

December 17, 1999

Governor Gilmore's Proposed 2000-2002 Budget

Fiscal Policy,
Economic Assumptions,
and Revenue Estimates



Ronald L. Tillett
Secretary of Finance
Commonwealth of Virginia

The 2000-2002 budget meets Virginia's most critical needs by funding meaningful fiscal and social policy...

- Continue providing meaningful tax relief
- Make benefits of technology available to all Virginians
- Move to the forefront of the tourist industry
- Strengthen the state's anti-drug program
- Take the next step in supporting Standards of Quality
- Increase support for higher education
- Improve transportation
- Ensure the adequate care of our most vulnerable citizens

Virginia's economy continues to outpace the nation's...

- The U.S. economy is expected to set a record
 - ◆ Real GDP growth should grow, but slowly
 - ◆ Job growth is expected to begin slowing in the spring
 - ◆ Consumer confidence remains strong
 - ◆ Worker productivity keeps the lid on inflation
 - ◆ Interest rates expected to be steady after recent hikes

- Virginia's economy continues to be very robust
 - ◆ Job growth remains solid over the forecast horizon
 - ◆ Impressive growth in wages and salaries

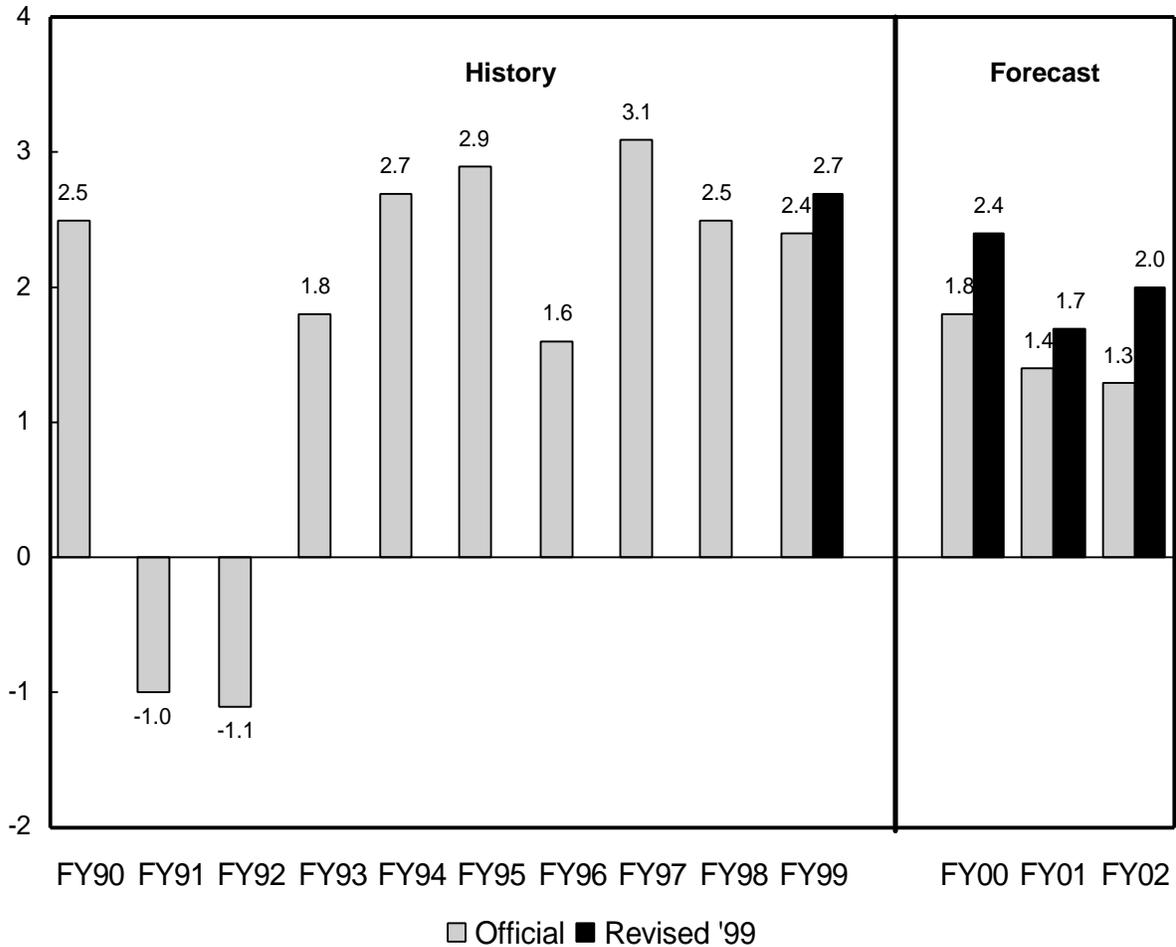
- A new paradigm: continued growth with low inflation
 - ◆ Information technology driving productivity increases
 - ➔lowers business costs and increases profits
 - ➔keeps downward pressure on prices
 - ➔rewards workers by increasing real earnings
 - ➔Governor's budget expands workforce training and provides incentives to increase teleworking

- Strong consensus recommendation
 - ◆ Governor's Advisory Board of Economists
 - ◆ Governor's Advisory Council on Revenue Estimates

Continued job growth projected through biennium...

Virginia Employment Growth

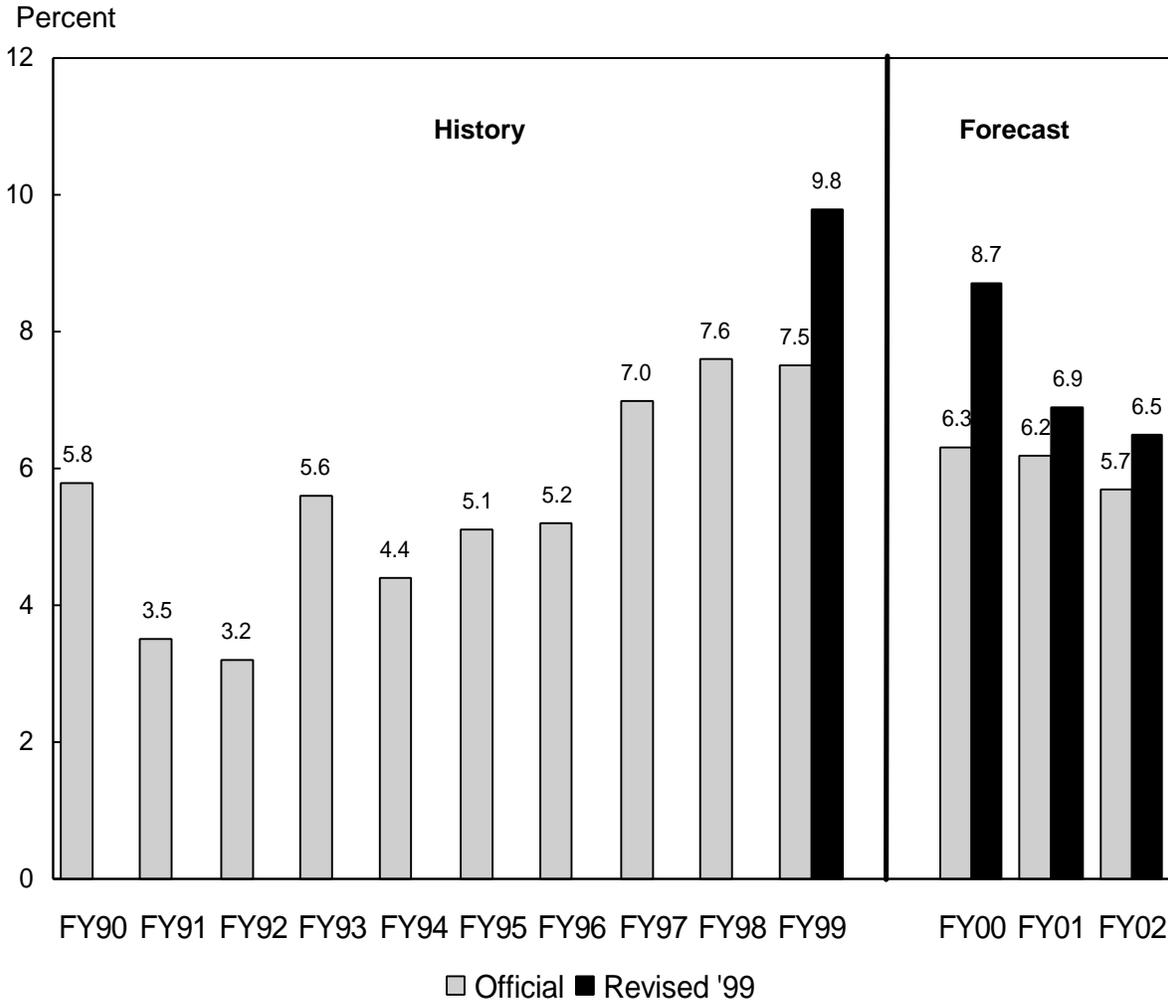
Percent



- Service sector continues to dominate

Solid job growth and tight labor markets drive robust gains in wages and salaries...

Virginia Wages and Salaries Growth



- Explosive growth in the high-tech and business service industries -- half of all new jobs
- A group of about 1 percent of all workers are paying 10 percent of all payroll withholding taxes -- up from paying only 2 percent a year ago

Record IT growth is driving Virginia's economy...

- Ranked 8th in total IT job growth
 - ◆ Average annual job growth was 5.3 percent
 - ◆ Accounted for 24 percent of total job growth

- Driving force in service sector growth
 - ◆ Service jobs have grown from 35.4 percent to 38.4 percent of all jobs
 - ◆ Business services component has grown from 18.4 percent to 23.3 percent
 - ◆ Internet services component has grown from 0.4 percent to 4.3 percent

- Entire high-tech sector is thriving
 - ◆ Jobs are growing at 15 percent annually
 - ◆ Total payrolls are growing at about 35 percent annually

Our vibrant Virginia economy is propelling tremendous revenue growth...

- As has been the case the past few years, most of the upward revision in our forecast is due to net individual income taxes
 - ◆ Ideal economic conditions
 - ◆ A 5th year of double-digit growth on Wall Street
 - ◆ Explosive growth in high-paying jobs

- Withholding collections have been very strong
 - ◆ Monthly growth has been in the double-digits for 11 of the last 12 months
 - ◆ Strong job growth -- particularly in the hi-tech sectors

- The forecast for sales tax collections has also been revised significantly upward
 - ◆ Solid consumer fundamentals
 - ◆ Wealth effect

Over \$2.4 billion in additional General Fund resources...

