 2014 U.S. standard scenario.

The Nov Standard forecast is IHS Economics November 2015 U.S. standard forecast.

The Nov Alternate forecast is IHS Economics November 2015 U.S. alternative scenario.

Fiscal Years 2013-2018 Official, November Standard and Alternative 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	Official (Nov '14)	3.3	1.4	3.7	3.8	4.8	5.0
	Nov Standard	2.8	1.3	3.9	3.7	3.8	4.2
	Nov Alternate			3.9	3.4	2.4	3.3
Wages and Salaries (52%)	Official (Nov '14)	2.9	0.9	3.4	3.5	4.6	4.2
	Nov Standard	2.5	0.7	3.0	3.9	4.3	4.0
	Nov Alternate			3.0	3.5	2.9	3.4
Average Wage	Official (Nov '14)	1.8	0.3	2.5	2.0	2.8	3.0
	Nov Standard	1.4	0.3	2.2	2.4	2.9	3.0
	Nov Alternate			2.2	2.3	2.6	2.7
Dividends, Interest, and Rent (21%)	Official (Nov '14)	7.6	2.0	3.3	4.5	6.9	7.4
	Nov Standard	6.5	0.7	3.7	5.6	4.3	6.3
	Nov Alternate			3.7	4.9	(0.8)	2.3
Supplements to Wages and Salaries (12%)	Official (Nov '14)	3.1	1.9	3.1	7.0	5.6	6.9
	Nov Standard	3.2	2.1	1.9	1.3	3.5	4.4
	Nov Alternate			1.9	2.1	5.8	5.5
Proprietor's Income (7%)	Official (Nov '14)	8.0	4.4	4.2	0.7	(0.2)	(0.7)
	Nov Standard	5.5	2.4	7.2	3.7	2.1	3.7
	Nov Alternate			7.2	3.4	2.2	5.0
Net Transfer Payments (5%)	Official (Nov '14)	(5.4)	(0.4)	3.8	0.8	3.6	6.8
	Nov Standard	(7.2)	(2.0)	8.5	3.1	0.8	0.2
	Nov Alternate			8.5	3.8	2.6	(0.1)

The Official forecast for FY13-18 is based on IHS Economics November 2014 U.S. standard forecast and as recommended by JABE and GACRE.

The Nov Standard forecast from the Department of Taxation is based on IHS Economics November 2015 U.S. standard forecast.

The Nov Alternate forecast from the Department of Taxation is based on IHS Economics November 2015 U.S. alternative scenario.

Fiscal Years 2013-2018 Official, November Standard and Alternative 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	Official (Nov '14)	1.0	0.6	0.9	1.4	1.8	1.2
	Nov Standard	1.0	0.4	0.8	1.5	1.3	1.0
	Nov Alternate			0.8	1.2	0.3	0.7
Construction and Mining (5%)	Official (Nov '14)	(1.0)	(0.8)	2.1	3.5	5.4	2.4
	Nov Standard	(0.6)	(0.6)	2.0	3.0	4.0	3.5
	Nov Alternate			2.0	2.6	1.4	1.1
Manufacturing (6%)	Official (Nov '14)	(0.1)	0.2	0.3	1.3	1.2	0.4
	Nov Standard	(0.1)	(0.1)	0.4	0.5	1.3	1.4
	Nov Alternate			0.4	(0.1)	(0.8)	1.6
Trade, Transportation, and Utilities (17%)	Official (Nov '14)	0.5	1.8	0.8	0.6	1.0	0.6
	Nov Standard	0.5	1.1	1.0	0.9	0.6	0.0
	Nov Alternate			1.0	0.8	(0.5)	(0.1)
Financial Activities (5%)	Official (Nov '14)	3.0	1.6	1.5	(0.1)	(0.7)	(1.6)
	Nov Standard	3.0	1.2	1.3	1.9	(0.7)	(1.6)
	Nov Alternate			1.3	0.8	(2.0)	(1.6)
Professional and Business Services (18%)	Official (Nov '14)	1.3	(1.2)	0.8	3.0	2.8	1.9
	Nov Standard	1.3	(0.8)	0.7	2.7	3.2	2.3
	Nov Alternate			0.7	1.6	0.2	2.6
Education and Health Services (13%)	Official (Nov '14)	3.0	2.4	1.4	2.0	2.6	2.4
	Nov Standard	2.9	1.7	1.5	2.1	1.9	1.3
	Nov Alternate			1.5	2.1	2.3	1.2
Leisure and Hospitality (10%)	Official (Nov '14)	2.5	1.4	2.2	0.9	1.2	1.2
	Nov Standard	2.4	1.6	0.5	1.7	0.9	1.1
	Nov Alternate			0.5	1.9	0.8	0.5
Government (19%)	Official (Nov '14)	(0.2)	(0.1)	0.1	1.1	1.5	0.5
	Nov Standard	(0.2)	(0.5)	0.2	0.2	0.7	0.5
	Nov Alternate			0.2	0.2	0.6	0.5
Unemployment Rate (%)	Official (Nov '14)	5.7	5.2	5.0	4.9	4.8	4.7
	Nov Standard	5.7	5.4	4.9	4.6	4.3	4.0
	Nov Alternate			4.9	4.8	4.9	4.7

The Official forecast for FY13-18 is based on IHS Economics November 2014 U.S. standard forecast and as recommended by JABE and GACRE.

The Nov Standard forecast from the Department of Taxation is based on IHS Economics November 2015 U.S. standard forecast.

The Nov Alternate forecast from the Department of Taxation is based on IHS Economics November 2015 U.S. alternative scenario.

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

December 17, 2015

	Fiscal Year 2016					2014-2016 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY 15 Official	December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 820.7	\$ 752.8	\$ (67.9)	(1.3) %	(9.5) %	\$ 1,652.6	\$ 1,584.7	\$ (67.9)
Individual Income Tax:								
Gross	14,060.3	14,600.6	540.3	(0.2)	3.7	28,146.3	28,686.6	540.3
Withholding	11,275.1	11,501.6	226.5	2.1	4.1	22,319.4	22,545.9	226.5
Nonwithholding	2,785.2	3,099.0	313.8	(8.4)	1.9	5,826.8	6,140.6	313.8
Refunds	<u>(1,840.6)</u>	<u>(1,822.6)</u>	<u>18.0</u>	<u>4.7</u>	<u>3.7</u>	<u>(3,597.9)</u>	<u>(3,579.9)</u>	<u>18.0</u>
Net	12,219.7	12,778.0	558.3	(0.9)	3.6	24,548.4	25,106.7	558.3
Insurance Company Premiums	326.8	317.7	(9.1)	8.7	5.7	627.4	618.3	(9.1)
State Sales & Use Tax	3,323.1	3,397.7	74.6	2.7	5.0	6,558.5	6,633.2	74.6
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>373.0</u>	<u>54.7</u>	<u>(8.1)</u>	<u>7.7</u>	<u>664.6</u>	<u>719.3</u>	<u>54.7</u>
Total Major Tax Sources	\$ 17,008.6	\$ 17,619.2	\$ 610.7	(0.2) %	3.4 %	\$ 34,051.5	\$ 34,662.2	\$ 610.7
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 166.1	\$ 166.1	\$ 0.0	0.1 %	0.1 %	\$ 332.1	\$ 332.1	\$ 0.0
Bank Franchise Tax	20.5	20.7	0.2	7.8	8.8	39.5	39.7	0.2
Beer & Beverage Excise Tax	41.8	41.8	0.0	(0.1)	(0.1)	83.7	83.7	0.0
Corporate Franchise & Charter Fees	47.3	48.6	1.3	(2.6)	0.1	95.9	97.2	1.3
Excess & Other Fees from Officers	(8.9)	(6.8)	2.1	(31.3)	(0.3)	(15.7)	(13.6)	2.1
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.1	0.1	n/a
Institutional Revenues	5.5	7.3	1.8	(25.4)	(1.0)	12.9	14.7	1.8
Interest & Rents	65.9	46.3	(19.6)	34.4	(5.6)	114.9	95.3	(19.6)
Licenses & Permits	4.0	4.0	0.0	(1.5)	(1.5)	8.1	8.1	0.0
Miscellaneous Taxes and Penalties	212.0	232.0	20.0	(8.7)	(0.1)	444.2	464.2	20.0
Other Miscellaneous Revenues	61.1	30.8	(30.3)	86.4	(6.0)	93.9	63.6	(30.3)
Public Service GR / Consumption Tax	<u>96.8</u>	<u>98.9</u>	<u>2.1</u>	<u>(1.8)</u>	<u>0.4</u>	<u>195.3</u>	<u>197.4</u>	<u>2.1</u>
Total Misc. Taxes and Other Revenues	\$ 712.1	\$ 689.7	\$ (22.4)	2.8 %	(0.4) %	\$ 1,404.8	\$ 1,382.4	\$ (22.4)
TOTAL GF REVENUES	\$ 17,720.7	\$ 18,308.9	\$ 588.3	(0.1) %	3.2 %	\$ 35,456.3	\$ 36,044.6	\$ 588.3
TRANSFERS								
A.B.C. Profits	\$ 80.2	\$ 80.2	\$ 0.0	(3.7) %	(3.7) %	\$ 163.5	\$ 163.5	\$ 0.0
Sales Tax (0.375%)	362.9	370.0	7.1	3.0	5.0	715.3	722.4	7.1
Transfers Per Appropriations Act	<u>121.4</u>	<u>118.7</u>	<u>(2.7)</u>	<u>(38.7)</u>	<u>(40.1)</u>	<u>319.6</u>	<u>316.9</u>	<u>(2.7)</u>
Total Transfers	\$ 564.5	\$ 568.9	\$ 4.4	(10.9) %	(10.3) %	\$ 1,198.4	\$ 1,202.8	\$ 4.4
TOTAL GENERAL FUND	\$ 18,285.2	\$ 18,877.8	\$ 592.7	(0.5) %	2.8 %	\$ 36,654.7	\$ 37,247.4	\$ 592.7

The Official forecast is based on the November 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2015 General Assembly Session -- Chapter 665.

The December forecast is based on the November 2015 IHS Economics US Standard outlook and includes recommendations from GACRE. The forecast also includes policy recommendations from the Governor including a collar in individual nonwithholding as it relates to one percent of total revenues.

