

December 20, 2000

Governor Gilmore's Proposed Amendments to the 2000-2002 Budget

Fiscal Policy,
Economic Assumptions,
and Revenue Estimates



Ronald L. Tillett
Secretary of Finance
Commonwealth of Virginia

The objectives of the 2000-2002 budget amendments...

- Continue and expand our investment in education
- Continue to provide meaningful tax relief
- Preserve our Revenue Stabilization Fund
- Protect our investment in Virginia's institutions of higher education and other facilities
- Protect our most vulnerable citizens
- Fulfill promise of providing 4,000 additional teachers for K-12 education
- Realize substantial productivity and executive management savings
- Provide well-deserved salary increases for state employees

The fiscal foundation of the 2000-2002 budget amendments...

- Moderating economic growth, as expected
 - ◆ GDP growth to slow from recent unprecedented pace
 - ⇒ Fed's 175 basis point increase in interest rates over the last 18 months
 - ⇒ Rising energy prices
 - ⇒ Slumping equity markets

- Revenue growth slowed more than anticipated
 - ◆ Slowing economic growth
 - ◆ Declining returns from the stock market
 - ◆ Dot.com fall-out in Northern Virginia

The economic forecast calls for moderating growth over the forecast horizon...

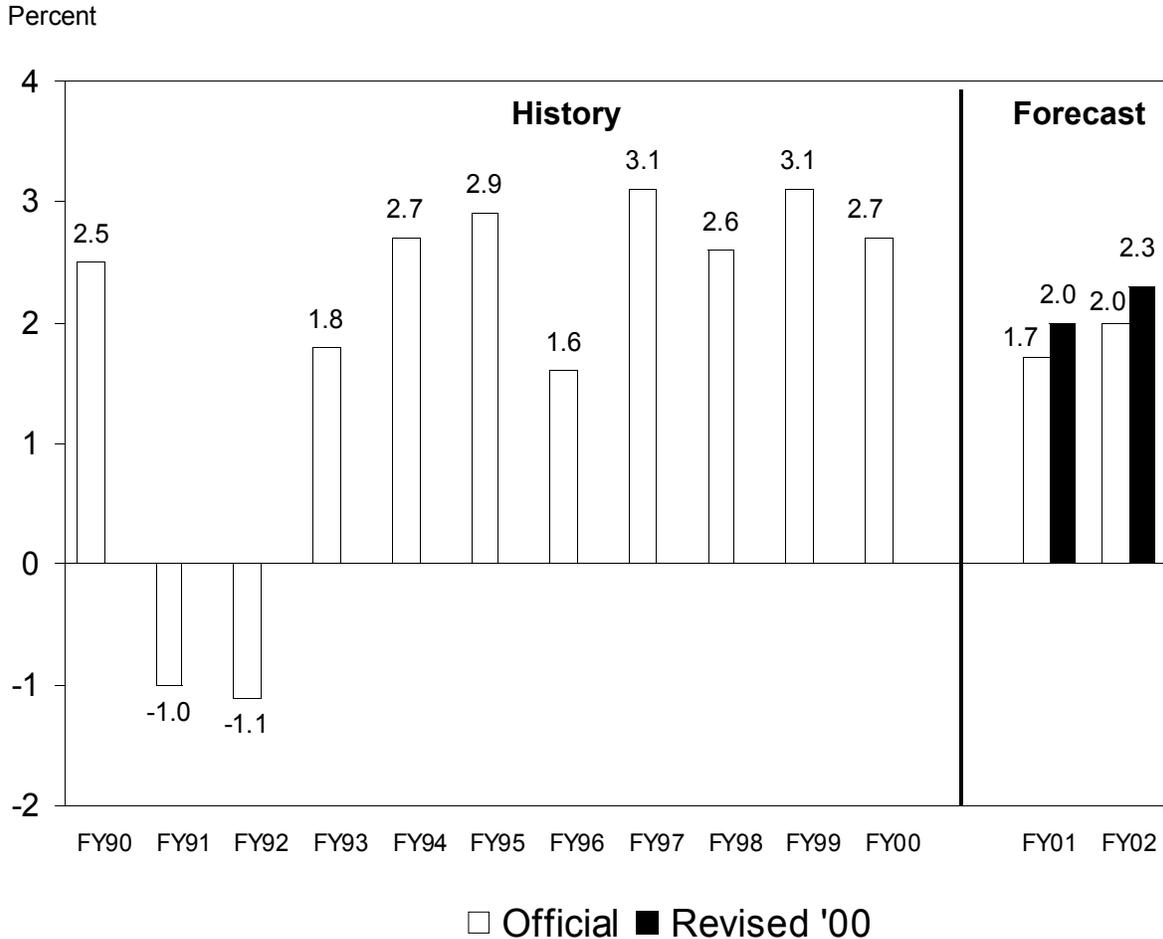
- The U.S. economy has slowed noticeably from its robust pace
 - ◆ GDP expected to grow at 3.4 percent in fiscal year 2002
 - ◆ Inflation to increase slightly due to higher energy prices
 - ◆ Fed expected to remain on the sidelines at least in the near future

- Virginia's economy should match or outperform the nation's
 - ◆ No significant changes from last year's assumptions -- trend growth is expected
 - ◆ Wage and salaries growth returns to trend rates

- Consensus approval
 - ◆ Governor's Advisory Board of Economists
 - ◆ Governor's Advisory Council on Revenue Estimates

Employment is expected to continue growing...

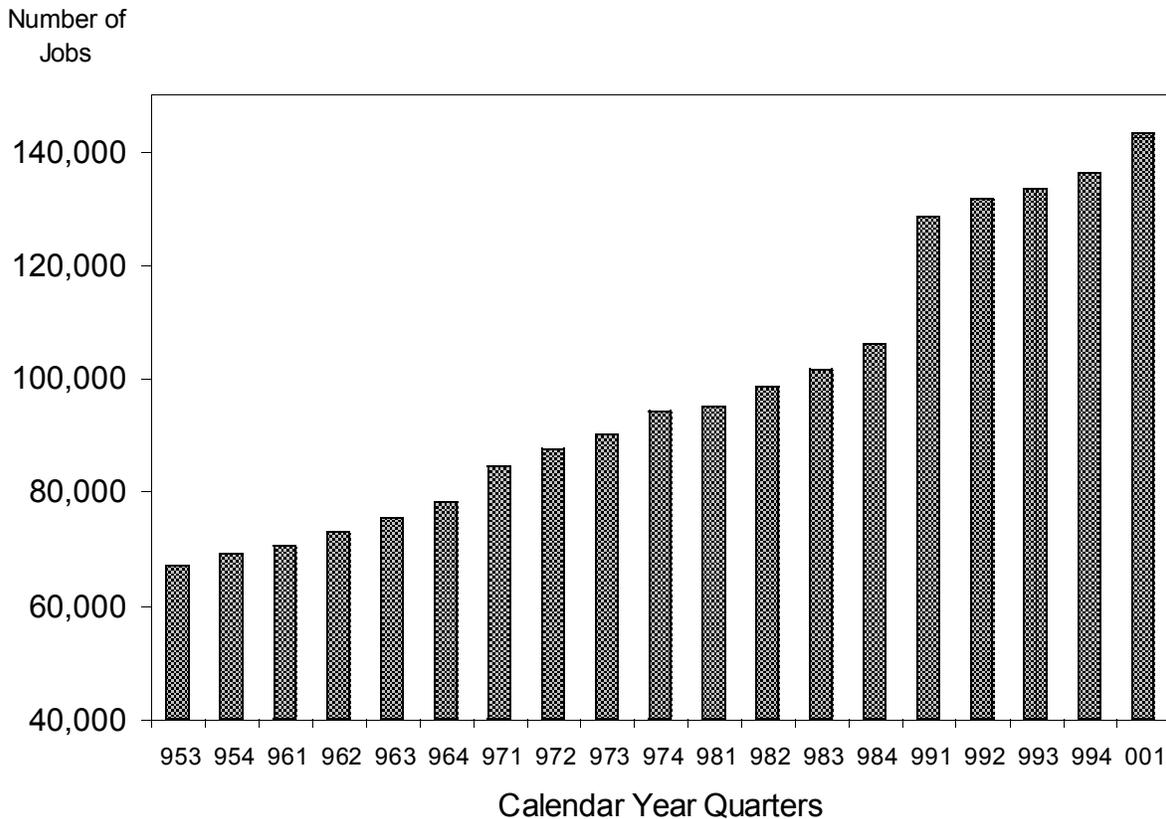
Virginia Employment Growth FY1990-00 Actual and FY2001-02 Forecast



- Service sector continues to provide close to one out of every two new jobs
- Moderating growth in explosive high-tech sector

Job growth in computer-related industries continues to be healthy...

