

Governor Northam's Proposed 2022-2024 Budget

Economic Outlook and Revenue Forecast

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

December 16, 2021



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Outline

- Fiscal Year 2021 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

Including Transfers, FY 2021 General Fund Resources Grew 14.2 Percent and Finished \$2.6 Billion Above Forecast

Summary of Fiscal Year 2021 Revenue Collections (millions of dollars)

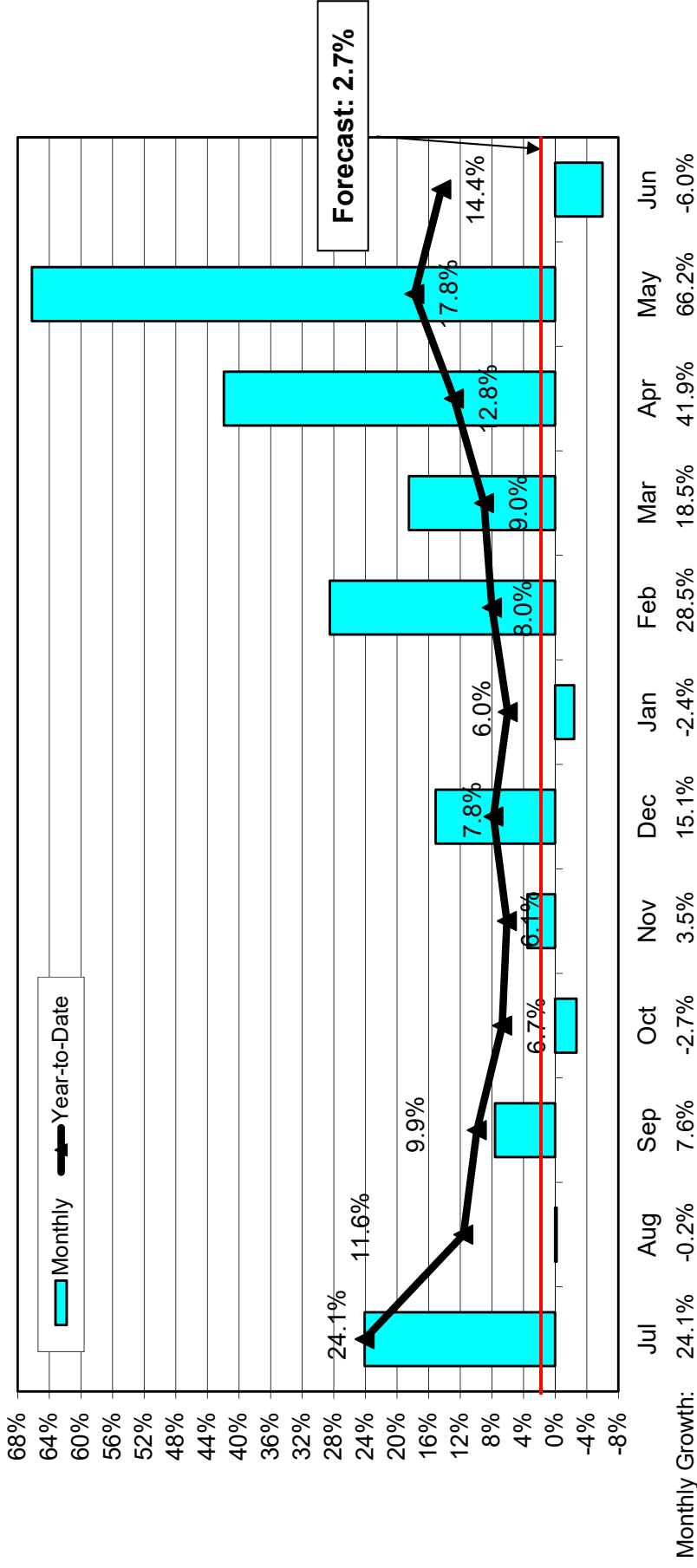
	As a % of Total General Fund	Fiscal Year 2021				% Growth Over FY20	
		Official	Actual	Change	Official	Actual	
Withholding	54.7%	\$13,739.6	\$14,012.9	\$273.3	2.7%	4.7%	
Nonwithholding	20.3%	3,972.0	5,217.0	1,245.0	4.4%	37.1%	
Refunds	-7.5%	(2,265.6)	(1,926.2)	339.4	23.7%	5.2%	
Net Individual	67.5%	\$15,446.0	\$17,303.7	\$1,857.7	0.6%	12.7%	
Sales	16.3%	\$3,879.3	\$4,166.2	\$286.9	4.7%	12.4%	
Corporate	5.9%	1,288.7	1,515.7	227.0	27.4%	49.8%	
Wills (Recordation)	2.7%	601.3	679.7	78.4	24.4%	40.6%	
Insurance	1.4%	314.9	363.1	48.2	(12.7)%	0.7%	
All Other Revenue	3.3%	790.6	850.1	59.5	(4.0)%	3.2%	
Total Revenue	97.0%	\$22,320.8	\$24,878.5	\$2,557.7	2.7%	14.4%	
A.B.C. Profits	0.7%	\$159.5	\$177.9	\$18.4	16.0%	29.4%	
Sales Tax (0.375%)	1.8%	421.6	458.4	36.8	3.8%	12.9%	
Transfers Per Act	0.5%	114.4	122.3	7.9	(23.8)%	(23.8)%	
Total Transfers	3.0%	\$695.5	\$758.6	\$63.1	(1.2)%	7.8%	
TOTAL GENERAL FUND	100.0%	\$ \$23,016.3	\$ \$25,637.1	\$ \$ 2,620.8	2.6%	14.2%	

- Payroll withholding and sales tax collections grew 6.4 percent in fiscal year 2021.

FY 2021 General Fund Revenue Grew 14.4 Percent

Growth in Total General Fund Revenue Collections

FY21 Monthly and Year-to-Date



- Fiscal year total general fund revenues increased 14.4 percent, well ahead of the annual forecast of a 2.7 percent increase.

Recent National and State Economic Indicators

Suggest Continued Expansion

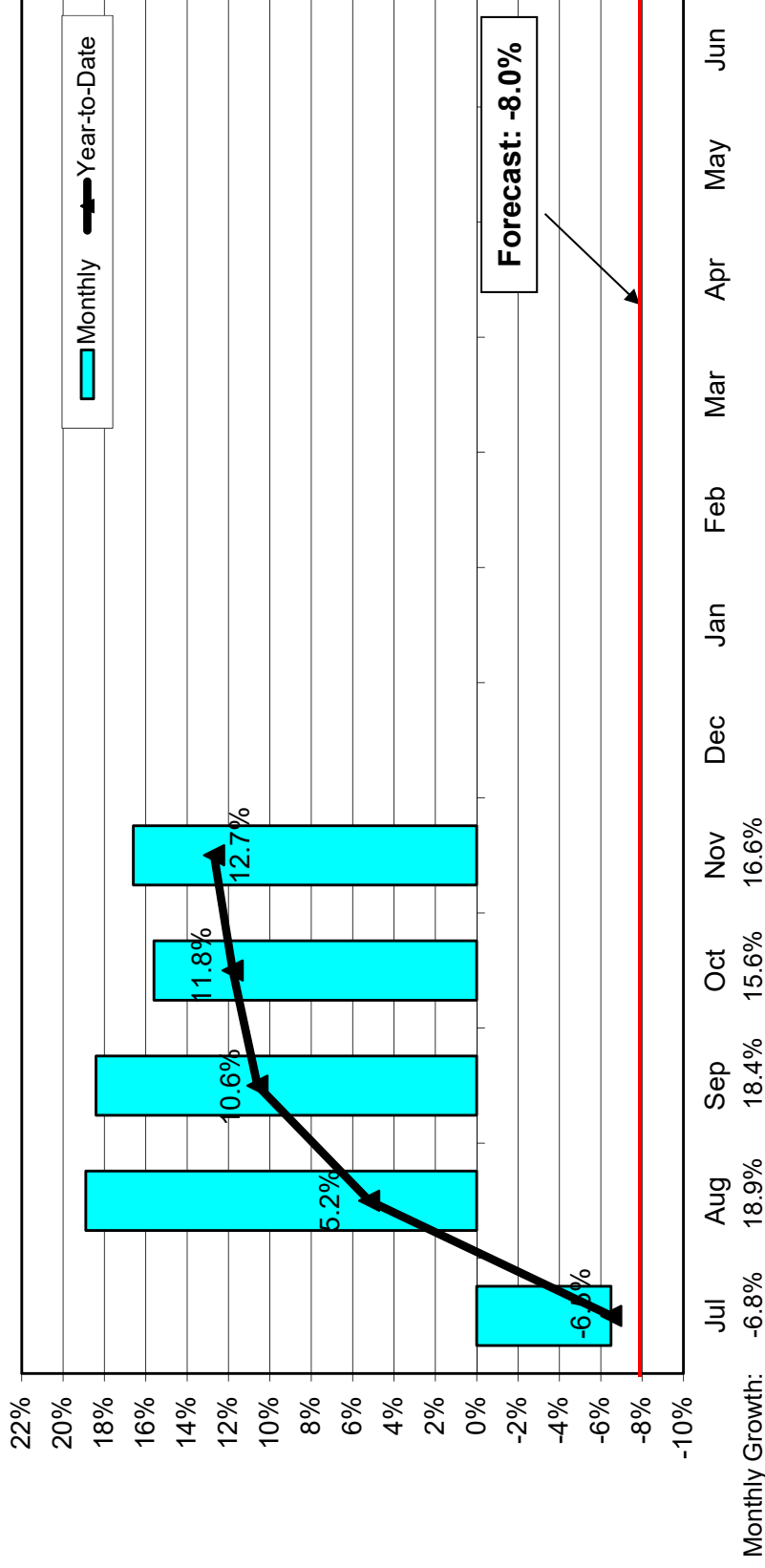
- According to the second estimate, real GDP grew at an annualized rate of 2.1 percent in the third quarter of 2021, down from 6.7 percent in the second quarter.
- Payroll employment increased by 210,000 jobs in November and gains for September and October were revised higher by a combined 82,000.
- The national unemployment rate fell from 4.6 to 4.2 percent in November.
- Initial claims for unemployment rose by 28,000 to 222,000 during the week ending November 27.
 - The four-week moving average dropped by 12,250 to 238,750. Claims are volatile this time of year and the reporting period included the Thanksgiving holiday.
- The Conference Board's index of consumer confidence fell from 111.6 to 109.5 in November. Both the expectations and current conditions components fell.
- The Conference Board's index of leading indicators rose 0.9 percent in October following a 0.1 percent increase in September.
- Conditions in the manufacturing sector improved slightly in November. The Institute of Supply Management index rose from 60.8 to 61.1.

Recent National and State Economic Indicators

Suggest Continued Expansion (*continued*)

- The CPI rose 0.9 percent in October and stands 6.2 percent above October 2020.
 - Core inflation (excluding food and energy prices) rose 0.6 percent, and has increased 4.6 percent from last year.
- At its November meeting, the Federal Reserve left the federal funds target unchanged in the 0.0 to 0.25 percent range.
- In Virginia, payroll employment rose 2.0 percent in October compared with last year. Northern Virginia posted growth of 3.4 percent; Hampton Roads employment grew 0.1 percent, and Richmond-Petersburg rose 0.1 percent.
- The seasonally adjusted unemployment rate fell 0.2 percentage point to 3.6 percent in October and was 2.5 percentage points below last year.
- The Virginia Leading Index dropped 0.8% in October after falling 0.9% in September.
 - The U.S. Leading Index increased in October while auto registrations and future employment declined and initial claims jumped.
 - The index for Blacksburg inched forward in October while the indexes for the remaining ten metro areas decreased in October.

Fiscal Year 2022 Year-to-Date Revenue Collections Through November



- Total general fund revenues increased 16.6 percent in November.
 - Broad-based growth in payroll withholding, sales, and corporate tax collections.
- On a year-to-date basis, total revenues increased 12.7 percent, ahead of the annual forecast of an 8.0 percent decline.

Fall 2021 Consensus Forecasting Process

- **Joint Advisory Board of Economists (JABE)** met October 13.
- The JABE members thought the US Standard forecast was fairly reasonable and supported the standard outlook for Virginia.
- Almost all members recommended that FY22 and FY23-24 forecasts should continue to be conservative.
 - The key assumption that Virginia would have slower income and job growth than the nation was the clear thinking of the majority.
 - Nine of the twelve members supported the September standard outlook.
 - Three members believed the Virginia economy would be a little more pessimistic or optimistic in the short-term.
- **Governor's Advisory Council on Revenue Estimates (GACRE)** met November 22.
 - Members evaluated the new JABE recommended forecast – now the standard outlook, revenue collections through October, and the associated revenue forecasts for the FY22-24 biennium.
 - At the GACRE meeting, nine of the twelve business members voted for the standard. Three members voted for a standard plus forecast for the FY22-24 biennium.

GACRE Members Concurred with the JABE Recommended Forecast

Key Virginia Economic Indicators

Official and October Standard Forecasts
Annual Percent Change

	Fiscal Year					
	19	20	21	22	23	24
Employment						
Official (Oct '20)	1.3	(1.4)	(0.3)	1.0	1.4	0.9
Oct Standard			(2.5)	2.8	1.1	0.8
Personal Income						
Official (Oct '20)	4.1	4.3	3.7	3.4	3.8	3.5
Oct Standard			6.2	4.6	3.9	4.3
Wages & Salaries						
Official (Oct '20)	4.6	2.5	3.3	3.9	4.8	3.9
Oct Standard			4.6	6.4	5.3	4.6

- With the advice of JABE and GACRE, the October 2021 Virginia Economic Outlook for FY22-24 depicts a growing economy.

Virginia's Economy Is Expected To Continue To Have Slightly Softer Growth Than the Nation

Key U.S. and Virginia Economic Indicators
 U.S. October 2021 Standard and Virginia Standard Forecast
 (annual percent change)

	Fiscal Year					
	19	20	21	22	23	24
Real GDP	2.4	(0.9)	1.6	4.5	3.7	2.6
Consumer Spending	2.5	(1.4)	2.9	5.3	2.7	2.6
CPI	2.1	1.6	2.3	4.6	2.0	2.1
3-Month T-bill	2.3	1.2	0.1	0.1	0.1	0.6
Employment						
U.S.	1.5	(1.9)	(2.8)	4.2	2.7	1.3
Virginia	1.2	(1.6)	(2.5)	2.8	1.1	0.8
Personal Income						
U.S.	4.8	5.4	7.2	1.0	4.4	5.1
Virginia	4.1	4.5	6.2	4.6	3.9	4.3
Wages & Salaries						
U.S.	4.9	2.4	4.8	8.3	6.3	5.3
Virginia	4.6	2.6	4.6	6.4	5.3	4.6

- After two years of performing better or close to the U.S., the consensus outlook for Virginia would be to returning to slightly underperforming the nation.

December General Fund Revenue Forecast

Composition of the December Revenue Forecast

Fiscal Year 2022
(millions of dollars)

	FY22
<u>GACRE Revenue Forecast</u>	\$26,090.3
Total Revenue Growth: GACRE	4.9%
<u>Revenue Policy Adjustments</u>	
Tax Conformity	(158.6)
Total General Fund Revenues	\$ 25,931.7
Total Revenue Growth: December	4.2%

Note: numbers may not add due to rounding.

December General Fund Revenue Forecast

Composition of the December Revenue Forecast

Fiscal Years 2023 and 2024
(millions of dollars)

	FY23	FY24	2023-24 Biennium
<u>GACRE Revenue Forecast</u>	\$27,339.6	\$28,496.7	\$55,836.3
Total Revenue Growth: GACRE	4.8%	4.2%	
<u>Revenue Policy Adjustments</u>			
Worker Misclassification Program	0.2	0.5	0.7
Menstrual Products Tax Elimination	(0.9)	(0.9)	(1.7)
Eliminate Accelerated Sales Tax	(202.8)	0.0	(202.8)
Refundable Earned Income Tax Credit	(159.0)	(156.0)	(315.0)
Tax Rebate (\$250/\$500)	(1,048.6)	0.0	(1,048.6)
Eliminate State Share of Grocery Tax	(106.2)	(262.3)	(368.5)
Tax Conformity	<u>(35.6)</u>	<u>(0.6)</u>	<u>(36.2)</u>
Total	(1,552.9)	(419.3)	(1,972.1)
Total General Fund Revenues	\$ 25,786.7	\$ 28,077.4	\$ 53,864.2
Total Revenue Growth	-0.6%	8.9%	

Note: numbers may not add due to rounding.