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

December 17, 2015

	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	\$ 778.0	3.3 %	\$ 724.9	(6.8) %	\$ 1,502.9	(5.2) %
Individual Income Tax:						
Gross	15,101.5	3.4	15,766.4	4.4	30,867.9	7.6
Withholding	11,944.7	3.9	12,382.1	3.7	24,326.8	7.9
Nonwithholding	3,156.8	1.9	3,384.3	7.2	6,541.1	6.5
Refunds	<u>(1,939.1)</u>	6.4	<u>(2,013.2)</u>	<u>3.8</u>	<u>(3,952.3)</u>	<u>10.4</u>
Net	13,162.4	3.0	13,753.2	4.5	26,915.6	7.2
Insurance Company Premiums	330.6	4.0	345.3	4.5	675.9	9.3
State Sales & Use Tax	3,528.9	3.9	3,663.1	3.8	7,191.9	8.4
Wills, Suits, Deeds, & Contract Fees	<u>379.4</u>	<u>1.7</u>	<u>379.4</u>	<u>0.0</u>	<u>758.8</u>	<u>5.5</u>
Total Major Tax Sources	\$ 18,179.2	3.2 %	\$ 18,865.9	3.8 %	\$ 37,045.1	6.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 169.6	2.1 %	\$ 173.2	2.1 %	\$ 342.8	3.2 %
Bank Franchise Tax	18.7	(9.7)	18.7	0.0	37.4	(5.8)
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	(0.1)
Corporate Franchise & Charter Fees	45.6	(6.2)	45.6	0.0	91.2	(6.1)
Excess & Other Fees from Officers	(6.8)	0.0	(6.8)	0.0	(13.6)	0.2
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	7.3	0.0	7.3	0.0	14.6	(0.5)
Interest & Rents	40.2	(13.2)	40.2	0.0	80.4	(15.7)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	(0.7)
Miscellaneous Taxes and Penalties	233.8	0.8	234.7	0.4	468.5	0.9
Other Miscellaneous Revenues	28.0	(9.1)	27.9	(0.4)	55.9	(12.1)
Public Service GR / Consumption Tax	<u>98.9</u>	<u>0.0</u>	<u>98.9</u>	<u>0.0</u>	<u>197.8</u>	<u>0.2</u>
Total Misc. Taxes and Other Revenues	\$ 681.1	(1.2) %	\$ 685.5	0.6 %	\$ 1,366.6	(1.1) %
TOTAL GF REVENUES	\$ 18,860.3	3.0 %	\$ 19,551.4	3.7 %	\$ 38,411.7	6.6 %
TRANSFERS						
A.B.C. Profits	\$ 78.9	(1.6) %	\$ 79.5	0.8 %	\$ 158.4	(3.1) %
Sales Tax (0.375%)	388.2	4.9	401.7	3.5	789.9	9.3
Transfers Per Appropriations Act	<u>103.0</u>	<u>(13.2)</u>	<u>103.0</u>	<u>0.0</u>	<u>206.0</u>	<u>(35.0)</u>
Total Transfers	\$ 570.1	0.2 %	\$ 584.2	2.5 %	\$ 1,154.3	(4.0) %
TOTAL GENERAL FUND	\$ 19,430.4	2.9 %	\$ 20,135.6	3.6 %	\$ 39,566.0	6.2 %

The December forecast is based on the November 2015 IHS Economics US Standard outlook and includes recommendations from GACRE. The forecast also includes policy recommendations from the Governor including a collar in individual nonwithholding as it relates to one percent of total revenues.

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

December 17, 2015

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
MAJOR TAX SOURCES				
Corporate Income	\$ 728.0	\$ 732.5	\$ 743.3	\$ 761.8
Individual Income Tax:				
Gross	16,505.4	17,294.8	18,118.9	18,947.5
Withholding	12,940.1	13,543.2	14,179.0	14,834.2
Nonwithholding	3,565.3	3,751.6	3,939.9	4,113.3
Refunds	<u>(2,091.0)</u>	<u>(2,181.4)</u>	<u>(2,273.7)</u>	<u>(2,374.0)</u>
Net	14,414.4	15,113.4	15,845.2	16,573.5
Insurance Company Premiums	359.1	372.9	388.6	403.8
State Sales & Use Tax	3,805.9	3,950.6	4,100.7	4,252.4
Wills, Suits, Deeds, & Contract Fees	<u>379.4</u>	<u>379.4</u>	<u>379.4</u>	<u>379.4</u>
Total Major Tax Sources	\$ 19,686.9	\$ 20,548.8	\$ 21,457.2	\$ 22,370.9
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 176.9	\$ 176.9	\$ 176.9	\$ 176.9
Bank Franchise Tax	20.7	20.7	20.7	20.7
Beer & Beverage Excise Tax	41.8	41.8	41.8	41.8
Corporate Franchise & Charter Fees	48.6	48.6	48.6	48.6
Excess & Other Fees from Officers	(6.8)	(6.8)	(6.8)	(6.8)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	7.3	7.3	7.3	7.3
Interest & Rents	46.3	46.3	46.3	46.3
Licenses & Permits	4.0	4.0	4.0	4.0
Miscellaneous Taxes and Penalties	235.4	236.1	236.8	237.6
Other Miscellaneous Revenues	30.6	30.6	30.6	30.6
Public Service GR / Consumption Tax	<u>98.9</u>	<u>98.9</u>	<u>98.9</u>	<u>98.9</u>
Total Misc. Taxes and Other Revenues	\$ 703.7	\$ 704.4	\$ 705.1	\$ 705.9
TOTAL GF REVENUES	\$ 20,390.6	\$ 21,253.2	\$ 22,162.3	\$ 23,076.8
TRANSFERS				
A.B.C. Profits	\$ 80.0	\$ 80.0	\$ 80.0	\$ 80.0
Sales Tax (0.375%)	417.4	433.3	449.7	466.4
Transfers Per Appropriations Act	<u>103.0</u>	<u>103.0</u>	<u>103.0</u>	<u>103.0</u>
Total Transfers	\$ 600.4	\$ 616.3	\$ 632.7	\$ 649.4
TOTAL GENERAL FUND	\$ <u>20,991.0</u>	\$ <u>21,869.5</u>	\$ <u>22,795.0</u>	\$ <u>23,726.2</u>
\$ Change From Previous Year	\$ 855.4	\$ 878.5	\$ 925.5	\$ 931.2
TOTAL BIENNIUM GENERAL FUND		\$ 42,860.5		\$ 46,521.2
\$ Change From Previous Biennium		\$ 3,294.5		\$ 3,660.7
% Growth From Previous Biennium		8.3		8.5 %

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

December 17, 2015

	<u>FY 19</u> <u>% Growth</u> <u>Over FY 18</u>	<u>FY 20</u> <u>% Growth</u> <u>Over FY 19</u>	<u>FY 21</u> <u>% Growth</u> <u>Over FY 20</u>	<u>FY 22</u> <u>% Growth</u> <u>Over FY 21</u>
MAJOR TAX SOURCES				
Corporate Income	0.4 %	0.6 %	1.5 %	2.5 %
Individual Income Tax:				
Gross	4.7	4.8	4.8	4.6
Withholding	4.5	4.7	4.7	4.6
Nonwithholding	5.3	5.2	5.0	4.4
Refunds	<u>3.9</u>	<u>4.3</u>	<u>4.2</u>	<u>4.4</u>
Net	4.8	4.8	4.8	4.6
Insurance Company Premiums	4.0	3.8	4.2	3.9
State Sales & Use Tax	3.9	3.8	3.8	3.7
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	4.4 %	4.4 %	4.4 %	4.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	2.1 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	10.7	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	6.6	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	15.2	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.3	0.3	0.3	0.3
Other Miscellaneous Revenues	9.7	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	2.7 %	0.1 %	0.1 %	0.1 %
TOTAL GF REVENUES	4.3 %	4.2 %	4.3 %	4.1 %
TRANSFERS				
A.B.C. Profits	0.6 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	3.9	3.8	3.8	3.7
Transfers Per Appropriations Act	<u>(0.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	2.8 %	2.6 %	2.7 %	2.6 %
TOTAL GENERAL FUND	<u>4.2 %</u>	<u>4.2 %</u>	<u>4.2 %</u>	<u>4.1 %</u>

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

December 17, 2015

	Fiscal Year 2015		Fiscal Year 2016				
	Actual	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 15 Official	December
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 576.4	9.3 %	\$ 678.5	\$ 706.0	\$ 27.5	17.7 %	22.5 %
Road Tax	(1.8)	(460.0)	0.6	(0.1)	(0.7)	(133.3)	(94.4)
Motor Vehicle Sales And Use Tax	638.6	9.9	628.3	669.0	40.7	(1.6)	4.8
Motor Vehicle License Fees	223.3	(1.9)	222.7	222.7	0.0	(0.3)	(0.3)
Retail Sales and Use Tax	277.9	45.3	281.7	282.8	1.1	1.4	1.8
International Registration Plan	66.0	10.7	60.4	66.4	6.0	(8.5)	0.6
Recordation Tax (1 cent)	14.0	12.0	12.7	14.9	2.2	(9.3)	6.4
Miscellaneous	18.3	5.8	15.7	17.0	1.3	(14.2)	(7.1)
Total State Taxes and Fees	\$ 1,812.7	12.1 %	\$ 1,900.6	\$ 1,978.7	\$ 78.1	4.8 %	9.2 %
Transportation Trust Fund							
Motor Fuels Tax	\$ 138.7	13.3 %	\$ 161.2	\$ 167.7	\$ 6.5	16.2 %	20.9 %
Insurance Premiums Tax (1/3)	150.4	15.0	157.0	150.3	(6.7)	4.4	(0.1)
Road Tax	7.5	(6.3)	7.9	8.0	0.1	5.3	6.7
Motor Vehicle Sales And Use Tax	215.9	4.1	211.7	224.8	13.1	(1.9)	4.1
Motor Vehicle License Fees	21.8	0.5	21.9	21.7	(0.2)	0.5	(0.5)
Retail Sales and Use Tax	717.0	13.6	725.6	732.4	6.8	1.2	2.1
Recordation Tax (2 cents)	28.0	12.4	25.2	29.7	4.5	(10.0)	6.1
Interest Earnings	7.5	4.2	14.8	13.6	(1.2)	97.3	81.3
Rental Tax	35.9	7.8	35.6	37.9	2.3	(0.8)	5.6
Aviation Fuels Tax	1.8	(10.0)	2.0	1.9	(0.1)	11.1	5.6
Total State Taxes and Fees	\$ 1,324.5	11.4 %	\$ 1,362.9	\$ 1,388.0	\$ 25.1	2.9 %	4.8 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 715.1	10.1 %	\$ 839.7	\$ 873.7	\$ 34.0	17.4 %	22.2 %
Insurance Premiums Tax (1/3)	150.4	15.0	157.0	150.3	(6.7)	4.4	(0.1)
Road Tax	5.7	(32.9)	8.5	7.9	(0.6)	49.1	38.6
Motor Vehicle Sales and Use Tax	854.5	8.4	840.0	893.8	53.8	(1.7)	4.6
Motor Vehicle License Fees	245.1	(1.7)	244.6	244.4	(0.2)	(0.2)	(0.3)
International Registration Plan	66.0	10.7	60.4	66.4	6.0	(8.5)	0.6
Retail Sales and Use Tax	994.9	20.9	1,007.3	1,015.2	7.9	1.2	2.0
Recordation Tax (3 cents)	42.0	12.3	37.9	44.6	6.7	(9.8)	6.2
Interest Earnings	7.5	4.2	14.8	13.6	(1.2)	97.3	81.3
Rental Tax	35.9	7.8	35.6	37.9	2.3	(0.8)	5.6
Aviation Fuels Tax	1.8	(10.0)	2.0	1.9	(0.1)	11.1	5.6
Miscellaneous	18.3	5.8	15.7	17.0	1.3	(14.2)	(7.1)
Total State Taxes and Fees	\$ 3,137.2	11.8 %	\$ 3,263.5	\$ 3,366.7	\$ 103.2	4.0 %	7.3 %
Transfers per the Appropriations Act							
Retail Sales Tax - AST (TTF)	21.7	0.0	0.0	0.0	0.0	(100.0)	(100.0)
Total Transfers	\$ 21.7	0.0	\$ 0.0	\$ 0.0	\$ 0.0	(100.0)	(100.0) %
Total Transportation Fund	\$ 3,158.9	11.7	\$ 3,263.5	\$ 3,366.7	\$ 103.2	3.3 %	6.6 %