Total Revenues (millions)

	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Forecast (12/99)	\$10,591.7	\$11,289.7	\$12,062.6
Percent Growth	9.2%	6.6%	6.8%

Previous Forecast (4/99)	\$10,005.6	\$10,504.6	\$11,113.9
Percent Growth	4.8%	5.0%	5.8%

Additional Projected Revenue	\$586.1	\$785.1	\$948.7
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Transfers

Lottery	\$0.0	\$0.0	\$0.0
ABC Profits	\$2.0	\$3.1	\$5.1
Other Transfers	<u>\$0.5</u>	<u>\$1.7</u>	<u>-\$2.5</u>
Total Transfers	\$2.5	\$4.8	\$2.6

Tobacco Master Settlement	<u>\$66.6</u>	<u>\$51.6</u>	<u>\$11.6</u>
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Total General Fund Resources	\$655.2	\$841.5	\$962.9
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Total FY00-02 Revenue Increase	\$2,319.9 million
Total FY00-02 Transfers Increase	9.9 million
Tobacco Master Settlement	<u>129.8</u> million
Total FY00-02 General Fund Resources	\$2,459.6 million

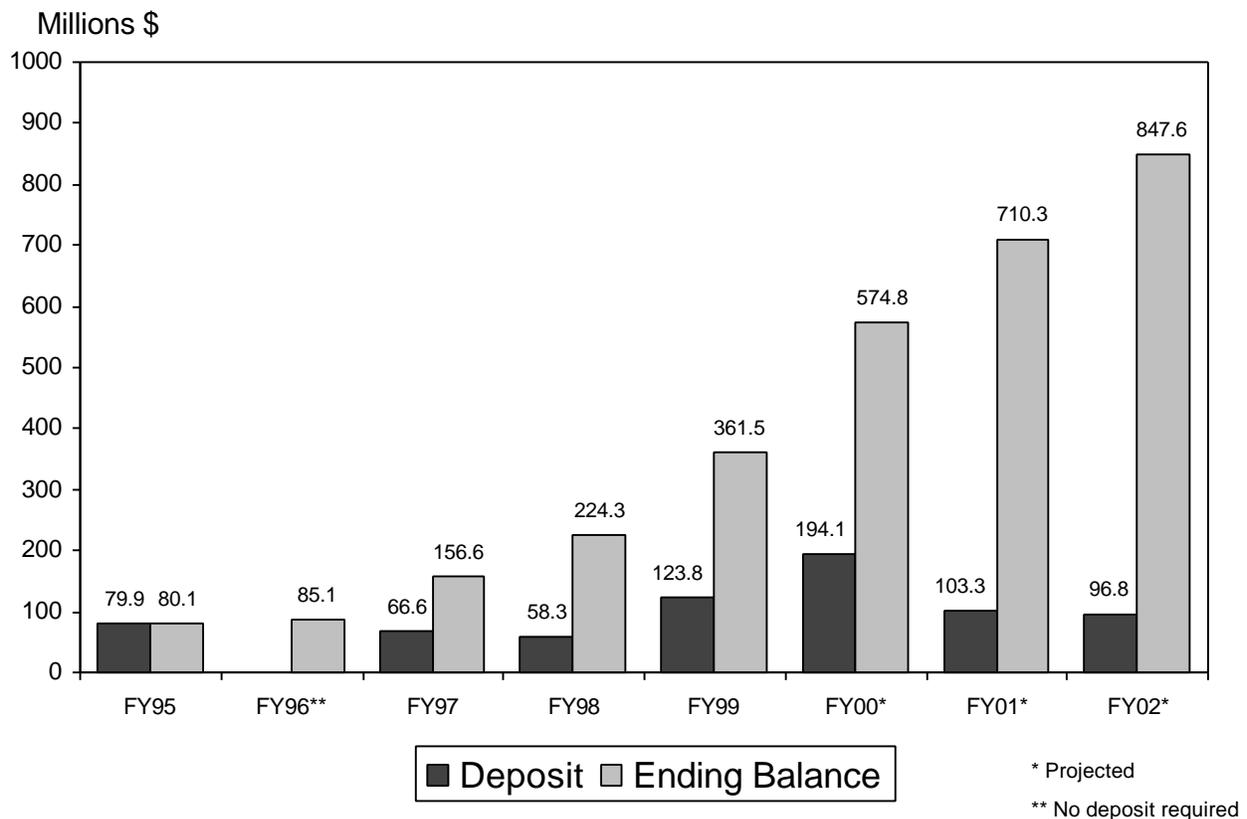
Tax relief plants the seeds for continued economic growth...

Summary of Recent Tax Relief Legislation

	(In millions)		
	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
<u>Individuals</u>			
Car Tax Relief	-323.0	-572.4	-855.4
Reduction in Sales Tax on Food	-25.6	-62.1	-63.6
Non-prescription Drug Exemption	-11.1	-11.7	-12.4
Income Tax Subtraction – Military Wages	-4.7	-9.4	-9.7
Subtraction for Unemployment Benefits	-3.3	-7.5	-7.9
Higher Education Trust Fund	-2.9	-3.2	-3.2
Other Tax Relief for Individuals	<u>-2.6</u>	<u>-6.6</u>	<u>-6.8</u>
Total – Individuals’ Tax Relief	-\$373.2	-\$672.9	-\$959.0
<u>Business Development Enhancement</u>			
Coalfield Employment Enhancement Credit	-14.4	-15.1	-23.3
Double-Weighted Sales			
Apportionment Factor	-9.9	-20.6	-20.9
Enterprise Zone – Small Business	-9.3	-11.0	-11.0
Repeal Retaliatory Tax - Insurance	-2.4	-2.4	-2.4
Other Business Development Tax Relief	<u>-2.8</u>	<u>-6.3</u>	<u>-8.5</u>
Total – Business Development Tax Relief	<u>-\$38.8</u>	<u>-\$55.4</u>	<u>-\$66.1</u>
Grand Total – Tax Relief	-\$412.0	-\$728.3	-\$1,025.1

The “Rainy Day Fund” will grow to almost \$850 million...

Revenue Stabilization Fund



- The Revenue Stabilization Fund will have nearly \$850 million, including interest of \$124.7 million, on deposit by the end of fiscal year 2002
- Highlights increasing strength of the Virginia economy
 - ◆ Contributions based on excess growth over average of 6 preceding years
 - ◆ Virginia well-prepared if an economic downturn occurs

Revenue collections to date illustrate the continuing strength of Virginia's economy...

**Summary of FY00 Year-to-Date Collections
(through November)**

<u>Source</u>	As a % of Total Revenues	(percent change)	
		<u>YTD Actual</u>	<u>Revised '99 Forecast</u>
Individual Income	61.6	14.9	11.0
Withholding	54.0	14.8	10.5
Nonwithholding	14.6	11.8	11.4
Refunds	-6.9	2.4	8.1
Sales	20.3	6.9	6.8
Corporate Income	4.3	36.9	13.0
Public Service	1.2	5.6	8.4
Insurance Premiums	2.5	-4.3	1.9
Total Revenues		12.6%	9.2%

- Revenue growth expected to slow in the spring due to tight labor markets and use of Y2K stockpiles

We have a high level of confidence in this forecast, but there are risks...

- Job growth must continue to be solid
- Strength of the holiday shopping season -- 8% increase
- Wall Street's performance -- no prolonged correction
- Consumer confidence - no precipitous declines
- Inflation remains under control
- Fed does not hit the monetary brakes too hard

APPENDIX

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast for FY2000 through FY2006

Growth in General Fund Revenues FY1961 through FY2002

Revenue Stabilization Fund

Nongeneral Fund Forecast for FY2000 through FY2006

Revenue Report through November 1999

Fiscal Years 1997-2002 October & Official
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
<u>Output, Income and Spending (% Change)</u>							
GDP	-October Std.	5.8	5.4	5.0	4.7	4.3	5.0
	-Official	5.8	5.4	4.0	4.6	4.1	4.7
Real GDP	-October Std.	3.8	3.9	3.9	3.2	2.5	2.9
	-Official	3.8	3.9	2.5	2.4	1.8	2.5
Total Personal Income	-October Std.	5.9	5.2	5.0	5.0	5.1	5.2
	-Official	5.9	5.2	4.7	5.0	5.3	5.2
Wages and Salaries	-October Std.	6.8	6.9	6.4	5.8	4.9	5.3
	-Official	6.8	7.0	5.9	5.7	5.3	5.3
Average Wage (Nonag. Employ.)	-October Std.	4.3	4.2	4.0	4.3	3.8	3.9
	-Official	4.3	4.2	3.9	4.3	4.2	4.3
Real Consumer Spending	-October Std.	3.1	4.2	5.2	4.1	2.5	2.7
	-Official	3.1	4.2	3.4	2.2	2.4	2.3
<u>Interest Rates (%)</u>							
Treasury Bills	-October Std.	5.0	5.0	4.5	4.7	4.7	4.7
	-Official	5.0	5.0	5.1	5.2	5.3	5.3
30-Year Treasury Bonds	-October Std.	6.8	6.1	5.4	6.0	6.0	6.0
	-Official	6.8	6.1	5.4	5.5	5.6	5.6
<u>Prices (% Change)</u>							
CPI	-October Std.	2.8	1.8	1.7	2.5	2.4	2.4
	-Official	2.8	1.8	2.0	2.3	2.4	2.4
GDP Deflator	-October Std.	1.9	1.4	1.0	1.4	1.7	2.0
	-Official	1.9	1.4	1.4	2.1	2.2	2.2

The October Std. forecast is WEFA Group's October 1999 U.S. standard forecast.

The Official forecast is WEFA Group's September 1998 U.S. standard forecast.

Fiscal Years 1997-2002 October & Official
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	-October Std.	2.4	2.6	2.3	1.5	1.0	1.3
	-Official	2.4	2.6	1.9	1.3	1.1	1.0
Manufacturing	-October Std.	0.4	1.3	(1.2)	(2.0)	(0.4)	1.2
	-Official	0.4	1.1	(1.1)	(0.7)	(0.1)	0.7
Construction	-October Std.	5.6	4.7	5.4	0.8	0.0	1.9
	-Official	5.7	4.4	1.8	(0.7)	0.4	1.2
Mining	-October Std.	1.7	2.3	(6.5)	(4.7)	(0.5)	1.9
	-Official	1.7	0.4	(2.2)	0.7	0.3	(0.4)
Services	-October Std.	4.3	4.5	3.9	2.8	1.6	1.3
	-Official	4.3	4.5	3.0	2.8	2.1	1.7
Trade	-October Std.	2.1	1.7	2.1	2.2	1.6	1.8
	-Official	2.1	2.1	2.7	1.4	0.8	0.9
Finance, Insurance, and Real Estate	-October Std.	2.4	3.6	4.0	1.9	0.4	0.5
	-Official	2.3	3.0	2.9	1.1	0.5	(0.2)
Transportation, Communication, and Public Utilities	-October Std.	2.3	2.5	3.1	2.0	1.2	1.2
	-Official	2.3	2.0	2.3	1.3	0.7	0.5
Government	-October Std.	0.6	1.1	1.6	1.2	0.9	0.9
	-Official	0.7	1.0	1.2	1.1	0.9	0.9
Labor Force	-October Std.	1.8	1.3	1.1	1.4	1.3	1.3
	-Official	1.8	1.3	1.1	1.4	1.3	1.3
Number of Unemployed	-October Std.	(5.0)	(9.3)	(4.9)	3.7	2.1	1.4
	-Official	(5.0)	(9.3)	1.4	6.4	8.5	6.2
Unemployment Rate (%)	-October Std.	5.2	4.6	4.4	4.5	4.5	4.5
	-Official	5.2	4.7	4.7	4.9	5.2	5.5

The October Std. forecast is WEFA Group's October 1999 U.S. standard forecast.
The Official forecast is WEFA Group's September 1998 U.S. standard forecast.

