

Key Dates for the 2024 General Assembly Session

Note: All dates are tentative pending approval of the 2024 Session procedural resolution.

| | |
|-------------------------------|---|
| Monday, November 20 | Prefiling begins |
| Wednesday, December 20 | Governor presents Budget Bill |
| Wednesday, January 10 | Session convenes Prefiling ends at 10:00 a.m. Last day to file legislation creating or continuing a study |
| Friday, January 12 | Last day to submit budget amendments |
| Friday, January 19 | Bill cut-off (last day to introduce bills and certain joint resolutions) |
| Tuesday, February 13 | Crossover (last day for each house to act on its own legislation, except Budget Bills) |
| Sunday, February 18 | House Appropriations and Senate Finance & Appropriations Committees to complete action on Budget Bills |
| Tuesday, February 20 | Amendments to Budget Bills available |
| Thursday, February 22 | Houses of origin to complete action on Budget Bills |
| Wednesday, February 28 | Last day to act on Budget Bills and revenue bills of other house and appoint conferees |
| Monday, March 4 | Last day for committee action on remaining bills |
| Thursday, March 7 | Last day to act on remaining bills and appoint conferees |
| Saturday, March 9 | Session adjourns sine die |
| Monday, April 8 | Last day for Governor's action on legislation |
| Wednesday, April 17/24 | Reconvened session |



COMMONWEALTH of VIRGINIA

Stephen E. Cummings
Secretary of Finance

P.O. Box 1475
Richmond, Virginia 23218

November 14, 2023

MEMORANDUM

TO: The Honorable Glenn Youngkin

THROUGH: The Honorable Jeff Goettman

FROM: Stephen E. Cummings

SUBJECT: October Revenue Report

For the month of October, total general fund revenues fell by 4.6 percent compared to October 2022, mainly reflecting an increase in individual income tax refunds. The increase in refunds is primarily due to higher individual income tax refunds resulting from the 2022 increase in the standard deduction and continuing elevated refunds of individual income tax overpayments related to the elective Pass-Through Entity Taxes (PTET) in Fiscal Year 2023.

With four months of collections, Fiscal Year 2024 unadjusted revenues are up 12.1 percent year-to-date and are ahead of projections based on the forecast assumed in the amended budget (Chapter 1) adopted in September. Major revenue sources are generally in line with or exceed expectations. However, PTET-related activity in non-withholding collections and refunds continue to distort overall revenue collections.

Excluding non-withholding collections and refunds, general fund collections are up 4.4 percent year-to-date versus a projected increase of 0.9 percent for the first four months of the fiscal year. The two sources most closely tied to current economic activity, withholding and sales tax, are in line with projections with variances to projections of 2.1 percent and 1.0 percent, respectively, through October.

Among the other major revenue sources, corporate income tax collections grew 68.3 percent in October. For the full fiscal year, corporate income tax collections are forecast to decline 6.6 percent. Higher corporate tax refunds are anticipated in November which will temper year-to-date growth.

Adjusting for policy and excluding PTET-related refunds to better reflect underlying economic growth, total general fund revenues decreased 5.3 percent year-over-year in October and are up 1.8 percent year-to-date. Adjusted withholding collections grew 6.3 percent in October and are up 4.5 percent for the year, while adjusted sales tax collections increased 0.9 percent in October and are up 2.1 percent year-to-date.

For the full fiscal year, the official revenue forecast anticipates a year-over-year decline in general fund revenues of 5.5 percent, including the impact of various tax policy actions adopted in 2022 and 2023, and reflecting the potential for an economic slowdown in the latter part of the current fiscal year. With the possibility of a recession in the second half of Fiscal Year 2024, revenue growth is expected to moderate over the balance of the fiscal year.