The Official forecast is based on the November 2014 IHS Economics Pessimistic Plus outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2015 session of the General Assembly.
The December forecast is based on the November 2015 IHS Economics Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

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

December 17, 2015

	Fiscal Year 2017					
	Official Forecast	December Forecast	Change	% Growth over FY 16		
				Official	December	
Highway Maintenance & Operating Fund						
Motor Fuels Tax	\$ 685.5	\$ 716.8	\$ 31.3	1.0 %	1.5 %	
Road Tax	0.6	(0.2)	(0.8)	0.0	*	
Motor Vehicle Sales And Use Tax	643.2	696.9	53.7	2.4	4.2	
Motor Vehicle License Fees	224.7	224.8	0.1	0.9	0.9	
Retail Sales and Use Tax	296.7	293.3	(3.4)	5.3	3.7	
International Registration Plan	60.6	61.7	1.1	0.3	(7.1)	
Recordation Tax (1 cent)	12.7	0.0	(12.7)	0.0	(100.0)	
Miscellaneous	15.7	17.0	1.3	0.0	0.0	
Total State Taxes and Fees (HMOF)	\$ 1,939.7	\$ 2,010.3	\$ 70.6	2.1 %	1.6 %	
Transportation Trust Fund						
Motor Fuels Tax	\$ 162.8	\$ 170.1	\$ 7.3	1.0 %	1.4 %	
Insurance Premiums Tax (1/3)	162.8	156.0	(6.8)	3.7	3.8	
Road Tax	7.8	8.1	0.3	(1.3)	1.3	
Motor Vehicle Sales And Use Tax	213.3	230.3	17.0	0.8	2.4	
Motor Vehicle License Fees	22.3	22.0	(0.3)	1.8	1.4	
Retail Sales and Use Tax	754.6	762.1	7.5	4.0	4.1	
Recordation Tax (2 cents)	25.2	45.4	20.2	0.0	52.9	
Interest Earnings	17.3	12.1	(5.2)	16.9	(11.0)	
Rental Tax	36.1	39.6	3.5	1.4	4.5	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	5.3	
Total State Taxes and Fees (TTF)	\$ 1,404.2	\$ 1,447.7	\$ 43.5	3.0 %	4.3 %	
Total HMOF And TTF						
Motor Fuels Tax	\$ 848.3	\$ 886.9	\$ 38.6	1.0 %	1.5 %	
Insurance Premiums Tax (1/3)	162.8	156.0	(6.8)	3.7	3.8	
Road Tax	8.4	7.9	(0.5)	(1.2)	(0.0)	
Motor Vehicle Sales and Use Tax	856.5	927.2	70.7	2.0	3.7	
Motor Vehicle License Fees	247.0	246.8	(0.2)	1.0	1.0	
International Registration Plan	60.6	61.7	1.1	0.3	(7.1)	
Retail Sales and Use Tax	1,051.3	1,055.4	4.1	4.4	4.0	
Recordation Tax (3 cents)	37.9	45.4	7.5	0.0	1.8	
Interest Earnings	17.3	12.1	(5.2)	16.9	(11.0)	
Rental Tax	36.1	39.6	3.5	1.4	4.5	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	5.3	
Miscellaneous	15.7	17.0	1.3	0.0	0.0	
Total State Taxes and Fees	\$ 3,343.9	\$ 3,458.0	\$ 114.1	2.5 %	2.7 %	
Transfers per the Appropriations Act						
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a	
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %	
Total Transportation Fund	\$ 3,343.9	\$ 3,458.0	\$ 114.1	2.5 %	2.7 %	

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The Official and December Commonwealth Transportation Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

December 17, 2015

	Fiscal Year 2018					
	Official Forecast	December Forecast	Change	% Growth over FY 17		
				Official	December	
Highway Maintenance & Operating Fund						
Motor Fuels Tax	\$ 693.9	\$ 722.9	\$ 29.0	1.2 %	0.9 %	
Road Tax	0.6	(0.3)	(0.9)	0.0	(50.0)	
Motor Vehicle Sales And Use Tax	647.3	707.1	59.8	0.6	1.5	
Motor Vehicle License Fees	223.9	224.5	0.6	(0.4)	(0.1)	
Retail Sales and Use Tax	308.8	307.2	(1.6)	4.1	4.7	
International Registration Plan	60.8	62.8	2.0	0.3	1.8	
Recordation Tax (1 cent)	12.7	0.0	(12.7)	0.0	n/a	
Miscellaneous	15.7	17.0	1.3	0.0	0.0	
Total State Taxes and Fees (HMOF)	\$ 1,963.7	\$ 2,041.2	\$ 77.5	1.2 %	1.5 %	
Transportation Trust Fund						
Motor Fuels Tax	\$ 164.8	\$ 171.7	\$ 6.9	1.2 %	0.9 %	
Insurance Premiums Tax (1/3)	170.7	162.2	(8.5)	4.9	4.0	
Road Tax	8.0	8.1	0.1	2.6	0.0	
Motor Vehicle Sales And Use Tax	214.6	233.6	19.0	0.6	1.4	
Motor Vehicle License Fees	22.1	22.0	(0.1)	(0.9)	0.0	
Retail Sales and Use Tax	785.5	797.0	11.5	4.1	4.6	
Recordation Tax (2 cents)	25.2	45.4	20.2	0.0	0.0	
Interest Earnings	19.0	17.9	(1.1)	9.8	47.9	
Rental Tax	36.7	41.3	4.6	1.7	4.3	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Total State Taxes and Fees (TTF)	\$ 1,448.6	\$ 1,501.2	\$ 52.6	3.2 %	3.7 %	
Total HMOF And TTF						
Motor Fuels Tax	\$ 858.7	\$ 894.6	\$ 35.9	1.2 %	0.9 %	
Insurance Premiums Tax (1/3)	170.7	162.2	(8.5)	4.9	4.0	
Road Tax	8.6	7.8	(0.8)	2.4	(1.3)	
Motor Vehicle Sales and Use Tax	861.9	940.7	78.8	0.6	1.5	
Motor Vehicle License Fees	246.0	246.5	0.5	(0.4)	(0.1)	
International Registration Plan	60.8	62.8	2.0	0.3	1.8	
Retail Sales and Use Tax	1,094.3	1,104.2	9.9	4.1	4.6	
Recordation Tax (3 cents)	37.9	45.4	7.5	0.0	0.0	
Interest Earnings	19.0	17.9	(1.1)	9.8	47.9	
Rental Tax	36.7	41.3	4.6	1.7	4.3	
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0	
Miscellaneous	15.7	17.0	1.3	0.0	0.0	
Total State Taxes and Fees	\$ 3,412.3	\$ 3,542.4	\$ 130.1	2.0 %	2.4 %	
Transfers per the Appropriations Act						
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a	
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %	
Total Transportation Fund	\$ 3,412.3	\$ 3,542.4	\$ 130.1	2.0 %	2.4 %	

The Official forecast is based on the November 2014 IHS Economics Pessimistic Plus outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2015 session of the General Assembly.
The December forecast is based on the November 2015 IHS Economics Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The December Commonwealth Transportation Fund Forecast for Fiscal Years 2019 through 2022
(Dollars in Millions)

December 17, 2015

	Fiscal Years 2019 through 2022							
	FY 19 Forecast	% Growth	FY 20 Forecast	% Growth	FY 21 Forecast	% Growth	FY 22 Forecast	% Growth
Highway Maintenance & Operating Fund								
Motor Fuels Tax	\$ 733.1	1.4	\$ 746.8	1.9	\$ 757.4	1.4	\$ 766.1	1.1
Road Tax	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0	(0.3)	0.0
Motor Vehicle Sales And Use Tax	706.0	(0.2)	697.8	(1.2)	695.4	(0.3)	694.0	(0.2)
Motor Vehicle License Fees	225.1	0.3	225.4	0.1	226.4	0.4	226.2	(0.1)
Retail Sales and Use Tax	318.4	3.6	330.5	3.8	342.9	3.8	355.7	3.7
International Registration Plan	63.2	0.6	63.2	0.0	63.5	0.5	63.8	0.5
Recordation Tax (1 cent)	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a
Miscellaneous	17.0	0.0	17.0	0.0	17.0	0.0	17.0	0.0
Total State Taxes and Fees (HMOF)	\$ 2,062.5	1.0	\$ 2,080.4	0.9%	\$ 2,102.3	1.1%	\$ 2,122.5	1.0%
Transportation Trust Fund								
Motor Fuels Tax	174.1	1.4	177.3	1.8	180.0	1.5	181.9	1.1
Insurance Premiums Tax (1/3)	169.2	4.3	186.9	10.5	194.4	4.0	202.6	4.2
Road Tax	8.3	2.5	8.4	1.2	8.5	1.2	8.6	1.2
Motor Vehicle Sales And Use Tax	233.2	(0.2)	230.6	(1.1)	229.9	(0.3)	229.4	(0.2)
Motor Vehicle License Fees	22.1	0.5	22.1	0.0	22.3	0.9	22.0	(1.3)
Retail Sales and Use Tax	826.3	3.7	857.8	3.8	890.4	3.8	923.2	3.7
Recordation Tax (2 cents)	45.4	0.0	45.4	0.0	45.4	0.0	45.4	0.0
Interest Earnings	17.9	0.0	17.9	0.0	17.9	0.0	17.9	0.0
Rental Tax	42.8	3.6	44.1	3.0	45.6	3.4	47.1	3.3
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)	\$ 1,541.3	2.7	\$ 1,592.5	3.3%	\$ 1,636.4	2.8%	\$ 1,680.1	2.7%
Total HMOF And TTF								
Motor Fuels Tax	907.2	1.4	924.1	1.9	937.4	1.4	948.0	1.1
Insurance Premiums Tax (1/3)	169.2	4.3	186.9	10.5	194.4	4.0	202.6	4.2
Road Tax	8.0	2.6	8.1	1.3	8.2	1.2	8.3	1.2
Motor Vehicle Sales and Use Tax	939.2	(0.2)	928.4	(1.1)	925.3	(0.3)	923.4	(0.2)
Motor Vehicle License Fees	247.2	0.3	247.5	0.1	248.7	0.5	248.2	(0.2)
International Registration Plan	63.2	0.6	63.2	0.0	63.5	0.5	63.8	0.5
Retail Sales and Use Tax	1,144.7	3.7	1,188.3	3.8	1,233.3	3.8	1,278.9	3.7
Recordation Tax (3 cents)	45.4	0.0	45.4	0.0	45.4	0.0	45.4	0.0
Interest Earnings	17.9	0.0	17.9	0.0	17.9	0.0	17.9	0.0
Rental Tax	42.8	3.6	44.1	3.0	45.6	3.4	47.1	3.3
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Miscellaneous	17.0	0.0	17.0	0.0	17.0	0.0	17.0	0.0
Total State Taxes and Fees	\$ 3,603.8	1.7	\$ 3,672.9	1.9%	\$ 3,738.7	1.8%	\$ 3,802.6	1.7%
Transfers per the Appropriations Act								
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a
Total Transfers	\$0.0	n/a	\$0.0	n/a	\$0.0	n/a	\$0.0	n/a
Total Transportation Fund	\$ 3,603.8	1.7	\$ 3,672.9	1.9%	\$ 3,738.7	1.8%	\$ 3,802.6	1.7%