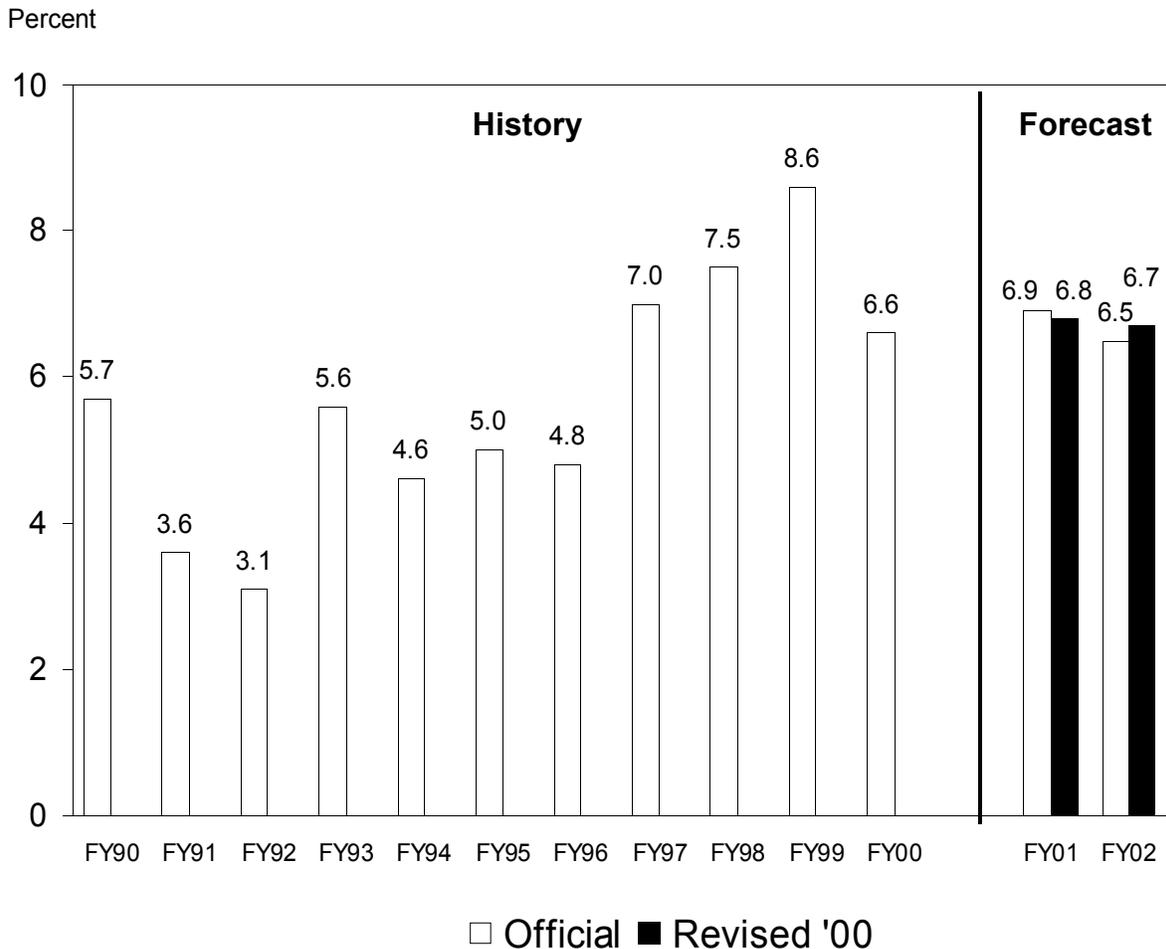
Virginia High-Tech Employment Quarterly Levels



- 4 percent of total employment in 1999
 - ◆ Was only 2 percent in 1995
- Includes employment in computer programming, data processing and internet companies

Wage and salary growth returns to trend...

Virginia Wages and Salaries Growth FY1990-00 Actual and FY2001-02 Forecast



- Surge in stock options in calendar year 1999 practically disappeared in calendar year 2000
- Wage and salary growth returning to rates consistent with solid economic growth

Total General Fund resources \$97.5 million above that contained in Appropriation Act...

Total Tax Revenues

	<u>FY01</u>	<u>Pct. Chg.</u>	<u>FY02</u>	<u>Pct. Chg.</u>
Revised (12/00)	\$ 11,129.9	3.8%	\$ 11,903.8	7.0%
Official	<u>\$ 11,307.9</u>	5.5%	<u>\$ 12,083.3</u>	6.9%
Difference	\$ (178.0)		\$ (179.5)	

Total General Fund Revenues

	<u>FY01</u>	<u>Pct. Chg.</u>	<u>FY02</u>	<u>Pct. Chg.</u>
Revised (12/00)	\$ 11,401.3	5.7%	\$ 12,198.9	7.0%
Official	<u>\$ 11,359.5</u>	5.3%	<u>\$ 12,146.6</u>	6.9%
Difference	\$ 41.8		\$ 52.3	

Note: includes all tax revenues and the general fund revenue portion of the Tobacco Master Settlement

Total General Fund

	<u>FY01</u>	<u>Pct. Chg.</u>	<u>FY02</u>	<u>Pct. Chg.</u>
Revised (12/00)	\$ 11,756.3	4.7%	\$ 12,561.9	6.9%
Official	<u>\$ 11,718.9</u>	4.4%	<u>\$ 12,501.8</u>	6.7%
	\$ 37.4		\$ 60.1	

Note: includes all revenues and transfers such as ABC profits, Lottery net profits and other transfers

Major components of the general fund...

(millions of dollars)

	<u>FY01</u>	<u>FY02</u>	<u>2 YR TOTAL</u>
Individual			
Withholding	\$ 6,337.9	\$ 6,808.7	\$ 13,146.6
Nonwithholding	1,821.6	1,909.8	3,731.4
Refunds	(901.1)	(925.2)	(1,826.3)
Corporate	476.5	514.8	991.3
Sales	2,297.5	2,448.1	4,745.6
All Others	<u>1,097.5</u>	<u>1,147.6</u>	<u>2,245.1</u>
 Total Tax Revenues	 11,129.9	 11,903.8	 23,033.7
 Tobacco Settlement	 271.4	 295.1	 566.5
 Total GF Revenues	 \$ 11,401.3	 \$ 12,198.9	 \$ 23,600.2
Change in Forecast	\$ 41.8	\$ 52.3	\$ 94.1
 A.B.C. Profits	 27.4	 27.8	 55.2
Net Lottery Profits	314.0	314.1	628.1
Other Transfers	<u>13.6</u>	<u>21.1</u>	<u>34.7</u>
 Total Transfers	 355.0	 363.0	 718.0
Change in Forecast	(4.4)	7.8	3.4
 Total General Fund	 \$ 11,756.3	 \$ 12,561.9	 \$ 24,318.2
Change in Forecast	\$ 37.4	\$ 60.1	\$ 97.5

Revenue collections to date are tracking slightly behind the revised forecast...

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

(percent change)

Source	As a % of Total Revenues	YTD Actual	Revised December, 2000 Forecast
Withholding	57.1	6.5	8.1
Nonwithholding	16.4	10.7	9.1
Sales	20.8	4.8	4.4
Corporate	4.3	-11.8	-15.8
Public Service	0.8	2.0	-16.1
Insurance Premiums	2.3	7.7	3.4
Total Tax Revenues		3.2	3.8

Key risks to the forecast...