Economic Review

- The U.S. economy continues to show remarkable resilience even as interest rates have increased significantly. Real GDP rose a robust 4.9 percent in the third quarter of calendar year 2023 on a seasonally adjusted annual rate, more than double the second quarter rate. This was the strongest growth since the final three months of 2021. Inventory growth contributed meaningfully, though not as much as the strong consumer spending. Compared to the same quarter last year, Real GDP grew 2.9 percent in the third quarter.
- The October labor report showed a much more subdued picture of the US job market. Payroll employment rose by just 150,000, partly weighed down by the now-ended UAW strike. The unemployment rate increased to 3.9 percent in October as both the labor force and employment dropped. October's job report marks a return to the moderating trend seen throughout calendar year 2023. Payroll increases are now averaging 204,000 over the last three months after downward revisions to the August and September figures.
- In September, the Consumer Price Index (CPI) was up 3.7 percent year-over-year, the same as it was in August. Excluding food and energy prices, September's CPI data came in as expected and show a continuation of the steady disinflation that began in late 2022. Relative to a year earlier, core CPI was up 4.1 percent in September, a healthy deceleration from August's 4.3 percent pace.
- At its November 1 meeting, the Federal Reserve maintained the target for the federal funds rate at a range of 5.25% to 5.50%, as expected. The accompanying statement noted that "economic activity expanded at a strong pace in the third quarter," that "job gains have moderated since earlier in the year but remain strong, and the unemployment rate has remained low," and that "inflation remains elevated."
- Virginia's unemployment rate was unchanged at 2.5 percent on a seasonally adjusted basis in September which is 0.5 percentage points below year-ago rates. The labor force participation rate increased to 66.8 percent in September.
- Virginia's nonagricultural employment from the monthly establishment survey decreased month-over-month by 100 to 4.16 million in September. Private sector employment increased by 3,500 while government employment decreased by 3,600. On a year-over-

year basis, Virginia employment grew 1.2 percent in September compared to September 2022, continuing the trend of decelerating year-over-year job growth.

- The economy faces significant potential headwinds that suggest the possibility of a U.S. recession in calendar year 2024, including a possible federal government shutdown, persistently high interest rates, possible regional spillover of the military operations in Gaza, an economic slowdown in China, the resumption of student loan payments, and the spend down of pandemic savings.

October Revenue Collections

General fund revenues fell by 4.6 percent for the month of October on an unadjusted basis. Year-to-date through October 31, general fund revenues are up 12.1 percent over the prior year. Adjusting for policy actions and excluding refunds related to the Pass-Through Entity Tax (PTET), October revenues declined by 5.3 percent year-over-year in October and are up 1.8 percent year-to-date.

Net Individual Income Tax (67% of general fund revenues): Unadjusted revenues declined by 4.4 percent for the month compared to last year, reflecting the impact of higher individual refunds attributable to PTET overpayments. Year-to-date net individual income tax collections are up 12.5 percent. Compared to the forecast assumed in the amended budget, year-to-date net individual income tax collections are ahead of projections by \$720.9 million, driven by PTET-related non-withholding receipts and lower-than-expected individual income tax refunds.

Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (60% of general fund revenues): Collections of payroll withholding taxes were 2.6 percent higher for the month on an unadjusted basis. Fiscal-year-to-date, collections are 4.5 percent higher than the same period last year after adjustments, and up 1.0 percent on an unadjusted basis. Compared to the Forecast assumed in Chapter 1, withholding revenues are ahead by \$104.3 million year-to-date.

Individual Income Tax Non-withholding (18% of general fund revenues): October is not a significant month for non-withholding receipts. October collections increased by 2.5 percent and are up 6.5 percent for the year, both on an unadjusted basis. Through the first four months of the fiscal year, non-withholding receipts are \$323.4 million ahead of forecast.

Individual Income Tax Refunds (-11% of general fund revenues): In October, individual income tax refunds were up 51.7 percent. However, in October 2022, \$88.1 million in refunds were the result of the taxpayer rebate. Adjusting for the taxpayer rebate program of Fiscal Year 2023, refunds were up 177.0 percent driven by refunds attributed to prior year PTET overpayments.

Sales Tax (17% of general fund revenues): Collections of sales and use taxes, reflecting September sales, grew by 0.9 percent in September and are up 2.1 percent year-to-date, after adjusting for the elimination of the State sales tax on grocery and the end of the Accelerated Sales Tax requirement. Unadjusted sales tax collections are 0.3 percent higher year-to-date, in line with expectations.