The December forecast is based on the November 2015 IHS Economics Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

Virginia Health Care Fund Forecast

\$ in millions

December 17, 2015

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	159.9	159.9	159.9	159.9	158.3	156.7	155.2	153.6
Other Tobacco Products	<u>18.7</u>	<u>19.1</u>	<u>19.1</u>	<u>19.6</u>	<u>20.1</u>	<u>20.6</u>	<u>21.1</u>	<u>21.6</u>	<u>22.2</u>	<u>22.7</u>
Total Tobacco Taxes	188.2	180.7	179.0	179.5	180.0	180.5	179.4	178.3	177.3	176.3
Medicaid Recoveries:										
Regular Recoveries	70.6	58.8	49.0	54.0	54.3	54.6	54.6	54.6	54.6	54.6
Pharmacy Rebates (Prior Year)	<u>100.7</u>	<u>76.3</u>	<u>70.5</u>	<u>74.0</u>	<u>65.0</u>	<u>65.0</u>	<u>65.0</u>	<u>65.0</u>	<u>65.0</u>	<u>65.0</u>
Total Recoveries	171.3	135.1	119.5	128.0	119.3	119.6	119.6	119.6	119.6	119.6
TOTAL FUND	433.5	364.7	347.0	355.4	347.3	348.1	347.0	345.9	344.9	343.9

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

November 12, 2015

	Fiscal Year 2016					2014-2016 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY 15 Official	November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 820.7	\$ 817.1	\$ (3.6)	(1.3) %	(1.8) %	\$ 1,652.6	\$ 1,649.0	\$ (3.6)
Individual Income Tax:								
Gross	14,060.3	14,817.5	757.2	(0.2)	5.2	28,146.3	28,903.5	757.2
Withholding	11,275.1	11,536.6	261.5	2.1	4.5	22,319.4	22,580.9	261.5
Nonwithholding	2,785.2	3,280.9	495.7	(8.4)	7.9	5,826.8	6,322.5	495.7
Refunds	<u>(1,840.6)</u>	<u>(1,822.6)</u>	<u>18.0</u>	<u>4.7</u>	<u>3.7</u>	<u>(3,597.9)</u>	<u>(3,579.9)</u>	<u>18.0</u>
Net	12,219.7	12,994.9	775.2	(0.9)	5.4	24,548.4	25,323.6	775.2
Insurance Company Premiums	326.8	317.7	(9.1)	8.7	5.7	627.4	618.3	(9.1)
State Sales & Use Tax	3,323.1	3,397.7	74.6	2.7	5.0	6,558.5	6,633.2	74.6
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>373.0</u>	<u>54.7</u>	<u>(8.1)</u>	<u>7.7</u>	<u>664.6</u>	<u>719.3</u>	<u>54.7</u>
Total Major Tax Sources	\$ 17,008.6	\$ 17,900.4	\$ 891.9	(0.2) %	5.0 %	\$ 34,051.5	\$ 34,943.4	\$ 891.9
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 166.1	\$ 166.1	\$ 0.0	0.1 %	0.1 %	\$ 332.1	\$ 332.1	\$ 0.0
Bank Franchise Tax	20.5	20.7	0.2	7.8	8.8	39.5	39.7	0.2
Beer & Beverage Excise Tax	41.8	41.8	0.0	(0.1)	(0.1)	83.7	83.7	0.0
Corporate Franchise & Charter Fees	47.3	48.6	1.3	(2.6)	0.1	95.9	97.2	1.3
Excess & Other Fees from Officers	(8.9)	(6.8)	2.1	(31.3)	(0.3)	(15.7)	(13.6)	2.1
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.1	0.1	n/a
Institutional Revenues	5.5	7.3	1.8	(25.4)	(1.0)	12.9	14.7	1.8
Interest & Rents	65.9	57.4	(8.5)	34.4	17.1	114.9	106.4	(8.5)
Licenses & Permits	4.0	4.0	0.0	(1.5)	(1.5)	8.1	8.1	0.0
Miscellaneous Taxes and Penalties	212.0	232.0	20.0	(8.7)	(0.1)	444.2	464.2	20.0
Other Miscellaneous Revenues	61.1	63.3	2.2	86.4	93.1	93.9	96.1	2.2
Public Service GR / Consumption Tax	<u>96.8</u>	<u>98.9</u>	<u>2.1</u>	<u>(1.8)</u>	<u>0.4</u>	<u>195.3</u>	<u>197.4</u>	<u>2.1</u>
Total Misc. Taxes and Other Revenues	\$ 712.1	\$ 733.3	\$ 21.2	2.8 %	5.9 %	\$ 1,404.8	\$ 1,426.0	\$ 21.2
TOTAL GF REVENUES	\$ 17,720.7	\$ 18,633.7	\$ 913.1	(0.1) %	5.1 %	\$ 35,456.3	\$ 36,369.4	\$ 913.1
TRANSFERS								
A.B.C. Profits	\$ 80.2	\$ 80.2	\$ 0.0	(3.7) %	(3.7) %	\$ 163.5	\$ 163.5	\$ 0.0
Sales Tax (0.375%)	362.9	370.0	7.1	3.0	5.0	715.3	722.4	7.1
Transfers Per Appropriations Act	<u>121.4</u>	<u>121.4</u>	<u>0.0</u>	<u>(38.7)</u>	<u>(38.7)</u>	<u>319.6</u>	<u>319.6</u>	<u>0.0</u>
Total Transfers	\$ 564.5	\$ 571.6	\$ 7.1	(10.9) %	(9.8) %	\$ 1,198.4	\$ 1,205.5	\$ 7.1
TOTAL GENERAL FUND	\$ <u>18,285.2</u>	\$ <u>19,205.3</u>	\$ <u>920.2</u>	<u>(0.5) %</u>	<u>4.5 %</u>	\$ <u>36,654.7</u>	\$ <u>37,574.9</u>	\$ <u>920.2</u>

The Official forecast is based on the November 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2015 General Assembly Session -- Chapter 665.

The November forecast is based on the October 2015 IHS Economics US Standard outlook and includes recommendations from JABE. This is the Baseline forecast and does not have any adjustments for a collar in individual nonwithholding as it relates to total revenues.

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

November 12, 2015

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	November Forecast	% Growth Over FY 16	November Forecast	% Growth Over FY 17	November Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 825.5	1.0 %	\$ 818.2	(0.9) %	\$ 1,643.7	(0.3) %
Individual Income Tax:						
Gross	15,348.0	3.6	15,998.6	4.2	31,346.6	8.5
Withholding	11,993.6	4.0	12,410.2	3.5	24,403.8	8.1
Nonwithholding	3,354.4	2.2	3,588.4	7.0	6,942.8	9.8
Refunds	<u>(1,942.3)</u>	6.6	<u>(2,018.4)</u>	3.9	<u>(3,960.7)</u>	10.6
Net	13,405.7	3.2	13,980.2	4.3	27,385.9	8.1
Insurance Company Premiums	330.6	4.0	345.3	4.5	675.9	9.3
State Sales & Use Tax	3,565.2	4.9	3,688.6	3.5	7,253.7	9.4
Wills, Suits, Deeds, & Contract Fees	<u>379.4</u>	1.7	<u>379.4</u>	0.0	<u>758.8</u>	5.5
Total Major Tax Sources	\$ 18,506.3	3.4 %	\$ 19,211.7	3.8 %	\$ 37,718.0	7.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 169.6	2.1 %	\$ 173.2	2.1 %	\$ 342.8	3.2 %
Bank Franchise Tax	20.7	0.0	20.7	0.0	41.4	4.2
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	(0.1)
Corporate Franchise & Charter Fees	48.6	0.0	48.6	0.0	97.2	0.0
Excess & Other Fees from Officers	(6.8)	0.0	(6.8)	0.0	(13.6)	0.2
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	7.3	0.0	7.3	0.0	14.6	(0.5)
Interest & Rents	46.3	(19.3)	46.3	0.0	92.6	(13.0)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	(0.7)
Miscellaneous Taxes and Penalties	233.8	0.8	234.7	0.4	468.5	0.9
Other Miscellaneous Revenues	30.6	(51.7)	30.6	0.0	61.2	(36.3)
Public Service GR / Consumption Tax	<u>98.9</u>	0.0	<u>98.9</u>	0.0	<u>197.8</u>	0.2
Total Misc. Taxes and Other Revenues	\$ 694.8	(5.3) %	\$ 699.3	0.6 %	\$ 1,394.1	(2.2) %
TOTAL GF REVENUES	\$ 19,201.1	3.0 %	\$ 19,911.0	3.7 %	\$ 39,112.1	7.5 %
TRANSFERS						
A.B.C. Profits	\$ 78.9	(1.6) %	\$ 79.5	0.8 %	\$ 158.4	(3.1) %
Sales Tax (0.375%)	388.2	4.9	401.7	3.5	789.9	9.3
Transfers Per Appropriations Act	<u>120.0</u>	(1.2)	<u>120.0</u>	0.0	<u>240.0</u>	(24.9)
Total Transfers	\$ 587.1	2.7 %	\$ 601.2	2.4 %	\$ 1,188.3	(1.4) %
TOTAL GENERAL FUND	\$ 19,788.2	3.0 %	\$ 20,512.2	3.7 %	\$ 40,300.4	7.3 %

The November forecast is based on the October 2015 IHS Economics US Standard outlook and includes recommendations from JABE. This is the Baseline forecast and does not have any adjustments for a collar in individual nonwithholding as it relates to total revenues.