- Virginia job growth deteriorating
- Disappointing holiday sales
- Energy prices spike even higher
- Credit conditions tighten further
- Sharp drop in consumer confidence
- Stock market crash

APPENDIX

U.S. Economic Indicators

Virginia Economic Indicators

General Fund Forecast for FY2001 through FY2008

Growth in General Fund Revenues FY1961 through FY2002

Revenue Stabilization Fund

Legislative Adjustments affecting General Fund Revenues

Governor's Gilmore's Enacted Tax Relief

Nongeneral Fund Forecast for FY2001 through FY2006

Revenue Report through November 2000

**Fiscal Years 1999-2004 October & Official
U.S. Economic Forecasts - Income and Other Indicators**

		<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
Output, Income and Spending (% Change)							
GDP	-October Std.	5.5	6.9	6.6	5.1	5.1	5.1
	-Official	5.0	4.7	4.3	5.0	4.6	4.4
Real GDP	-October Std.	4.0	5.2	4.4	3.4	3.5	3.6
	-Official	3.9	3.2	2.5	2.9	2.6	2.5
Total Personal Income	-October Std.	6.0	5.9	6.5	5.2	5.1	5.0
	-Official	5.0	5.0	5.1	5.2	4.8	4.2
Wages and Salaries	-October Std.	7.2	6.7	6.1	4.5	5.1	5.6
	-Official	6.4	5.8	4.9	5.3	5.0	4.3
Average Wage (Nonag. Employ.)	-October Std.	4.6	4.3	4.3	3.1	3.8	4.2
	-Official	4.0	4.3	3.8	3.9	3.6	2.9
Real Consumer Spending	-October Std.	4.9	5.6	4.3	2.9	2.8	2.7
	-Official	5.2	4.1	2.5	2.7	2.2	2.0
<u>Interest Rates (%)</u>							
Treasury Bills	-October Std.	4.5	5.2	6.1	6.1	5.7	5.6
	-Official	4.5	4.7	4.7	4.7	4.6	4.6
30-Year Treasury Bonds	-October Std.	5.4	6.1	6.2	6.7	6.7	6.6
	-Official	5.4	6.0	6.0	6.0	6.0	6.0
Prices (% Change)							
CPI	-October Std.	1.7	2.9	3.0	2.3	2.6	2.7
	-Official	1.7	2.5	2.4	2.4	2.3	2.4
GDP Deflator	-October Std.	1.4	1.7	2.2	1.6	1.5	1.5
	-Official	1.0	1.4	1.7	2.0	1.9	1.8

The October Std. forecast is WEFA Group's October 2000 U.S. standard forecast.

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

Fiscal Years 1999-2004 October & Official
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
Employment and Labor Markets (% Change)							
Total Nonagricultural Employment	-October Std.	2.4	2.3	1.7	1.4	1.2	1.4
	-Official	2.3	1.5	1.0	1.3	1.3	1.3
Manufacturing	-October Std.	(0.8)	(0.9)	0.2	0.0	0.2	0.7
	-Official	(1.2)	(2.0)	(0.4)	1.2	2.4	2.9
Construction	-October Std.	6.8	5.4	3.3	2.1	1.8	2.2
	-Official	5.4	0.8	0.0	1.9	2.8	3.0
Mining	-October Std.	(6.5)	(5.2)	8.8	5.1	(1.2)	(0.2)
	-Official	(6.5)	(4.7)	(0.5)	1.9	(0.4)	1.4
Services	-October Std.	4.0	3.9	2.9	2.0	1.6	1.8
	-Official	3.9	2.8	1.6	1.3	0.8	0.7
Trade	-October Std.	1.9	1.9	1.4	1.8	1.7	1.7
	-Official	2.1	2.2	1.6	1.8	1.6	1.3
Finance, Insurance, and Real Estate	-October Std.	3.4	1.4	0.8	0.6	0.8	0.5
	-Official	4.0	1.9	0.4	0.5	0.8	0.8
Transportation, Communication, and Public Utilities	-October Std.	3.5	2.8	1.8	1.1	1.0	0.8
	-Official	3.1	2.0	1.2	1.2	1.2	1.1
Government	-October Std.	1.7	2.2	1.0	0.8	0.8	0.9
	-Official	1.6	1.2	0.9	0.9	0.8	0.9
Labor Force	-October Std.	1.1	1.2	1.5	1.3	1.3	1.1
	-Official	1.1	1.4	1.3	1.3	1.3	1.1
Number of Unemployed	-October Std.	(4.9)	(5.3)	3.5	5.5	3.9	0.9
	-Official	(4.9)	3.7	2.1	1.4	1.8	(1.0)
Unemployment Rate (%)	-October Std.	4.4	4.1	4.2	4.3	4.5	4.5
	-Official	4.4	4.5	4.5	4.5	4.5	4.4

The October Std. forecast is WEFA Group's October 2000 U.S. standard forecast.

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

Fiscal Years 1999-2004 October & Official
Virginia Economic Forecasts - Employment and Labor Markets

		FY99	FY00	FY01	FY02	FY03	FY04
<u>Employment (% Change)</u>							
Total Nonagricultural Employment	-October Std.	3.1	2.7	2.0	2.3	2.2	2.0
	-Official	2.7	2.4	1.7	2.0	1.9	1.3
Manufacturing	-October Std.	(2.3)	(0.5)	(0.3)	1.4	1.0	1.6
	-Official	(1.6)	(1.1)	0.2	1.8	2.1	2.3
Construction	-October Std.	4.0	3.9	2.7	2.4	2.1	1.7
	-Official	4.0	2.9	3.3	2.4	1.6	1.1
Services	-October Std.	6.8	4.6	3.7	3.6	3.2	2.7
	-Official	4.5	3.4	2.1	2.3	2.4	0.5
Trade	-October Std.	1.7	2.0	1.6	2.4	2.4	2.0
	-Official	2.1	2.8	1.7	2.0	1.6	1.6
Finance, Insurance, and Real Estate	-October Std.	5.4	2.5	1.7	0.8	1.2	0.8
	-Official	4.8	2.7	0.3	1.1	1.7	1.7
Transportation, Communication, and Public Utilities	-October Std.	2.7	5.0	0.2	1.8	1.2	0.9
	-Official	3.5	2.6	1.1	1.3	1.4	1.3
Federal Government	-October Std.	(1.5)	0.8	(0.9)	(1.0)	(0.3)	0.2
	-Official	1.0	(1.5)	0.1	0.0	0.0	0.3
State and Local Government	-October Std.	2.4	1.9	2.4	1.6	1.9	2.1
	-Official	2.5	3.6	2.7	2.7	2.1	1.8
<u>Labor Markets (% Change)</u>							
Number of Unemployed	-October Std.	(16.6)	0.7	(1.0)	6.2	5.2	4.9
	-Official	(12.3)	16.6	2.7	1.1	1.9	(1.1)
Labor Force	-October Std.	1.1	3.2	3.1	1.4	1.0	1.8
	-Official	3.7	(2.0)	2.2	1.8	1.7	0.7
Unemployment Rate (%)	-October Std.	2.8	2.7	2.6	2.7	2.8	2.9
	-Official	2.8	3.3	3.4	3.3	3.4	3.3

The October Std. forecast, developed by the Department of Taxation is based on The WEFA Group's October 2000 U.S. standard forecast. The Official forecast is based on The WEFA Group's October 1999 U.S. standard forecast.