The Official and December Standard General Fund Forecasts

(Dollars in Millions)

December 16, 2021

	Fiscal Year 2022			% Growth Over FY21			2020-2022 Biennium			
	Official	December	Change	Official	%	December	%	Official	December	Change
Withholding	\$14,245.9	\$14,838.7	\$592.8	3.7	%	5.9	%	\$27,985.5	\$28,851.6	\$866.1
Nonwithholding	3,890.5	5,206.2	1,315.7	(2.1)		(0.2)		7,862.5	10,423.2	2,560.7
Refunds	(2,145.0)	(2,125.2)	19.8	(5.3)		10.3		(4,410.6)	(4,051.4)	359.2
Net Individual	\$15,991.4	\$17,919.7	\$1,928.3	3.5		3.6		\$31,437.4	\$35,223.4	\$3,786.0
Sales	\$3,992.2	\$4,427.8	\$435.6	2.9		6.3		\$7,871.5	\$8,594.0	\$722.5
Corporate	1,271.6	1,721.5	449.9	(1.3)		13.6		2,560.3	3,237.2	676.9
Wills (Recordation)	467.0	593.7	126.7	(22.3)		(12.6)		1,068.3	1,273.4	205.1
Insurance	360.9	394.3	33.4	14.6		8.6		675.8	757.4	81.6
All Other Revenue	816.0	874.7	58.7	3.2		2.9		1,606.6	1,724.8	118.2
Total Revenue	\$22,899.1	\$25,931.7	\$3,032.6	2.6	%	4.2	%	\$45,219.9	\$50,810.2	\$5,590.3
A.B.C. Profits	\$130.2	\$161.4	\$31.2	(18.4)	%	(9.3)	%	\$289.7	\$339.3	\$49.6
Sales Tax (0.375%)	433.8	487.3	53.5	2.9		6.3		855.4	945.7	90.3
Transfers Per Act	118.4	99.9	(18.5)	3.5		(18.3)		232.8	222.2	(10.6)
Total Transfers	\$682.4	\$748.6	\$66.2	(1.9)	%	(1.3)	%	\$1,377.9	\$1,507.2	\$129.3
TOTAL GENERAL FUND	\$23,581.5	\$26,680.3	\$3,098.8	2.5	%	4.1	%	\$46,597.8	\$52,317.4	\$5,719.6

December Standard General Fund Forecast

(Dollars in Millions)

December 16, 2021

	Fiscal Year 2023		Fiscal Year 2024		2022-2024 Biennium	
	December Forecast	% Growth Over FY 22	December Forecast	% Growth Over FY 23	December Forecast	% Growth Over 20-22
Withholding	\$ 15,598.2	5.1 %	\$ 16,315.2	4.6 %	\$ 31,913.4	10.6 %
Nonwithholding	5,529.7	6.2	5,864.2	6.0	11,393.9	9.3
Refunds	<u>(3,265.5)</u>	<u>53.7</u>	<u>(2,292.6)</u>	<u>(29.8)</u>	<u>(5,558.1)</u>	<u>37.2</u>
Net Individual	\$ 17,862.4	(0.3)	\$ 19,886.8	11.3	\$ 37,749.2	7.2
State Sales & Use Tax	\$ 4,299.0	(2.9)	\$ 4,478.7	4.2	\$ 8,777.7	2.1
Corporate Income	1,737.0	0.9	1,784.9	2.8	3,521.9	8.8
Wills (Recordation)	593.7	0.0	593.7	0.0	1,187.4	(6.8)
Insurance	406.1	3.0	425.3	4.7	831.5	9.8
All Other Revenue	<u>888.5</u>	<u>1.6</u>	<u>908.0</u>	<u>2.2</u>	<u>1,796.5</u>	<u>4.2</u>
Total Revenue	\$25,786.7	(0.6) %	\$28,077.4	8.9 %	53,864.2	6.0 %
A.B.C. Profits	\$ 120.9	(25.1) %	\$ 123.8	2.4 %	\$ 244.7	(27.9) %
Sales Tax (0.375%)	507.3	4.1	522.0	2.9	1,029.3	8.8
Transfers Per Act	<u>98.2</u>	<u>(1.7)</u>	<u>98.2</u>	<u>0.0</u>	<u>196.4</u>	<u>(11.6)</u>
Total Transfers	\$ 726.4	(3.0) %	\$ 744.0	2.4 %	\$ 1,470.4	(2.4) %
TOTAL GENERAL FUND	\$ 26,513.1	(0.6) %	\$ 28,821.4	8.7 %	\$ 55,334.6	5.8 %

Fiscal Year 2022 Year-to-Date Revenue Collections

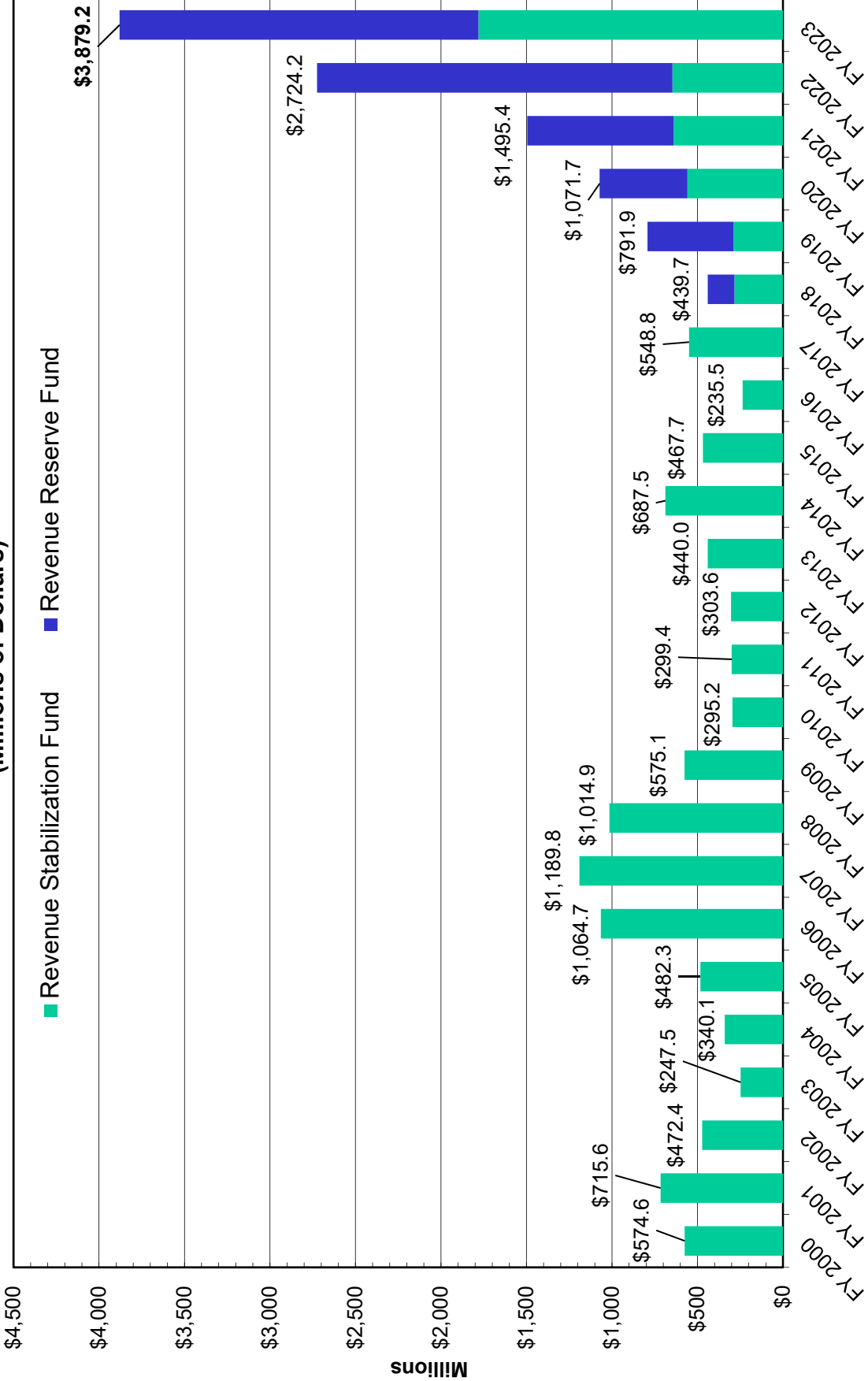
November Year-to-Date Collections and FY22 December Forecast

Major Source	As a % of Total Revenues	Percent Growth over Prior Year				
		YTD Actual	Annual Estimate	Variance	Dec - Jun Req'd to Meet Est.	Prior Year Dec - Jun
Withholding	57.2 %	10.0 %	5.9 %	4.1 %	3.4 %	7.1 %
Nonwithholding	20.1	(3.3)	(0.2)	(3.1)	0.7	36.7
Refunds	(8.2)	(29.2)	10.3	(39.5)	21.7	(2.5)
Net Individual	69.1	10.1	3.6	6.5	0.0	17.9
Sales	17.1	14.4	6.3	8.1	1.7	15.7
Corporate	6.6	55.1	13.6	41.5	(0.7)	58.3
Wills (Recordation)	2.3	3.3	(12.6)	15.9	(23.8)	44.5
Insurance	1.5	n/a	8.6	n/a	8.6	0.7
All Other Revenue	3.4	10.9	2.9	8.0	(1.0)	10.6
Total	100.0 %	12.7 %	4.2 %	8.5 %	(0.2) %	19.4 %
Total less Nonwithholding	79.9 %	15.3 %	5.4 %	9.9 %	(0.5) %	14.7 %

- In November, total revenues grew by 16.6 percent
 - Payroll withholding grew by 10.9 percent
 - Sales tax increased by 10.9 percent
 - Corporate extension payments were \$93.2 million as compared to last year's \$17.1 million.
- Total revenues grew 12.7 percent through November, ahead of the December estimate of 4.2 percent growth.

Total of All Reserves Actual and Projected

(Millions of Dollars)



Next Steps in the Revenue Forecasting Process

- The mid-session review will incorporate the latest economic and revenue data.
 - IHS Markit January U.S. economic outlook:
 - Impact of any federal budget agreements and debt ceiling
 - Holiday retail sales
 - Key additional revenue data will be available:
 - **December 15** – due date for the fourth quarter corporate estimated income tax payment
 - **January 17** – due date for the fourth quarter individual estimated income tax payment
 - **January 20** – due date for 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 2022-2028
- Commonwealth Transportation Fund Forecast, FY 2022-2028
- Virginia Health Care Fund Forecast, FY 2022-2028
- GACRE November Standard Revenue Forecast
- GACRE November Pessimistic Revenue Forecast
- Growth in General Fund Revenues, FY 1961-2024
- Nongeneral Fund Forecast, FY 2022-2028
- November FY 2022 Revenue Report
- An Overview of Individual Nonwithholding Income Tax Collections

Fiscal Years 2019-2024 Official and October IHS Forecasts
U.S. Economic Forecasts - Income and Other Indicators (% Change)

		<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>Output, Income, and Spending (% of Total)</u>							
Real GDP	Official (Oct '20)	2.5	(1.1)	0.8	2.9	3.1	2.7
	Oct Standard	2.4	(0.9)	1.6	4.5	3.7	2.6
	Oct Pessimistic			1.6	3.4	3.2	2.9
Total Personal Income	Official (Oct '20)	4.8	5.1	2.8	0.6	4.6	4.4
	Oct Standard	4.8	5.4	7.2	1.0	4.4	5.1
	Oct Pessimistic			7.2	(0.0)	3.3	4.5
Wages and Salaries (50%)	Official (Oct '20)	4.9	1.7	3.0	5.8	5.3	4.6
	Oct Standard	4.9	2.4	4.8	8.3	6.3	5.3
	Oct Pessimistic			4.8	7.4	4.8	4.2
Average Wage	Official (Oct '20)	3.4	3.8	4.7	2.5	2.9	3.1
	Oct Standard	3.4	4.5	7.6	3.9	3.5	4.0
	Oct Pessimistic			7.6	3.3	2.4	3.0
Real Consumer Spending	Official (Oct '20)	2.5	(1.3)	0.8	3.1	2.8	2.6
	Oct Standard	2.5	(1.4)	2.9	5.3	2.7	2.6
	Oct Pessimistic			2.9	4.0	2.1	3.0
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Oct '20)	2.3	1.2	0.1	0.1	0.1	0.1
	Oct Standard	2.3	1.2	0.1	0.1	0.1	0.6
	Oct Pessimistic			0.1	0.1	0.1	0.1
30-Year Treasury Bonds	Official (Oct '20)	3.0	1.9	1.5	1.9	2.2	2.4
	Oct Standard	3.0	1.9	1.8	2.1	2.6	2.9
	Oct Pessimistic			1.8	2.0	2.3	2.6
<u>Prices (% of Total)</u>							
CPI	Official (Oct '20)	2.1	1.6	1.9	2.7	2.0	1.8
	Oct Standard	2.1	1.6	2.3	4.6	2.0	2.1
	Oct Pessimistic			2.3	4.3	1.1	1.0
GDP Deflator	Official (Oct '20)	2.2	1.4	1.4	1.5	1.7	1.9
	Oct Standard	2.2	1.4	2.2	4.2	2.3	2.3
	Oct Pessimistic			2.2	3.9	1.3	1.2

The Official forecast is IHS Markit's October 2020 U.S. standard scenario.

The Oct Standard forecast is IHS Markit's October 2021 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit's October 2021 U.S. pessimistic alternative scenario.

Fiscal Years 2019-2024 Official and October IHS Forecasts
U.S. Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>Employment and Labor Markets (% of Total)</u>							
Total Nonagricultural Employment	Official (Oct '20)	1.5	(1.9)	(1.8)	3.3	2.3	1.5
	Oct Standard	1.5	(1.9)	(2.8)	4.2	2.7	1.3
	Oct Pessimistic			(2.8)	3.9	2.3	1.1
Construction (5%)	Official (Oct '20)	4.1	(0.2)	(2.9)	(0.5)	1.9	1.8
	Oct Standard	4.1	(0.2)	(0.5)	1.0	0.9	0.2
	Oct Pessimistic			(0.5)	0.0	(0.8)	(0.4)
Manufacturing (9%)	Official (Oct '20)	1.9	(1.7)	(3.3)	1.0	1.2	0.6
	Oct Standard	1.9	(2.1)	(2.5)	2.4	0.6	0.4
	Oct Pessimistic			(2.5)	2.6	(0.0)	0.2
Trade, Transportation, and Utilities (19%)	Official (Oct '20)	0.6	(2.1)	0.3	2.1	(2.0)	(1.8)
	Oct Standard	0.7	(2.0)	(0.7)	2.6	(0.8)	(0.3)
	Oct Pessimistic			(0.7)	2.1	(1.0)	(0.5)
Financial Activities (6%)	Official (Oct '20)	1.9	0.9	0.7	2.3	4.4	1.2
	Oct Standard	1.9	1.1	(0.1)	1.8	3.1	(0.6)
	Oct Pessimistic			(0.1)	1.9	3.2	(0.2)
Professional and Business Services (14%)	Official (Oct '20)	2.0	(0.8)	(0.9)	5.2	6.7	5.0
	Oct Standard	1.9	(1.3)	(1.9)	5.5	6.3	1.2
	Oct Pessimistic			(1.9)	3.6	4.2	1.6
Education and Health Services (16%)	Official (Oct '20)	1.9	(0.1)	(1.2)	3.5	1.0	0.8
	Oct Standard	1.9	(0.2)	(2.3)	2.8	2.2	0.4
	Oct Pessimistic			(2.3)	3.0	2.6	0.3
Leisure and Hospitality (11%)	Official (Oct '20)	1.5	(8.6)	(6.4)	8.2	5.2	3.7
	Oct Standard	1.5	(8.2)	(9.8)	13.1	8.0	7.8
	Oct Pessimistic			(9.8)	13.6	7.5	7.1
Government (15%)	Official (Oct '20)	0.5	(0.6)	(1.9)	1.6	2.1	2.1
	Oct Standard	0.5	(0.4)	(3.5)	3.2	1.9	0.7
	Oct Pessimistic			(3.5)	3.2	1.9	0.7
Unemployment Rate (%)	Official (Oct '20)	3.8	6.0	7.3	5.7	4.5	4.0
	Oct Standard	3.8	6.0	6.9	4.6	3.7	3.6
	Oct Pessimistic			6.9	5.0	4.5	4.2

The Official forecast is IHS Markit's October 2020 U.S. standard scenario.

The Oct Standard forecast is IHS Markit's October 2021 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit's October 2021 U.S. pessimistic alternative scenario.