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

November 12, 2015

	Fiscal Year 2016					2014-2016 Biennium		
	Official Forecast	Nov Pess Forecast	Change	% Growth Over FY 15 Official	Nov Pess	Official Forecast	Nov Pess Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 820.7	\$ 795.1	\$ (25.6)	(1.3) %	(4.4) %	\$ 1,652.6	\$ 1,627.0	\$ (25.6)
Individual Income Tax:								
Gross	14,060.3	14,670.1	609.8	(0.2)	4.1	28,146.3	28,756.1	609.8
Withholding	11,275.1	11,509.6	234.5	2.1	4.2	22,319.4	22,553.9	234.5
Nonwithholding	2,785.2	3,160.5	375.3	(8.4)	3.9	5,826.8	6,202.1	375.3
Refunds	<u>(1,840.6)</u>	<u>(1,822.6)</u>	<u>18.0</u>	<u>4.7</u>	<u>3.7</u>	<u>(3,597.9)</u>	<u>(3,579.9)</u>	<u>18.0</u>
Net	12,219.7	12,847.5	627.8	(0.9)	4.2	24,548.4	25,176.2	627.8
Insurance Company Premiums	326.8	317.7	(9.1)	8.7	5.7	627.4	618.3	(9.1)
State Sales & Use Tax	3,323.1	3,388.0	64.9	2.7	4.7	6,558.5	6,623.5	64.9
Wills, Suits, Deeds, & Contract Fees	<u>318.3</u>	<u>358.3</u>	<u>40.0</u>	<u>(8.1)</u>	<u>3.5</u>	<u>664.6</u>	<u>704.6</u>	<u>40.0</u>
Total Major Tax Sources	\$ 17,008.6	\$ 17,706.6	\$ 698.1	(0.2) %	3.9 %	\$ 34,051.5	\$ 34,749.6	\$ 698.1
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 166.1	\$ 166.1	\$ 0.0	0.1 %	0.1 %	\$ 332.1	\$ 332.1	\$ 0.0
Bank Franchise Tax	20.5	20.7	0.2	7.8	8.8	39.5	39.7	0.2
Beer & Beverage Excise Tax	41.8	41.8	0.0	(0.1)	(0.1)	83.7	83.7	0.0
Corporate Franchise & Charter Fees	47.3	48.6	1.3	(2.6)	0.1	95.9	97.2	1.3
Excess & Other Fees from Officers	(8.9)	(6.8)	2.1	(31.3)	(0.3)	(15.7)	(13.6)	2.1
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.1	0.1	n/a
Institutional Revenues	5.5	7.3	1.8	(25.4)	(1.0)	12.9	14.7	1.8
Interest & Rents	65.9	57.4	(8.5)	34.4	17.1	114.9	106.4	(8.5)
Licenses & Permits	4.0	4.0	0.0	(1.5)	(1.5)	8.1	8.1	0.0
Miscellaneous Taxes and Penalties	212.0	232.0	20.0	(8.7)	(0.1)	444.2	464.2	20.0
Other Miscellaneous Revenues	61.1	63.3	2.2	86.4	93.1	93.9	96.1	2.2
Public Service GR / Consumption Tax	<u>96.8</u>	<u>98.9</u>	<u>2.1</u>	<u>(1.8)</u>	<u>0.4</u>	<u>195.3</u>	<u>197.4</u>	<u>2.1</u>
Total Misc. Taxes and Other Revenues	\$ 712.1	\$ 733.3	\$ 21.2	2.8 %	5.9 %	\$ 1,404.8	\$ 1,426.0	\$ 21.2
TOTAL GF REVENUES	\$ 17,720.7	\$ 18,439.9	\$ 719.3	(0.1) %	4.0 %	\$ 35,456.3	\$ 36,175.6	\$ 719.3
TRANSFERS								
A.B.C. Profits	\$ 80.2	\$ 80.2	\$ 0.0	(3.7) %	(3.7) %	\$ 163.5	\$ 163.5	\$ 0.0
Sales Tax (0.375%)	362.9	370.0	7.1	3.0	5.0	715.3	722.4	7.1
Transfers Per Appropriations Act	<u>121.4</u>	<u>121.4</u>	<u>0.0</u>	<u>(38.7)</u>	<u>(38.7)</u>	<u>319.6</u>	<u>319.6</u>	<u>0.0</u>
Total Transfers	\$ 564.5	\$ 571.6	\$ 7.1	(10.9) %	(9.8) %	\$ 1,198.4	\$ 1,205.5	\$ 7.1
TOTAL GENERAL FUND	\$ 18,285.2	\$ 19,011.5	\$ 726.4	(0.5) %	3.5 %	\$ 36,654.7	\$ 37,381.1	\$ 726.4

The Official forecast is based on the November 2014 IHS Economics Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2015 General Assembly Session -- Chapter 665.

The November Pessimistic forecast is based on the October 2015 IHS Economics US Pessimistic outlook and includes recommendations from JABE. This is the Baseline forecast and does not have any adjustments for a collar in individual nonwithholding as it relates to total revenues.

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

November 12, 2015

	Fiscal Year 2017		Fiscal Year 2018		2016-2018 Biennium	
	Nov Pess Forecast	% Growth Over FY 16	Nov Pess Forecast	% Growth Over FY 17	Nov Pess Forecast	% Growth Over 14-16
MAJOR TAX SOURCES						
Corporate Income	\$ 779.9	(1.9) %	\$ 775.9	(0.5) %	\$ 1,555.8	(4.4) %
Individual Income Tax:						
Gross	14,775.7	0.7	15,365.5	4.0	30,141.2	4.8
Withholding	11,888.2	3.3	12,254.0	3.1	24,142.2	7.0
Nonwithholding	2,887.5	(8.6)	3,111.5	7.8	5,999.0	(3.3)
Refunds	<u>(1,942.3)</u>	6.6	<u>(2,018.4)</u>	3.9	<u>(3,960.7)</u>	10.6
Net	12,833.4	(0.1)	13,347.1	4.0	26,180.5	4.0
Insurance Company Premiums	330.6	4.0	345.3	4.5	675.9	9.3
State Sales & Use Tax	3,521.1	3.9	3,611.6	2.6	7,132.7	7.7
Wills, Suits, Deeds, & Contract Fees	<u>337.4</u>	<u>(5.8)</u>	<u>337.4</u>	<u>0.0</u>	<u>674.8</u>	<u>(4.2)</u>
Total Major Tax Sources	\$ 17,802.3	0.5 %	\$ 18,417.3	3.5 %	\$ 36,219.6	4.2 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 169.6	2.1 %	\$ 173.2	2.1 %	\$ 342.8	3.2 %
Bank Franchise Tax	20.7	0.0	20.7	0.0	41.4	4.2
Beer & Beverage Excise Tax	41.8	0.0	41.8	0.0	83.6	(0.1)
Corporate Franchise & Charter Fees	48.6	0.0	48.6	0.0	97.2	0.0
Excess & Other Fees from Officers	(6.8)	0.0	(6.8)	0.0	(13.6)	0.2
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	7.3	0.0	7.3	0.0	14.6	(0.5)
Interest & Rents	46.3	(19.3)	46.3	0.0	92.6	(13.0)
Licenses & Permits	4.0	0.0	4.0	0.0	8.0	(0.7)
Miscellaneous Taxes and Penalties	233.8	0.8	234.7	0.4	468.5	0.9
Other Miscellaneous Revenues	30.6	(51.7)	30.6	0.0	61.2	(36.3)
Public Service GR / Consumption Tax	<u>98.9</u>	<u>0.0</u>	<u>98.9</u>	<u>0.0</u>	<u>197.8</u>	<u>0.2</u>
Total Misc. Taxes and Other Revenues	\$ 694.8	(5.3) %	\$ 699.3	0.6 %	\$ 1,394.1	(2.2) %
TOTAL GF REVENUES	\$ 18,497.1	0.3 %	\$ 19,116.6	3.3 %	\$ 37,613.7	4.0 %
TRANSFERS						
A.B.C. Profits	\$ 78.9	(1.6) %	\$ 79.5	0.8 %	\$ 158.4	(3.1) %
Sales Tax (0.375%)	388.2	4.9	401.7	3.5	789.9	9.3
Transfers Per Appropriations Act	<u>120.0</u>	<u>(1.2)</u>	<u>120.0</u>	<u>0.0</u>	<u>240.0</u>	<u>(24.9)</u>
Total Transfers	\$ 587.1	2.7 %	\$ 601.2	2.4 %	\$ 1,188.3	(1.4) %
TOTAL GENERAL FUND	\$ 19,084.2	0.4 %	\$ 19,717.8	3.3 %	\$ 38,802.0	3.8 %

The November Pessimistic forecast is based on the October 2015 IHS Economics US Pessimistic outlook and includes recommendations from JABE. This is the Baseline forecast and does not have any adjustments for a collar in individual nonwithholding as it relates to total revenues.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2018

(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	-	90	5,494,884,000	0.3%
62	242,144,567	4.8%	91	5,471,879,000	-0.4%
63	286,304,265	18.2%	92	5,623,213,000	2.8%
64	298,033,919	4.1%	93	6,133,637,000	9.1%
65	323,213,412	8.4%	94	6,503,368,000	6.0%
66	365,129,776	13.0%	95	6,881,145,000	5.8%
67	414,755,644	13.6%	96	7,356,110,000	6.9%
68	533,597,744	28.7%	97	7,949,327,000	8.1%
69	706,254,374	32.4%	98	8,773,520,000	10.4%
70	743,721,322	5.3%	99	9,702,747,000	10.6%
71	807,954,651	8.6%	00	10,788,482,000	11.2%
72	922,653,686	14.2%	01	11,105,275,000	2.9%
73	1,054,469,443	14.3%	02	10,678,954,000	-3.8%
74	1,168,562,871	10.8%	03	10,867,149,000	1.8%
75	1,303,178,893	11.5%	04	11,917,867,000	9.7%
76	1,428,421,157	9.6%	05	13,687,252,000	14.8%
77	1,636,301,819	14.6%	06	14,834,298,000	8.4%
78	1,923,085,084	17.5%	07	15,565,827,000	4.9%
79	2,115,211,522	10.0%	08	15,766,951,000	1.3%
80	2,344,928,934	10.9%	09	14,315,060,000	-9.2%
81	2,579,663,941	10.0%	10	14,219,477,000	-0.7%
82	2,796,458,741	8.4%	11	15,040,200,000	5.8%
83	2,975,687,935	6.4%	12	15,846,665,000	5.4%
84	3,397,710,261	14.2%	13	16,684,600,000	5.3%
85	3,790,816,000	11.6%	14	16,411,400,000	-1.6%
86	4,131,778,000	9.0%	15	17,735,600,000	8.1%
87	4,590,434,000	11.1%	16*	18,308,900,000	3.2%
88	5,054,382,000	10.1%	17*	18,860,300,000	3.0%
89	5,478,912,000	8.4%	18*	19,551,400,000	3.7%

* December 17, 2015 Forecast (Excludes Transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2018