**Fiscal Years 1997-2002 October & Official
Virginia Economic Forecasts - Employment and Labor Markets**

		<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
<u>Employment (% Change)</u>							
Total Nonagricultural Employment	-October Std.	3.1	2.5	2.7	2.4	1.7	2.0
	-Official	3.1	2.9	2.4	1.8	1.4	1.3
Manufacturing	-October Std.	0.4	1.3	(1.6)	(1.1)	0.2	1.8
	-Official	0.4	1.2	0.5	0.8	0.7	1.6
Construction	-October Std.	7.2	2.3	4.0	2.9	3.3	2.4
	-Official	7.2	4.4	3.7	2.2	1.4	1.4
Services	-October Std.	6.0	5.4	4.5	3.4	2.1	2.3
	-Official	6.0	5.5	4.0	2.8	2.6	1.8
Trade	-October Std.	2.1	1.1	2.1	2.8	1.7	2.0
	-Official	2.1	2.2	2.0	1.4	1.3	1.2
Finance, Insurance, and Real Estate	-October Std.	3.2	3.6	4.8	2.7	0.3	1.1
	-Official	3.1	2.8	2.2	1.8	0.9	0.5
Transportation, Communication, and Public Utilities	-October Std.	3.9	3.1	3.5	2.6	1.1	1.3
	-Official	3.9	3.9	3.4	2.3	1.2	0.7
Federal Government	-October Std.	(2.9)	(4.3)	1.0	(1.5)	0.1	0.0
	-Official	(2.9)	(3.8)	(1.3)	(0.1)	(0.7)	(0.3)
State and Local Government	-October Std.	1.7	1.8	2.5	3.6	2.7	2.7
	-Official	1.7	1.4	1.9	1.6	0.8	0.7
<u>Labor Markets (% Change)</u>							
Number of Unemployed	-October Std.	(6.2)	(21.0)	(12.3)	16.6	2.7	1.1
	-Official	(7.1)	(16.4)	(1.7)	10.7	6.9	5.2
Labor Force	-October Std.	(1.5)	1.3	3.7	(2.0)	2.2	1.8
	-Official	(2.5)	4.2	1.8	0.6	0.9	1.2
Unemployment Rate (%)	-October Std.	4.3	3.3	2.8	3.3	3.4	3.3
	-Official	4.3	3.4	3.3	3.6	3.9	4.0

The October Std. forecast, developed by the Department of Taxation, is based on The WEFA Group's October 1999 U.S. standard forecast. The Official forecast is based on The WEFA Group's September 1998 U.S. standard forecast.

**Fiscal Years 1997-2002 October & Official
Virginia Economic Forecasts - Income and Other Indicators**

		<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
<u>Income (% Change)</u>							
Total Personal Income	-October Std.	5.7	5.7	7.0	6.5	6.0	5.7
	-Official	5.5	6.0	5.7	5.3	5.5	5.2
Real Personal Income	-October Std.	3.6	4.4	6.0	4.6	4.0	3.4
	-Official	3.4	4.7	4.5	3.1	3.0	2.7
Wages and Salaries	-October Std.	7.0	7.6	9.8	8.7	6.9	6.5
	-Official	6.8	8.0	7.5	6.3	6.2	5.7
Average Wage (Nonag. Employ.)	-October Std.	3.8	4.9	7.0	6.2	5.1	4.4
	-Official	3.6	5.0	4.9	4.4	4.7	4.4
Dividends, Interest, and Rent	-October Std.	5.8	2.8	2.4	1.8	4.4	4.4
	-Official	5.6	4.0	3.4	3.1	3.4	3.7
Net Transfer Payments	-October Std.	5.8	3.2	0.9	0.4	3.0	3.3
	-Official	5.0	3.9	1.7	5.0	7.3	6.9
Other Labor Income	-October Std.	0.4	2.6	5.5	5.5	4.5	4.4
	-Official	2.1	3.9	4.2	3.0	2.7	3.1
<u>Migration and Housing (Thousands)</u>							
Net Migration	-October Std.	33.2	16.0	18.0	16.6	18.0	20.5
	-Official	35.2	43.0	38.7	42.2	44.1	45.8
Single Family Housing Starts	-October Std.	37.8	38.2	48.2	50.4	45.8	45.9
	-Official	38.2	40.7	44.7	41.4	40.6	39.9
Multi-Family Housing Starts	-October Std.	8.7	8.7	10.9	12.7	12.3	12.0
	-Official	8.8	9.2	8.8	9.7	10.2	10.7

The October Std. forecast, developed by the Department of Taxation, is based on The WEFA Group's October 1999 U.S. standard forecast. The Official forecast is based on The WEFA Group's September 1998 U.S. standard forecast.

The Official and December Standard General Fund Forecast for Fiscal Year 2000

(Dollars in Millions)

December 17, 1999

	Fiscal Year 2000						1999-2000 Biennium		
	Official	December	Change	% Growth Over FY 99		Official	December	Change	
	Forecast	Forecast		Official	December	Forecast	Forecast		
MAJOR TAX SOURCES									
Corporate Income	\$ 446.1	\$ 475.1	\$ 29.1	6.1 %	13.0 %	\$ 866.5	\$ 895.5	\$ 29.1	
Individual Income Tax:									
Gross	7,067.6	7,527.4	459.8	3.9	10.7	13,867.4	14,327.2	459.8	
Withholding	5,565.2	5,870.5	305.3	4.8	10.5	10,877.1	11,182.4	305.3	
Nonwithholding	1,502.4	1,656.9	154.5	1.0	11.4	2,990.2	3,144.7	154.5	
Refunds	(711.0)	(769.6)	(58.6)	(0.1)	8.1	(1,422.9)	(1,481.5)	(58.6)	
Net	6,356.6	6,757.8	401.2	4.4	11.0	12,444.5	12,845.7	401.2	
Insurance Company Premiums	260.8	249.6	(11.2)	6.5	1.9	505.7	494.5	(11.2)	
Public Service GR / Consumption Tax	123.5	121.4	(2.1)	10.3	8.4	235.4	233.3	(2.1)	
State Sales & Use Tax	<u>2,094.3</u>	<u>2,205.6</u>	<u>111.3</u>	<u>1.4</u>	<u>6.8</u>	<u>4,159.6</u>	<u>4,270.9</u>	<u>111.3</u>	
Total Major Tax Sources	\$ 9,281.2	\$ 9,809.5	\$ 528.3	3.9 %	9.8 %	\$ 18,211.6	\$ 18,739.9	\$ 528.3	
MISCELLANEOUS TAXES & OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 66.2	\$ 73.6	\$ 7.4	(7.3) %	3.0 %	\$ 137.6	\$ 145.0	\$ 7.4	
Bank Franchise Tax	9.4	9.7	0.3	(29.5)	(27.3)	22.7	23.0	0.3	
Beer & Beverage Excise Tax	38.2	39.5	1.3	(2.4)	0.9	77.3	78.6	1.3	
Corporate Franchise & Charter Fees	18.6	19.9	1.3	(15.7)	(9.8)	40.7	42.0	1.3	
Excess & Other Fees From Officers	(10.7)	(13.7)	(3.0)	(16.6)	6.8	(23.5)	(26.5)	(3.0)	
Estate & Gifts	107.9	165.6	57.7	(30.0)	7.5	262.0	319.7	57.7	
Institutional Revenues	10.8	8.4	(2.4)	29.3	0.6	19.2	16.8	(2.4)	
Interest & Rents	158.2	135.0	(23.2)	25.1	6.8	284.6	261.4	(23.2)	
Licenses & Permits	1.7	1.5	(0.2)	13.3	0.0	3.3	3.0	(0.2)	
Miscellaneous Taxes & Penalties	125.9	134.0	8.1	(1.9)	4.4	254.3	262.4	8.1	
Other Miscellaneous Revenues	56.4	55.9	(0.5)	19.5	18.4	103.6	103.1	(0.5)	
Tobacco Products Tax	15.5	14.4	(1.1)	0.8	(6.3)	30.9	29.8	(1.1)	
Wills, Suits, Deeds & Contract Fees	<u>126.2</u>	<u>138.4</u>	<u>12.2</u>	<u>(20.1)</u>	<u>(12.3)</u>	<u>284.1</u>	<u>296.3</u>	<u>12.2</u>	
Total Misc. Taxes & Other Revenues	\$ 724.3	\$ 782.2	\$ 57.9	(6.2) %	1.3 %	\$ 1,496.7	\$ 1,554.5	\$ 57.9	
TOTAL REVENUES	\$ 10,005.6	\$ 10,591.7	\$ 586.1	3.1 %	9.2 %	\$ 19,708.3	\$ 20,294.4	\$ 586.1	
TRANSFERS									
A.B.C. Profits	\$ 21.0	\$ 23.0	\$ 2.0	(17.6) %	(9.8) %	\$ 46.5	\$ 48.5	\$ 2.0	
Net Lottery Transfers	310.3	310.3	0.0	(3.6)	(3.6)	632.2	632.2	0.0	
Transfers Per Appropriations Act	<u>77.7</u>	<u>78.2</u>	<u>0.5</u>	<u>58.2</u>	<u>59.3</u>	<u>126.8</u>	<u>127.3</u>	<u>0.5</u>	
Total Transfers	\$ 409.0	\$ 411.5	\$ 2.5	3.2 %	3.8 %	\$ 805.5	\$ 808.0	\$ 2.5	
Tobacco Master Settlement		66.6	66.6				66.6		
TOTAL GENERAL FUND	\$ <u>10,414.6</u>	\$ <u>11,069.8</u>	\$ <u>655.2</u>	<u>3.1 %</u>	<u>9.6 %</u>	\$ <u>20,513.8</u>	\$ <u>21,169.0</u>	\$ <u>655.2</u>	

The Official forecast is based on the September 1998 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 1999 General Assembly Session.