Fiscal Years 1999-2004 October & Official
Virginia Economic Forecasts - Income and Other Indicators

		FY99	FY00	FY01	FY02	FY03	FY04
<u>Income (% Change)</u>							
Total Personal Income	-October Std.	7.1	5.9	6.2	5.9	5.9	5.7
	-Official	7.0	6.5	6.0	5.7	5.2	4.8
Real Personal Income	-October Std.	5.7	3.6	3.4	3.7	3.8	3.6
	-Official	6.0	4.6	4.0	3.4	2.9	2.5
Wages and Salaries	-October Std.	8.6	6.6	6.8	6.7	6.6	6.8
	-Official	9.8	8.7	6.9	6.5	5.7	5.0
Average Wage (Nonag. Employ.)	-October Std.	5.4	3.8	4.7	4.3	4.4	4.7
	-Official	7.0	6.2	5.1	4.4	3.8	3.7
Dividends, Interest, and Rent	-October Std.	7.0	4.8	6.3	4.4	5.7	4.2
	-Official	2.4	1.8	4.4	4.4	3.1	4.0
Net Transfer Payments	-October Std.	(0.9)	3.5	3.3	2.0	2.9	3.1
	-Official	0.9	0.4	3.0	3.3	6.5	5.7
Other Labor Income	-October Std.	4.7	3.1	4.3	4.7	3.4	2.7
	-Official	5.5	5.5	4.5	4.4	4.1	3.5
<u>Migration and Housing (Thousands)</u>							
Net Migration	-October Std.	42.9	43.0	43.1	42.6	43.2	44.9
	-Official	18.0	16.6	18.0	20.5	20.8	18.9
Single Family Housing Starts	-October Std.	46.2	46.3	44.8	43.8	42.8	42.4
	-Official	48.2	50.4	45.8	45.9	45.1	44.4
Multi-Family Housing Starts	-October Std.	9.1	9.8	9.5	9.0	9.1	8.9
	-Official	10.9	12.7	12.3	12.0	12.3	12.1

The October Std. forecast, developed by the Department of Taxation is based on The WEFA Group's October 2000 U.S. standard forecast. The Official forecast is based on The WEFA Group's October 1999 U.S. standard forecast.

The Official and December Standard General Fund Forecast for Fiscal Year 2001
(Dollars in Millions)

December 20, 2000

	Fiscal Year 2000		Fiscal Year 2001			% Growth Over FY00	
	Actual	% Growth	Official	December	Change	Official	December
			Forecast	Forecast		Official	December
MAJORTAX SOURCES							
Corporate Income	\$ 565.9	34.6	\$ 461.7	476.5	\$ 14.8	(18.4) %	(15.8) %
Individual Income Tax:							
Gross	7,530.9	10.8	8,275.5	8,159.5	(116.0)	9.9	8.3
Withholding	5,861.3	10.3	6,426.8	6,337.9	(88.9)	9.6	8.1
Nonwithholding	1,669.7	12.2	1,848.7	1,821.6	(27.1)	10.7	9.1
Refunds	(702.0)	(1.4)	(859.6)	(901.1)	(41.5)	22.4	28.4
Net	6,828.9	12.2	7,415.9	7,258.4	(157.5)	8.6	6.3
Insurance Company Premiums	251.1	2.5	261.1	259.5	(1.6)	4.0	3.4
Public Service GR/Consumption Tax	104.2	(6.9)	85.3	87.4	2.1	(18.1)	(16.1)
State Sales & Use Tax	2,201.5	6.6	2,313.2	2,297.5	(15.7)	5.1	4.4
Total Major Tax Sources	\$ 9,951.6	11.4	\$ 10,537.2	10,379.3	\$ (157.9)	5.9 %	4.3 %
MISCELLANEOUS TAXES & OTHER REVENUES							
Alcoholic Beverages State Tax	\$ 77.3	8.2	\$ 77.8	81.9	\$ 4.1	0.7 %	6.0 %
Bank Franchise Tax	12.3	(7.8)	9.8	3.0	(6.8)	(20.4)	(75.6)
Beer & Beverage Excise Tax	39.9	2.0	39.5	40.2	0.7	(1.0)	0.7
Corporate Franchise & Charter Fees	21.6	(2.1)	20.9	20.2	(0.7)	(3.3)	(6.5)
Excess & Other Fees From Officers	(10.9)	14.7	(14.6)	(11.4)	3.2	33.4	4.2
Estate & Gifts	150.1	(2.6)	133.3	125.0	(8.3)	(11.2)	(16.7)
Institutional Revenues	9.1	9.4	8.4	8.6	0.2	(8.1)	(5.9)
Interest & Rents	131.5	4.0	144.2	140.4	(3.8)	9.6	6.8
Licenses & Permits	1.5	0.6	1.5	1.5	0.0	(0.9)	(0.9)
Miscellaneous Taxes & Penalties	124.8	(2.8)	139.7	123.7	(16.0)	12.0	(0.9)
Other Miscellaneous Revenues	51.2	8.4	49.4	65.5	16.1	(3.5)	28.0
Tobacco Products Tax	15.2	(1.1)	14.0	14.1	0.1	(7.9)	(7.3)
Wills, Suits, Deeds & Contract Fees	146.3	(7.3)	146.8	137.9	(8.9)	0.3	(5.7)
Total Misc. Taxes & Other Revenues	\$ 769.9	(0.3)	\$ 770.7	750.6	\$ (20.1)	0.1 %	(2.5) %
TOTAL TAX REVENUES	\$ 10,721.5	10.5	\$ 11,307.9	11,129.9	\$ (178.0)	5.5 %	3.8 %
Tobacco Master Settlement	\$ 66.9	n/a	\$ 51.6	271.4	\$ 219.8	(22.9) %	305.7 %
GENERAL FUND REVENUES	\$ 10,788.4	(6.3)	\$ 11,359.5	11,401.3	\$ 41.8	5.3 %	5.7 %
TRANSFERS							
A.B.C. Profits	\$ 30.2	18.4	\$ 24.9	27.4	\$ 2.5	(17.5) %	(9.3) %
Net Lottery Transfers	324.3	0.7	310.3	314.0	3.7	(4.3)	(3.2)
Transfers Per Appropriations Act	83.1	69.2	24.2	13.6	(10.6)	(70.9)	(83.6)
Total Transfers	\$ 437.6	10.4	\$ 359.4	355.0	\$ (4.4)	(17.9) %	(18.9) %
TOTAL GENERAL FUND	\$ 11,226.0	11.2	\$ 11,718.9	11,756.3	\$ 37.4	4.4 %	4.7 %

The December forecast is based on the October 2000 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The Official forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 2000 General Assembly Session. Governor signed Chapter 1072 on 5/19/00.

The Official and December Standard General Fund Forecast for Fiscal Year 2002

(Dollars in Millions)