Corporate Income Tax (7% of general fund revenues): Corporate income tax collections continue to show robust growth. Monthly collections increased by 68.3 percent and year-to-date growth is at 24.4 percent. Corporate extension returns are expected to show a higher level of refunds in November that is expected to temper October's robust collections. Compared to forecast, corporate income tax collections are ahead of plan by \$113.9 million year-to-date.

Wills, Suits, Deeds, Contracts (1% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – were 11.1 percent lower in October compared to the previous year. On a fiscal-year-to-date basis, collections are down 20.5 percent as higher interest rates have sharply curtailed residential and commercial property sales and mortgage refinancing.

Insurance Premiums (2% of general fund revenues): Monthly collections of insurance company premiums license taxes are being transferred to the Transportation Trust Fund per Chapter 986, 2007 Acts of the Assembly, until the required amount of \$217.8 million has been deposited.

Other Revenue Sources

The following list provides growth data on collections through October for other revenue sources:

| | <u>Year-to-Date</u> | <u>Annual Estimate</u> |
|------------------------------------|---------------------|------------------------|
| Interest Income (0.8% GF revenues) | 226.6% | 73.9% |
| ABC Taxes (1% GF revenues) | 16.7% | 3.7% |

October marks the first quarterly distribution of interest to non-general fund sources. Net interest income was -\$42.4 million in October, considerably lower than the \$3.6 million last October.

All Other Revenue (2% of general fund revenues): October receipts were modestly lower in this source. On a year-to-date basis, collections of All Other Revenue declined by 3.7 percent to \$153.4 million fiscal year-to-date compared with \$159.3 million a year ago.

Summary

Through the first four months of fiscal year 2024, year-to-date collections are up 12.1 percent compared to last year and are running ahead of projections assumed in the amended budget. All of the major sources are generally in line or ahead of projections. Adjusting for policy and excluding PTET-related refunds to better reflect underlying economic growth, total general fund revenues are up 1.8 percent year-to-date.

We had anticipated that taxpayers with pass-through entity income would adjust individual income tax estimated payments as they shift their liabilities to the pass-through level. While data limitations continue to be a challenge in tracking and forecasting PTET-related activity, improved internal Department of Taxation data indicate this shift in taxpayer behavior did not occur as estimated. Given that the first PTET-related payments were not received until December 2022, the next guidepost we will have in evaluating non-withholding will be after the January 15, 2024, estimated payment due date. Furthermore, the level of individual income tax refunds that had been anticipated due to PTET overpayments in fiscal year 2023 while higher has, to this point, been less than expected.

The fall revenue forecasting season that began with a meeting of the Governor's Advisory Council on Revenue Estimates on August 7, continued with the Joint Advisory Board of Economists meeting on October 11. The second meeting of the Governor's Advisory Council on Revenue Estimates will be on November 20. Given the aforementioned downside economic risks and the possibility of a recession occurring in calendar year 2024, we continue to maintain a cautious outlook for economic growth and revenue collections going forward. The revised forecast for fiscal year 2024 and revenue forecasts for fiscal years 2025 and 2026 will accompany the Governor's proposed budget which will be released on December 20.