Fiscal Years 2019-2024 Official and October IHS Forecasts
Virginia Economic Forecasts - Employment and Labor Markets (% Change)

		<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>Employment and Labor Markets (% of Total)</u>							
Total Nonagricultural Employment	Official (Oct '20)	1.3	(1.4)	(0.3)	1.0	1.4	0.9
	Oct Standard	1.2	(1.6)	(2.5)	2.8	1.1	0.8
	Oct Pessimistic			(2.5)	2.7	1.0	0.6
Construction and Mining (5%)	Official (Oct '20)	2.2	1.4	1.9	(0.4)	1.4	1.4
	Oct Standard	2.6	1.0	0.3	0.5	0.5	0.3
	Oct Pessimistic			0.3	0.1	(0.6)	(0.3)
Manufacturing (6%)	Official (Oct '20)	2.6	(1.9)	(3.8)	1.1	1.4	0.6
	Oct Standard	2.6	(2.0)	(1.5)	1.8	1.0	(0.3)
	Oct Pessimistic			(1.5)	2.4	(0.0)	0.2
Trade, Transportation, and Utilities (17%)	Official (Oct '20)	(0.2)	(1.5)	(1.7)	1.5	(4.7)	(3.1)
	Oct Standard	(0.2)	(2.3)	0.8	1.2	(4.7)	(1.3)
	Oct Pessimistic			0.8	2.0	(3.8)	(1.0)
Financial Activities (5%)	Official (Oct '20)	1.5	1.7	1.8	2.8	5.5	1.4
	Oct Standard	1.5	0.9	(2.3)	2.9	4.4	(0.7)
	Oct Pessimistic			(2.3)	1.9	3.7	(0.2)
Professional and Business Services (20%)	Official (Oct '20)	2.3	0.5	2.2	3.1	4.4	3.2
	Oct Standard	2.3	1.0	(0.4)	2.8	3.0	0.9
	Oct Pessimistic			(0.4)	1.7	1.8	0.7
Education and Health Services (14%)	Official (Oct '20)	2.0	(2.0)	(1.8)	3.6	1.1	0.8
	Oct Standard	1.7	(1.4)	(2.5)	3.5	0.6	0.4
	Oct Pessimistic			(2.5)	3.6	1.8	0.3
Leisure and Hospitality (9%)	Official (Oct '20)	0.8	(8.9)	(12.3)	6.9	4.7	3.1
	Oct Standard	1.0	(9.9)	(11.8)	4.8	6.3	9.5
	Oct Pessimistic			(11.8)	5.1	6.8	7.7
Government (18%)	Official (Oct '20)	0.9	(0.3)	5.0	(8.2)	(0.6)	0.5
	Oct Standard	1.0	0.2	(3.4)	2.3	(0.3)	(0.8)
	Oct Pessimistic			(3.4)	2.2	(0.4)	(1.0)
Unemployment Rate (%)	Official (Oct '20)	2.9	4.4	6.9	5.4	4.3	3.8
	Oct Standard	2.8	4.3	5.7	3.6	2.8	2.6
	Oct Pessimistic			5.7	3.8	3.4	3.2

The Official forecast is based on IHS Markit's October 2020 U.S. standard forecast with recommendations by JABE and GACRE.

The Oct Standard forecast is based on IHS Markit's October 2021 U.S. standard forecast.

The Oct Pessimistic forecast is based on IHS Markit's October 2021 U.S. pessimistic alternative scenario.

Fiscal Years 2019-2024 Official and October IHS Forecasts
Virginia Economic Forecasts - Income (% Change)

		<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>Income (% of Total)</u>							
Total Personal Income	Official (Oct '20)	4.1	4.3	3.7	3.4	3.8	3.5
	Oct Standard	3.8	4.9	6.2	4.6	3.9	4.3
	Oct Pessimistic			6.2	4.1	3.0	3.4
Wages and Salaries (49%)	Official (Oct '20)	4.6	2.5	3.3	3.9	4.8	3.9
	Oct Standard	4.2	3.1	4.6	6.4	5.3	4.6
	Oct Pessimistic			4.6	5.9	4.5	3.4
Average Wage	Official (Oct '20)	3.3	4.0	3.5	2.9	3.4	3.0
	Oct Standard	3.0	4.9	7.2	3.5	4.2	3.7
	Oct Pessimistic			7.2	3.1	3.5	2.8
Dividends, Interest, and Rent (19%)	Official (Oct '20)	3.7	(0.4)	3.1	3.1	1.9	3.1
	Oct Standard	3.4	(0.2)	(1.8)	10.5	4.5	5.2
	Oct Pessimistic			(1.8)	9.0	3.9	5.5
Supplements to Wages and Salaries (11%)	Official (Oct '20)	3.5	1.4	2.6	5.8	5.5	4.7
	Oct Standard	2.6	1.8	3.8	5.9	6.2	5.3
	Oct Pessimistic			3.8	5.0	4.6	4.2
Proprietor's Income (6%)	Official (Oct '20)	3.6	3.4	(4.6)	(0.9)	(1.3)	1.9
	Oct Standard	3.8	2.9	10.4	(1.0)	(0.1)	0.1
	Oct Pessimistic			10.4	(2.6)	0.5	1.4
Net Transfer Payments (12%)	Official (Oct '20)	6.7	46.4	8.7	(0.3)	3.1	0.8
	Oct Standard	7.3	50.3	35.4	(13.0)	(6.3)	2.1
	Oct Pessimistic			35.4	(11.2)	(7.0)	(0.9)

The Official forecast is based on IHS Markit's October 2020 U.S. standard forecast with recommendations by JABE and GACRE.

The Oct Standard forecast is based on IHS Markit's October 2021 U.S. standard forecast.

The Oct Pessimistic forecast is based on IHS Markit's October 2021 U.S. pessimistic alternative scenario.

The Official to December Standard General Fund Forecast for Fiscal Year 2022
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2022					2020-2022 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY21 Official	% Growth Over FY21 December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,271.6	\$ 1,721.5	\$ 449.9	(1.3) %	13.6 %	\$ 2,560.3	\$ 3,237.2	\$ 676.9
Individual Income Tax:								
Gross	18,136.4	20,044.9	1,908.5	2.4	4.2	35,848.0	39,274.8	3,426.8
Withholding	14,245.9	14,838.7	592.8	3.7	5.9	27,985.5	28,851.6	866.1
Nonwithholding	3,890.5	5,206.2	1,315.7	(2.1)	(0.2)	7,862.5	10,423.2	2,560.7
Refunds	<u>(2,145.0)</u>	<u>(2,125.2)</u>	<u>19.8</u>	<u>(5.3)</u>	<u>10.3</u>	<u>(4,410.6)</u>	<u>(4,051.4)</u>	<u>359.2</u>
Net	15,991.4	17,919.7	1,928.3	3.5	3.6	31,437.4	35,223.4	3,786.0
Insurance Company Premiums	360.9	394.3	33.4	14.6	8.6	675.8	757.4	81.6
State Sales & Use Tax	3,992.2	4,427.8	435.6	2.9	6.3	7,871.5	8,594.0	722.5
Wills, Suits, Deeds, & Contract Fees	<u>467.0</u>	<u>593.7</u>	<u>126.7</u>	<u>(22.3)</u>	<u>(12.6)</u>	<u>1,068.3</u>	<u>1,273.4</u>	<u>205.1</u>
Total Major Tax Sources	\$ 22,083.1	\$ 25,057.0	\$ 2,973.9	2.6 %	4.3 %	\$ 43,613.3	\$ 49,085.3	\$ 5,472.1
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 242.9	\$ 258.3	\$ 15.4	4.0 %	1.7 %	\$ 476.4	\$ 512.3	\$ 35.9
Bank Franchise Tax	24.0	26.8	2.8	0.0	(0.1)	48.0	53.6	5.6
Beer & Beverage Excise Tax	40.8	42.0	1.2	0.0	(0.1)	81.6	84.0	2.4
Corporate Franchise & Charter Fees	53.9	62.3	8.4	0.0	1.5	107.8	123.7	15.9
Excess & Other Fees from Officers	(8.0)	(9.3)	(1.3)	11.1	33.3	(17.0)	(23.2)	(6.2)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.8	n/a
Institutional Revenues	2.1	2.2	0.1	0.0	(2.5)	4.2	4.5	0.3
Interest & Rents	89.4	89.1	(0.3)	0.4	6.7	178.4	172.6	(5.8)
Licenses & Permits	3.6	2.9	(0.7)	20.0	(3.2)	6.6	5.9	(0.7)
Miscellaneous Taxes and Penalties	239.8	258.5	18.7	5.8	2.8	466.4	510.0	43.6
Other Miscellaneous Revenues	28.9	38.4	9.5	2.8	1.9	57.0	76.1	19.1
Public Service GR / Consumption Tax	<u>98.6</u>	<u>103.5</u>	<u>4.9</u>	<u>0.0</u>	<u>2.4</u>	<u>197.2</u>	<u>204.6</u>	<u>7.4</u>
Total Misc. Taxes and Other Revenues	\$ 816.0	\$ 874.7	\$ 58.7	3.2 %	2.9 %	\$ 1,606.6	\$ 1,724.8	\$ 118.2
TOTAL GF REVENUES	\$ 22,899.1	\$ 25,931.7	\$ 3,032.6	2.6 %	4.2 %	\$ 45,219.9	\$ 50,810.2	\$ 5,590.3
TRANSFERS								
A.B.C. Profits	\$ 130.2	\$ 161.4	\$ 31.2	(18.4) %	(9.3) %	\$ 289.7	\$ 339.3	\$ 49.6
Sales Tax (0.375%)	433.8	487.3	53.5	2.9	6.3	855.4	945.7	90.3
Transfers Per Appropriations Act	<u>118.4</u>	<u>99.9</u>	<u>(18.5)</u>	<u>3.5</u>	<u>(18.3)</u>	<u>232.8</u>	<u>222.2</u>	<u>(10.6)</u>
Total Transfers	\$ 682.4	\$ 748.6	\$ 66.2	(1.9) %	(1.3) %	\$ 1,377.9	\$ 1,507.2	\$ 129.3
TOTAL GENERAL FUND	\$ 23,581.5	\$ 26,680.3	\$ 3,098.8	2.5 %	4.1 %	\$ 46,597.8	\$ 52,317.4	\$ 5,719.6

The Official forecast is based on the October 2020 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2021 GA Special Session, Chapter 552.

The December forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and includes Governor's tax policy proposals.

The December Standard General Fund Forecast for Fiscal Years 2022-24
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2023		Fiscal Year 2024		2022-2024 Biennium	
	December Forecast	% Growth Over FY 22	December Forecast	% Growth Over FY 23	December Forecast	% Growth Over 20-22
MAJOR TAX SOURCES						
Corporate Income	\$ 1,737.0	0.9 %	\$ 1,784.9	2.8 %	\$ 3,521.9	8.8 %
Individual Income Tax:						
Gross	21,127.9	5.4	22,179.4	5.0	43,307.3	10.3
Withholding	15,598.2	5.1	16,315.2	4.6	31,913.4	10.6
Nonwithholding	5,529.7	6.2	5,864.2	6.0	11,393.9	9.3
Refunds	<u>(3,265.5)</u>	53.7	<u>(2,292.6)</u>	<u>(29.8)</u>	<u>(5,558.1)</u>	<u>37.2</u>
Net	17,862.4	(0.3)	19,886.8	11.3	37,749.2	7.2
Insurance Company Premiums	406.1	3.0	425.3	4.7	831.5	9.8
State Sales & Use Tax	4,299.0	(2.9)	4,478.7	4.2	8,777.7	2.1
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>0.0</u>	<u>593.7</u>	<u>0.0</u>	<u>1,187.4</u>	<u>(6.8)</u>
Total Major Tax Sources	\$ 24,898.2	(0.6) %	\$ 27,169.4	9.1 %	\$ 52,067.7	6.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 261.6	1.3 %	\$ 269.2	2.9 %	\$ 530.8	3.6 %
Bank Franchise Tax	26.8	0.0	26.8	0.0	53.6	(0.1)
Beer & Beverage Excise Tax	42.0	0.0	42.0	0.0	84.0	(0.0)
Corporate Franchise & Charter Fees	62.3	0.0	62.3	0.0	124.6	0.7
Excess & Other Fees from Officers	(9.3)	0.0	(9.3)	0.0	(18.6)	(20.0)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.2	0.0	2.2	0.0	4.4	(1.3)
Interest & Rents	98.4	10.4	110.0	11.8	208.4	20.7
Licenses & Permits	2.9	0.0	2.9	0.0	5.8	(1.6)
Miscellaneous Taxes and Penalties	259.7	0.5	260.0	0.1	519.7	1.9
Other Miscellaneous Revenues	38.4	0.0	38.4	0.0	76.8	0.9
Public Service GR / Consumption Tax	<u>103.5</u>	<u>0.0</u>	<u>103.5</u>	<u>0.0</u>	<u>207.0</u>	<u>1.2</u>
Total Misc. Taxes and Other Revenues	\$ 888.5	1.6 %	\$ 908.0	2.2 %	\$ 1,796.5	4.2 %
TOTAL GF REVENUES	\$ 25,786.7	(0.6) %	\$ 28,077.4	8.9 %	\$ 53,864.2	6.0 %
TRANSFERS						
A.B.C. Profits	\$ 120.9	(25.1) %	\$ 123.8	2.4 %	\$ 244.7	(27.9) %
Sales Tax (0.375%)	507.3	4.1	522.0	2.9	1,029.3	8.8
Transfers Per Appropriations Act	<u>98.2</u>	<u>(1.7)</u>	<u>98.2</u>	<u>0.0</u>	<u>196.4</u>	<u>(11.6)</u>
Total Transfers	\$ 726.4	(3.0) %	\$ 744.0	2.4 %	\$ 1,470.4	(2.4) %
TOTAL GENERAL FUND	\$ 26,513.1	(0.6) %	\$ 28,821.4	8.7 %	\$ 55,334.6	5.8 %

The December forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and includes Governor's tax policy proposals.

The December General Fund Forecast for Fiscal Years 2025-28
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
MAJOR TAX SOURCES				
Corporate Income	\$ 1,820.7	\$ 1,855.5	\$ 1,905.3	\$ 1,959.3
Individual Income Tax:				
Gross	23,088.1	23,840.6	24,631.5	25,490.3
Withholding	17,049.7	17,758.7	18,455.0	19,154.1
Nonwithholding	6,038.4	6,081.9	6,176.5	6,336.2
Refunds	<u>(2,385.1)</u>	<u>(2,483.1)</u>	<u>(2,585.2)</u>	<u>(2,692.4)</u>
Net	20,703.0	21,357.5	22,046.3	22,797.9
Insurance Company Premiums	446.0	466.9	488.6	510.8
State Sales & Use Tax	4,592.2	4,620.1	4,643.9	4,662.5
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>593.7</u>	<u>593.7</u>	<u>593.7</u>
Total Major Tax Sources	\$ 28,155.6	\$ 28,893.7	\$ 29,677.8	\$ 30,524.2
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 269.2	\$ 269.2	\$ 269.2	\$ 269.2
Bank Franchise Tax	26.8	26.8	26.8	26.8
Beer & Beverage Excise Tax	42.0	42.0	42.0	42.0
Corporate Franchise & Charter Fees	62.3	62.3	62.3	61.8
Excess & Other Fees from Officers	(9.3)	(9.3)	(9.3)	(9.3)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.2	2.2	2.2	2.2
Interest & Rents	110.0	110.0	110.0	110.0
Licenses & Permits	2.9	2.9	2.9	2.9
Miscellaneous Taxes and Penalties	260.4	260.8	261.2	261.6
Other Miscellaneous Revenues	38.4	38.4	38.4	38.4
Public Service GR / Consumption Tax	<u>103.5</u>	<u>103.5</u>	<u>103.5</u>	<u>103.5</u>
Total Misc. Taxes and Other Revenues	\$ 908.4	\$ 908.8	\$ 909.2	\$ 909.1
TOTAL GF REVENUES	\$ 29,064.0	\$ 29,802.5	\$ 30,587.0	\$ 31,433.3
TRANSFERS				
A.B.C. Profits	\$ 123.8	\$ 123.8	\$ 123.8	\$ 123.8
Sales Tax (0.375%)	535.1	538.3	541.0	543.1
Transfers Per Appropriations Act	<u>103.7</u>	<u>103.7</u>	<u>103.7</u>	<u>103.7</u>
Total Transfers	\$ 762.6	\$ 765.8	\$ 768.5	\$ 770.6
TOTAL GENERAL FUND	\$ 29,826.6	\$ 30,568.3	\$ 31,355.5	\$ 32,203.9
\$ Change From Previous Year	\$ 1,005.2	\$ 741.7	\$ 787.1	\$ 848.5
TOTAL BIENNIUM GENERAL FUND		\$ 60,394.9		\$ 63,559.4
\$ Change From Previous Biennium		\$ 5,060.4		\$ 3,164.5
% Growth From Previous Biennium		9.1		5.2 %

The December General Fund Forecast for Fiscal Years 2025-28
(Dollars in Millions)

December 16, 2021

	FY 25 % Growth Over FY 24	FY 26 % Growth Over FY 25	FY 27 % Growth Over FY 26	FY 28 % Growth Over FY 27
MAJOR TAX SOURCES				
Corporate Income	2.0 %	1.9 %	2.7 %	2.8 %
Individual Income Tax:				
Gross	4.1	3.3	3.3	3.5
Withholding	4.5	4.2	3.9	3.8
Nonwithholding	3.0	0.7	1.6	2.6
Refunds	<u>4.0</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>
Net	4.1	3.2	3.2	3.4
Insurance Company Premiums	4.9	4.7	4.6	4.6
State Sales & Use Tax	2.5	0.6	0.5	0.4
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	3.6 %	2.6 %	2.7 %	2.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	(0.8)
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.2	0.2	0.2	0.2
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	0.0 %	0.0 %	0.0 %	(0.0) %
TOTAL GF REVENUES	3.5 %	2.5 %	2.6 %	2.8 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.5	0.6	0.5	0.4
Transfers Per Appropriations Act	<u>5.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	2.5 %	0.4 %	0.4 %	0.3 %
TOTAL GENERAL FUND	<u>3.5 %</u>	<u>2.5 %</u>	<u>2.6 %</u>	<u>2.7 %</u>

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2022
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2021		Fiscal Year 2022					
	Forecast	% Growth	Official Forecast	December Forecast	Change	% Growth over FY 21 Official December		
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 971.9	15.2 %	\$ 1,238.5	\$ 1,282.4	\$ 43.9	27.4 %	31.9 %	
Road Tax	55.0	168.3	47.2	68.2	21.0	(14.2)	24.0	
Aviation Fuels Tax	1.0	(44.4)	2.0	2.0	0.0	100.0	100.0	
Motor Vehicle Sales and Use Tax	1,110.6	16.4	899.6	1,174.0	274.4	(19.0)	5.7	
Motor Vehicle Rental Tax(1)	34.3	(11.4)	29.7	40.7	11.0	(13.4)	18.7	
Motor Vehicle License Fees	241.7	(10.7)	202.9	234.8	31.9	(16.1)	(2.9)	
Highway User Fee	42.7	n/a	46.6	52.4	5.8	9.1	22.7	
International Registration Plan	121.4	72.4	73.9	124.3	50.4	(39.1)	2.4	
Retail Sales and Use Tax	1,264.1	12.4	1,214.7	1,290.2	75.5	(3.9)	2.1	
Recordation Tax (3 cents)	83.8	40.4	57.0	81.0	24.0	(32.0)	(3.3)	
Insurance Premiums Tax (1/3)	181.4	(1.2)	171.8	180.7	8.9	(5.3)	(0.4)	
Interest Earnings	5.9	(70.2)	10.1	5.7	(4.4)	71.2	(3.4)	
Miscellaneous	<u>19.8</u>	<u>10.6</u>	<u>17.3</u>	<u>17.2</u>	<u>(0.1)</u>	<u>(12.6)</u>	<u>(13.1)</u>	
Total State Taxes and Fees	\$ <u>4,133.6</u>	14.6 %	\$ <u>4,011.3</u>	\$ <u>4,553.6</u>	\$ <u>542.3</u>	<u>(3.0)</u> %	<u>10.2</u> %	

The Official forecast is based on the October 2020 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation. The Official forecast was adjusted during the mid-session to reflect collections.