(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	-	90	8,338,215,478	-3.5%
62	1,360,362,736	4.2%	91	7,964,889,374	-4.5%
63	1,590,579,250	16.9%	92	7,964,890,935	0.0%
64	1,628,600,650	2.4%	93	8,471,874,309	6.4%
65	1,747,099,524	7.3%	94	8,788,335,135	3.7%
66	1,931,903,577	10.6%	95	9,102,043,651	3.6%
67	2,137,915,691	10.7%	96	9,540,998,703	4.8%
68	2,667,988,720	24.8%	97	10,087,978,426	5.7%
69	3,395,453,721	27.3%	98	11,022,010,050	9.3%
70	3,411,565,697	0.5%	99	12,068,093,284	9.5%
71	3,543,660,750	3.9%	00	13,140,660,171	8.9%
72	3,893,053,527	9.9%	01	13,204,845,422	0.5%
73	4,286,461,150	10.1%	02	12,548,712,103	-5.0%
74	4,393,093,500	2.5%	03	12,519,756,912	-0.2%
75	4,447,709,532	1.2%	04	13,466,516,384	7.6%
76	4,578,272,939	2.9%	05	15,057,482,948	11.8%
77	4,958,490,361	8.3%	06	15,831,694,771	5.1%
78	5,463,309,898	10.2%	07	16,248,253,653	2.6%
79	5,581,033,040	2.2%	08	15,974,621,074	-1.7%
80	5,609,877,833	0.5%	09	14,329,389,389	-10.3%
81	5,595,800,306	-0.3%	10	14,078,690,099	-1.7%
82	5,672,330,103	1.4%	11	14,644,790,652	4.0%
83	5,755,682,660	1.5%	12	15,063,369,772	2.9%
84	6,315,446,582	9.7%	13	15,607,670,720	3.6%
85	6,805,773,788	7.8%	14	15,139,667,897	-3.0%
86	7,198,219,512	5.8%	15	16,241,391,941	7.3%
87	7,833,505,119	8.8%	16*	16,659,599,636	2.6%
88	8,326,823,723	6.3%	17*	16,854,602,324	1.2%
89	8,641,817,035	3.8%	18*	17,120,315,236	1.6%

* December 17, 2015 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2016 Through 2022
\$ (Millions)

		Actual							
		2015	2016	2017	2018	2019	2020	2021	2022
Taxes:									
	Motor vehicle fuel tax	\$762.0	\$924.6	\$971.4	\$973.8	\$977.3	\$981.9	\$985.5	\$988.0
	Unemployment compensation payroll tax	\$679.9	\$581.0	\$526.9	\$504.3	\$486.7	\$486.4	\$496.0	\$517.5
	Special highway tax from sales tax	\$691.8	\$876.1	\$924.5	\$956.8	\$994.0	\$1,031.8	\$1,070.9	\$1,110.5
	Motor vehicle sales tax and use tax	\$854.5	\$893.8	\$927.2	\$940.7	\$939.2	\$928.4	\$925.3	\$923.4
	Other taxes	\$1,530.5	\$1,505.0	\$1,564.5	\$1,590.8	\$1,618.4	\$1,657.8	\$1,688.4	\$1,167.2
	Total	\$4,518.7	\$4,780.5	\$4,914.5	\$4,966.4	\$5,015.5	\$5,086.4	\$5,166.1	\$4,706.6
Rights and privileges:									
	Motor Vehicle Licenses	\$326.7	\$330.8	\$334.6	\$334.2	\$335.3	\$335.8	\$337.3	\$336.8
	Other Rights & Privileges	\$711.4	\$676.4	\$721.0	\$732.3	\$747.5	\$754.3	\$765.8	\$741.6
	Total	\$1,038.1	\$1,007.3	\$1,055.7	\$1,066.5	\$1,082.8	\$1,090.2	\$1,103.1	\$1,078.3
Sales of property and commodities:									
	Alocoholic Beverage Sales	\$703.5	\$748.5	\$771.7	\$795.8	\$820.4	\$832.6	\$853.4	\$874.8
	Other Sales	\$810.9	\$749.2	\$753.4	\$751.5	\$750.3	\$750.4	\$750.4	\$750.2
	Total	\$1,514.4	\$1,497.7	\$1,525.1	\$1,547.3	\$1,570.7	\$1,583.0	\$1,603.8	\$1,625.0
Assessment & Receipts for									
Support of Special Services:		\$592.9	\$630.1	\$661.7	\$695.0	\$730.1	\$767.7	\$807.5	\$793.3
Institutional revenue:									
	Institutions of Higher Education ²	\$2,441.4	\$5,335.6	\$5,577.6	\$5,813.0	\$5,739.4	\$5,958.5	\$6,139.5	\$6,331.5
	Other Educational Institutions	\$3.7	\$3.7	\$3.7	\$3.7	\$3.6	\$3.6	\$3.6	\$3.6
	Medical Hospitals ²	\$0.0	\$1,474.9	\$1,580.2	\$1,642.6	\$1,702.1	\$1,764.3	\$1,850.8	\$1,943.2
	Mental Hospitals	\$275.8	\$30.3	\$30.9	\$31.5	\$32.1	\$32.8	\$38.2	\$35.1
	Corrections	\$47.2	\$52.4	\$56.6	\$55.9	\$53.7	\$54.5	\$54.5	\$54.5
	Other Institutions	\$59.7	\$66.0	\$70.9	\$71.0	\$71.9	\$71.7	\$72.8	\$73.1
	Total	\$2,827.7	\$6,962.9	\$7,319.9	\$7,617.5	\$7,602.7	\$7,885.4	\$8,159.4	\$8,441.0
Interest dividends and rents:		\$172.3	\$181.7	\$195.2	\$213.1	\$225.0	\$235.4	\$243.3	\$249.3
Grants and donations:									
	Federal grants and contracts	\$9,184.3	\$9,765.6	\$9,926.4	\$10,045.2	\$10,199.9	\$10,405.2	\$10,634.3	\$10,877.3
	Other grants & contracts	\$114.6	\$473.0	\$259.7	\$170.1	\$172.1	\$125.8	\$129.1	\$129.3
	Total	\$9,298.9	\$10,238.6	\$10,186.1	\$10,215.3	\$10,372.0	\$10,531.0	\$10,763.4	\$11,006.6
Other Revenue:		\$1,693.5	\$1,706.6	\$1,732.2	\$1,766.8	\$1,789.2	\$1,809.8	\$1,756.7	\$1,764.5
Total Nongeneral Fund Revenue: ¹		\$21,656.6	\$27,005.2	\$27,590.4	\$28,087.9	\$28,388.1	\$28,988.8	\$29,603.2	\$29,664.7
\$ Amount change from previous year			\$5,348.6	\$585.1	\$497.6	\$300.2	\$600.7	\$614.4	\$61.4
% Change from previous year			24.7%	2.2%	1.8%	1.1%	2.1%	2.1%	0.2%

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 2016 Estimate
Per Chapter 665

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		As a % of		November	%		Year-To-Date	%	% Annual
Revenue	FY 2016 Estimate	Gen Fund Rev	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	Growth Req By Est
Individual Income Tax:									
Withholding	\$11,275,100	63.62	\$833,271	\$809,495	2.9	\$4,407,008	\$4,322,614	2.0	2.1
Tax Dues/Estimated Payments	2,785,200	15.72	49,512	43,603	13.6	631,302	596,943	5.8	(8.4)
Gross Individual Income Tax	\$14,060,300	79.34	\$882,783	\$853,098	3.5	\$5,038,310	\$4,919,557	2.4	(0.2)
Individual and Fiduciary Income (Refunds)	(1,840,600)	(10.38)	(43,828)	(31,348)	39.8	(252,101)	(247,574)	1.8	4.7
Net Individual Income Tax	\$12,219,700	68.96	\$838,955	\$821,750	2.1	\$4,786,209	\$4,671,983	2.4	(0.9)
Sales and Use Tax	\$3,323,100	18.74	\$296,383	\$264,466	12.1	\$1,220,251	\$1,212,320	0.7	2.7
Corporations Income Tax	820,700	4.63	(14,462)	(14,460)	0.0	140,256	200,340	(30.0)	(1.3)
Wills, Suits, Deeds, Contracts	318,300	1.80	25,368	23,221	9.2	153,170	139,585	9.7	(8.1)
Insurance Premiums	326,800	1.84	0	0	-	0	0	-	8.7
Interest Income (a)	65,600	0.37	6,803	6,940	(2.0)	24,698	25,767	(4.1)	34.7
Alcoholic Beverage Sales (b)	207,900	1.18	44,676	42,296	5.6	63,651	61,135	4.1	0.0
All Other Revenues	438,600	2.48	28,209	21,411	31.8	150,285	140,498	7.0	0.6
Total General Fund Revenues	\$17,720,700	100.00	\$1,225,932	\$1,165,624	5.2	\$6,538,520	\$6,451,628	1.3	(0.1)

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 665, 2015 Virginia Acts of Assembly.

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

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

Revenue	(1) FY 2016 Estimate	(2) As a % of Total Gen Fund Rev	(3)	(4) November	(5) %	(6) FY 2016	(7) Year-To-Date FY 2015	(8) %	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$11,275,100	63.62	\$833,271	\$809,495	2.9	\$4,407,008	\$4,322,614	2.0	2.1
Tax Dues/Estimated Payments	2,785,200	15.72	49,512	43,603	13.6	631,302	596,943	5.8	(8.4)
Gross Individual Income Tax	\$14,060,300	79.34	\$882,783	\$853,098	3.5	\$5,038,310	\$4,919,557	2.4	(0.2)
Individ and Fiduc Income (Refunds)	(1,840,600)	(10.38)	(43,828)	(31,348)	39.8	(252,101)	(247,574)	1.8	4.7
Net Individual Income Tax	\$12,219,700	68.96	\$838,955	\$821,750	2.1	\$4,786,209	\$4,671,983	2.4	(0.9)
Sales and Use Tax	3,323,100	18.74	296,383	264,466	12.1	1,220,251	1,212,320	0.7	2.7
Corporations Income	820,700	4.63	(14,462)	(14,460)	0.0	140,256	200,340	(30.0)	(1.3)
Public Service Corporations	96,800	0.55	5,737	1,920	198.8	34,298	29,362	16.8	(1.8)
Insurance Premiums	326,800	1.84	0	0	-	0	0	-	8.7
Alcoholic Beverage Excise	166,100	0.94	41,324	38,981	6.0	44,747	42,271	5.9	0.1
Beer and Beverage Excise	41,800	0.24	3,352	3,315	1.1	18,904	18,864	0.2	(0.1)
Wills, Suits, Deeds, Contracts	318,300	1.80	25,368	23,221	9.2	153,170	139,585	9.7	(8.1)
Inheritance, Gift, and Estate	0	0.00	68	0	-	68	35	94.3	(100.0)
Bank Franchise	20,500	0.12	0	0	-	73	3	#	7.8
Other Taxes	2,800	0.02	1,208	(903)	233.8	5,880	3,576	64.4	(75.1)
Total Taxes	\$17,336,600	97.84	\$1,197,933	\$1,138,290	5.2	\$6,403,856	\$6,318,339	1.4	(0.2)
Rights and Privileges:									
Licenses and Permits	\$4,000	0.02	\$433	\$392	10.5	\$1,714	\$1,640	4.5	(1.5)
Corp. Franchise and Charters	47,300	0.27	517	462	11.9	2,571	2,465	4.3	(2.6)
Fees for Misc. Privileges & Services	11,300	0.06	564	414	36.2	3,550	4,129	(14.0)	(1.9)
Total Rights and Privileges	\$62,600	0.35	\$1,514	\$1,268	19.4	\$7,835	\$8,234	(4.8)	(2.4)
Other Revenues:									
Sales of Property & Commodities	\$31,200	0.18	\$0	\$0	-	\$216	\$449	(51.9)	#
Assessmts & Rcpts for Support of Special Svcs	400	0.00	0	6	(100.0)	106	147	(27.9)	(12.7)
Institutional Revenue	5,500	0.03	952	935	1.8	5,227	3,770	38.6	(25.4)
Interest (a)	65,600	0.37	6,803	6,940	(2.0)	24,698	25,767	(4.1)	34.7
Dividends and Rent	300	0.00	28	17	64.7	323	247	30.8	(13.8)
Fines, Forfeitures & Fees	209,200	1.18	18,351	16,721	9.7	95,766	91,724	4.4	(5.3)
Other Revenue	9,900	0.05	267	1,616	(83.5)	1,444	3,298	(56.2)	(21.8)
Excess Fees	(8,900)	(0.05)	(585)	(551)	(6.2)	(3,609)	(3,035)	(18.9)	(31.3)
Private Donations, Gifts & Cont.	0	0.00	0	1	(100.0)	0	1	(100.0)	(100.0)
Cities, Counties, and Towns	8,300	0.05	669	381	75.6	2,658	2,687	(1.1)	8.1
Total Other Revenues	\$321,500	1.81	\$26,485	\$26,066	1.6	\$126,829	\$125,055	1.4	10.2
Total General Fund Revenues	\$17,720,700	100.00	\$1,225,932	\$1,165,624	5.2	\$6,538,520	\$6,451,628	1.3	(0.1)