December 20, 2000

	Fiscal Year 2002						2001-2002 Biennium		
	Official	December	Change	% Growth Over FY 01		Official	December	Change	
	Forecast	Forecast		Official	December	Forecast	Forecast		
MAJOR TAX SOURCES									
Corporate Income	\$ 473.6	\$ 514.8	\$ 41.2	26 %	8.0 %	\$ 935.3	\$ 991.3	\$ 56.0	
Individual Income Tax:									
Gross	8,927.2	8,718.5	(208.7)	7.9	6.9	17,202.7	16,878.0	(324.7)	
Withholding	6,901.9	6,808.7	(93.2)	7.4	7.4	13,328.7	13,146.6	(182.1)	
Nonwithholding	2,025.3	1,909.8	(115.5)	9.6	4.8	3,874.0	3,731.4	(142.6)	
Refunds	(932.4)	(925.2)	7.2	8.5	2.7	(1,792.0)	(1,826.3)	(34.3)	
Net	7,994.8	7,793.3	(201.5)	7.8	7.4	15,410.7	15,051.7	(359.0)	
Insurance Company Premiums	273.6	273.3	(0.3)	4.8	5.3	534.7	532.8	(1.9)	
Public Service GR/Consumption Tax	79.2	95.5	16.3	(7.2)	9.3	164.5	182.9	18.4	
State Sales & Use Tax	2,464.8	2,448.1	(16.7)	6.6	6.6	4,778.0	4,745.6	(32.4)	
Total Major Tax Sources	\$ 11,286.0	\$ 11,125.0	\$ (161.0)	7.1 %	7.2 %	\$ 21,823.2	\$ 21,504.3	\$ (318.9)	
MISCELLANEOUS TAXES & OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 80.2	\$ 84.8	\$ 4.6	3.1 %	3.5 %	\$ 158.0	\$ 166.7	\$ 8.7	
Bank Franchise Tax	10.5	9.0	(1.5)	7.1	200.0	20.3	12.0	(8.3)	
Beer & Beverage Excise Tax	39.5	40.2	0.7	0.0	0.0	79.0	80.4	1.4	
Corporate Franchise & Charter Fees	21.8	20.4	(1.4)	4.3	1.0	42.7	40.6	(2.1)	
Excess & Other Fees From Officers	(15.9)	(12.2)	3.7	8.9	7.0	(30.5)	(23.6)	6.9	
Estate & Gifts	137.0	131.3	(5.7)	2.8	5.0	270.3	256.3	(14.0)	
Institutional Revenues	8.4	8.8	0.4	0.0	2.3	16.8	17.4	0.6	
Interest & Rents	152.0	141.3	(10.7)	5.4	0.6	296.2	281.7	(14.5)	
Licenses & Permits	1.5	1.7	0.2	0.0	13.3	3.0	3.2	0.2	
Miscellaneous Taxes & Penalties	145.3	127.8	(17.5)	4.0	3.3	285.0	251.5	(33.5)	
Other Miscellaneous Revenues	49.1	68.9	19.8	(0.6)	5.2	98.5	134.4	35.9	
Tobacco Products Tax	13.6	13.7	0.1	(2.9)	(2.8)	27.6	27.8	0.2	
Wills, Suits, Deeds & Contract Fees	154.3	143.1	(11.2)	5.1	3.8	301.1	281.0	(20.1)	
Total Misc. Taxes & Other Revenues	\$ 797.3	\$ 778.8	\$ (18.5)	3.5 %	3.8 %	\$ 1,568.0	\$ 1,529.4	\$ (38.6)	
TOTAL TAX REVENUES	\$ 12,083.3	\$ 11,903.8	\$ (179.5)	6.9 %	7.0 %	\$ 23,391.2	\$ 23,033.7	\$ (357.5)	
Tobacco Master Settlement	\$ 63.3	\$ 295.1	\$ 231.8	22.7 %	8.7 %	\$ 114.9	\$ 566.5	\$ 451.6	
GENERAL FUND REVENUES	\$ 12,146.6	\$ 12,198.9	\$ 52.3	6.9 %	7.0 %	\$ 23,506.1	\$ 23,600.2	\$ 94.1	
TRANSFERS									
A.B.C. Profits	\$ 24.9	\$ 27.8	\$ 2.9	0.0 %	1.5 %	\$ 49.8	\$ 55.2	\$ 5.4	
Net Lottery Transfers	310.3	314.1	3.8	0.0	0.0	620.6	628.1	7.5	
Transfers Per Appropriations Act	20.0	21.1	1.1	(17.4)	55.1	44.2	34.7	(9.5)	
Total Transfers	\$ 355.2	\$ 363.0	\$ 7.8	(1.2) %	2.3 %	\$ 714.6	\$ 718.0	\$ 3.4	
TOTAL GENERAL FUND	\$ 12,501.8	\$ 12,561.9	\$ 60.1	6.7 %	6.9 %	\$ 24,220.7	\$ 24,318.2	\$ 97.5	

The December forecast is based on the October 2000 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The Official forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 2000 General Assembly Session. Governor signed Chapter 1072 on 5/19/00.

The Official and December Standard General Fund Forecast for Fiscal Year 2003
(Dollars in Millions)

December 20, 2000

	Fiscal Year 2003					
	Official	December	Change	% Growth Over FY 02		
	Forecast	Forecast		Official	December	
MAJOR TAX SOURCES						
Corporate Income	\$ 479.8	\$ 536.9	\$ 57.1	1.3 %	4.3 %	
Individual Income Tax:						
Gross	9,466.1	9,320.2	(145.9)	6.0	6.9	
Withholding	7,290.5	7,314.9	24.4	5.6	7.4	
Nonwithholding	2,175.6	2,005.3	(170.3)	7.4	5.0	
Refunds	(955.6)	(1,001.7)	(46.1)	2.5	8.3	
Net	8,510.5	8,318.5	(192.0)	6.5	6.7	
Insurance Company Premiums	287.9	281.3	(6.6)	5.2	2.9	
Public Service GR / Consumption Tax	85.2	98.5	13.3	7.6	3.1	
State Sales & Use Tax	2,605.6	2,598.4	(7.2)	5.7	6.1	
Total Major Tax Sources	\$ 11,969.0	\$ 11,833.6	\$ (135.4)	6.1 %	6.4 %	
MISCELLANEOUS TAXES & OTHER REVENUES						
Alcoholic Beverages State Tax	\$ 77.7	\$ 87.9	\$ 10.2	(3.1) %	3.7 %	
Bank Franchise Tax	11.3	9.0	(2.3)	7.6	0.0	
Beer & Beverage Excise Tax	39.5	40.2	0.7	0.0	0.0	
Corporate Franchise & Charter Fees	22.9	20.6	(2.3)	5.0	1.0	
Excess & Other Fees From Officers	(16.6)	(13.0)	3.6	4.4	6.6	
Estate & Gifts	140.7	137.9	(2.8)	2.7	5.0	
Institutional Revenues	8.4	8.9	0.5	0.0	1.1	
Interest & Rents	148.1	132.8	(15.3)	(2.6)	(6.0)	
Licenses & Permits	1.5	1.5	0.0	0.0	(11.8)	
Miscellaneous Taxes & Penalties	150.9	131.9	(19.0)	3.9	3.2	
Other Miscellaneous Revenues	44.5	37.4	(7.1)	(9.4)	(45.7)	
Tobacco Products Tax	13.3	13.2	(0.1)	(2.2)	(3.6)	
Wills, Suits, Deeds & Contract Fees	160.8	143.1	(17.7)	4.2	0.0	
Total Misc. Taxes & Other Revenues	\$ 803.0	\$ 751.4	\$ (51.6)	0.7 %	(3.5) %	
TOTAL TAX REVENUES	\$ 12,772.0	\$ 12,585.0	\$ (187.0)	5.7 %	5.7 %	
Tobacco Master Settlement	\$ 64.2	\$ 2.4	\$ (61.8)	1.4 %	(99.2) %	
GENERAL FUND REVENUES	\$ 12,836.2	\$ 12,587.4	\$ (248.8)	5.7 %	3.2 %	
TRANSFERS						
A.B.C. Profits	\$ 21.5	\$ 26.6	\$ 5.1	(13.7) %	(4.3) %	
Net Lottery Transfers	310.3	311.3	1.0	0.0	(0.9)	
Transfers Per Appropriations Act	20.0	20.0	0.0	0.0	(5.2)	
Total Transfers	\$ 351.8	\$ 357.9	\$ 6.1	(1.0) %	(1.4) %	
TOTAL GENERAL FUND	\$ 13,188.0	\$ 12,945.3	\$ (242.7)	5.5 %	3.1 %	

The December forecast is based on the October 2000 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation.

The Official forecast is based on the October 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and reflects actions of the 2000 General Assembly Session. Governor signed Chapter 1072 on 5/19/00.