The December forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The Official and December Standard General Fund Forecast for Fiscal Year 2001

(Dollars in Millions)

December 17, 1999

	Fiscal Year 2001				
	Official	December	Change	% Growth Over FY 00	
	Forecast	Forecast		Official	December
MAJOR TAX SOURCES					
Corporate Income	\$ 429.6	\$ 464.8	\$ 35.2	(3.7) %	(2.2) %
Individual Income Tax:					
Gross	7,487.8	8,218.4	730.6	5.9	9.2
Withholding	5,920.8	6,401.6	480.8	6.4	9.0
Nonwithholding	1,567.0	1,816.8	249.8	4.3	9.7
Refunds	<u>(761.6)</u>	<u>(824.4)</u>	<u>(62.8)</u>	<u>7.1</u>	<u>7.1</u>
Net	6,726.2	7,394.0	667.8	5.8	9.4
Insurance Company Premiums	271.3	261.1	(10.2)	4.0	4.6
Public Service GR / Consumption Tax	126.4	89.9	(36.5)	2.3	(25.9)
State Sales & Use Tax	<u>2,228.0</u>	<u>2,313.6</u>	<u>85.6</u>	<u>6.4</u>	<u>4.9</u>
Total Major Tax Sources	\$ 9,781.5	\$ 10,523.4	\$ 741.9	5.4 %	7.3 %
MISCELLANEOUS TAXES & OTHER REVENUES					
Alcoholic Beverages State Tax	\$ 66.7	\$ 75.4	\$ 8.7	0.8 %	2.4 %
Bank Franchise Tax	7.2	9.8	2.6	(23.4)	1.0
Beer & Beverage Excise Tax	38.2	39.5	1.3	0.0	0.0
Corporate Franchise & Charter Fees	18.6	20.9	2.3	0.0	5.0
Excess & Other Fees From Officers	(11.4)	(14.6)	(3.2)	6.5	6.6
Estate & Gifts	99.7	133.3	33.6	(7.6)	(19.5)
Institutional Revenues	11.0	8.4	(2.6)	1.9	0.0
Interest & Rents	155.7	143.5	(12.2)	(1.6)	6.3
Licenses & Permits	1.7	1.5	(0.2)	(2.6)	0.0
Miscellaneous Taxes & Penalties	129.9	139.7	9.8	3.2	4.3
Other Miscellaneous Revenues	57.5	48.1	(9.4)	2.0	(14.0)
Tobacco Products Tax	15.0	14.0	(1.0)	(3.2)	(2.8)
Wills, Suits, Deeds & Contract Fees	<u>133.3</u>	<u>146.8</u>	<u>13.5</u>	<u>5.6</u>	<u>6.1</u>
Total Misc. Taxes & Other Revenues	\$ 723.1	\$ 766.3	\$ 43.2	(0.2) %	(2.0) %
TOTAL REVENUES	\$ 10,504.6	\$ 11,289.7	\$ 785.1	5.0 %	6.6 %
TRANSFERS					
A.B.C. Profits	\$ 19.3	\$ 22.4	\$ 3.1	(8.1) %	(2.6) %
Net Lottery Transfers	310.3	310.3	0.0	0.0	0.0
Transfers Per Appropriations Act	<u>20.0</u>	<u>21.7</u>	<u>1.7</u>	<u>(74.3)</u>	<u>(72.3)</u>
Total Transfers	\$ 349.6	\$ 354.4	\$ 4.8	(14.5) %	(13.9) %
Tobacco Master Settlement		51.6	51.6		
TOTAL GENERAL FUND	\$ <u>10,854.2</u>	\$ <u>11,695.7</u>	\$ <u>841.5</u>	<u>4.2</u> %	<u>5.7</u> %

The Official forecast is based on the September 1998 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 1999 General Assembly Session.

The December forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The Official and December Standard General Fund Forecast for Fiscal Year 2002
(Dollars in Millions)

December 17, 1999

	Fiscal Year 2002						2000 - 02 Biennium		
	Official	December	Change	% Growth Over FY 01		Official	December	Change	
	Forecast	Forecast		Official	December	Forecast	Forecast		
MAJOR TAX SOURCES									
Corporate Income	\$ 426.3	\$ 470.2	\$ 43.9	(0.8) %	1.2 %	\$ 855.9	\$ 935.0	\$ 79.1	
Individual Income Tax:									
Gross	7,960.7	8,869.9	909.2	6.3	7.9	15,448.5	17,088.3	1,639.8	
Withholding	6,299.9	6,872.9	573.0	6.4	7.4	12,220.7	13,274.5	1,053.8	
Nonwithholding	1,660.8	1,997.0	336.2	6.0	9.9	3,227.8	3,813.8	586.0	
Refunds	<u>(761.3)</u>	<u>(889.3)</u>	<u>(128.0)</u>	<u>(0.0)</u>	<u>7.9</u>	<u>(1,522.9)</u>	<u>(1,713.7)</u>	<u>(190.8)</u>	
Net	7,199.4	7,980.6	781.2	7.0	7.9	13,925.6	15,374.6	1,449.0	
Insurance Company Premiums	284.5	273.6	(10.9)	4.9	4.8	555.8	534.7	(21.1)	
Public Service GR / Consumption Tax	129.2	84.8	(44.4)	2.2	(5.7)	255.6	174.7	(80.9)	
State Sales & Use Tax	<u>2,338.2</u>	<u>2,465.2</u>	<u>127.0</u>	<u>4.9</u>	<u>6.6</u>	<u>4,566.2</u>	<u>4,778.8</u>	<u>212.6</u>	
Total Major Tax Sources	\$ 10,377.6	\$ 11,274.4	\$ 896.8	6.1 %	7.1 %	\$ 20,159.1	\$ 21,797.8	\$ 1,638.7	
MISCELLANEOUS TAXES & OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 67.1	\$ 77.7	\$ 10.6	0.6 %	3.1 %	\$ 133.8	\$ 153.1	\$ 19.3	
Bank Franchise Tax	7.2	10.5	3.3	0.0	7.1	14.4	20.3	5.9	
Beer & Beverage Excise Tax	38.2	39.5	1.3	0.0	0.0	76.4	79.0	2.6	
Corporate Franchise & Charter Fees	18.6	21.8	3.2	0.0	4.3	37.2	42.7	5.5	
Excess & Other Fees From Officers	(12.2)	(15.6)	(3.4)	7.0	7.0	(23.6)	(30.2)	(6.6)	
Estate & Gifts	102.1	137.0	34.9	2.4	2.8	201.8	270.3	68.5	
Institutional Revenues	11.2	8.4	(2.8)	1.8	0.0	22.2	16.8	(5.4)	
Interest & Rents	155.7	148.1	(7.6)	0.0	3.2	311.4	291.6	(19.8)	
Licenses & Permits	1.7	1.5	(0.2)	0.0	0.0	3.4	3.0	(0.4)	
Miscellaneous Taxes & Penalties	134.0	145.3	11.3	3.2	4.0	263.9	285.0	21.1	
Other Miscellaneous Revenues	58.3	46.1	(12.2)	1.4	(4.2)	115.8	94.2	(21.6)	
Tobacco Products Tax	14.6	13.6	(1.0)	(2.7)	(2.9)	29.6	27.6	(2.0)	
Wills, Suits, Deeds & Contract Fees	<u>139.8</u>	<u>154.3</u>	<u>14.5</u>	<u>4.9</u>	<u>5.1</u>	<u>273.1</u>	<u>301.1</u>	<u>28.0</u>	
Total Misc. Taxes & Other Revenues	\$ 736.3	\$ 788.2	\$ 51.9	1.8 %	2.9 %	\$ 1,459.4	\$ 1,554.5	\$ 95.1	
TOTAL REVENUES	\$ 11,113.9	\$ 12,062.6	\$ 948.7	5.8 %	6.8 %	\$ 21,618.5	\$ 23,352.3	\$ 1,733.8	
TRANSFERS									
A.B.C. Profits	\$ 17.9	\$ 23.0	\$ 5.1	(7.3) %	2.7 %	\$ 37.2	\$ 45.4	\$ 8.2	
Net Lottery Profits	310.3	310.3	0.0	0.0	0.0	620.6	620.6	0.0	
Transfers Per Appropriations Act	<u>20.0</u>	<u>17.5</u>	<u>(2.5)</u>	<u>0.0</u>	<u>(19.4)</u>	<u>40.0</u>	<u>39.2</u>	<u>(0.8)</u>	
Total Transfers	\$ 348.2	\$ 350.8	\$ 2.6	(0.4) %	(1.0) %	\$ 697.8	\$ 705.2	\$ 7.4	
Tobacco Master Settlement		11.6	11.6				63.2		
TOTAL GENERAL FUND	\$ <u>11,462.1</u>	\$ <u>12,425.0</u>	\$ <u>962.9</u>	<u>5.6</u> %	<u>6.2</u> %	\$ <u>22,316.3</u>	\$ <u>24,120.7</u>	\$ <u>1,741.2</u>	

The Official forecast is based on the September 1998 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 1999 General Assembly Session.

The December forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The December Standard General Fund Forecast for Fiscal Years 2003-2006

(Dollars in Millions)

12/17/99

	Fiscal Year <u>2003</u>	Fiscal Year <u>2004</u>	Fiscal Year <u>2005</u>	Fiscal Year <u>2006</u>
MAJOR TAX SOURCES				
Corporate Income	\$ 479.8	\$ 485.3	\$ 491.4	\$ 500.6
Individual Income Tax:				
Gross	9,466.1	10,070.4	10,763.1	11,490.6
Withholding	7,290.5	7,697.2	8,194.4	8,690.8
Nonwithholding	2,175.6	2,373.2	2,568.7	2,799.8
Refunds	<u>(955.6)</u>	<u>(948.4)</u>	<u>(999.4)</u>	<u>(1,068.1)</u>
Net	8,510.5	9,122.0	9,763.7	10,422.5
Insurance Company Premiums	287.9	299.2	321.9	340.0
Public Service GR / Consumption Tax	85.2	85.6	86.2	88.7
State Sales & Use Tax	<u>2,605.6</u>	<u>2,752.2</u>	<u>2,925.5</u>	<u>3,116.2</u>
Total Major Tax Sources	\$ 11,969.0	\$ 12,744.3	\$ 13,588.7	\$ 14,468.0
MISCELLANEOUS TAXES & OTHER REVENUES				
Alcoholic Beverages State Tax	\$ 77.7	\$ 77.7	\$ 77.7	\$ 77.7
Bank Franchise Tax	11.3	12.1	12.8	13.5
Beer & Beverage Excise Tax	39.5	39.5	39.5	39.5
Corporate Franchise & Charter Fees	22.9	23.9	24.9	26.0
Excess & Other Fees From Officers	(16.6)	(17.7)	(18.8)	(20.0)
Estate & Gifts	140.7	144.4	148.1	151.7
Institutional Revenues	8.4	8.4	8.4	8.4
Interest & Rents	148.1	148.1	148.1	148.1
Licenses & Permits	1.5	1.5	1.5	1.5
Miscellaneous Taxes & Penalties	150.9	156.5	162.1	167.8
Other Miscellaneous Revenues	44.5	45.2	45.9	46.7
Tobacco Products Tax	13.3	12.9	12.4	11.8
Wills, Suits, Deeds & Contract Fees	<u>160.8</u>	<u>167.6</u>	<u>175.5</u>	<u>185.5</u>
Total Misc. Taxes & Other Revenues	\$ 803.0	\$ 820.1	\$ 838.1	\$ 858.2
TOTAL REVENUES	\$ 12,772.0	\$ 13,564.4	\$ 14,426.8	\$ 15,326.2
TRANSFERS				
A.B.C. Profits	\$ 21.5	\$ 21.5	\$ 21.5	\$ 21.5
Net Lottery Transfers	310.3	310.3	310.3	310.3
Transfers Per Appropriations Act	<u>\$ 20.0</u>	<u>\$ 20.0</u>	<u>\$ 20.0</u>	<u>\$ 20.0</u>
Total Transfers	\$ 351.8	\$ 351.8	\$ 351.8	\$ 351.8
Tobacco Master Settlement	14.3	13.2	13.8	14.9
TOTAL GENERAL FUND	\$ 13,138.1	\$ 13,929.4	\$ 14,792.4	\$ 15,692.9
\$ Change From Previous Year	\$ 713.1	\$ 791.3	\$ 863.0	\$ 900.5
TOTAL BIENNIUM GENERAL FUND		\$ 27,067.5		\$ 30,485.3
\$ Change From Previous Biennium		\$ 2,946.8		\$ 3,417.8
% Growth From Previous Biennium		12.2 %		12.6 %

*Projections are based on the October 1999 WEFA U.S. Standard forecast and the corresponding Virginia forecast produced by the Department of Taxation.