The November forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2023
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2023				
	Official Forecast	December Forecast	Change	% Growth over FY 22 Official	% Growth over FY 22 December
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,305.1	\$ 1,360.7	\$ 55.6	5.4 %	6.1 %
Road Tax	47.2	69.2	22.0	0.0	1.5
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	983.6	1,155.1	171.5	9.3	(1.6)
Motor Vehicle Rental Tax(1)	31.1	42.9	11.8	4.7	5.4
Motor Vehicle License Fees	202.9	236.6	33.7	0.0	0.8
Highway User Fee	53.1	59.7	6.6	13.9	13.9
International Registration Plan	73.8	124.2	50.4	(0.1)	(0.1)
Retail Sales and Use Tax	1,225.9	1,350.3	124.4	0.9	4.7
Recordation Tax (3 cents)	57.0	81.0	24.0	0.0	0.0
Insurance Premiums Tax (1/3)	177.5	196.0	18.5	3.3	8.5
Interest Earnings	10.1	5.7	(4.4)	0.0	0.0
Miscellaneous	17.3	17.2	(0.1)	0.0	0.0
Total State Taxes and Fees	\$ 4,186.6	\$ 4,700.6	\$ 514.0	4.4 %	3.2 %

The Official forecast is based on the October 2020 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation. The Official forecast was adjusted during the mid-session to reflect collections.
The November forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.
(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

The Official and December Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2024
(Dollars in Millions)

December 16, 2021

	Fiscal Year 2024				
	<u>Official Forecast</u>	<u>December Forecast</u>	<u>Change</u>	<u>% Growth over FY 23 Official</u>	<u>December</u>
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,336.8	\$ 1,380.7	\$ 43.9	2.4 %	1.5 %
Road Tax	48.0	69.5	21.5	1.7	0.4
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	982.8	1,119.4	136.6	(0.1)	(3.1)
Motor Vehicle Rental Tax(1)	31.6	43.6	12.0	1.6	1.6
Motor Vehicle License Fees	206.0	240.3	34.3	1.5	1.6
Highway User Fee	53.1	62.7	9.6	0.0	5.0
International Registration Plan	72.2	122.6	50.4	(2.2)	(1.3)
Retail Sales and Use Tax	1,250.7	1,315.1	64.4	2.0	(2.6)
Recordation Tax (3 cents)	57.0	81.0	24.0	0.0	0.0
Insurance Premiums Tax (1/3)	184.3	203.8	19.5	3.8	4.0
Interest Earnings	10.1	5.7	(4.4)	0.0	0.0
Miscellaneous	<u>17.3</u>	<u>17.2</u>	<u>(0.1)</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>4,251.9</u>	\$ <u>4,663.6</u>	\$ <u>411.7</u>	<u>1.6</u> %	<u>(0.8)</u> %

The Official forecast is based on the October 2020 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation. The Official forecast was adjusted during the mid-session to reflect collections.

The November forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

**The December Standard Commonwealth Transportation Fund Forecast for Fiscal Years 2025-28
(Dollars in Millions)**

December 16, 2021

	Fiscal Years 2025 through 2028							
	FY 25 Forecast	% Growth	FY 26 Forecast	% Growth	FY 27 Forecast	% Growth	FY 28 Forecast	% Growth
Commonwealth Transportation Fund								
Motor Fuels Tax	1,392.5	0.9	1,405.2	0.9	1,428.1	1.6	1,458.4	2.1
Road Tax	69.4	(0.1)	69.0	(0.6)	68.5	(0.7)	67.8	(1.0)
Aviation Fuels Tax	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,128.9	0.8	1,124.2	(0.4)	1,121.5	(0.2)	1,120.0	(0.1)
Motor Vehicle Rental Tax(1)	44.4	1.8	45.2	1.8	46.0	1.8	46.8	1.7
Motor Vehicle License Fees	241.3	0.4	242.5	0.5	241.9	(0.2)	242.5	0.2
Highway User Fee	66.5	6.1	66.5	0.0	66.5	0.0	66.5	0.0
International Registration Plan	119.6	(2.4)	120.0	0.3	120.3	0.2	120.7	0.3
Retail Sales and Use Tax	1,348.1	2.5	1,356.5	0.6	1,363.3	0.5	1,368.4	0.4
Recordation Tax (3 cents)	81.0	0.0	81.0	0.0	81.0	0.0	81.0	0.0
Insurance Premiums Tax (1/3)	212.8	4.4	222.8	4.7	233.2	4.7	244.0	4.6
Interest Earnings	5.7	0.0	5.7	0.0	5.7	0.0	5.7	0.0
Miscellaneous	17.2	0.0	17.2	0.0	17.2	0.0	17.2	0.0
Total State Taxes and Fees	\$ 4,729.4	1.4	\$ 4,757.8	0.6%	\$ 4,795.2	0.8%	\$ 4,841.0	1.0%

The Official forecast is based on the October 2020 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation. The Official forecast was adjusted during the mid-session to reflect collections.

The November forecast is based on the October 2021 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Virginia Health Care Fund Forecast

12/1/2021

\$ in millions

	Actual											
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Master Settlement Agreement	49.0	58.3	56.5	54.1	100.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5
Tobacco Taxes:												
Total Cigarette Taxes	151.1	139.2	129.5	132.0	234.2	227.3	220.5	213.8	207.4	201.2	195.2	189.3
Other Tobacco Products	<u>20.1</u>	<u>21.2</u>	<u>21.8</u>	<u>21.7</u>	<u>52.4</u>	<u>63.6</u>	<u>71.8</u>	<u>83.7</u>	<u>86.8</u>	<u>90.1</u>	<u>93.5</u>	<u>97.0</u>
Total Tobacco Taxes	171.2	160.4	151.3	153.7	286.6	290.9	292.3	297.5	294.2	291.3	288.6	286.3
Medicaid Recoveries:												
Rev Max Cash Transfer In	16.5	0.0	36.8	13.5	11.1	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Regular Recoveries	48.0	30.6	29.3	26.2	109.0	63.5	24.0	24.0	24.0	24.0	24.0	24.0
Pharmacy Rebates (Prior Year)***	<u>98.4</u>	<u>152.7</u>	<u>122.0</u>	<u>87.5</u>	<u>106.6</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total Recoveries	162.9	183.3	188.1	127.2	226.8	198.5	159.0	159.0	159.0	159.0	159.0	159.0
TOTAL FUND****	383.1	402.0	395.9	335.0	613.9	536.9	498.8	504.0	500.7	497.8	495.1	492.8

NOTES:

***FY 2020 does not include \$38.3 million of revenue that was incorrectly classified. This amount is adjusted in FY 2021 as a 'reclass error' and added to beginning cash balance.

****Totals do not reflect prior year cash balances.

The Official to November Standard General Fund Forecast for Fiscal Year 2022
(Dollars in Millions)

November 22, 2021

	Fiscal Year 2022					2020-2022 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY21 Official	November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,271.6	\$ 1,725.5	\$ 453.9	(1.3) %	13.8 %	\$ 2,560.3	\$ 3,241.2	\$ 680.9
Individual Income Tax:								
Gross	18,136.4	20,107.9	1,971.5	2.4	4.6	35,848.0	39,337.8	3,489.8
Withholding	14,245.9	14,838.7	592.8	3.7	5.9	27,985.5	28,851.6	866.1
Nonwithholding	3,890.5	5,269.2	1,378.7	(2.1)	1.0	7,862.5	10,486.2	2,623.7
Refunds	<u>(2,145.0)</u>	<u>(2,033.6)</u>	<u>111.4</u>	<u>(5.3)</u>	<u>5.6</u>	<u>(4,410.6)</u>	<u>(3,959.8)</u>	<u>450.8</u>
Net	15,991.4	18,074.3	2,082.9	3.5	4.5	31,437.4	35,378.0	3,940.6
Insurance Company Premiums	360.9	394.3	33.4	14.6	8.6	675.8	757.4	81.6
State Sales & Use Tax	3,992.2	4,427.8	435.6	2.9	6.3	7,871.5	8,594.0	722.5
Wills, Suits, Deeds, & Contract Fees	<u>467.0</u>	<u>593.7</u>	<u>126.7</u>	<u>(22.3)</u>	<u>(12.6)</u>	<u>1,068.3</u>	<u>1,273.4</u>	<u>205.1</u>
Total Major Tax Sources	\$ 22,083.1	\$ 25,215.6	\$ 3,132.5	2.6 %	4.9 %	\$ 43,613.3	\$ 49,243.9	\$ 5,630.7
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 242.9	\$ 258.3	\$ 15.4	4.0 %	1.7 %	\$ 476.4	\$ 512.3	\$ 35.9
Bank Franchise Tax	24.0	26.8	2.8	0.0	(0.1)	48.0	53.6	5.6
Beer & Beverage Excise Tax	40.8	42.0	1.2	0.0	(0.1)	81.6	84.0	2.4
Corporate Franchise & Charter Fees	53.9	62.3	8.4	0.0	1.5	107.8	123.7	15.9
Excess & Other Fees from Officers	(8.0)	(9.3)	(1.3)	11.1	33.3	(17.0)	(23.2)	(6.2)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.8	n/a
Institutional Revenues	2.1	2.2	0.1	0.0	(2.5)	4.2	4.5	0.3
Interest & Rents	89.4	89.1	(0.3)	0.4	6.7	178.4	172.6	(5.8)
Licenses & Permits	3.6	2.9	(0.7)	20.0	(3.2)	6.6	5.9	(0.7)
Miscellaneous Taxes and Penalties	239.8	258.5	18.7	5.8	2.8	466.4	510.0	43.6
Other Miscellaneous Revenues	28.9	38.4	9.5	2.8	1.9	57.0	76.1	19.1
Public Service GR / Consumption Tax	<u>98.6</u>	<u>103.5</u>	<u>4.9</u>	<u>0.0</u>	<u>2.4</u>	<u>197.2</u>	<u>204.6</u>	<u>7.4</u>
Total Misc. Taxes and Other Revenues	\$ 816.0	\$ 874.7	\$ 58.7	3.2 %	2.9 %	\$ 1,606.6	\$ 1,724.8	\$ 118.2
TOTAL GF REVENUES	\$ 22,899.1	\$ 26,090.3	\$ 3,191.2	2.6 %	4.9 %	\$ 45,219.9	\$ 50,968.8	\$ 5,748.9
TRANSFERS								
A.B.C. Profits	\$ 130.2	\$ 146.7	\$ 16.5	(18.4) %	(17.5) %	\$ 289.7	\$ 324.6	\$ 34.9
Sales Tax (0.375%)	433.8	487.3	53.5	2.9	6.3	855.4	945.7	90.3
Transfers Per Appropriations Act	<u>118.4</u>	<u>118.4</u>	<u>0.0</u>	<u>3.5</u>	<u>(3.2)</u>	<u>232.8</u>	<u>240.7</u>	<u>7.9</u>
Total Transfers	\$ 682.4	\$ 752.4	\$ 70.0	(1.9) %	(0.8) %	\$ 1,377.9	\$ 1,511.0	\$ 133.1
TOTAL GENERAL FUND	\$ 23,581.5	\$ 26,842.7	\$ 3,261.2	2.5 %	4.7 %	\$ 46,597.8	\$ 52,479.8	\$ 5,882.0

The Official forecast is based on the October 2020 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2021 GA Special Session, Chapter 552.

The November forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The November Standard General Fund Forecast for Fiscal Years 2022-24
(Dollars in Millions)

November 22, 2021

	Fiscal Year 2023		Fiscal Year 2024		2022-2024 Biennium	
	November Forecast	% Growth Over FY 22	November Forecast	% Growth Over FY 23	November Forecast	% Growth Over 20-22
MAJOR TAX SOURCES						
Corporate Income	\$ 1,751.0	1.5 %	\$ 1,784.9	1.9 %	\$ 3,535.9	9.1 %
Individual Income Tax:						
Gross	21,148.7	5.2	22,178.9	4.9	43,327.6	10.1
Withholding	15,598.2	5.1	16,315.2	4.6	31,913.4	10.6
Nonwithholding	5,550.5	5.3	5,863.7	5.6	11,414.2	8.9
Refunds	<u>(2,057.3)</u>	1.2	<u>(2,136.0)</u>	<u>3.8</u>	<u>(4,193.3)</u>	<u>5.9</u>
Net	19,091.4	5.6	20,042.9	5.0	39,134.3	10.6
Insurance Company Premiums	406.1	3.0	425.3	4.7	831.5	9.8
State Sales & Use Tax	4,608.9	4.1	4,741.9	2.9	9,350.8	8.8
Wills, Suits, Deeds, & Contract Fees	<u>593.7</u>	<u>0.0</u>	<u>593.7</u>	<u>0.0</u>	<u>1,187.4</u>	<u>(6.8)</u>
Total Major Tax Sources	\$ 26,451.1	4.9 %	\$ 27,588.7	4.3 %	\$ 54,039.9	9.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 261.6	1.3 %	\$ 269.2	2.9 %	\$ 530.8	3.6 %
Bank Franchise Tax	26.8	0.0	26.8	0.0	53.6	(0.1)
Beer & Beverage Excise Tax	42.0	0.0	42.0	0.0	84.0	(0.0)
Corporate Franchise & Charter Fees	62.3	0.0	62.3	0.0	124.6	0.7
Excess & Other Fees from Officers	(9.3)	0.0	(9.3)	0.0	(18.6)	(20.0)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.2	0.0	2.2	0.0	4.4	(1.3)
Interest & Rents	98.4	10.4	110.0	11.8	208.4	20.7
Licenses & Permits	2.9	0.0	2.9	0.0	5.8	(1.6)
Miscellaneous Taxes and Penalties	259.7	0.5	260.0	0.1	519.7	1.9
Other Miscellaneous Revenues	38.4	0.0	38.4	0.0	76.8	0.9
Public Service GR / Consumption Tax	<u>103.5</u>	<u>0.0</u>	<u>103.5</u>	<u>0.0</u>	<u>207.0</u>	<u>1.2</u>
Total Misc. Taxes and Other Revenues	\$ 888.5	1.6 %	\$ 908.0	2.2 %	\$ 1,796.5	4.2 %
TOTAL GF REVENUES	\$ 27,339.6	4.8 %	\$ 28,496.7	4.2 %	\$ 55,836.4	9.6 %
TRANSFERS						
A.B.C. Profits	\$ 120.9	(17.6) %	\$ 123.8	2.4 %	\$ 244.7	(24.6) %
Sales Tax (0.375%)	507.3	4.1	522.0	2.9	1,029.3	8.8
Transfers Per Appropriations Act	<u>103.7</u>	<u>(12.4)</u>	<u>103.7</u>	<u>0.0</u>	<u>207.4</u>	<u>(13.8)</u>
Total Transfers	\$ 731.9	(2.7) %	\$ 749.5	2.4 %	\$ 1,481.4	(2.0) %
TOTAL GENERAL FUND	\$ 28,071.5	4.6 %	\$ 29,246.2	4.2 %	\$ 57,317.8	9.2 %

The November forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The Official to November Pessimistic General Fund Forecast for Fiscal Year 2022
(Dollars in Millions)