The Official and December Standard General Fund Forecast for Fiscal Year 2004
(Dollars in Millions)

December 20, 2000

	Fiscal Year 2004						2003 - 2004 Biennium		
	Official	December	Change	% Growth Over FY 03		Official	December	Change	
	Forecast	Forecast		Official	December	Forecast	Forecast		
MAJOR TAX SOURCES									
Corporate Income	\$ 485.3	\$ 567.9	\$ 82.6	1.1 %	5.8 %	\$ 965.1	\$ 1,104.8	\$ 139.7	
Individual Income Tax:									
Gross	10,070.4	9,950.1	(120.3)	6.4	6.8	19,536.5	19,270.2	(266.3)	
Withholding	7,697.2	7,844.5	147.3	5.6	7.2	14,987.7	15,159.4	171.7	
Nonwithholding	2,373.2	2,105.6	(267.6)	9.1	5.0	4,548.8	4,110.8	(438.0)	
Refunds	(948.4)	(1,056.9)	(108.5)	(0.8)	5.5	(1,904.0)	(2,058.6)	(154.6)	
Net	9,122.0	8,893.2	(228.8)	7.2	6.9	17,632.5	17,211.6	(420.9)	
Insurance Company Premiums	299.2	303.4	4.2	3.9	7.9	587.1	584.7	(2.4)	
Public Service GR/Consumption Tax	85.6	101.8	16.2	0.5	3.4	170.8	200.3	29.5	
State Sales & Use Tax	2,752.2	2,752.0	(0.2)	5.6	5.9	5,357.8	5,350.4	(7.4)	
Total Major Tax Sources	\$ 12,744.3	\$ 12,618.3	\$ (126.0)	6.5 %	6.6 %	\$ 24,713.3	\$ 24,451.8	\$ (261.5)	
MISCELLANEOUS TAXES & OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 77.7	\$ 90.9	\$ 13.2	0.0 %	3.4 %	\$ 155.4	\$ 178.8	\$ 23.4	
Bank Franchise Tax	12.1	9.0	(3.1)	7.1	0.0	23.4	18.0	(5.4)	
Beer & Beverage Excise Tax	39.5	40.2	0.7	0.0	0.0	79.0	80.4	1.4	
Corporate Franchise & Charter Fees	23.9	20.8	(3.1)	4.4	1.0	46.8	41.4	(5.4)	
Excess & Other Fees From Officers	(17.7)	(13.8)	3.9	6.6	6.6	(34.3)	(26.8)	7.5	
Estate & Gifts	144.4	144.8	0.4	2.6	5.0	285.1	282.7	(2.4)	
Institutional Revenues	8.4	9.0	0.6	0.0	1.1	16.8	17.9	1.1	
Interest & Rents	148.1	132.8	(15.3)	0.0	0.0	296.2	265.6	(30.6)	
Licenses & Permits	1.5	1.5	0.0	0.0	0.0	3.0	3.0	0.0	
Miscellaneous Taxes & Penalties	156.5	135.9	(20.6)	3.7	3.0	307.4	267.8	(39.6)	
Other Miscellaneous Revenues	45.2	37.4	(7.8)	1.6	0.0	89.7	74.8	(14.9)	
Tobacco Products Tax	12.9	12.8	(0.1)	(3.0)	(3.0)	26.2	26.0	(0.2)	
Wills, Suits, Deeds & Contract Fees	167.6	143.1	(24.5)	4.2	0.0	328.4	286.2	(42.2)	
Total Misc. Taxes & Other Revenues	\$ 820.1	\$ 764.4	\$ (55.7)	2.1 %	1.7 %	\$ 1,623.1	\$ 1,515.8	\$ (107.3)	
TOTAL TAX REVENUES	\$ 13,564.4	\$ 13,382.7	\$ (181.7)	6.2 %	6.3 %	\$ 26,336.4	\$ 25,967.6	\$ (368.8)	
Tobacco Master Settlement	\$ 56.5	\$ 10.6	\$ (45.9)	(12.0) %	341.7 %	\$ 120.7	\$ 13.0	\$ (107.7)	
GENERAL FUND REVENUES	\$ 13,620.9	\$ 13,393.3	\$ (227.6)	6.1 %	6.4 %	\$ 144.1	\$ 31.0	\$ (113.1)	
TRANSFERS									
A.B.C. Profits	\$ 21.5	\$ 27.0	\$ 5.5	0.0 %	1.5 %	\$ 43.0	\$ 53.6	\$ 10.6	
Net Lottery Profits	310.3	308.6	(1.7)	0.0	(0.9)	620.6	619.9	(0.7)	
Transfers Per Appropriations Act	20.0	20.0	0.0	0.0	0.0	40.0	40.0	0.0	
Total Transfers	\$ 351.8	\$ 355.6	\$ 3.8	0.0 %	(0.6) %	\$ 703.6	\$ 713.5	\$ 9.9	
TOTAL GENERAL FUND	\$ 13,972.7	\$ 13,748.9	\$ (223.8)	6.0 %	6.2 %	\$ 847.7	\$ 744.5	\$ (103.2)	

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The December Standard General Fund Forecast for Fiscal Years 2005-2008
(Dollars in Millions)

12/20/00

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
MAJOR TAX SOURCES				
Corporate Income	\$ 589.9	\$ 616.6	\$ 644.3	\$ 673.3
Individual Income Tax:				
Gross	10,631.4	11,360.7	12,145.7	12,985.9
Withholding	8,420.6	9,039.3	9,708.2	10,426.6
Nonwithholding	2,210.8	2,321.4	2,437.4	2,559.3
Refunds	(1,119.8)	(1,201.3)	(1,289.0)	(1,383.1)
Net	9,511.6	10,159.4	10,856.7	11,602.8
Insurance Company Premiums	319.0	333.9	349.6	366.0
Public Service GR / Consumption Tax	105.0	108.3	111.7	115.2
State Sales & Use Tax	2,899.1	3,053.2	3,215.0	3,385.4
Total Major Tax Sources	\$ 13,424.6	\$ 14,271.4	\$ 15,177.3	\$ 16,142.8
MISCELLANEOUS TAXES & OTHER REVENUES				
Alcoholic Beverages State Tax	\$ 90.9	\$ 90.9	\$ 90.9	\$ 90.9
Bank Franchise Tax	9.0	9.0	9.0	9.0
Beer & Beverage Excise Tax	40.2	40.2	40.2	40.2
Corporate Franchise & Charter Fees	20.8	20.8	20.8	20.8
Excess & Other Fees From Officers	(13.8)	(13.8)	(13.8)	(13.8)
Estate & Gifts	144.8	144.8	144.8	144.8
Institutional Revenues	9.0	9.0	9.0	9.0
Interest & Rents	132.8	132.8	132.8	132.8
Licenses & Permits	1.5	1.5	1.5	1.5
Miscellaneous Taxes & Penalties	135.9	135.9	135.9	135.9
Other Miscellaneous Revenues	37.4	37.4	37.4	37.4
Tobacco Products Tax	12.8	12.8	12.8	12.8
Wills, Suits, Deeds & Contract Fees	143.1	143.1	143.1	143.1
Total Misc. Taxes & Other Revenues	\$ 764.4	\$ 764.4	\$ 764.4	\$ 764.4
TOTAL TAX REVENUES	\$ 14,189.0	\$ 15,035.8	\$ 15,941.7	\$ 16,907.2
Tobacco Master Settlement	\$ 12.4	\$ 12.5	\$ 12.7	\$ 13.1
GENERAL FUND REVENUES	\$ 14,201.4	\$ 15,048.3	\$ 15,954.4	\$ 16,920.3
TRANSFERS				
A.B.C. Profits	\$ 27.0	\$ 27.0	\$ 27.0	\$ 27.0
Net Lottery Transfers	308.6	308.6	308.6	308.6
Transfers Per Appropriations Act	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0
Total Transfers	\$ 355.6	\$ 355.6	\$ 355.6	\$ 355.6
TOTAL GENERAL FUND	\$ 14,557.0	\$ 15,403.9	\$ 16,310.0	\$ 17,275.9
\$ Change From Previous Year	\$ 808.2	\$ 846.8	\$ 906.1	\$ 965.9
TOTAL BIENNIUM GENERAL FUND		\$ 29,960.9		\$ 33,585.9
\$ Change From Previous Biennium		\$ 29,216.4		\$ 3,625.0
% Growth From Previous Biennium		3,924.3 %		12.1 %

The December Standard General Fund Forecast for Fiscal Years 2005-2008
(Dollars in Millions)