The December Standard General Fund Forecast for Fiscal Years 2003-2006

(Dollars in Millions)

12/17/99

	FY 03 % Growth <u>Over FY 02</u>	FY 04 % Growth <u>Over FY 03</u>	FY 05 % Growth <u>Over FY 04</u>	FY 06 % Growth <u>Over FY 05</u>
MAJOR TAX SOURCES				
Corporate Income	2.0 %	1.1 %	1.3 %	1.9 %
Individual Income Tax:				
Gross	6.7	6.4	6.9	6.8
Withholding	6.1	5.6	6.5	6.1
Nonwithholding	8.9	9.1	8.2	9.0
Refunds	<u>7.5</u>	<u>(0.8)</u>	<u>5.4</u>	<u>6.9</u>
Net	6.6	7.2	7.0	6.7
Insurance Company Premiums	5.2	3.9	7.6	5.6
Public Service GR / Consumption Tax	0.5	0.5	0.7	2.9
State Sales & Use Tax	<u>5.7</u>	<u>5.6</u>	<u>6.3</u>	<u>6.5</u>
Total Major Tax Sources	6.2 %	6.5 %	6.6 %	6.5 %
MISCELLANEOUS TAXES & OTHER REVENUES				
Alcoholic Beverages State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	7.6	7.1	5.8	5.5
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	5.0	4.4	4.2	4.4
Excess & Other Fees From Officers	6.4	6.6	6.2	6.4
Estate & Gifts	2.7	2.6	2.6	2.4
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes & Penalties	3.9	3.7	3.6	3.5
Other Miscellaneous Revenues	(3.5)	1.6	1.5	1.7
Tobacco Products Tax	(2.2)	(3.0)	(3.9)	(4.8)
Wills, Suits, Deeds & Contract Fees	<u>4.2</u>	<u>4.2</u>	<u>4.7</u>	<u>5.7</u>
Total Misc. Taxes & Other Revenues	1.9 %	2.1 %	2.2 %	2.4 %
TOTAL REVENUES	5.9 %	6.2 %	6.4 %	6.2 %
TRANSFERS				
A.B.C. Profits	(6.5) %	0.0 %	0.0 %	0.0 %
Net Lottery Transfers	0.0	0.0	0.0	0.0
Transfers Per Appropriations Act	<u>14.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	0.3 %	0.0 %	0.0 %	0.0 %
TOTAL GENERAL FUND	5.7 %	6.0 %	6.2 %	6.1 %

* Projections are based on the October 1999 WEFA U.S. Standard forecast and the corresponding Virginia forecast produced by the Department of Taxation.

Growth in Total General Fund Revenues
Fiscal Year 1961 - Fiscal Year 2002
(Nominal - Actual Dollars)

FY	Total Revenues	Growth	FY	Total Revenues	Growth
61	230,998,887	----	82	2,796,458,741	8.4%
62	242,144,567	4.8%	83	2,975,687,935	6.4%
63	286,304,265	18.2%	84	3,397,710,261	14.2%
64	298,033,919	4.1%	85	3,790,816,000	11.6%
65	323,213,412	8.4%	86	4,131,778,000	9.0%
66	365,129,776	13.0%	87	4,590,434,000	11.1%
67	414,755,644	13.6%	88	5,054,382,000	10.1%
68	533,597,744	28.7%	89	5,478,912,000	8.4%
69	706,254,374	32.4%	90	5,494,884,000	0.3%
70	743,721,322	5.3%	91	5,471,882,000	-0.4%
71	807,954,651	8.6%	92	5,623,213,000	2.8%
72	922,653,686	14.2%	93	6,133,637,000	9.1%
73	1,054,469,443	14.3%	94	6,503,400,000	6.0%
74	1,168,562,871	10.8%	95	6,881,145,000	5.8%
75	1,303,178,893	11.5%	96	7,356,100,000	6.9%
76	1,428,421,157	9.6%	97	7,949,300,000	8.1%
77	1,636,301,819	14.6%	98	8,773,500,000	10.4%
78	1,923,085,084	17.5%	99	9,702,800,000	10.6%
79	2,115,211,522	10.0%	*00	10,591,700,000	9.2%
80	2,344,928,934	10.9%	*01	11,289,700,000	6.6%
81	2,579,663,941	10.0%	*02	12,062,600,000	6.8%

*December 17, 1999 Forecast

Excludes Transfers

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2002

(Real - Inflation Adjusted Dollars)

FY	Real Revenues	Growth	FY	Real Revenues	Growth
61	989,288,595		82	4,257,702,103	1.1%
62	1,028,214,722	3.9%	83	4,314,310,682	1.3%
63	1,201,192,637	16.8%	84	4,725,112,486	9.5%
64	1,233,584,102	2.7%	85	5,093,471,280	7.8%
65	1,319,911,841	7.0%	86	5,363,681,563	5.3%
66	1,462,420,250	10.8%	87	5,788,876,068	7.9%
67	1,616,036,018	10.5%	88	6,123,740,118	5.8%
68	2,013,006,674	24.6%	89	6,336,383,034	3.5%
69	2,561,909,401	27.3%	90	6,073,876,254	-4.1%
70	2,581,469,358	0.8%	91	5,751,702,318	-5.3%
71	2,677,341,234	3.7%	92	5,712,470,349	-0.7%
72	2,940,260,312	9.8%	93	6,047,573,270	5.9%
73	3,236,554,460	10.1%	94	6,267,582,219	3.6%
74	3,322,848,855	2.7%	95	6,460,410,750	3.1%
75	3,370,217,607	1.4%	96	6,771,087,997	4.8%
76	3,465,149,268	2.8%	97	7,169,443,755	5.9%
77	3,746,112,223	8.1%	98	7,813,425,359	9.0%
78	4,122,147,975	10.0%	99	8,555,459,836	9.5%
79	4,196,223,820	1.8%	*00	9,184,615,896	7.4%
80	4,218,636,204	0.5%	*01	9,604,394,197	4.6%
81	4,212,555,935	-0.1%	*02	10,032,941,187	4.5%

*December 17, 1999 Forecast

Excludes Transfers

Revenue Stabilization Fund
December 17, 1999 Forecast for FY00 - FY02

G.A. Sess.	Fiscal Year Collected	Net Individual Collections	Corporate Collections	Sales Collections (w/o TTF)	Percent Growth	Prior Six Year Growth	Excess / Deficient Growth	Fund Maximum (\$ Mill)	Estimated Deposit (\$ Mill)
2003	2002	7,980.6	470.2	2,465.2	7.3%	9.0%	-1.716%	1,017.6	(93.7)
2002	2001	7,394.0	464.8	2,313.6	7.8%	8.9%	-1.126%	939.5	(57.3)
2001	2000	6,757.8	475.1	2,205.6	10.1%	8.0%	2.050%	859.6	96.8
2000	1999	6,087.9	420.4	2,065.3	10.3%	7.8%	2.410%	777.9	103.3
1999	1998	5,405.9	450.8	1,919.2	11.3%	6.3%	4.993%	706.3	194.1
1998	1997	4,728.1	432.3	1,826.8	8.7%	5.2%	3.544%	649.1	123.8
1997	1996	4,301.3	402.3	1,722.0	6.0%	4.2%	1.815%	605.0	58.3
1996	1995	4,027.3	376.4	1,657.7	7.0%	4.8%	2.198%	570.8	66.6
1995	1994	3,812.3	312.1	1,539.1	4.9%	5.8%	-0.890%	533.6	(25.2)
1994	1993	3,585.4	371.5	1,441.6	9.1%	6.2%	2.959%	506.6	79.9
1993	1992	3,322.6	275.9	1,348.8	2.0%	7.5%	-5.505%	485.0	(136.2)
1992	1991	3,236.2	279.2	1,336.5	2.1%	9.0%	-6.839%	478.4	(165.9)
1991	1990	3,082.5	310.4	1,357.6	0.0%	11.6%	-11.618%	459.6	(276.0)
1990	1989	3,107.1	349.9	1,292.9	10.8%	11.0%	-0.191%	430.2	(4.5)
1989	1988	2,757.9	336.1	1,192.1	10.7%	10.6%	0.122%	387.8	2.6
1988	1987	2,445.8	318.8	1,105.7	11.3%	10.7%	0.560%	350.5	10.8
1987	1986	2,174.3	280.8	1,023.0	9.8%				
1986	1985	1,948.2	287.7	930.6	11.1%				
1985	1984	1,770.7	242.7	835.5	16.0%				
1984	1983	1,552.1	183.2	721.6	7.1%				
1983	1982	1,446.1	177.0	670.5	8.4%				
1982	1981	1,288.8	182.3	645.2	11.9%				
1981	1980	1,103.0	193.8	595.0					