November 22, 2021

	Fiscal Year 2022					2020-2022 Biennium		
	Official Forecast	Nov Pess Forecast	Change	% Growth Over FY21 Official	Nov Pess	Official Forecast	Nov Pess Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 1,271.6	\$ 1,685.3	\$ 413.7	(1.3) %	11.2 %	\$ 2,560.3	\$ 3,201.0	\$ 640.7
Individual Income Tax:								
Gross	18,136.4	19,706.8	1,570.4	2.4	2.5	35,848.0	38,936.7	3,088.7
Withholding	14,245.9	14,445.5	199.6	3.7	3.1	27,985.5	28,458.4	472.9
Nonwithholding	3,890.5	5,261.3	1,370.8	(2.1)	0.8	7,862.5	10,478.3	2,615.8
Refunds	<u>(2,145.0)</u>	<u>(2,035.4)</u>	<u>109.6</u>	<u>(5.3)</u>	<u>5.7</u>	<u>(4,410.6)</u>	<u>(3,961.6)</u>	<u>449.0</u>
Net	15,991.4	17,671.4	1,680.0	3.5	2.1	31,437.4	34,975.1	3,537.7
Insurance Company Premiums	360.9	391.2	30.3	14.6	7.7	675.8	754.3	78.5
State Sales & Use Tax	3,992.2	4,383.0	390.8	2.9	5.2	7,871.5	8,549.2	677.7
Wills, Suits, Deeds, & Contract Fees	<u>467.0</u>	<u>519.7</u>	<u>52.7</u>	<u>(22.3)</u>	<u>(23.5)</u>	<u>1,068.3</u>	<u>1,199.4</u>	<u>131.1</u>
Total Major Tax Sources	\$ 22,083.1	\$ 24,650.6	\$ 2,567.5	2.6 %	2.6 %	\$ 43,613.3	\$ 48,678.9	\$ 5,065.7
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 242.9	\$ 258.3	\$ 15.4	4.0 %	1.7 %	\$ 476.4	\$ 512.3	\$ 35.9
Bank Franchise Tax	24.0	26.8	2.8	0.0	(0.1)	48.0	53.6	5.6
Beer & Beverage Excise Tax	40.8	42.0	1.2	0.0	(0.1)	81.6	84.0	2.4
Corporate Franchise & Charter Fees	53.9	62.3	8.4	0.0	1.5	107.8	123.7	15.9
Excess & Other Fees from Officers	(8.0)	(9.3)	(1.3)	11.1	33.3	(17.0)	(23.2)	(6.2)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.8	n/a
Institutional Revenues	2.1	2.2	0.1	0.0	(2.5)	4.2	4.5	0.3
Interest & Rents	89.4	89.1	(0.3)	0.4	6.7	178.4	172.6	(5.8)
Licenses & Permits	3.6	2.9	(0.7)	20.0	(3.2)	6.6	5.9	(0.7)
Miscellaneous Taxes and Penalties	239.8	258.5	18.7	5.8	2.8	466.4	510.0	43.6
Other Miscellaneous Revenues	28.9	38.4	9.5	2.8	1.9	57.0	76.1	19.1
Public Service GR / Consumption Tax	<u>98.6</u>	<u>103.5</u>	<u>4.9</u>	<u>0.0</u>	<u>2.4</u>	<u>197.2</u>	<u>204.6</u>	<u>7.4</u>
Total Misc. Taxes and Other Revenues	\$ 816.0	\$ 874.7	\$ 58.7	3.2 %	2.9 %	\$ 1,606.6	\$ 1,724.8	\$ 118.2
TOTAL GF REVENUES	\$ 22,899.1	\$ 25,525.3	\$ 2,626.2	2.6 %	2.6 %	\$ 45,219.9	\$ 50,403.8	\$ 5,183.9
TRANSFERS								
A.B.C. Profits	\$ 130.2	\$ 146.7	\$ 16.5	(18.4) %	(17.5) %	\$ 289.7	\$ 324.6	\$ 34.9
Sales Tax (0.375%)	433.8	487.3	53.5	2.9	6.3	855.4	945.7	90.3
Transfers Per Appropriations Act	<u>118.4</u>	<u>118.4</u>	<u>0.0</u>	<u>3.5</u>	<u>(3.2)</u>	<u>232.8</u>	<u>240.7</u>	<u>7.9</u>
Total Transfers	\$ 682.4	\$ 752.4	\$ 70.0	(1.9) %	(0.8) %	\$ 1,377.9	\$ 1,511.0	\$ 133.1
TOTAL GENERAL FUND	\$ 23,581.5	\$ 26,277.7	\$ 2,696.2	2.5 %	2.5 %	\$ 46,597.8	\$ 51,914.8	\$ 5,317.0

The Official forecast is based on the October 2020 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2021 GA Special Session, Chapter 552.

The November Pessimistic forecast is based on the October 2021 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

The November Pessimistic General Fund Forecast for Fiscal Years 2022-24
(Dollars in Millions)

November 22, 2021

	Fiscal Year 2023		Fiscal Year 2024		2022-2024 Biennium	
	<u>Nov Pess Forecast</u>	<u>% Growth Over FY 22</u>	<u>Nov Pess Forecast</u>	<u>% Growth Over FY 23</u>	<u>Nov Pess Forecast</u>	<u>% Growth Over 20-22</u>
MAJOR TAX SOURCES						
Corporate Income	\$ 1,667.4	(1.1) %	\$ 1,683.2	0.9 %	\$ 3,350.6	4.7 %
Individual Income Tax:						
Gross	20,139.7	2.2	20,583.2	2.2	40,722.9	4.6
Withholding	14,802.9	2.5	15,219.0	2.8	30,021.9	5.5
Nonwithholding	5,336.8	1.4	5,364.2	0.5	10,701.0	2.1
Refunds	<u>(2,132.3)</u>	4.8	<u>(2,211.0)</u>	<u>3.7</u>	<u>(4,343.3)</u>	<u>9.6</u>
Net	18,007.4	1.9	18,372.2	2.0	36,379.6	4.0
Insurance Company Premiums	398.7	1.9	413.3	3.7	811.9	7.6
State Sales & Use Tax	4,570.8	4.3	4,815.2	5.3	9,386.0	9.8
Wills, Suits, Deeds, & Contract Fees	<u>445.7</u>	<u>(14.2)</u>	<u>519.7</u>	<u>16.6</u>	<u>965.4</u>	<u>(19.5)</u>
Total Major Tax Sources	\$ 25,090.0	1.8 %	\$ 25,803.6	2.8 %	\$ 50,893.5	4.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 261.6	1.3 %	\$ 269.2	2.9 %	\$ 530.8	3.6 %
Bank Franchise Tax	26.8	0.0	26.8	0.0	53.6	(0.1)
Beer & Beverage Excise Tax	42.0	0.0	42.0	0.0	84.0	(0.0)
Corporate Franchise & Charter Fees	62.3	0.0	62.3	0.0	124.6	0.7
Excess & Other Fees from Officers	(9.3)	0.0	(9.3)	0.0	(18.6)	(20.0)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.2	0.0	2.2	0.0	4.4	(1.3)
Interest & Rents	98.4	10.4	110.0	11.8	208.4	20.7
Licenses & Permits	2.9	0.0	2.9	0.0	5.8	(1.6)
Miscellaneous Taxes and Penalties	259.7	0.5	260.0	0.1	519.7	1.9
Other Miscellaneous Revenues	38.4	0.0	38.4	0.0	76.8	0.9
Public Service GR / Consumption Tax	<u>103.5</u>	<u>0.0</u>	<u>103.5</u>	<u>0.0</u>	<u>207.0</u>	<u>1.2</u>
Total Misc. Taxes and Other Revenues	\$ 888.5	1.6 %	\$ 908.0	2.2 %	\$ 1,796.5	4.2 %
TOTAL GF REVENUES	\$ 25,978.5	1.8 %	\$ 26,711.6	2.8 %	\$ 52,690.0	4.5 %
TRANSFERS						
A.B.C. Profits	\$ 120.9	(17.6) %	\$ 123.8	2.4 %	\$ 244.7	(24.6) %
Sales Tax (0.375%)	507.3	4.1	522.0	2.9	1,029.3	8.8
Transfers Per Appropriations Act	<u>103.7</u>	<u>(12.4)</u>	<u>103.7</u>	<u>0.0</u>	<u>207.4</u>	<u>(13.8)</u>
Total Transfers	\$ 731.9	(2.7) %	\$ 749.5	2.4 %	\$ 1,481.4	(2.0) %
TOTAL GENERAL FUND	\$ 26,710.4	1.6 %	\$ 27,461.1	2.8 %	\$ 54,171.4	4.3 %

The November Pessimistic forecast is based on the October 2021 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(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	-	93	6,133,637,000	9.1%
62	242,144,567	4.8%	94	6,503,368,000	6.0%
63	286,304,265	18.2%	95	6,881,145,000	5.8%
64	298,033,919	4.1%	96	7,356,110,000	6.9%
65	323,213,412	8.4%	97	7,949,327,000	8.1%
66	365,129,776	13.0%	98	8,773,520,000	10.4%
67	414,755,644	13.6%	99	9,702,747,000	10.6%
68	533,597,744	28.7%	00	10,788,482,000	11.2%
69	706,254,374	32.4%	01	11,105,275,000	2.9%
70	743,721,322	5.3%	02	10,678,954,000	-3.8%
71	807,954,651	8.6%	03	10,867,149,000	1.8%
72	922,653,686	14.2%	04	11,917,867,000	9.7%
73	1,054,469,443	14.3%	05	13,687,252,000	14.8%
74	1,168,562,871	10.8%	06	14,834,298,000	8.4%
75	1,303,178,893	11.5%	07	15,565,827,000	4.9%
76	1,428,421,157	9.6%	08	15,766,951,000	1.3%
77	1,636,301,819	14.6%	09	14,315,060,000	-9.2%
78	1,923,085,084	17.5%	10	14,219,477,000	-0.7%
79	2,115,211,522	10.0%	11	15,040,200,000	5.8%
80	2,344,928,934	10.9%	12	15,846,665,000	5.4%
81	2,579,663,941	10.0%	13	16,684,600,000	5.3%
82	2,796,458,741	8.4%	14	16,411,400,000	-1.6%
83	2,975,687,935	6.4%	15	17,735,600,000	8.1%
84	3,397,710,261	14.2%	16	18,040,100,000	1.7%
85	3,790,816,000	11.6%	17	18,695,100,000	3.6%
86	4,131,778,000	9.0%	18	19,880,800,000	6.3%
87	4,590,434,000	11.1%	19	21,307,500,000	7.2%
88	5,054,382,000	10.1%	20	21,737,800,000	2.0%
89	5,478,912,000	8.4%	21	24,878,500,000	14.4%
90	5,494,884,000	0.3%	22*	25,931,700,000	4.2%
91	5,471,879,000	-0.4%	23*	25,786,700,000	-0.6%
92	5,623,213,000	2.8%	24*	28,077,400,000	8.9%

*December 16, 2021 Official Forecast (Excludes Transfers)

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

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2024

(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	1,396,206,573	-	93	9,025,097,849	6.3%
62	1,449,924,056	3.8%	94	9,365,213,290	3.8%
63	1,694,083,017	16.8%	95	9,694,040,495	3.5%
64	1,739,226,885	2.7%	96	10,160,267,677	4.8%
65	1,860,783,327	7.0%	97	10,750,978,151	5.8%
66	2,064,308,779	10.9%	98	11,733,030,207	9.1%
67	2,283,110,956	10.6%	99	12,851,192,869	9.5%
68	2,849,121,627	24.8%	00	13,989,849,124	8.9%
69	3,617,272,524	27.0%	01	14,050,240,544	0.4%
70	3,636,601,252	0.5%	02	13,346,356,888	-5.0%
71	3,781,497,009	4.0%	03	13,321,012,761	-0.2%
72	4,159,376,472	10.0%	04	14,298,194,710	7.3%
73	4,582,010,116	10.2%	05	16,001,791,064	11.9%
74	4,699,109,775	2.6%	06	16,809,831,412	5.0%
75	4,749,929,902	1.1%	07	17,225,456,688	2.5%
76	4,887,585,010	2.9%	08	16,928,863,550	-1.7%
77	5,294,018,859	8.3%	09	15,217,333,762	-10.1%
78	5,834,248,783	10.2%	10	14,958,029,717	-1.7%
79	5,956,245,046	2.1%	11	15,533,224,547	3.8%
80	5,988,760,031	0.5%	12	15,976,796,003	2.9%
81	5,977,982,726	-0.2%	13	16,571,046,901	3.7%
82	6,056,644,466	1.3%	14	16,063,937,042	-3.1%
83	6,145,544,344	1.5%	15	17,217,148,612	7.2%
84	6,745,637,716	9.8%	16	17,429,501,006	1.2%
85	7,271,397,812	7.8%	17	17,785,293,320	2.0%
86	7,693,362,443	5.8%	18	18,547,987,955	4.3%
87	8,366,665,907	8.8%	19	19,527,249,483	5.3%
88	8,886,864,558	6.2%	20	19,662,608,318	0.7%
89	9,226,009,716	3.8%	21	22,055,603,330	12.2%
90	8,894,816,374	-3.6%	22*	22,110,304,257	0.2%
91	8,490,213,618	-4.5%	23*	21,546,927,279	-2.5%
92	8,492,996,526	0.0%	24*	23,004,023,619	6.8%

* December 16, 2021 Forecast (Excludes Transfers)

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

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2022 Through 2028
 \$ (Millions)

	Actual							
	2021	2022	2023	2024	2025	2026	2027	2028
Taxes:								
Motor vehicle fuel tax	\$1,000.1	\$1,315.4	\$1,393.7	\$1,413.7	\$1,425.5	\$1,438.2	\$1,461.1	\$1,491.4
Unemployment compensation payroll tax	\$351.1	\$1,406.5	\$513.2	\$435.9	\$388.7	\$372.8	\$359.2	\$346.3
Special highway tax from sales tax	\$1,264.1	\$1,346.6	\$1,401.8	\$1,442.2	\$1,478.4	\$1,487.6	\$1,495.1	\$1,500.7
Motor vehicle sales tax and use tax	\$1,116.6	\$1,174.0	\$1,155.1	\$1,119.4	\$1,128.9	\$1,124.2	\$1,121.5	\$1,120.0
Other taxes	\$2,211.9	\$2,280.9	\$2,358.8	\$2,398.0	\$2,414.5	\$2,425.3	\$2,440.8	\$2,458.6
Total	\$5,943.7	\$7,523.4	\$6,822.6	\$6,809.2	\$6,836.0	\$6,848.1	\$6,877.7	\$6,917.0
Rights and privileges:								
Motor Vehicle Licenses	\$324.9	\$334.4	\$336.5	\$340.9	\$342.2	\$345.2	\$344.5	\$345.2
Other Rights & Privileges	\$980.9	\$1,044.5	\$1,105.7	\$1,122.6	\$1,160.4	\$1,169.9	\$1,176.2	\$1,134.2
Total	\$1,305.9	\$1,378.8	\$1,442.2	\$1,463.6	\$1,502.6	\$1,515.1	\$1,520.7	\$1,479.4
Sales of property and commodities:								
Alocoholic Beverage Sales	\$1,090.5	\$1,349.4	\$1,366.0	\$1,407.0	\$1,463.3	\$1,529.1	\$1,598.0	\$1,669.9
Other Sales	\$1,218.0	\$1,273.7	\$1,227.2	\$1,221.0	\$1,218.1	\$1,241.1	\$1,267.0	\$1,268.0
Total	\$2,308.5	\$2,623.1	\$2,593.2	\$2,628.0	\$2,681.3	\$2,770.3	\$2,864.9	\$2,937.8
Assessment & Receipts for Support of Special Services:								
	\$2,030.9	\$2,262.1	\$2,298.8	\$2,383.8	\$2,437.8	\$2,449.1	\$2,459.1	\$2,469.2
Institutional revenue:								
Institutions of Higher Education ²	\$2,430.0	\$6,293.9	\$6,517.7	\$6,741.2	\$6,866.4	\$7,000.7	\$7,139.6	\$7,227.8
Other Educational Institutions	\$3.8	\$3.1	\$3.1	\$3.0	\$3.0	\$3.1	\$3.0	\$3.1
Medical Hospitals ²	\$0.0	\$2,252.1	\$2,331.9	\$2,429.1	\$2,523.6	\$2,617.2	\$2,712.0	\$2,702.0
Mental Hospitals	\$113.1	\$125.1	\$126.3	\$135.2	\$135.2	\$135.2	\$127.4	\$127.4
Corrections	\$45.6	\$55.2	\$55.2	\$55.2	\$55.2	\$55.2	\$55.2	\$56.2
Other Institutions	\$40.8	\$54.1	\$54.8	\$55.3	\$56.2	\$57.4	\$26.8	\$28.0
Total	\$2,633.3	\$8,783.5	\$9,089.0	\$9,419.0	\$9,639.6	\$9,868.8	\$10,064.1	\$10,144.4
Interest dividends and rents:								
	\$371.1	\$252.8	\$264.2	\$272.9	\$279.9	\$287.5	\$296.7	\$303.3
Grants and donations:								
Federal grants and contracts	\$28,883.2	\$27,004.4	\$19,294.9	\$19,091.4	\$18,907.7	\$19,008.6	\$19,097.6	\$19,164.5
Other grants & contracts	\$849.2	\$279.3	\$290.6	\$316.3	\$419.5	\$112.2	\$101.9	\$81.3
Total	\$29,732.4	\$27,283.7	\$19,585.5	\$19,407.7	\$19,327.2	\$19,120.7	\$19,199.6	\$19,245.7
Other Revenue:								
	\$2,469.7	\$2,851.8	\$2,461.7	\$2,997.5	\$2,693.2	\$2,652.7	\$3,095.9	\$2,745.5
Total Nongeneral Fund Revenue: ¹								
	\$46,795.4	\$52,959.2	\$44,557.1	\$45,381.6	\$45,397.7	\$45,512.3	\$46,378.5	\$46,242.4
\$ Amount change from previous year		\$6,163.9	(\$8,402.1)	\$824.5	\$16.1	\$114.6	\$866.2	(\$136.2)
% Change from previous year		13.2%	-15.9%	1.9%	0.0%	0.3%	1.9%	-0.3%

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 Cardinal.