12/20/00

	FY 05 % Growth Over FY 04	FY 06 % Growth Over FY 05	FY 07 % Growth Over FY 06	FY 08 % Growth Over FY 07
MAJOR TAX SOURCES				
Corporate Income	3.9 %	4.5 %	4.5 %	4.5 %
Individual Income Tax:				
Gross	6.8	6.9	6.9	6.9
Withholding	7.3	7.3	7.4	7.4
Nonwithholding	5.0	5.0	5.0	5.0
Refunds	6.0	7.3	7.3	7.3
Net	7.0	6.8	6.9	6.9
Insurance Company Premiums	5.1	4.7	4.7	4.7
Public Service GR / Consumption Tax	3.1	3.1	3.1	3.1
State Sales & Use Tax	<u>5.3</u>	<u>5.3</u>	<u>5.3</u>	<u>5.3</u>
Total Major Tax Sources	6.4 %	6.3 %	6.3 %	6.4 %
MISCELLANEOUS TAXES & OTHER REVENUES				
Alcoholic Beverages State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees From Officers	0.0	0.0	0.0	0.0
Estate & Gifts	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Tobacco Products Tax	0.0	0.0	0.0	0.0
Wills, Suits, Deeds & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes & Other Revenues	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL TAX REVENUES	6.0 %	6.0 %	6.0 %	6.1 %
Tobacco Master Settlement	17.0 %	0.8 %	1.6 %	3.1 %
GENERAL FUND REVENUES	6.0 %	6.0 %	6.0 %	6.1 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Net Lottery Transfers	0.0	0.0	0.0	0.0
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	0.0 %	0.0 %	0.0 %	0.0 %
TOTAL GENERAL FUND	5.9 %	5.8 %	5.9 %	5.9 %

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	10,788,400,000	11.2%
80	2,344,928,934	10.9%	*01	11,401,300,000	5.7%
81	2,579,663,941	10.0%	*02	12,198,900,000	7.0%

***December 20, 2000 Forecast**

Excludes Transfers

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2002

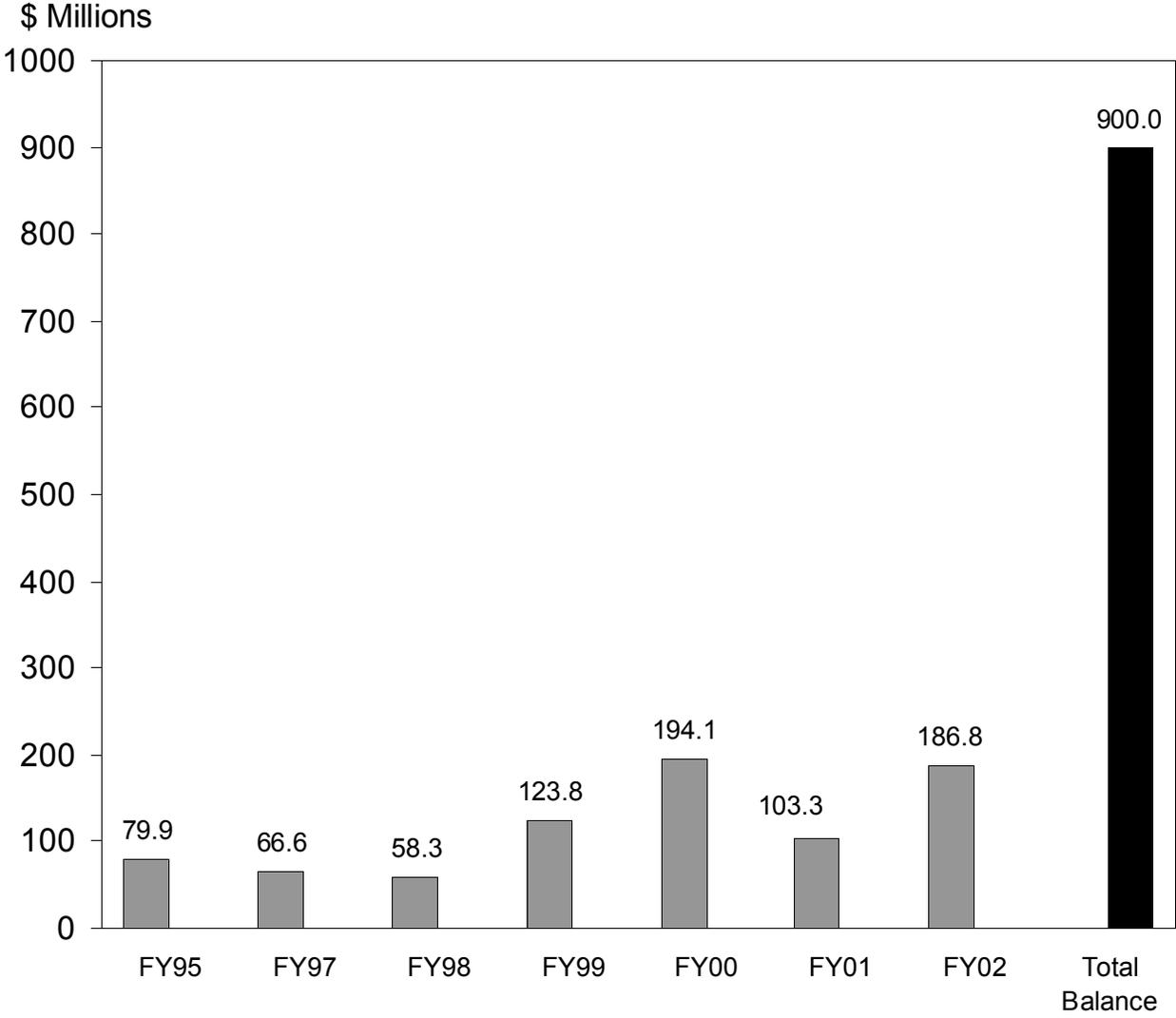
(Real - Inflation Adjusted Dollars)

<u>FY</u>	<u>Real Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Real Revenues</u>	<u>Growth</u>
61	989,288,595		82	4,518,616,427	1.2%
62	1,028,214,722	3.9%	83	4,584,505,543	1.5%
63	1,201,192,637	16.8%	84	5,034,763,667	9.8%
64	1,233,584,102	2.7%	85	5,432,135,846	7.9%
65	1,319,911,841	7.0%	86	5,743,167,113	5.7%
66	1,462,420,250	10.8%	87	6,208,113,061	8.1%
67	1,616,036,018	10.5%	88	6,573,309,491	5.9%
68	2,013,006,674	24.6%	89	6,828,793,818	3.9%
69	2,561,909,401	27.3%	90	6,576,564,436	-3.7%
70	2,685,399,249	4.8%	91	6,253,400,760	-4.9%
71	2,822,795,531	5.1%	92	6,227,946,616	-0.4%
72	3,103,704,267	10.0%	93	6,610,551,274	6.1%
73	3,416,945,700	10.1%	94	6,870,635,466	3.9%
74	3,505,250,457	2.6%	95	7,102,201,006	3.4%
75	3,548,962,127	1.2%	96	7,436,423,372	4.7%
76	3,656,524,144	3.0%	97	7,864,559,373	5.8%
77	3,956,959,843	8.2%	98	8,562,227,048	8.9%
78	4,355,551,971	10.1%	99	9,343,039,961	9.1%
79	4,440,689,701	2.0%	00	10,166,226,913	8.8%
80	4,467,595,016	0.6%	*01	10,455,723,776	2.8%
81	4,465,210,855	-0.1%	*02	10,949,243,022	4.7%

***December 20, 2000 Forecast**

Excludes Transfers

Virginia Revenue Stabilization Fund



- With interest, the Revenue Stabilization Fund should be greater than \$900 million by the end of fiscal year 2002.