NONGENERAL FUND REVENUE PROJECTIONS

For Fiscal Years 1999-2000 Through 2005-2006

	Actual	Revised	Projected					
	1999	2000	2001	2002	2003	2004	2005	2006
Taxes:								
Motor vehicle fuel tax	802.0	846.4	864.1	869.6	872.3	882.5	897.7	901.6
Unemployment compensation payroll tax	138.1	125.7	143.9	174.1	203.0	203.0	231.1	259.9
Special highway tax from sales tax	345.1	371.4	395.5	421.2	444.9	466.3	497.0	530.6
Motor vehicle sales tax and use tax	435.7	450.4	457.3	460.4	472.9	479.6	498.2	514.7
Other taxes	90.2	90.0	91.8	94.8	97.7	100.6	104.0	107.5
Total	1,811.1	1,883.9	1,952.6	2,020.1	2,090.7	2,132.0	2,228.0	2,314.3
Rights and privileges:								
Motor Vehicle Licenses	176.4	193.7	188.3	191.7	190.9	193.2	193.8	196.2
Other Rights & Privileges	333.0	338.2	353.1	360.1	360.7	367.1	366.5	372.8
Total	509.5	531.9	541.4	551.7	551.6	560.4	560.3	569.0
Sales of property and commodities:								
Alocoholic Beverage Sales	273.4	282.1	288.4	296.7	305.9	310.0	315.0	320.0
Other Sales	24.7	29.4	600.0	29.9	30.0	30.1	30.2	30.3
Total	298.1	311.5	888.4	326.6	335.9	340.1	345.2	350.3
Assessment & Receipts for								
Support of Special Services:	74.6	75.8	76.1	76.5	76.9	77.3	77.7	78.1
Institutional revenue:								
Institutions of Higher Education	1,609.5	1,620.1	1,664.4	1,705.5	1,747.8	1,791.4	1,836.2	1,882.1
Other Educational Institutions	20.2	19.6	19.7	19.7	19.6	19.7	19.7	19.7
Medical Hospitals	480.9	471.5	448.8	457.4	466.4	477.6	491.7	537.8
Mental Hospitals	252.0	253.5	264.2	274.8	274.8	274.8	274.8	274.8
Corrections	69.0	108.6	104.7	105.3	46.3	41.3	43.4	45.5
Other Institutions	13.4	15.2	16.7	15.2	13.7	14.0	14.2	14.5
Total	2,444.9	2,488.7	2,518.6	2,578.0	2,568.6	2,618.9	2,680.1	2,774.6
Interest dividends and rents:	127.0	97.2	94.0	89.8	79.8	78.0	75.3	74.5
Grants and donations:								
Federal grants and contracts	3,656.7	4,273.6	4,373.3	4,362.5	4,424.4	4,471.4	4,577.3	4,690.0
Other grants & contracts	118.1	140.7	160.5	150.3	155.6	171.4	125.7	128.2
Total	3,774.8	4,414.3	4,533.8	4,512.8	4,580.0	4,642.8	4,703.0	4,818.2
Other Revenue:	570.6	678.8	866.3	857.6	908.6	946.2	1,008.9	1,071.7
Total Nongeneral Fund Revenue	9,610.6	10,482.1	11,471.3	11,013.2	11,192.0	11,395.6	11,678.6	12,050.6
\$ Amount change from previous year	548.4	871.4	989.2	(458.1)	178.9	203.6	282.9	372.0
% Change from previous year	6.1%	9.1%	9.4%	-4.0%	1.6%	1.8%	2.5%	3.2%

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2000 Estimate	As a % of Gen Fund Rev & Net Lottery Transfer	FY 2000	November FY 1999	% Change	FY 2000	Year-To-Date FY 1999	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$5,565,200	53.95	\$530,517	\$411,243	29.0	\$2,333,999	\$2,033,887	14.8	4.8
Tax Dues/Estimated Payments	1,502,400	14.56	17,071	16,133	5.8	281,349	251,737	11.8	1.0
Gross Individual Income Tax	\$7,067,600	68.51	\$547,588	\$427,376	28.1	\$2,615,348	\$2,285,624	14.4	3.9
Individual and Fiduciary Income (Refunds)	(711,000)	(6.89)	(11,525)	(16,604)	(30.6)	(95,189)	(92,947)	2.4	(0.1)
Net Individual Income Tax	\$6,356,600	61.62	\$536,063	\$410,772	30.5	\$2,520,159	\$2,192,677	14.9	4.4
Sales and Use Tax (a)	2,094,300	20.30	179,038	179,951	(0.5)	916,901	857,882	6.9	1.4
Corporations Income Tax	446,100	4.32	(12,798)	(20,831)	38.6	143,663	104,911	36.9	6.1
Public Service Corporations	123,500	1.20	5	1,099	(99.5)	27,133	25,690	5.6	10.3
Insurance Premiums	260,800	2.53	(14,878)	(10,325)	(44.1)	46,308	48,373	(4.3)	6.5
Interest Income (b)	157,900	1.53	18,000	18,143	(0.8)	67,053	77,486	(13.5)	25.2
Alcoholic Beverage Sales (c)	104,400	1.01	20,660	19,319	6.9	35,588	34,575	2.9	(5.6)
All Other Revenues	462,000	4.48	41,132	36,495	12.7	221,003	190,317	16.1	(13.8)
Total General Fund Revenues	\$10,005,600	96.99	\$767,222	\$634,623	20.9	\$3,977,808	\$3,531,911	12.6	3.1
Gross Lottery Revenue	\$907,500	8.80	\$75,939	\$68,259	11.3	\$378,162	\$358,541	5.5	(2.9)
Less: Expenses	(597,200)	(5.79)	(49,279)	(47,302)	4.2	(251,349)	(237,011)	6.0	(3.3)
Net Lottery Profits	\$310,300	3.01	\$26,660	\$20,957	27.2	\$126,813	\$121,530	4.3	(2.1)
Elimination of Prize Reserve	\$0	0.00	\$0	\$0	-	\$0	\$0	-	(100.0)
Total Lottery Transfer	\$310,300	3.01	\$26,660	\$20,957	27.2	\$126,813	\$121,530	4.3	(3.6)
Total General Fund Revenues and Net Lottery Transfer	\$10,315,900	100.00	\$793,882	\$655,580	21.1	\$4,104,621	\$3,653,441	12.3	2.9
Local Portion of State Sales/Use Tax	\$700,900	6.79	\$59,324	\$59,642	(0.5)	\$303,991	\$284,425	6.9	2.4

Percentage is greater than 1,000%.

(a) Includes Local Portion of State Sales and Use Tax.

(b) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

(c) 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 1999 and 2000
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2000 Estimate	As a % of Total Gen Fund Rev	FY 2000	November FY 1999	% Change	FY 2000	Year-To-Date FY 1999	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$5,565,200	55.62	\$530,517	\$411,243	29.0	\$2,333,999	\$2,033,887	14.8	4.8
Tax Dues/Estimated Payments	1,502,400	15.02	17,071	16,133	5.8	281,349	251,737	11.8	1.0
Gross Individual Income Tax	\$7,067,600	70.64	\$547,588	\$427,376	28.1	\$2,615,348	\$2,285,624	14.4	3.9
Individ and Fiduc Income (Refunds)	(711,000)	(7.11)	(11,525)	(16,604)	(30.6)	(95,189)	(92,947)	2.4	(0.1)
Net Individual Income Tax	\$6,356,600	63.53	\$536,063	\$410,772	30.5	\$2,520,159	\$2,192,677	14.9	4.4
Sales and Use Tax	2,094,300	20.93	179,038	179,951	(0.5)	916,901	857,882	6.9	1.4
Corporations Income	446,100	4.46	(12,798)	(20,831)	38.6	143,663	104,911	36.9	6.1
Public Service Corporations	123,500	1.23	5	1,099	(99.5)	27,133	25,690	5.6	10.3
Insurance Premiums	260,800	2.61	(14,878)	(10,325)	(44.1)	46,308	48,373	(4.3)	6.5
Alcoholic Beverage Excise	66,200	0.66	17,635	16,161	9.1	18,052	17,007	6.1	(7.3)
Beer and Beverage Excise	38,200	0.38	3,025	3,158	(4.2)	17,536	17,568	(0.2)	(2.4)
Wills, Suits, Deeds, Contracts	126,200	1.26	10,364	10,497	(1.3)	59,401	63,327	(6.2)	(20.1)
Inheritance, Gift, and Estate	107,900	1.08	10,151	11,454	(11.4)	72,664	45,886	58.4	(30.0)
Tobacco Products	15,500	0.16	1,133	1,232	(8.0)	6,369	6,558	(2.9)	0.8
Bank Franchise	9,400	0.09	70	1	#	4,639	(148)	#	(29.5)
Other Taxes	(5,800)	(0.06)	(1,801)	(103)	#	(1,370)	402	(440.8)	(889.8)
Total Taxes	\$9,638,900	96.33	\$728,007	\$603,066	20.7	\$3,831,455	\$3,380,133	13.4	2.7
Rights and Privileges:									
Licenses and Permits	\$1,700	0.02	\$108	\$118	(8.5)	\$625	\$708	(11.7)	13.0
Corp. Franchise and Charters	18,600	0.19	1,592	500	218.4	3,458	2,375	45.6	(15.7)
Fees for Practice of Prof	800	0.01	30	17	76.5	76	53	43.4	(20.0)
Fees for Misc. Privileges & Services	11,400	0.11	644	728	(11.5)	4,720	4,560	3.5	13.5
Total Rights and Privileges	\$32,500	0.33	\$2,374	\$1,363	74.2	\$8,879	\$7,696	15.4	(6.1)
Other Revenues:									
Sales of Property & Commodities	\$1,000	0.01	\$3	\$38	(92.1)	\$885	\$3,203	(72.4)	(66.2)
Assessmts & Rcpts for Support of Special Svces	400	0.00	0	1	(100.0)	66	93	(29.0)	23.8
Institutional Revenue	10,800	0.11	692	536	29.1	3,800	3,396	11.9	29.3
Interest (a)	157,900	1.58	18,000	18,143	(0.8)	67,053	77,486	(13.5)	25.2
Dividends and Rent	300	0.00	17	29	(41.4)	182	164	11.0	(9.9)
Fines, Forfeitures & Fees	131,700	1.32	9,549	8,993	6.2	50,150	51,158	(2.0)	2.1
Other Revenue	32,000	0.32	8,527	2,680	218.2	17,429	10,201	70.9	40.5
Excess Fees	(10,700)	(0.11)	(792)	(1,093)	27.5	(5,656)	(5,685)	0.5	16.6
Private Donations, Gifts & Cont.	0	0.00	0	0	-	3	0	-	(100.0)
Cities, Counties, and Towns	10,800	0.11	845	867	(2.5)	3,562	4,066	(12.4)	7.0
Total Other Revenues	\$334,200	3.34	\$36,841	\$30,194	22.0	\$137,474	\$144,082	(4.6)	16.4
Total General Fund Revenues	\$10,005,600	100.00	\$767,222	\$634,623	20.9	\$3,977,808	\$3,531,911	12.6	3.1

Percentage is greater than 1,000%.