FY 2022 Estimate
Per Chapter 552

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2021 and 2022
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2022 Estimate	As a % of Gen Fund Rev	FY 2022	November FY 2021	% Change	FY 2022	FY 2021	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$14,245,900	62.21	\$1,201,937	\$1,083,592	10.9	\$5,906,310	\$5,371,246	10.0	1.7
Tax Dues/Estimated Payments	3,890,500	16.99	89,425	68,342	30.8	1,159,820	1,199,846	(3.3)	(25.4)
Gross Individual Income Tax	\$18,136,400	79.20	\$1,291,362	\$1,151,934	12.1	\$7,066,130	\$6,571,092	7.5	(5.7)
Individual and Fiduciary Income (Refunds)	(2,145,000)	(9.37)	(40,949)	(45,773)	(10.5)	(303,815)	(429,378)	(29.2)	11.4
Net Individual Income Tax	\$15,991,400	69.83	\$1,250,413	\$1,106,161	13.0	\$6,762,315	\$6,141,714	10.1	(7.6)
Sales and Use Tax	\$3,992,200	17.43	\$374,069	\$337,192	10.9	\$1,726,560	\$1,509,542	14.4	(4.2)
Corporations Income Tax	1,271,600	5.55	93,226	17,071	446.1	602,270	388,397	55.1	(16.1)
Wills, Suits, Deeds, Contracts	467,000	2.04	51,131	52,726	(3.0)	287,785	278,467	3.3	(31.3)
Insurance Premiums	360,900	1.58	0	0	-	0	0	-	(0.6)
Interest Income (a)	89,000	0.39	12,244	11,861	3.2	54,149	49,759	8.8	6.8
Alcoholic Beverage Sales (b)	283,700	1.24	67,476	64,248	5.0	84,706	83,667	1.2	(4.2)
All Other Revenues	443,300	1.94	33,444	25,200	32.7	171,814	146,804	17.0	(5.8)
Total General Fund Revenues	\$22,899,100	100.00	\$1,882,003	\$1,614,459	16.6	\$9,689,599	\$8,598,350	12.7	(8.0)

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

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

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

FY 2022 Estimate
Per Chapter 552

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2021 and 2022
(Dollars in Thousands)

Revenue	(1) FY 2022 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2022	(4) November FY 2021	(5) Change %	(6) FY 2022	(7) Year-To-Date FY 2021	(8) Change %	(9) % Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$14,245,900	62.21	\$1,201,937	\$1,083,592	10.9	\$5,906,310	\$5,371,246	10.0	1.7
Tax Dues/Estimated Payments	3,890,500	16.99	89,425	68,342	30.8	1,159,820	1,199,846	(3.3)	(25.4)
Gross Individual Income Tax	\$18,136,400	79.20	\$1,291,362	\$1,151,934	12.1	\$7,066,130	\$6,571,092	7.5	(5.7)
Individ and Fiduc Income (Refunds)	(2,145,000)	(9.37)	(40,949)	(45,773)	(10.5)	(303,815)	(429,378)	(29.2)	11.4
Net Individual Income Tax	\$15,991,400	69.83	\$1,250,413	\$1,106,161	13.0	\$6,762,315	\$6,141,714	10.1	(7.6)
Sales and Use Tax	3,992,200	17.43	374,069	337,192	10.9	1,726,560	1,509,542	14.4	(4.2)
Corporations Income	1,271,600	5.55	93,226	17,071	446.1	602,270	388,397	55.1	(16.1)
Public Service Corporations	98,600	0.44	5,645	4,916	14.8	36,188	35,122	3.0	(2.5)
Insurance Premiums	360,900	1.58	0	0	-	0	0	-	(0.6)
Alcoholic Beverage Excise	242,900	1.06	64,101	60,664	5.7	66,795	64,469	3.6	(4.4)
Beer and Beverage Excise	40,800	0.18	3,375	3,584	(5.8)	17,911	19,198	(6.7)	(2.9)
Wills, Suits, Deeds, Contracts	467,000	2.04	51,131	52,726	(3.0)	287,785	278,467	3.3	(31.3)
Inheritance, Gift, and Estate	0	0.00	0	0	-	(2)	0	-	(100.0)
Bank Franchise	24,000	0.10	3,951	0	-	4,424	414	968.6	(10.5)
Other Taxes	22,400	0.10	4,001	1,226	226.3	21,121	5,419	289.8	16.1
Total Taxes	\$22,511,800	98.31	\$1,849,912	\$1,583,540	16.8	\$9,525,367	\$8,442,742	12.8	(8.0)
Rights and Privileges:									
Licenses and Permits	\$3,600	0.02	\$400	\$267	49.8	\$1,798	\$881	104.1	20.2
Corp. Franchise and Charters	53,900	0.23	580	655	(11.5)	3,384	3,382	0.1	(12.2)
Fees for Misc. Privileges & Services	14,500	0.06	259	355	(27.0)	3,906	4,396	(11.1)	3.7
Total Rights and Privileges	\$72,000	0.31	\$1,239	\$1,277	(3.0)	\$9,088	\$8,659	5.0	(8.1)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$28	\$0	-	\$993	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	17	6	183.3	241	250	(3.6)	0.5
Institutional Revenue	2,100	0.01	191	161	18.6	1,004	918	9.4	(7.0)
Interest (a)	89,000	0.39	12,244	11,861	3.2	54,149	49,759	8.8	6.8
Dividends and Rent	400	0.00	12	(99)	112.1	68	91	(25.3)	150.0
Fines, Forfeitures & Fees	217,400	0.95	19,269	17,960	7.3	96,495	97,084	(0.6)	(6.4)
Other Revenue	8,000	0.03	733	472	55.3	6,176	3,334	85.2	(56.6)
Excess Fees	(8,000)	(0.03)	(1,987)	(1,169)	(70.0)	(5,440)	(5,988)	9.2	42.6
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	6,000	0.03	345	450	(23.3)	1,458	1,501	(2.9)	42.2
Total Other Revenues	\$315,300	1.38	\$30,852	\$29,642	4.1	\$155,144	\$146,949	5.6	(3.8)
Total General Fund Revenues	\$22,899,100	100.00	\$1,882,003	\$1,614,459	16.6	\$9,689,599	\$8,598,350	12.7	(8.0)

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

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2021 and 2022
(Dollars in Thousands)

	November		Year-To-Date		% Annual Growth Required
	FY 2022	FY 2021	FY 2022	FY 2021	
FY 2022 Estimate	(b)	(c)	Change	(c)	(d)
			%		%
Lottery Collections (a)					
Total Lottery Sales	\$3,037,682	\$229,655	29.7	\$1,155,810	35.1
Other Income	2,250	138	(27.5)	677	(24.2)
Total Income	\$3,039,932	\$229,793	29.6	\$1,156,487	35.1
Less:					
Prize Expenses	\$2,052,560	\$157,363	31.6	\$774,316	41.6
Retailer Commissions	138,254	10,716	4.8	52,772	15.1
Operating Expenses	158,215	10,390	33.3	50,798	29.7
Total Expenses	\$2,349,029	\$178,469	30.1	\$877,886	39.3
Net Proceeds from Operations					
Net Lottery Ticket Profits	\$690,903	\$51,324	27.9	\$339,310	21.8
Prior Year Residual Profit Transfer	0	0	-	8,781	666.2
Available to Lottery Proceeds Fund	\$690,903	\$51,324	27.9	\$406,593	41.5

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

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 552, 2021 Special Session I Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$67,283,046 was transferred on August 13, 2021. The FY2022 estimate will be updated, to include the FY 21 residual transfer, as part of the revenue forecast process.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) 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
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections

For the Fiscal Years 2021 and 2022

(Dollars in Thousands)

Revenue	FY 2022 Estimate	As a % of Total		November		Year-To-Date		% Annual Growth Required By Estimate	
		Fund	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021		
					Change		Change		
Motor Fuel Taxes	\$1,287,700	18.69	\$89,579	\$110,552	23.4	\$503,943	\$381,158	32.2	25.3
Insurance Premiums Tax	180,657	2.62	4,003	7,084	77.0	167,601	154,064	8.8	(0.4)
Motor Vehicle Sales and Use Tax	939,200	13.63	86,008	96,434	12.1	537,114	453,848	18.3	(18.0)
State Sales and Use Tax	1,214,700	17.63	98,635	115,916	17.5	526,098	464,016	13.4	(3.9)
Motor Vehicle License Fees	202,900	2.95	18,806	9,933	(47.2)	89,568	98,029	(8.6)	(16.1)
Highway Use Fee	46,600	0.68	2,922	4,269	46.1	22,648	17,520	29.3	9.2
International Registration Plan	73,900	1.07	7,861	14,650	86.4	42,533	33,436	27.2	(39.1)
Recordation Tax	57,000	0.83	6,472	6,316	(2.4)	35,652	34,309	3.9	(31.9)
Interest Earnings	12,531	0.18	28	18	(35.7)	753	1,628	(53.7)	111.0
Misc. Taxes, Fees, and Revenues	17,300	0.25	1,530	2,064	34.9	9,163	7,777	17.8	(12.6)
Total State Taxes and Fees	\$4,032,488	58.53	\$315,844	\$367,236	16.3	\$1,935,073	\$1,645,785	17.6	(2.4)

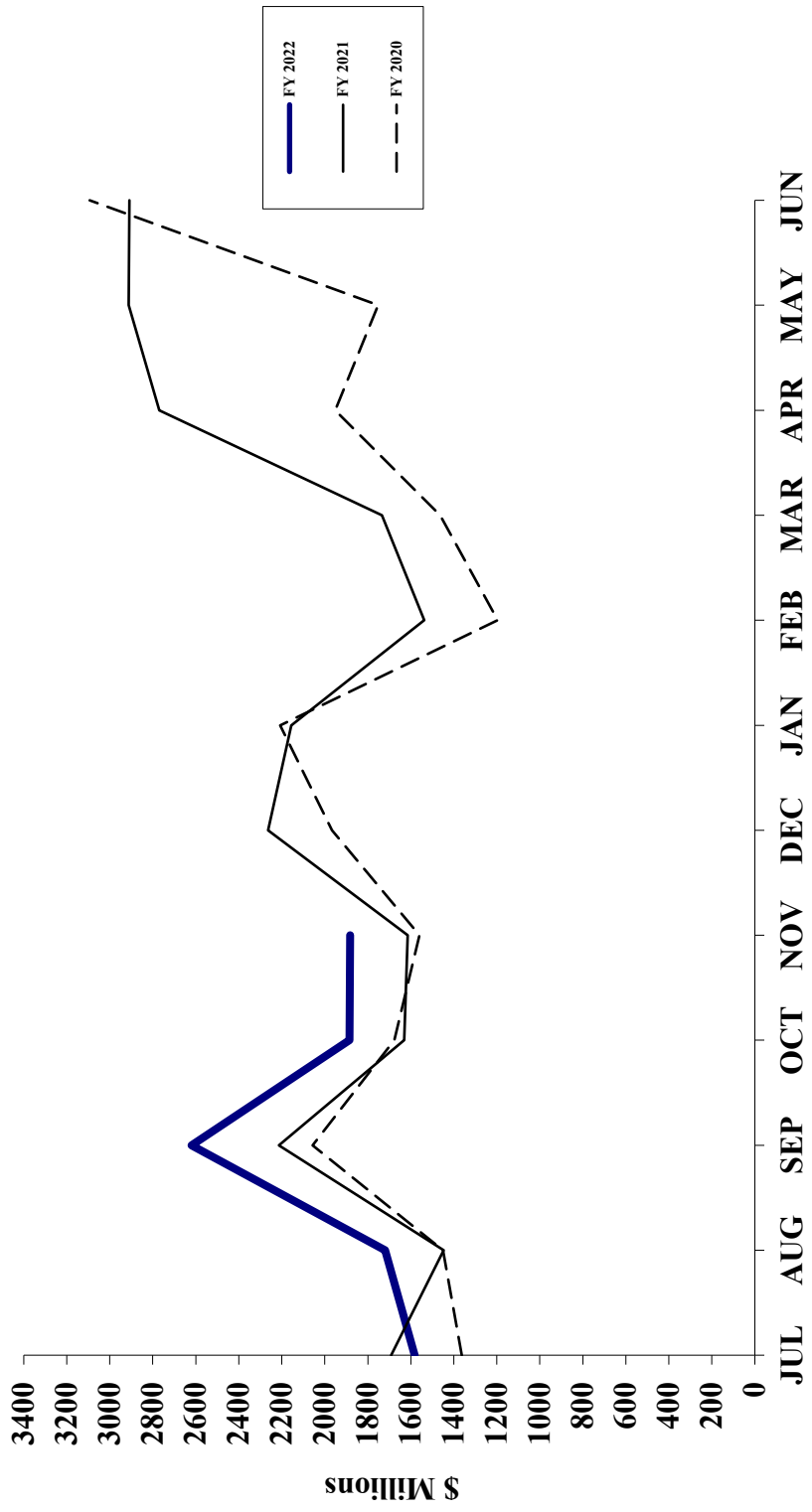
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2021 and 2022
(Dollars in Thousands)

Revenue	FY 2022 Estimate	As a % of Total Fund	November		Year-To-Date		% Annual Growth Required By Est		
			FY 2022	FY 2021	FY 2022	FY 2021			
				% Change		% Change			
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes	\$1,287,700	18.69	\$110,552	\$89,579	23.4	\$503,943	\$381,158	32.2	25.3
(Includes Aviation & Road Taxes)									
Motor Vehicle Sales and Use Tax	939,200	13.63	96,434	86,008	12.1	537,114	453,848	18.3	(18.0)
(Includes Rental Tax)	1,214,700	17.63	115,916	98,635	17.5	526,098	464,016	13.4	(3.9)
State Sales and Use Tax	202,900	2.95	9,933	18,806	(47.2)	89,568	98,029	(8.6)	(16.1)
Motor Vehicle License Fees	46,600	0.68	4,269	2,922	46.1	22,648	17,520	29.3	9.2
Highway Use Fee	73,900	1.07	14,650	7,861	86.4	42,533	33,436	27.2	(39.1)
International Registration Plan	180,657	2.62	7,084	4,003	77.0	167,601	154,064	8.8	(0.4)
Insurance Premiums Tax	57,000	0.83	6,316	6,472	(2.4)	35,652	34,309	3.9	(31.9)
Recordation Tax	\$4,002,657	58.10	\$365,154	\$314,286	16.2	\$1,925,157	\$1,636,380	17.6	(2.6)
Total Commonwealth Transportation Fund									
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$17,300	0.25	\$2,064	\$1,530	34.9	\$9,163	\$7,777	17.8	(12.6)
Other Miscellaneous Revenues	388,187	5.63	40,069	10,836	269.8	297,480	303,546	(2.0)	18.4
Federal Grants and Contracts	0	0.00	548	1,495	(63.3)	3,124	9,976	(68.7)	(100.0)
Transfer (to) / from Transportation Trust Fund	108,704	1.58	(201,969)	0	-	(151,969)	0	-	(30.8)
Total Highway Maintenance and Operating Fund	\$514,191	7.46	(\$159,288)	\$13,861	#	\$157,798	\$321,299	(50.9)	(1.2)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$12,531	0.18	\$18	\$28	(35.7)	\$753	\$1,628	(53.7)	111.0
Federal Grants and Contracts	1,279,944	18.58	88,468	47,545	86.1	807,330	640,135	26.1	29.5
Receipts from Cities/Counties	833,369	12.10	69,989	158,707	(55.9)	297,028	474,778	(37.4)	(11.4)
Toll Revenues	70,354	1.02	2,344	1,345	74.3	10,642	7,103	49.8	171.3
Miscellaneous Revenues	285,256	4.14	9,223	11,890	(22.4)	281,172	151,434	85.7	4.9
Transfer (to) / from Highway Maintenance and Operating Fund	(108,704)	(1.58)	201,969	0	-	151,969	0	-	30.8
Total Transportation Trust Fund	\$2,372,750	34.44	\$372,011	\$219,515	69.5	\$1,548,894	\$1,275,078	21.5	14.3
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND	\$6,889,598	100.00	\$577,877	\$547,662	5.5	\$3,631,849	\$3,232,757	12.3	2.8