REVIEW OF GENERAL FUND REVENUES AND THE VIRGINIA ECONOMY FOR FISCAL YEAR 2023

**A PRESENTATION TO THE SENATE FINANCE & APPROPRIATIONS,
HOUSE APPROPRIATIONS, AND HOUSE FINANCE COMMITTEES**

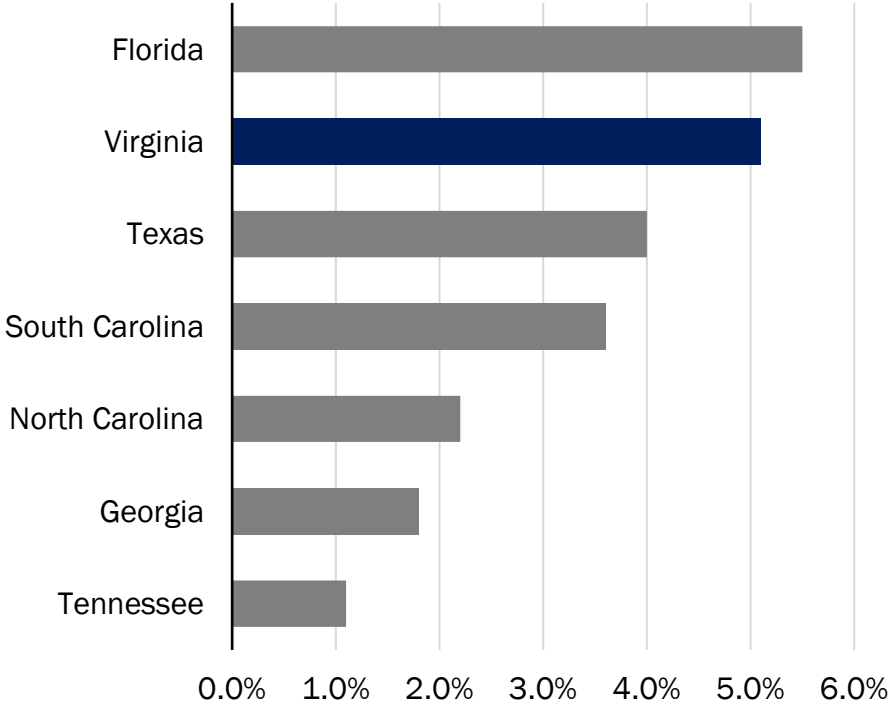
Stephen E. Cummings
Secretary of Finance
Commonwealth of Virginia
www.finance.virginia.gov
August 23, 2023

TOPICS FOR DISCUSSION

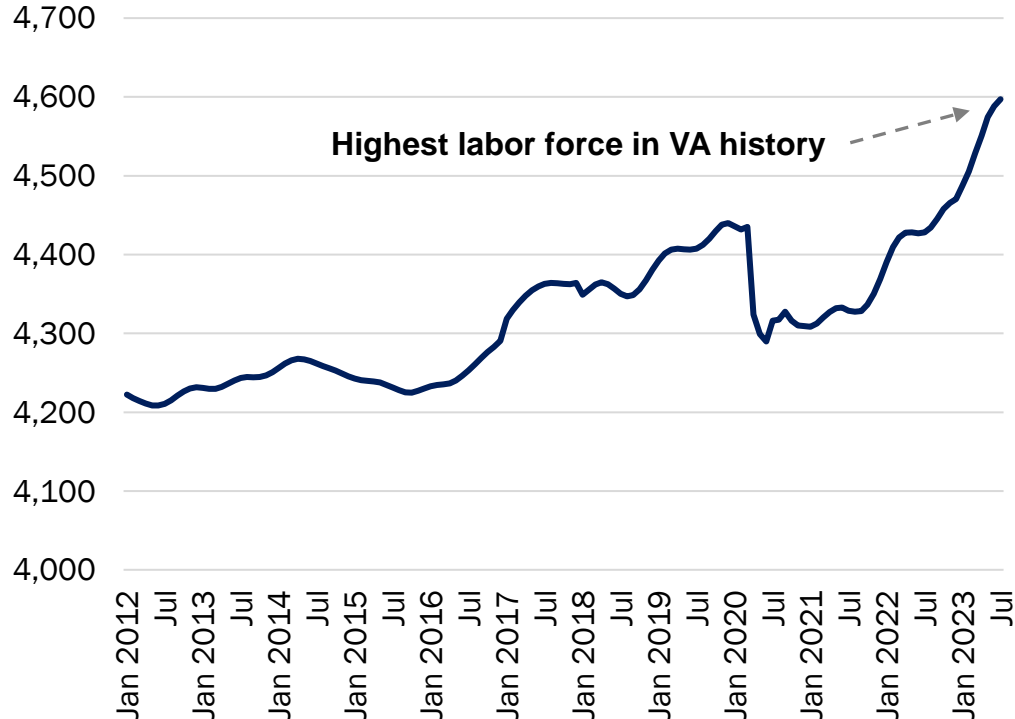
- Economic Trends
- Fiscal Year 2023 Year-in-Review
- Disposition of Unplanned Revenues and Unspent Appropriations
- Looking Ahead