**SUMMARY OF RECENT LEGISLATION AFFECTING
GENERAL FUND REVENUES
(MILLIONS OF DOLLARS)**

	FY01	FY02	FY03	FY04
CORPORATE INCOME TAX				
C. 192, 1993 - Raise Neighborhood Assistance Credit				
C. 611, 1994 - deferment for 2 years				
C. 694/C. 936, 1996 - deferment for 2 years				
C. 358, 2000 - extend sunset date to 2002	(8.0)	(8.0)	(8.0)	(8.0)
C. 183/C. 152, 1999 - Expand Historic Rehabilitation Credits	(0.7)			
C. 186/C. 158, 1999 - Double-Weighted Sales Apportionment Factor	(23.8)	(24.4)	(24.9)	(25.1)
C. 726, 1997 - Worker Retraining Tax Credit	(0.2)	(0.2)	(0.2)	(0.2)
C. 1034, 1998 - Coalfield Employment Enhancement Credits	(14.0)	(15.2)	(23.2)	(24.1)
C. 304, 1999 - Tax Credit for Hiring Employees with Disabilities	(0.5)	(0.5)	(0.5)	(0.5)
C. 971, 1999 - Deregulation of Electric Utilities	1.3	2.5	2.5	2.5
C. 706, 2000 - Deregulation of Natural Gas	1.9	3.8	3.8	3.8
C. 428, 2000 - Rent Reduction Tax Credit	(0.1)	(0.1)	(0.1)	(0.1)
INDIVIDUAL INCOME TAX				
C. 888, 1990 - Additional Withholding Allowances				
C. 401, 1992 - deferment for 2 years				
C. 139, 1994 - deferment for 2 years				
C. 458, 1996 - deferment for 2 years				
1997 Budget Bill - deferment for 2 years				
C. 553, 2000 - deferment for 2 years				(5.6)
C. 491, 1998 - Tax Credit for Equity and Subordinated Debt Investments	(5.0)	(5.0)	(5.0)	(5.0)
C. 365/C. 498, 1999 - Income Tax Subtraction for Military Wages	(9.2)	(9.4)	(9.7)	(9.7)
C. 498, 1999 - Income Tax Subtraction for Federal/State Employees	(0.6)	(1.1)	(1.1)	(1.1)
C. 588, 1999 - Income Tax Subtraction for Unemployment Benefits	(7.8)	(7.9)	(8.2)	(8.2)
C. 317, 1999 - Credit for Taxes Paid to other States	(1.0)	(1.0)	(1.0)	(1.0)
C. 485/C. 518, 1999 - VEST Subtraction/Deduction	(0.6)	(0.8)	(1.0)	(1.3)
C. 180, 1999 - Interest Equalization	(2.4)	(2.5)	(2.5)	(2.5)
C. 397, 2000 - Tax Credit for Low Income Families	(19.9)	(21.7)	(23.7)	(25.8)
C. 394, 2000 - Subtraction for Taxpayers with Permanent Disabilities	(0.3)	(0.7)	(0.7)	(0.7)

**SUMMARY OF RECENT LEGISLATION AFFECTING
GENERAL FUND REVENUES
(MILLIONS OF DOLLARS)**

	FY01	FY02	FY03	FY04
STATE SALES AND USE TAX				
C. 386/C. 466, 1999 - Reduction in Sales Tax on Food	(45.7)	(47.0)	(48.1)	(49.4)
C. 847, 1999 - Exemption for Profit Hospitals	(1.6)	(1.8)	(1.8)	(1.8)
C. 981, 1999 - Exemption for Internet Access Provider	(2.6)	(2.6)	(2.6)	(2.6)
C. 425, 2000 - Exemption for Modular Housing	(0.3)	(0.4)	(0.4)	(0.4)
PUBLIC SERVICE				
C. 971, 1999 - Deregulation of Electric Utilities	(12.9)	(28.6)	(28.0)	(35.1)
C. 706, 2000 - Deregulation of Natural Gas	(3.2)	(2.8)	(2.7)	(5.6)
BANK FRANCHISE TAX				
C. 84, 1999 - Reserve for Loan Losses	0.4	0.4	0.4	0.4

Governor Gilmore's Tax Relief to Virginia Citizens
When Fully Phased In

16 Major Items	(Millions of Dollars)
Car Tax Relief	\$1,178.8
Relief from the Sales Tax of Food	202.9
Deregulation of Electrical Utilities	32.6
Double-Weighted Sales Apportionment Factor	25.1
Low Income Tax Credit	21.7
Income Tax Subtraction for Military Wages	9.7
Income Tax Subtraction for Unemployment Benefits	8.2
Enterprise Zone Tax Credits -- Expansion	7.4
Higher Education Trust Fund	2.8
Deregulation of Natural Gas	2.7
Sales Tax Exemption on Internet Access	2.6
Interest Equalization	2.5
Repeal Retaliatory Tax on Insurance Companies	2.4
Sales Tax Exemption for Profit Hospitals	1.9
Expand Historic Rehabilitation Tax Credits	1.6
Virginia Educational Savings Trust	— 1.3
Total	\$1,504.2

Additional Tax Relief

7 Minor Tax Relief Measures Enacted (<\$1.3 million)	\$ 4.5
Coalfield Employment Enhancement Tax Credit (1996)	31.2
Sales Tax Exemption on Non-prescription Drugs (1997)	13.9
Additional Withholding Allowances (2003)	5.6
Total	\$1,559.4

Additional Financial Relief

20% Tuition Rollback (1998)	\$75.0
Total	\$1,634.4

Note: Figures may not add due to rounding

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2000 Through 2005-2006

	Actual	Revised		Projected			
	2000	2001	2002	2003	2004	2005	2006
Taxes:							
Motor vehicle fuel tax	822.3	872.8	883.1	905.1	929.0	955.1	980.3
Unemployment compensation payroll tax	149.1	132.6	141.1	176.8	183.7	235.6	298.8
Special highway tax from sales tax	372.5	390.2	415.6	441.0	466.9	491.8	517.8
Motor vehicle sales tax and use tax	491.6	479.4	501.7	489.9	510.3	519.9	537.5
Other taxes	105.0	103.5	111.6	116.6	122.0	127.2	132.0
Total	1,940.5	1,978.5	2,053.1	2,129.4	2,211.9	2,329.6	2,466.5
Rights and privileges:							
Motor Vehicle Licenses	187.8	199.6	202.9	202.9	206.5	206.0	209.3
Other Rights & Privileges	351.7	364.8	374.2	381.4	389.9	396.4	404.0
Total	539.5	564.3	577.1	584.3	596.4	602.4	613.3
Sales of property and commodities:							
Alcoholic Beverage Sales	299.3	314.3	329.4	344.9	358.6	373.0	387.9
Other Sales	21.7	20.0	20.0	20.5	20.5	20.6	20.7
Total	321.0	334.3	349.5	365.4	379.1	393.6	408.5
Assessment & Receipts for Support of Special Services:							
	160.1	205.7	214.3	220.1	227.9	231.0	239.4
Institutional revenue:							
Institutions of Higher Education	1,611.6	1,666.3	1,693.2	1,674.3	1,707.8	1,742.0	1,776.8
Other Educational Institutions	20.9	22.2	20.7	20.7	20.8	20.8	20.9
Medical Hospitals	489.8	500.2	506.3	515.3	526.4	540.1	568.3
Mental Hospitals	261.2	259.8	253.0	253.0	253.0	253.0	253.0
Corrections	115.8	110.5	112.3	50.6	43.8	45.9	48.2
Other Institutions	16.9	17.9	17.2	17.2	15.5	15.9	16.2
Total	2,516.2	2,577.0	2,602.6	2,531.1	2,567.2	2,617.7	2,683.4
Interest dividends and rents:	123.9	109.4	132.8	136.8	132.1	124.5	120.2
Grants and donations:							
Federal grants and contracts	3,912.0	4,656.4	4,689.2	4,676.9	4,736.8	4,841.4	4,945.3
Other grants & contracts	119.3	222.2	213.4	227.1	235.5	188.0	190.9
Total	4,031.4	4,878.7	4,902.6	4,904.0	4,972.3	5,029.4	5,136.2
Other Revenue:	734.0	799.4	1,546.2	815.5	885.1	953.3	1,023.9
Total Nongeneral Fund Revenue	10,366.4	11,447.2	12,378.1	11,686.6	11,972.1	12,281.4	12,691.5
\$ Amount change from previous year	755.8	1,080.8	930.9	(691.5)	285.5	309.3	410.1
% Change from previous year	8.3%	10.4%	8.1%	-5.6%	2.4%	2.6%	3.3%