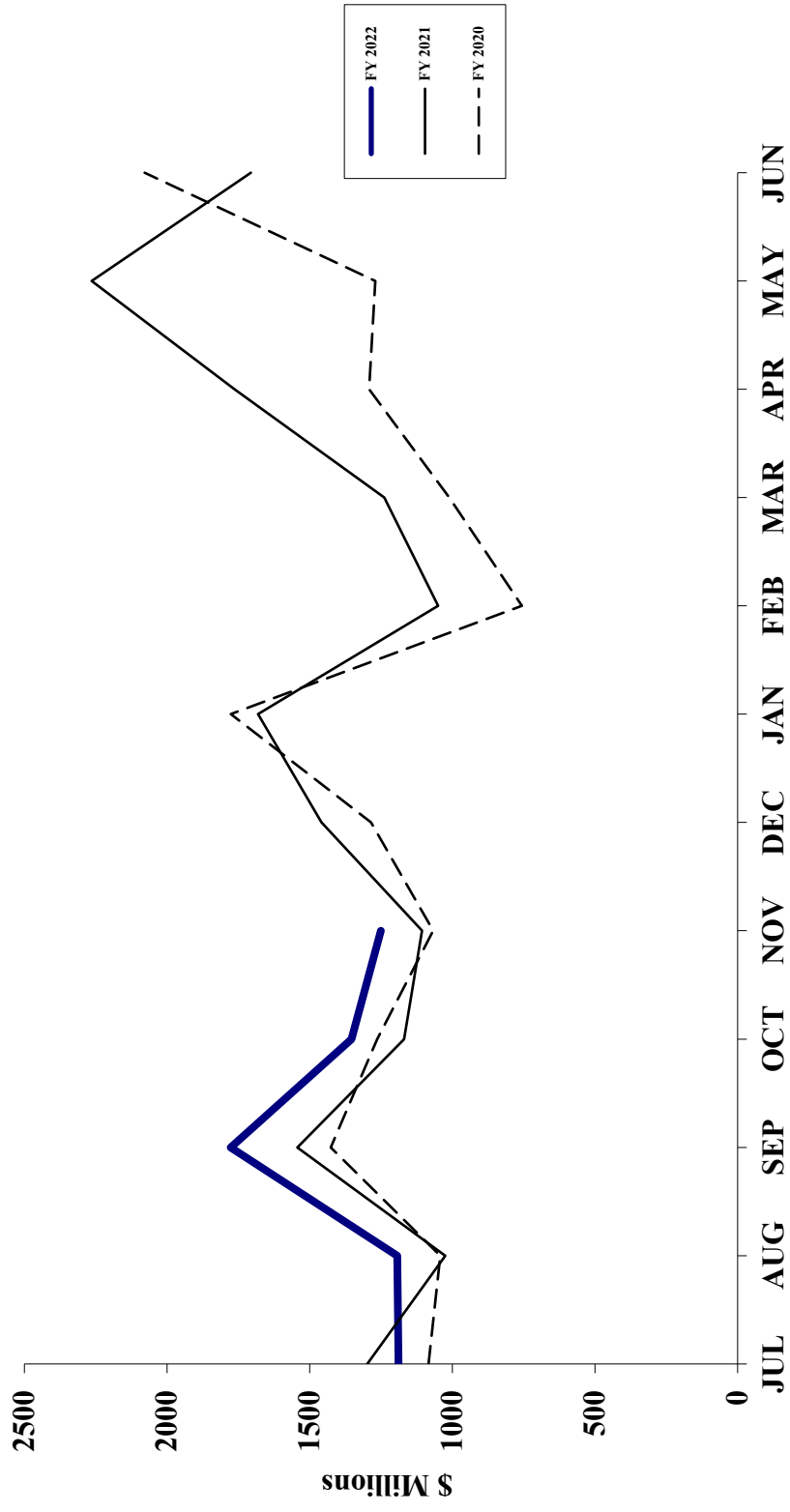
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



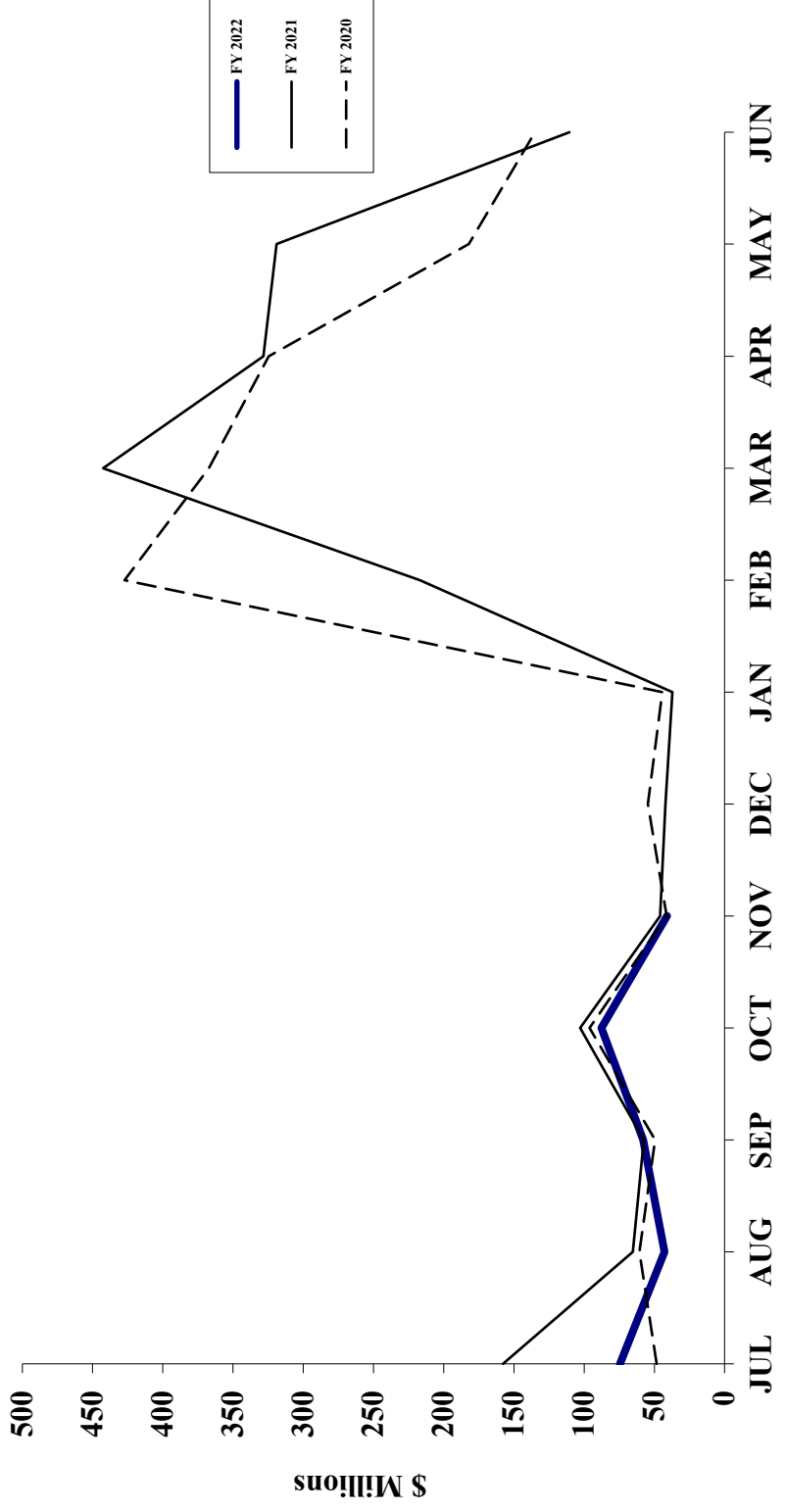
FY 2020 Actual = \$21,737.8 Million
FY 2021 Actual = \$24,878.5 Million
FY 2022 Estimate = \$22,899.1 Million

Net Individual Income Tax



FY 2020 Actual = \$15,351.6 Million
FY 2021 Actual = \$17,303.7 Million
FY 2022 Estimate = \$15,991.4 Million

Individual and Fiduciary Income Tax Refunds



FY 2020 Actual = \$1,830.9 Million
FY 2021 Actual = \$1,926.2 Million
FY 2022 Estimate = \$2,145.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2022
 (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, 2021	\$17,762.6	0.21%	\$3,519.2	9.73%	\$21,281.8	1.78%	0.08%
August	\$17,400.4	0.22%	\$3,530.5	-1.81%	\$20,930.9	-0.12%	0.07%
September	\$17,919.1	0.22%	\$3,516.4	-7.57%	\$21,435.5	-1.06%	0.08%
October	\$18,302.1	0.23%	\$3,500.0	-3.59%	\$21,802.1	-0.38%	0.11%
November	\$18,652.9	0.26%	\$3,495.6	1.15%	\$22,148.5	0.40%	0.18%
December							
January, 2022							
February							
March							
April							
May							
June							
Year-to-Date Average	\$18,007.4	0.23 %	\$3,512.4	-0.38%	\$21,519.8	0.13%	0.10 %

• 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 2022

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$639,611,647	\$0	\$0	\$0	\$639,611,647
August	\$639,611,647	\$0	\$0	\$0	\$639,611,647
September	\$639,611,647	\$0	\$0	\$0	\$639,611,647
October	\$639,611,647	\$0	\$0	\$673,667	\$640,285,314
November	\$640,285,314	\$0	\$0	\$0	\$640,285,314
December					
January					
February					
March					
April					
May					
June					

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

Virginia Department of Taxation

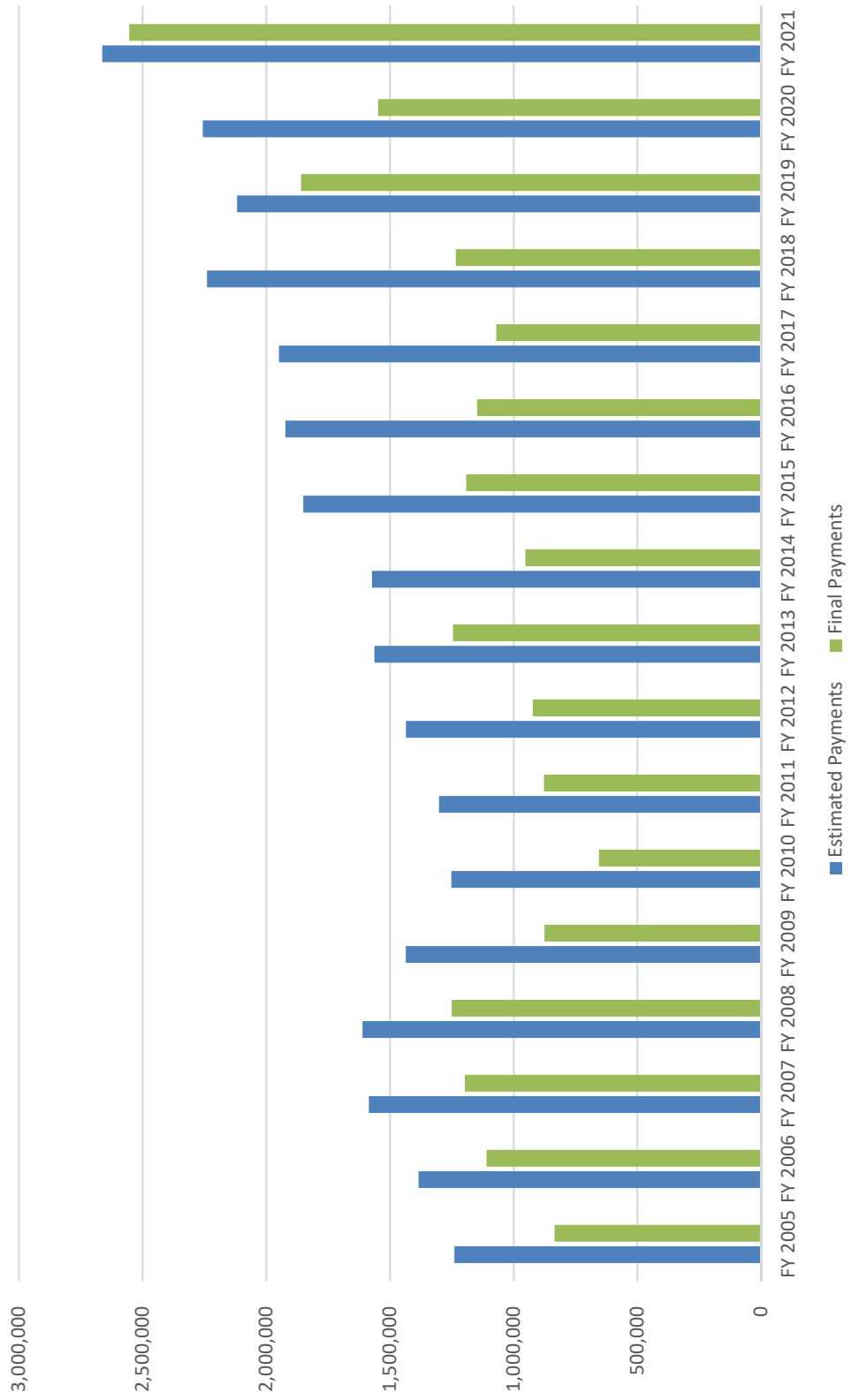
An Overview of Virginia's Individual
Nonwithholding Income Tax Receipts

December 2021

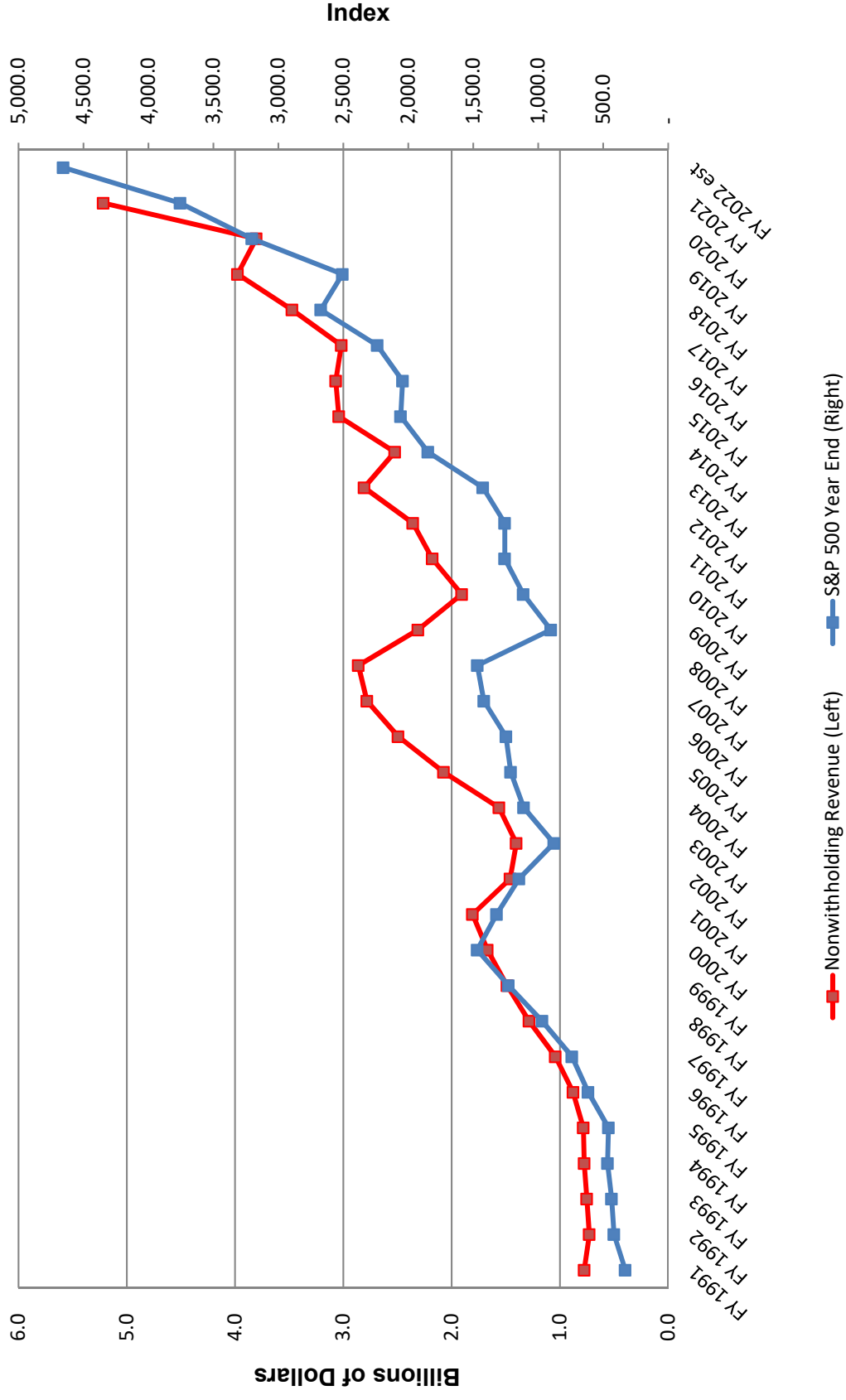
Individual nonwithholding payments typically comprise between 16 and 18 percent of total general fund revenues....