(a) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in January.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)**

	<u>FY 2000 Estimate</u>	<u>November</u>			<u>Year-To-Date</u>			<u>% Annual Growth Required By Estimate</u>
		<u>FY 2000</u>	<u>FY 1999</u>	<u>% Change</u>	<u>FY 2000</u>	<u>FY 1999</u>	<u>% Change (b)</u>	
Lottery Collections								
Lotto (d)	\$137,600	\$6,907	\$7,853	(12.0)	\$38,642	\$59,497	(35.1)	6.1
Cash 5	26,400	2,271	2,489	(8.8)	12,410	13,921	(10.9)	(17.9)
Pick 4	118,500	9,413	9,235	1.9	48,475	46,327	4.6	2.4
Pick 3	222,500	19,028	19,206	(0.9)	96,607	97,547	(1.0)	(7.2)
Multi-State (Big Game)	92,000	5,484	4,645	18.1	30,648	21,705	41.2	15.6
Instant	<u>310,500</u>	<u>32,836</u>	<u>24,831</u>	<u>32.2</u>	<u>151,380</u>	<u>119,544</u>	<u>26.6</u>	<u>(8.1)</u>
Gross Lottery Revenue	907,500	75,939	68,259	11.3	378,162	358,541	5.5	(2.9)
Expenses (c)	<u>597,200</u>	<u>49,279 (a)</u>	<u>47,302</u>	<u>4.2</u>	<u>251,349 (a)</u>	<u>237,011</u>	<u>6.0</u>	<u>(3.3)</u>
Net Lottery Ticket Profits	<u>\$310,300</u>	<u>\$26,660 (a)</u>	<u>\$20,957</u>	<u>27.2</u>	<u>\$126,813 (a)</u>	<u>\$121,530</u>	<u>4.3</u>	<u>(2.1)</u>
Elimination of Special Prize Reserve	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>(100.0)</u>
Total Transfer	<u>\$310,300</u>	<u>\$26,660</u>	<u>\$20,957</u>	<u>27.2</u>	<u>\$126,813</u>	<u>\$121,530</u>	<u>4.3</u>	<u>(3.6)</u>

(a) Current month includes operating expenses estimate (unaudited closing).

(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 jackpot, prize expense and game related administrative expenses.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing costs, and Lottery operating expenses.

(d) Includes Kicker.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)

Revenue	FY 2000 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	
Motor Fuel Taxes	\$768,280	29.91	\$76,668	\$74,242	3.3	\$297,153	\$290,531	2.3	(0.4)
Motor Vehicle Sales and Use Tax	427,829	16.66	35,600	28,338	25.6	202,513	177,407	14.2	(3.1)
State Sales and Use Tax	357,700	13.93	29,805	29,686	0.4	153,877	143,844	7.0	3.7
Motor Vehicle License Fees	139,095	5.42	9,324	8,620	8.2	58,047	54,646	6.2	0.4
International Registration Plan	51,453	2.00	2,542	1,497	69.8	18,705	15,158	23.4	4.0
Interest Earnings	4,624	0.18	0	8	(100.0)	2,638	3,568	(26.1)	(55.6)
Misc. Taxes, Fees, and Revenues	12,280	0.48	1,294	1,046	23.7	6,167	4,935	25.0	(16.1)
Total State Taxes and Fees	\$1,761,261	68.58	\$155,233	\$143,437	8.2	\$739,100	\$690,089	7.1	(0.6)

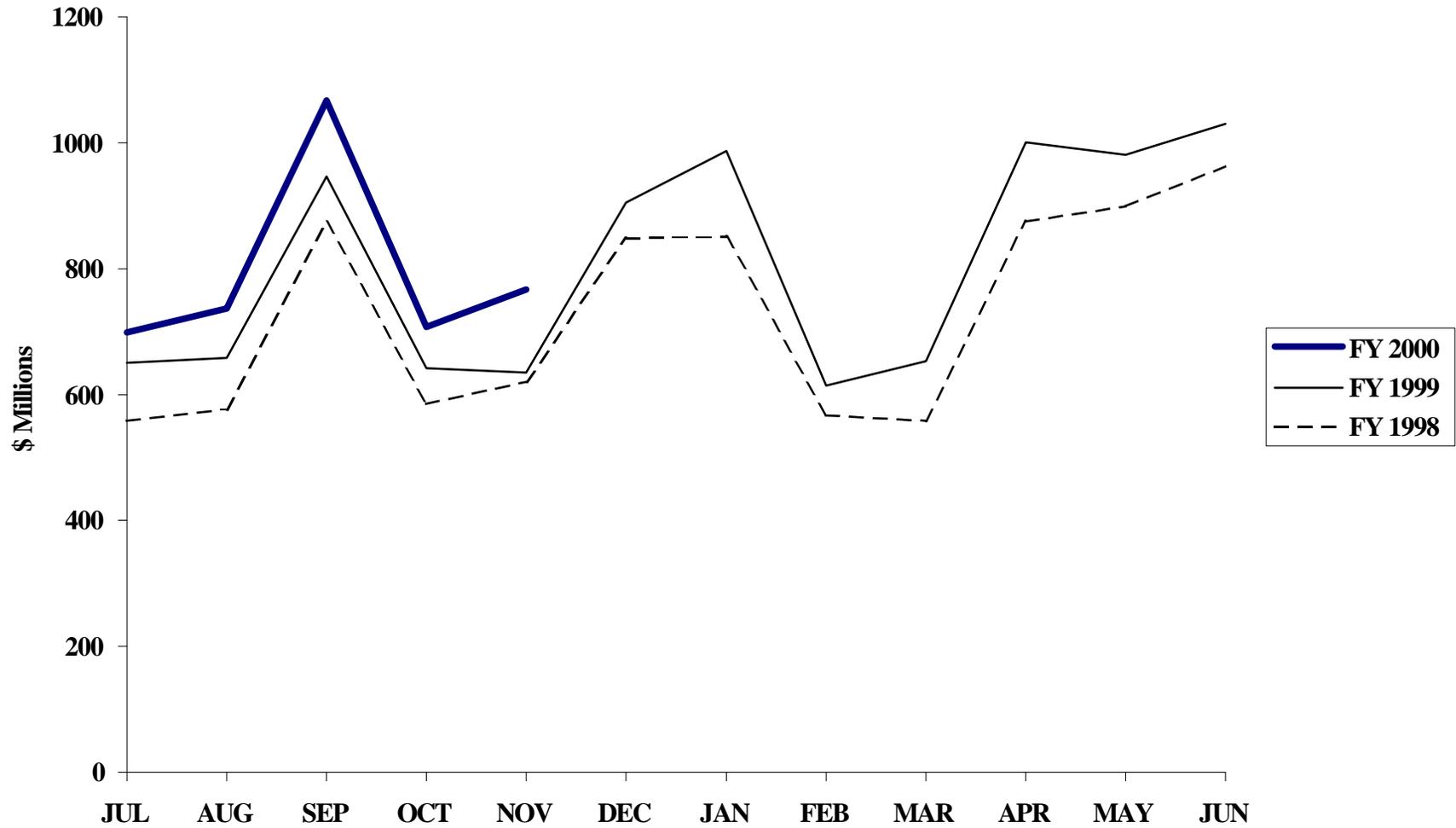
Percentage is greater than 1,000%.

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 1999 and 2000
(Dollars in Thousands)

Revenue	FY 2000 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$658,215	25.63	\$66,410	\$62,692	5.9	\$257,569	\$250,046	3.0	(0.8)
Motor Vehicle Sales and Use Tax	273,488	10.65	22,419	17,868	25.5	130,631	112,851	15.8	(2.3)
Motor Vehicle License Fees	121,482	4.73	8,051	7,489	7.5	50,735	47,421	7.0	0.9
International Registration Plan	51,453	2.00	2,542	1,497	69.8	18,705	15,158	23.4	4.0
Misc. Taxes, Fees, and Revenues	12,280	0.48	1,294	1,046	23.7	6,167	4,935	25.0	(16.1)
Total State Taxes and Fees	\$1,116,918	43.49	\$100,716	\$90,592	11.2	\$463,807	\$430,411	7.8	(0.9)
Other Revenues:									
Federal Grants and Contracts	\$8,593	0.33	\$370	\$659	(43.9)	\$3,120	\$3,260	(4.3)	29.8
Transfer (to) / from Transportation Trust Fund	(11,224)	(0.44)	0	0	-	0	0	-	87.4
Total Highway Maintenance and Operating Fund	\$1,114,287	43.38	\$101,086	\$91,251	10.8	\$466,927	\$433,671	7.7	6.6
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$110,065	4.28	\$10,258	\$11,550	(11.2)	\$39,584	\$40,485	(2.2)	1.6
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	154,341	6.01	13,181	10,470	25.9	71,882	64,556	11.3	(4.6)
State Sales and Use Tax	357,700	13.93	29,805	29,686	0.4	153,877	143,844	7.0	3.7
Motor Vehicle License Fees	17,613	0.69	1,273	1,131	12.6	7,312	7,225	1.2	(3.1)
Interest Earnings	4,624	0.18	0	8	(100.0)	2,638	3,568	(26.1)	(55.6)
Total State Taxes and Fees	\$644,343	25.09	\$54,517	\$52,845	3.2	\$275,293	\$259,678	6.0	0.1
Other Revenues:									
Federal Grants and Contracts	\$700,201	27.26	\$53,730	\$155,141	(65.4)	\$217,898	\$381,707	(42.9)	31.2
Receipts from Cities/Counties	31,959	1.24	4,950	1,905	159.8	35,290	16,040	120.0	78.0
Toll Revenues (Includes Route 28)	66,423	2.59	3,750	4,366	(14.1)	24,008	21,476	11.8	31.3
Miscellaneous Revenues	0	0.00	(416)	601	(169.2)	(872)	654	(233.3)	(100.0)
Total Other Revenues	\$798,583	31.09	\$62,014	\$162,013	(61.7)	\$276,324	\$419,877	(34.2)	30.4
Transfer (to) / from Highway Maintenance and Operating Fund	\$11,224	0.44	\$0	\$0	-	\$0	\$0	-	(87.4)
Total Transportation Trust Fund	\$1,454,150	56.62	\$116,531	\$214,858	(45.8)	\$551,617	\$679,555	(18.8)	8.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,568,437	100.00	\$217,617	\$306,109	(28.9)	\$1,018,544	\$1,113,226	(8.5)	7.4