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 665, 2015 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2015 and 2016
(Dollars in Thousands)

	FY 2016 Estimate	(a)	FY 2016	(b)	November	%	Year-To-Date	(b)	FY 2015	Change	(c)	% Annual Growth Required By Estimate
Lottery Collections												
Total Lottery Sales	\$1,889,885		\$148,413		\$147,100	0.9	\$763,013		\$737,346	3.5		2.5
Other Income	1,000		165		215	(23.3)	517		609	(15.1)		(15.2)
Total Income	<u>\$1,890,885</u>		<u>\$148,578</u>		<u>\$147,315</u>	<u>0.9</u>	<u>\$763,530</u>		<u>\$737,955</u>	<u>3.5</u>		<u>2.5</u>
Less:												
Prize Expenses	\$1,142,922		\$88,582		\$95,291	(7.0)	\$458,425		\$451,179	1.6		2.4
Retailer Commissions	106,406		8,204		8,929	(8.1)	43,055		41,766	3.1		2.4
Operating Expenses	109,889		7,323		7,410	(1.2)	38,568		35,192	9.6		21.1
Total Expenses	<u>\$1,359,217</u>		<u>\$104,109</u>		<u>\$111,630</u>	<u>(6.7)</u>	<u>\$540,048</u>		<u>\$528,137</u>	<u>2.3</u>		<u>3.7</u>
Net Proceeds from Operations												
Net Lottery Ticket Profits	\$531,668		\$44,469		\$35,685	24.6	\$223,482		\$209,818	6.5		0.4
Prior Year Residual Profit Transfer	0		0		0	-	4,255		28,051	(84.8)		-
Available to Lottery Proceeds Fund	<u>\$531,668</u>		<u>\$44,469</u>		<u>\$35,685</u>	<u>24.6</u>	<u>\$227,737</u>		<u>\$237,869</u>	<u>(4.3)</u>		<u>(4.6)</u>

(a) Estimate established by Chapter 665, 2015 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$4,255,031 was made on August 18, 2015. The Residual Profit Transfer from FY 2015 will be included in the Lottery's revised FY 2016 revenue estimate in the Governor's Revised Budget in December 2015.

(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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	November		Year-To-Date		% Change	% Annual Growth Required By Estimate
			FY 2016	FY 2015	FY 2016	FY 2015		
Motor Fuel Taxes	\$850,200	18.90	\$75,103	\$49,232	\$309,223	\$219,526	40.9	17.7
Priority Transportation Fund (PTF)	150,346	3.34	9,265	4,348	133,819	121,195	10.4	0.0
Motor Vehicle Sales and Use Tax	875,600	19.47	64,820	59,047	398,839	369,532	7.9	(1.7)
State Sales and Use Tax	1,007,300	22.39	87,793	80,464	370,832	380,303	(2.5)	1.3
Motor Vehicle License Fees	244,600	5.44	16,707	15,532	103,843	99,168	4.7	(0.2)
International Registration Plan	60,400	1.34	3,677	2,472	21,214	19,890	6.7	(8.5)
Recordation Tax	37,900	0.84	3,163	2,845	18,522	16,893	9.6	(9.8)
Interest Earnings	14,800	0.33	37	0	840	1,599	(47.5)	96.5
Misc. Taxes, Fees, and Revenues	15,700	0.35	428	1,419	6,157	7,471	(17.6)	(14.3)
Total State Taxes and Fees	\$3,256,846	72.40	\$260,993	\$215,359	\$1,363,289	\$1,235,577	10.3	3.8

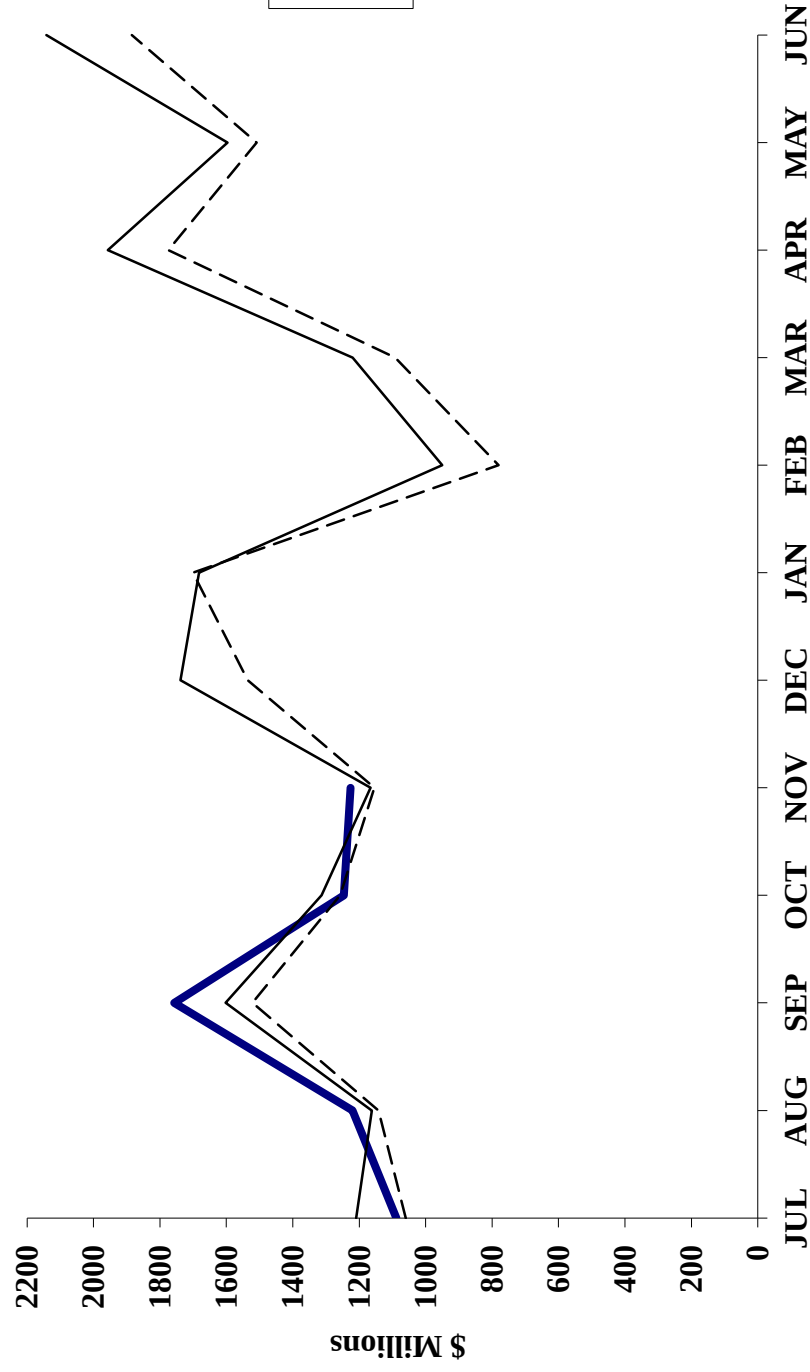
Percentage is greater than or equal to 1,000%.

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 2015 and 2016
(Dollars in Thousands)

Revenue	FY 2016 Estimate	As a % of Total Fund	November		Year-To-Date		% Change	% Change	% Annual Growth Required By Est
			FY 2016	FY 2015	FY 2016	FY 2015			
HIGHWAY MAINTENANCE									
AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$679,100	15.10	\$61,809	\$39,267	57.4	\$247,875	\$173,652	42.7	18.2
Motor Vehicle Sales and Use Tax	628,300	13.97	45,371	41,616	9.0	283,816	262,736	8.0	(1.6)
State Sales and Use Tax	281,700	6.26	24,136	22,212	8.7	102,860	107,940	(4.7)	1.4
Motor Vehicle License Fees	222,700	4.95	15,247	14,157	7.7	94,682	90,264	4.9	(0.3)
International Registration Plan	60,400	1.34	3,677	2,472	48.7	21,214	19,890	6.7	(8.5)
Recordation Tax (1 cent)	12,700	0.28	1,054	948	11.2	6,174	5,631	9.6	(9.3)
Misc. Taxes, Fees, and Revenues	15,700	0.35	428	1,419	(69.8)	6,157	7,471	(17.6)	(14.3)
Total State Taxes and Fees	\$1,900,600	42.25	\$151,722	\$122,091	24.3	\$762,778	\$667,584	14.3	4.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,276	\$2,069	106.7	\$14,512	\$11,615	24.9	(100.0)
Miscellaneous Revenues	14,595	0.32	1,348	974	38.4	9,339	7,774	20.1	(50.0)
Transfer (to) / from Transportation Trust Fund	122,489	2.72	0	0	-	0	0	-	(25.6)
Total Highway Maintenance and Operating Fund	\$2,037,684	45.29	\$157,346	\$125,134	25.7	\$786,629	\$686,973	14.5	0.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes)	\$171,100	3.80	\$13,294	\$9,965	33.4	\$61,348	\$45,874	33.7	15.6
PTF Insurance Premiums Tax	150,346	3.34	9,265	4,348	113.1	133,819	121,195	10.4	0.0
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	247,300	5.50	19,449	17,431	11.6	115,023	106,796	7.7	(1.8)
State Sales and Use Tax	725,600	16.13	63,657	58,252	9.3	267,972	272,363	(1.6)	1.2
Motor Vehicle License Fees	21,900	0.49	1,460	1,375	6.2	9,161	8,904	2.9	0.5
Recordation Tax (2 cents)	25,200	0.56	2,109	1,897	11.2	12,348	11,262	9.6	(10.0)
Interest Earnings	14,800	0.33	37	0	-	840	1,599	(47.5)	96.5
Total State Taxes and Fees	\$1,356,246	30.15	\$109,271	\$93,268	17.2	\$600,511	\$567,993	5.7	2.4
Other Revenues:									
Federal Grants and Contracts	\$968,328	21.52	\$74,998	\$56,010	33.9	\$736,761	\$747,916	(1.5)	(23.9)
Receipts from Cities/Counties	237,187	5.27	2,828	(1,152)	345.5	26,387	76,495	(65.5)	79.4
Toll Revenues (Includes Route 28)	16,045	0.36	929	878	5.8	5,367	5,338	0.5	(12.1)
Miscellaneous Revenues	5,832	0.13	4,234	1,159	265.3	11,471	7,202	59.3	(79.4)
Total Other Revenues	\$1,227,392	27.28	\$82,989	\$56,895	45.9	\$779,986	\$836,951	(6.8)	(15.4)
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$122,489)	(2.72)	\$0	\$0	-	\$0	\$0	-	25.6
Total Transportation Trust Fund	\$2,461,149	54.71	\$192,260	\$150,163	28.0	\$1,380,497	\$1,404,944	(1.7)	(5.7)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$4,498,833	100.00	\$349,606	\$275,297	27.0	\$2,167,126	\$2,091,917	3.6	(3.2)