- Four estimated payments and one final payment due each May are the main components of individual nonwithholding receipts.
- The income sources that make up nonwithholding collections are those sources that are generally not subject to withholding.
 - Capital gains realizations.
 - Self-employment income.
 - Partnership/Sub-S Corporate income.
 - Dividends and Interest.
- Individual nonwithholding collections are a very volatile revenue source and are notoriously difficult to forecast.
 - Taxpayer behavior determines capital gains realizations.
 - IHS Markit and Moody's provide forecasts of various financial market indices.
 - Capital gains are a substantial component of income for the federal adjusted gross income > 500K group and represent a nontrivial component of general fund revenue.
 - Self-employment and partnership income tends to vary year over year much more than wage income.
 - More than half of nonwithholding receipts are collected in the fourth quarter of the fiscal year leaving no time for in-year adjustments.

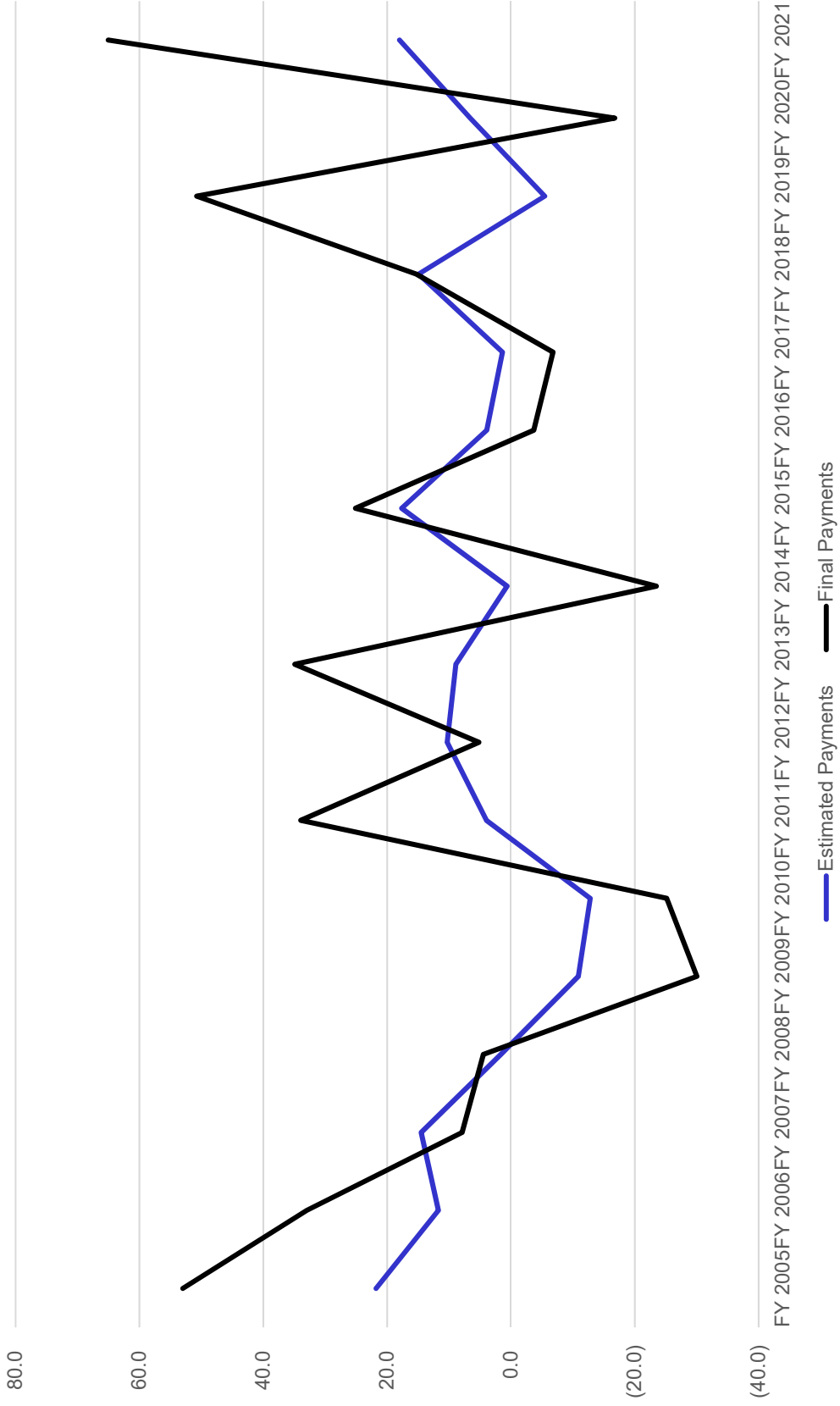
A short history of nonwithholding collections and its two components: estimated and final payments....



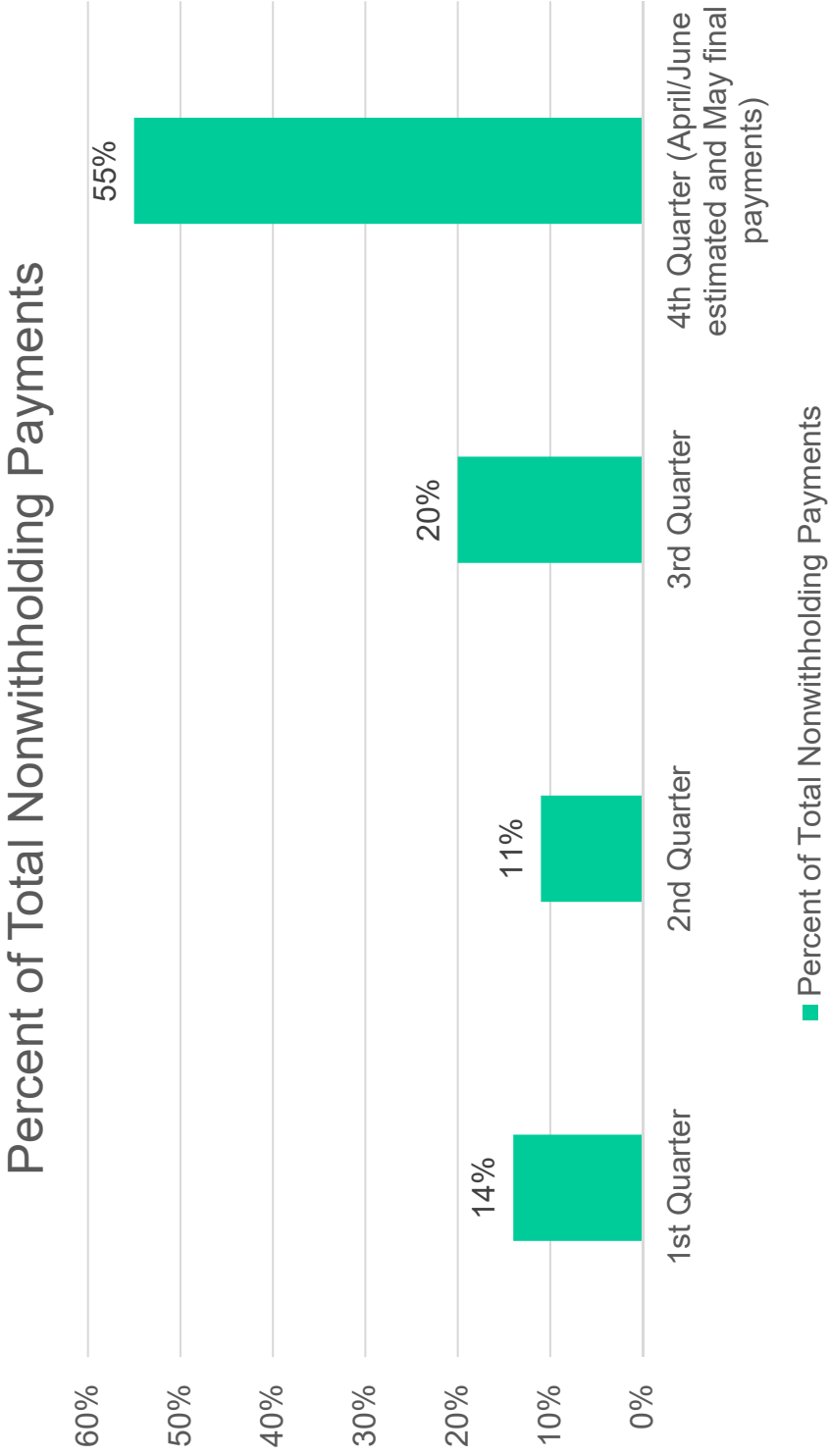
The relationship of nonwithholding payments to the S&P 500 Index ...



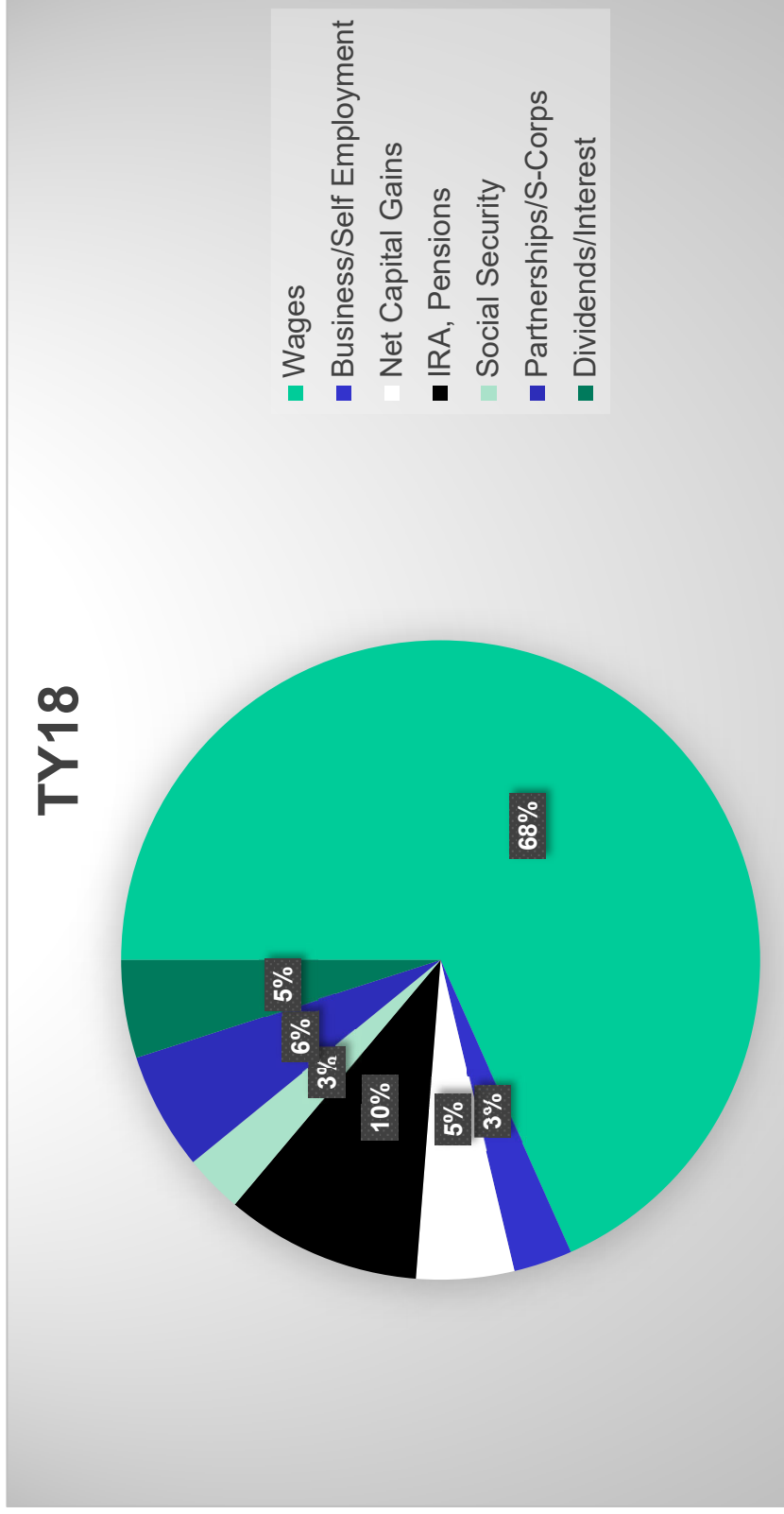
Annual percent change in estimated and final payments illustrates the volatility of nonwithholding...



Nonwithholding payments are backloaded to the final quarter of the fiscal year...

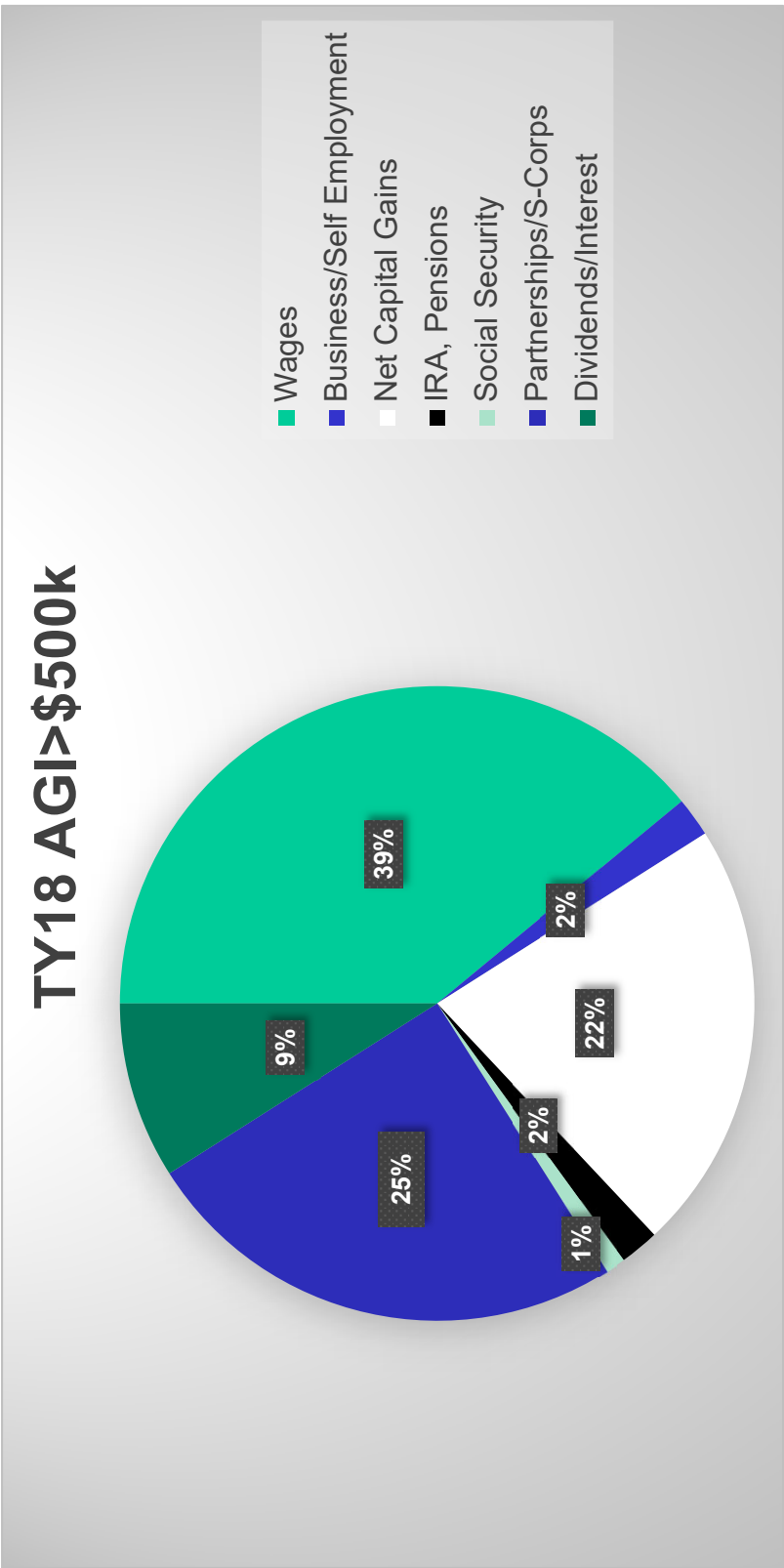


Components of federal adjusted gross income for all taxpayers in tax year 2018...



- For all taxpayers, close to 77 percent of taxable income is subject to income tax withholding.

Components of federal adjusted gross income for tax returns with more than \$500,000 in AGI for tax year 2018....



- For high income taxpayers, only about 41 percent of taxable income is subject to income tax withholding.

Large Individual Payments Reflect Realized Capital Gains and Non-wage Income...

Large Individual Payments				
	<u>Number of Payments</u>	<u>% Change</u>	<u>Total \$M Amt of Payments</u>	<u>% Change</u>
FY10	843	-36%	\$263.8	-45%
FY11	1,130	34%	\$422.3	60%
FY12	1,173	4%	\$401.6	-5%
FY13	1,648	40%	\$575.7	43%
FY14	1,119	-32%	\$328.0	-43%
FY15	1,523	36%	\$560.2	71%
FY16	1,585	4%	\$583.9	4%
FY17	1,638	3%	\$499.2	-15%
FY18	2,051	25%	\$670.2	34%
FY19	2,151	5%	\$736.4	10%
FY20*	2,459	14%	\$853.9	16%
FY21*	3,251	32%	\$1,141.2	34%

- * Adjusted for the shift of payments into July 20. FY21 payments increased by 33.6% from the FY20 level. FY20 payments increased 16% from the FY19 level.
- Large individual payers are taxpayers that pay more than \$100,000 in nonwithholding payments.