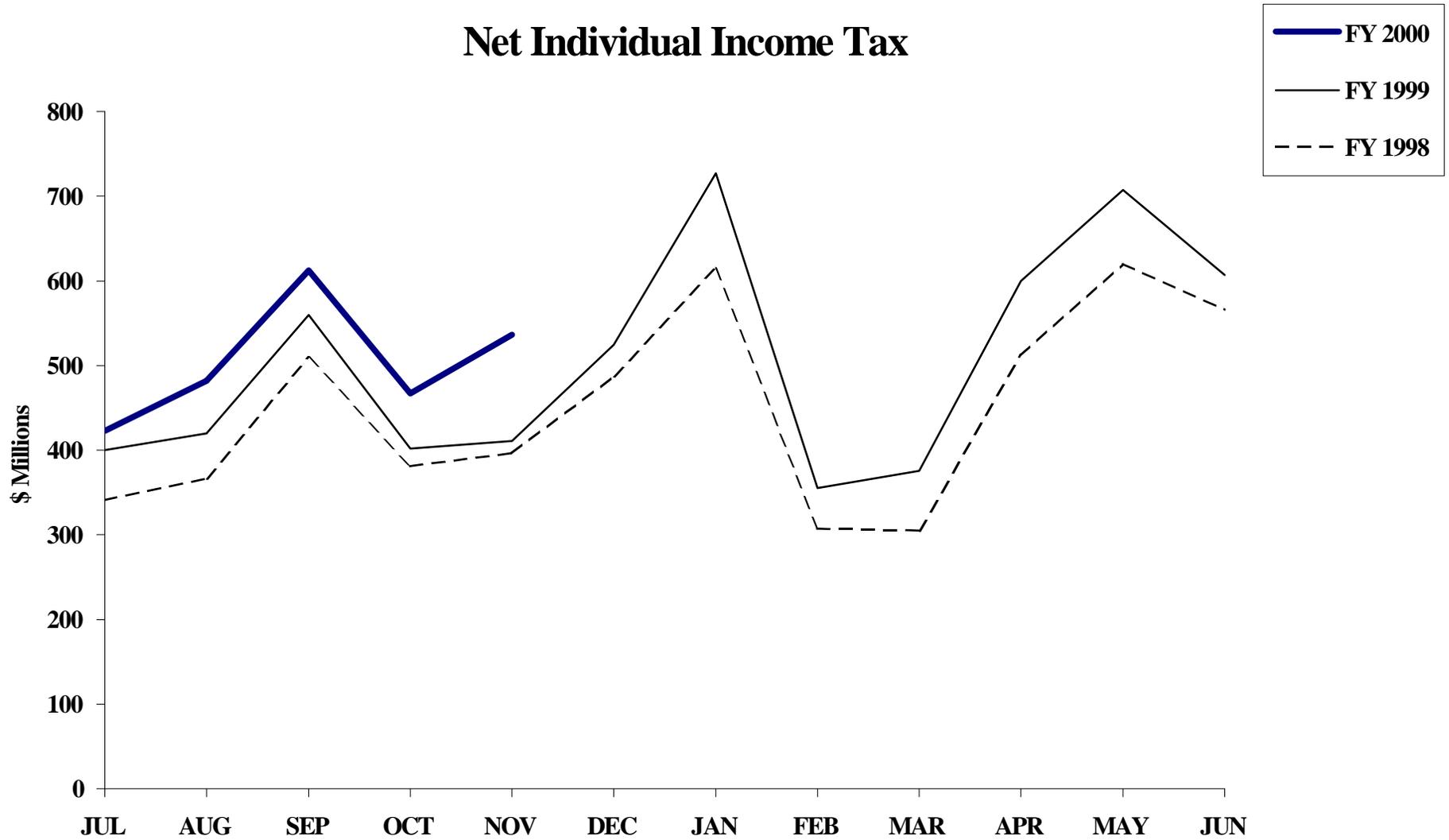
Percentage is greater than 1,000%.

Total General Fund Revenues



FY 1998 Actual = \$8,773.5 Million
FY 1999 Actual = \$9,702.7 Million
FY 2000 Estimate = \$10,005.6 Million

Net Individual Income Tax

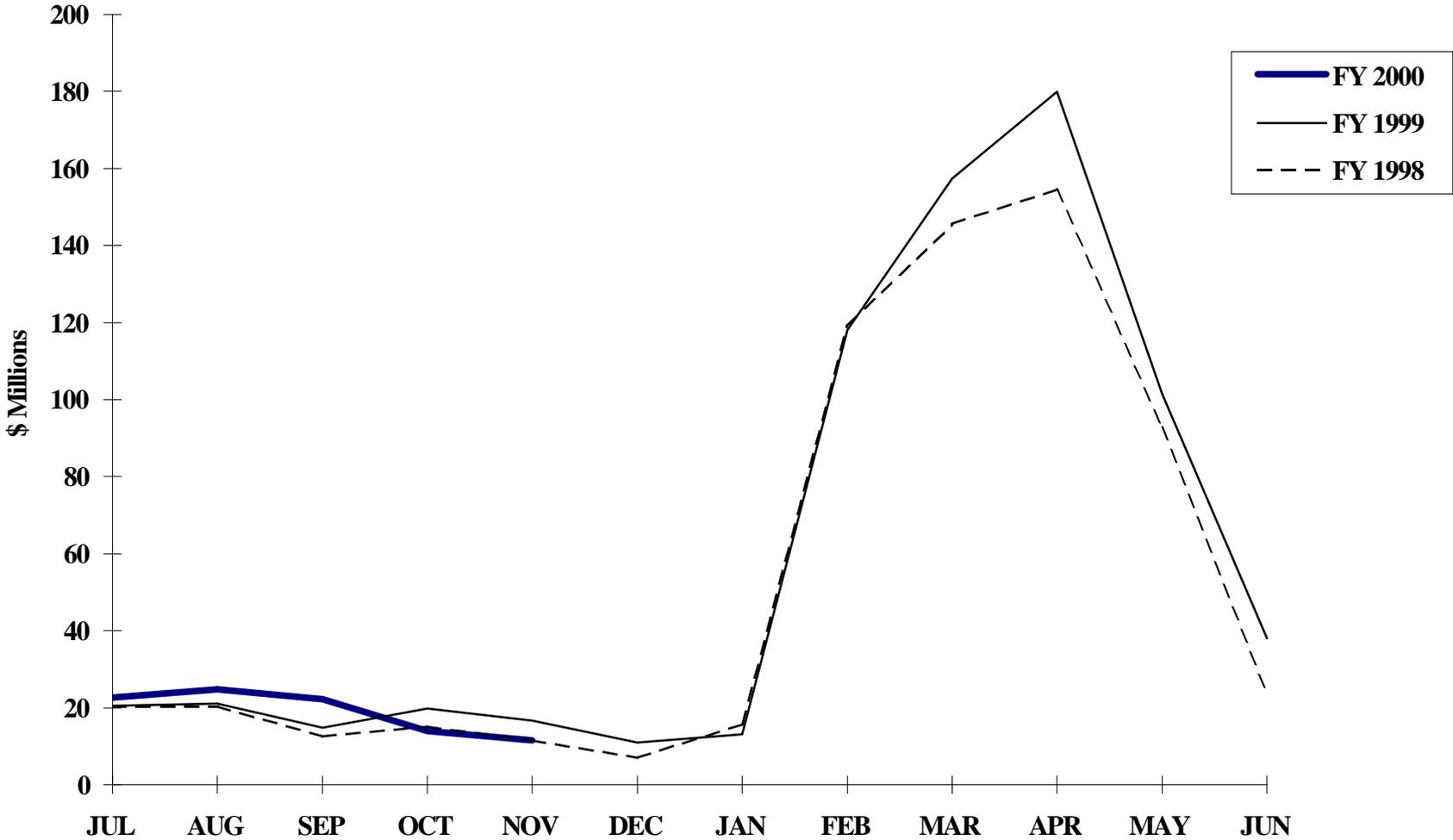


FY 1998 Actual = \$5,405.4 Million

FY 1999 Actual = \$6,087.8 Million

FY 2000 Estimate = \$6,356.6 Million

Individual and Fiduciary Income Tax Refunds



FY 1998 Actual = \$638.2 Million
FY 1999 Actual = \$711.9 Million
F 2000 Estimate = \$711.0 Million

DEPARTMENT OF THE TREASURY
GENERAL ACCOUNT
COMPARISON OF RECEIPTS, DISBURSEMENTS AND BALANCES
FOR PERIODS INDICATED
(DOLLARS IN THOUSANDS)

	FISCAL YEAR 1999 - 2000				FISCAL YEAR 1998 - 1999			GENERAL ACCOUNT BALANCES			HIGHWAY FUND	
	RECEIPTS	DISB	OVER (UNDER)	CUMULATIVE	RECEIPTS	DISB	OVER (UNDER)	1999-2000	1998-1999	INCREASE (DECREASE)	1999-2000	1998-1999
Beginning Balance								3,478,782	3,414,639			
July	1,731,011	2,239,837	(508,826)	(508,826)	1,544,694	1,954,530	(409,836)	2,969,956	3,004,803	(34,847)	200,196	207,428
August	1,877,630	1,527,039	350,591	(158,235)	1,703,673	1,526,868	176,805	3,320,547	3,181,608	138,939	225,108	225,648
September	1,903,892	1,708,994	194,898	36,663	1,878,501	1,840,371	38,130	3,515,445	3,219,738	295,707	231,714	261,296
October	1,594,225	1,601,086	(6,861)	29,802	1,535,595	1,803,210	(267,615)	3,508,584	2,952,123	556,461	196,429	150,200
November	1,638,853	1,764,036	(125,183)	(95,381)	1,591,546	1,398,038	193,508	3,383,401	3,145,631	237,770	198,787	167,770
December					1,715,691	1,908,753	(193,062)		2,952,569			202,226
January					2,102,534	1,417,265	685,269		3,637,838			163,675
February					1,505,504	1,782,641	(277,137)		3,360,701			160,900
March					1,682,637	1,976,783	(294,146)		3,066,555			198,416
April					2,067,645	1,716,364	351,281		3,417,836			194,047
May					1,900,096	1,966,337	(66,241)		3,351,595			217,949
June					2,074,500	1,947,313	127,187		3,478,782			294,789 *

* Figure revised to reflect final CARS numbers.

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Yields

For the Fiscal Year 2000

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Yield	Avg. Balance	Yield
July	\$2,639.9	5.35%	\$763.2	4.43%	\$3,403.1	5.14%
August	\$2,614.2	5.41%	\$765.5	2.74%	\$3,379.7	4.80%
September	\$2,756.5	5.56%	\$768.3	5.46%	\$3,524.8	5.54%
October	\$2,825.2	5.59%	\$771.4	4.42%	\$3,596.6	5.34%
November	\$2,725.8	5.76%	\$774.4	5.32%	\$3,500.2	5.66%
December						
January						
February						
March						
April						
May						
June						
Year-to-Date Average	\$2,712.3	5.54%	\$768.6	4.48%	\$3,480.9	5.30%

**Commonwealth of Virginia/Department of Accounts
 Report on the Revenue Stabilization Fund
 For the Fiscal Year 2000
 (Dollars in Thousands)**

Month	Beginning Balance	Deposits/(Withdrawals)	Interest Allocated (A)	Ending Balance
July	\$361,472	\$0	\$0	\$361,472
August	\$361,472	\$0	\$0	\$361,472
September	\$361,472	\$0	\$0	\$361,472
October	\$361,472	\$0	\$4,628	\$366,100
November	\$366,100	\$0	\$0	\$366,100
December				
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.