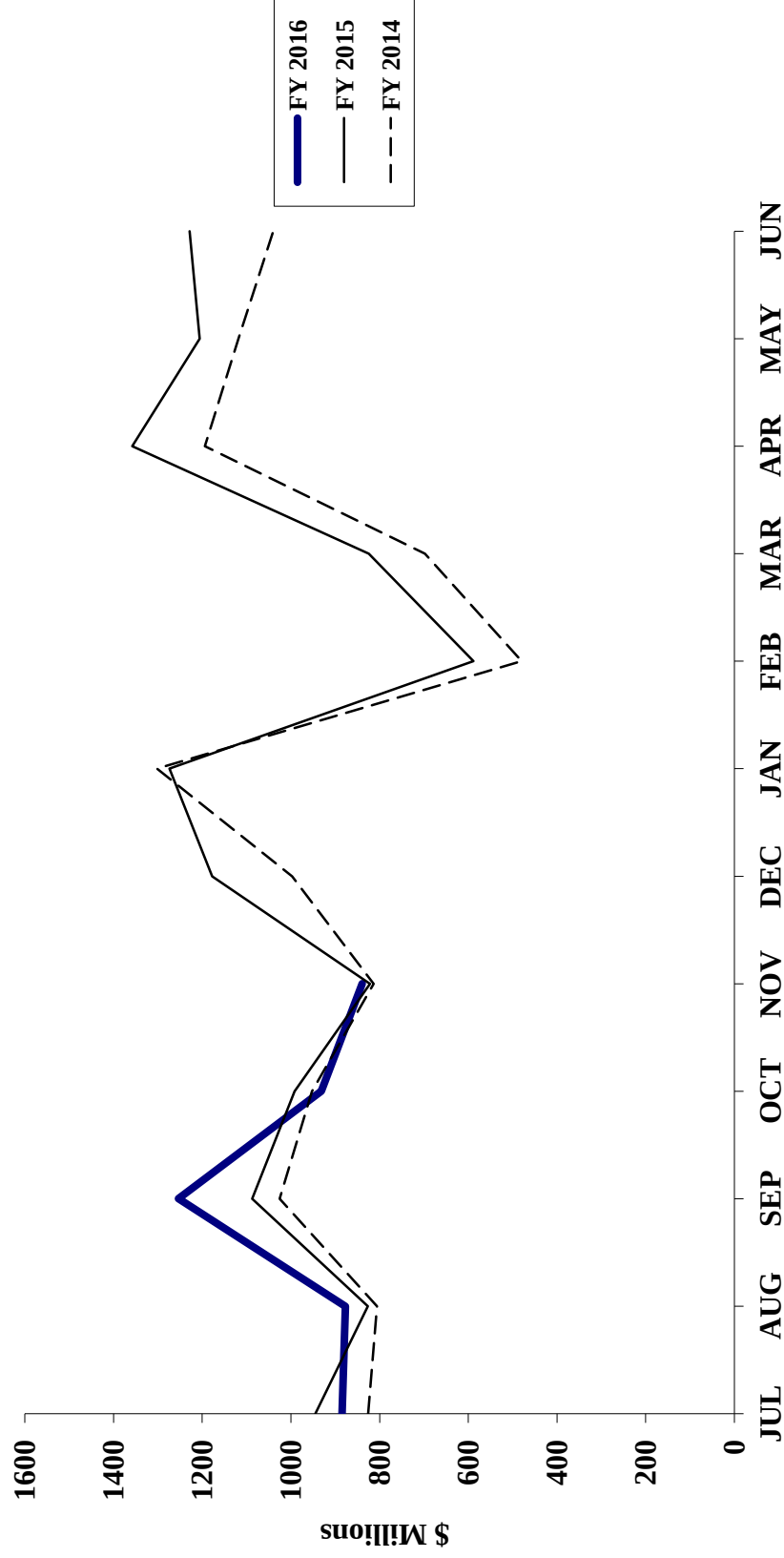
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



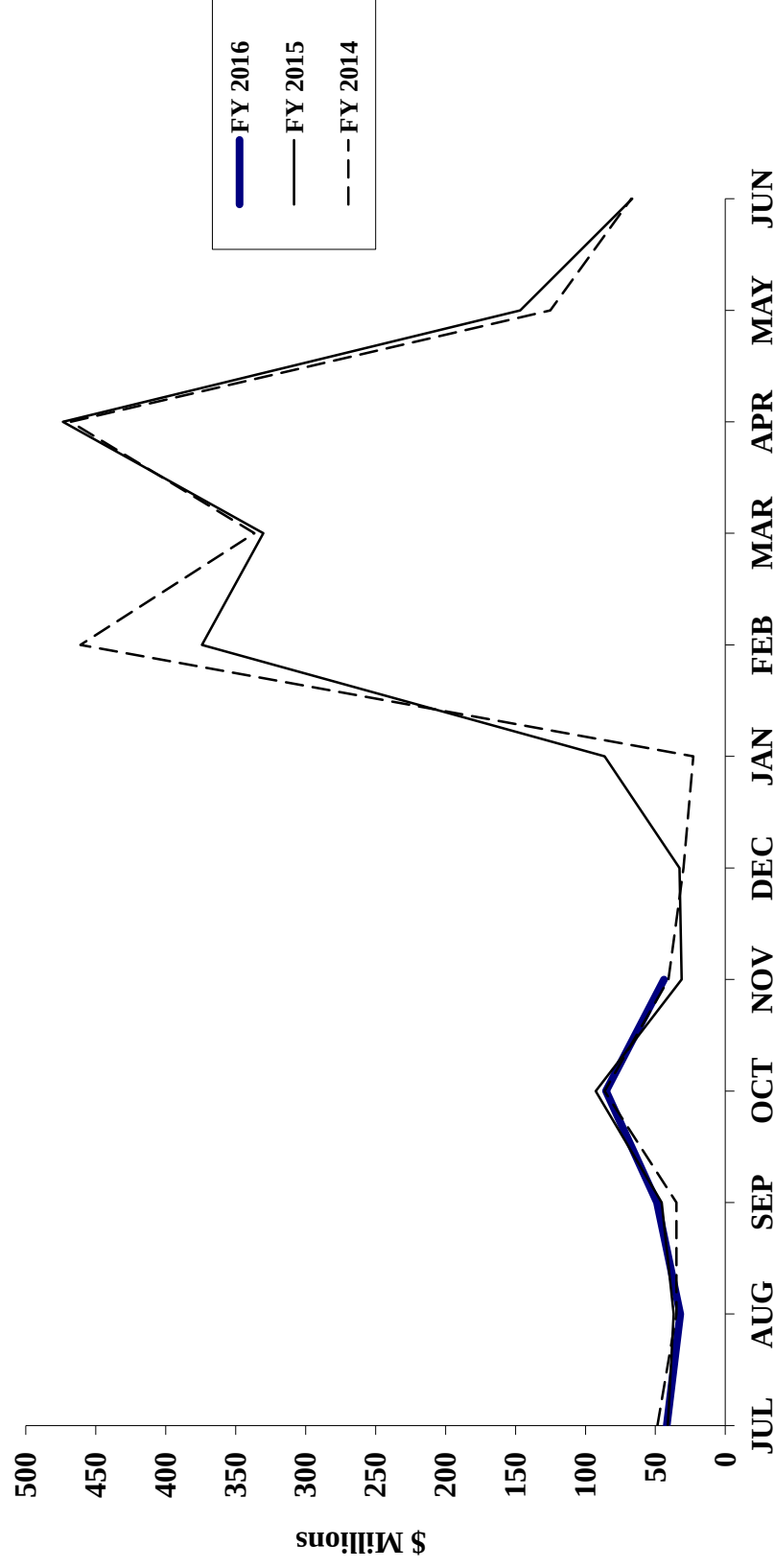
FY 2014 Actual = \$16,411.4 Million
 FY 2015 Actual = \$17,735.6 Million
 FY 2016 Estimate = \$17,720.7 Million

Net Individual Income Tax



FY 2014 Actual = \$11,253.3 Million
 FY 2015 Actual = \$12,328.7 Million
 FY 2016 Estimate = \$12,219.7 Million

Individual and Fiduciary Income Tax Refunds



FY 2014 Actual = \$1,755.8 Million
 FY 2015 Actual = \$1,757.3 Million
 FY 2016 Estimate = \$1,840.6 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2016

(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, 2015	\$4,451.3	0.29%	\$1,216.6	5.34%	\$5,667.9	1.37%	0.30%
August	\$3,908.8	0.33%	\$1,218.7	-0.73%	\$5,127.5	0.08%	0.38%
September	\$4,137.0	0.34%	\$1,222.2	7.56%	\$5,359.2	1.99%	0.37%
October	\$4,325.3	0.36%	\$1,225.5	-0.73%	\$5,550.8	0.12%	0.26%
November	\$4,100.0	0.39%	\$1,224.3	-1.05%	\$5,324.3	0.06%	0.48%
December							
January, 2016							
February							
March							
April							
May							
June							
Year-to-Date Average	\$4,184.5	0.34%	\$1,221.5	2.06%	\$5,406.0	0.73%	0.36%

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

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2016

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$467,717,444	\$0	\$0	\$0	\$467,717,444
August	\$467,717,444	\$0	\$0	\$0	\$467,717,444
September	\$467,717,444	\$0	\$0	\$0	\$467,717,444
October	\$467,717,444	\$0	\$0	\$962,634	\$468,680,078
November	\$468,680,078	\$0	\$0	\$0	\$468,680,078
December					
January					
February					
March					
April					
May					
June					

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