ALMOST 220,000 MORE VIRGINIANS EMPLOYED SINCE JANUARY 2022, LABOR FORCE AT HIGHEST LEVEL IN VA HISTORY

January 2022 to-date employment change
%, January '22 to Jul '23, seasonally adjusted



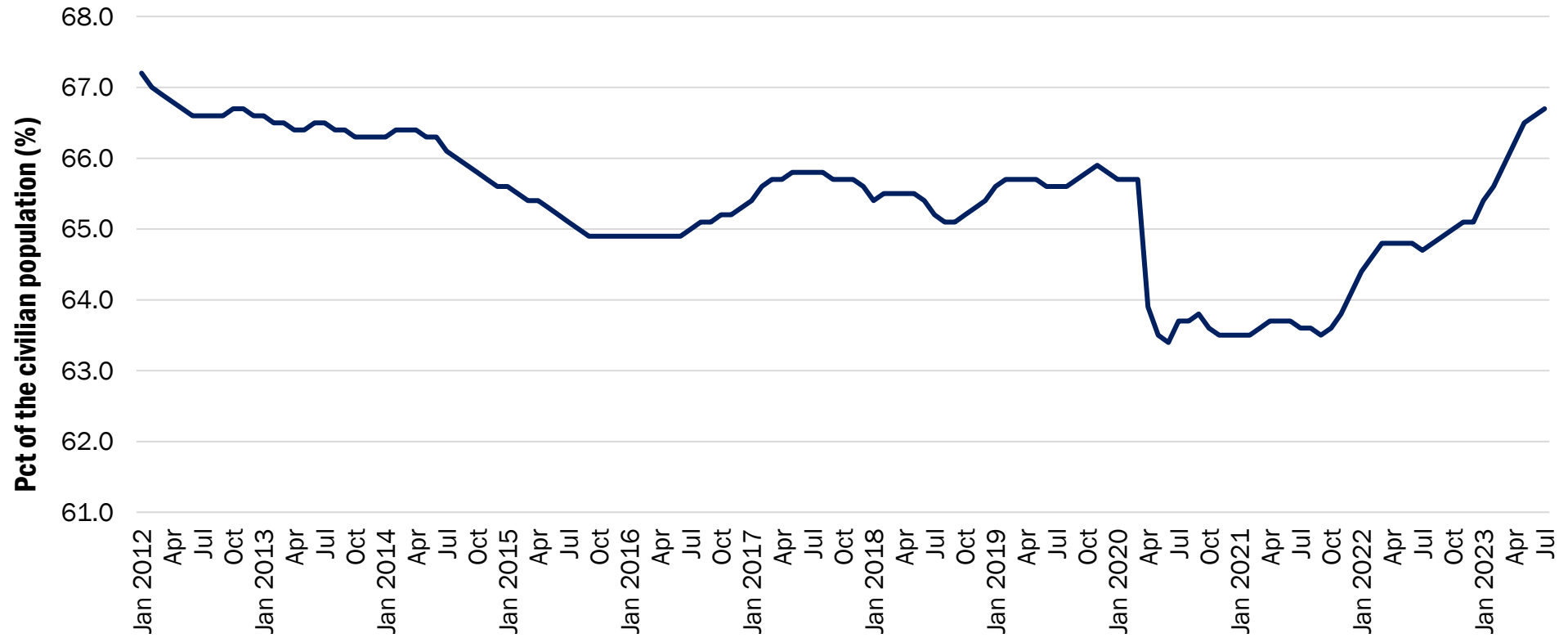
Virginia Labor Force
In thousands, seasonally adjusted



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (seasonally adjusted); VEDP calculations.

VIRGINIA LABOR FORCE PARTICIPATION RATE IS AT HIGHEST LEVEL SINCE 2012

Virginia Labor Force Participation Rate
Seasonally Adjusted



Source: Local Area Unemployment Statistics (seasonally adjusted), Bureau of Labor Statistics

COMPANIES ARE CHOOSING TO LOCATE AND INVEST IN VIRGINIA AND PRELIMINARY DATA SUGGEST MORE PEOPLE ARE MOVING TO VIRGINIA

Economic Development Announcements for Virginia

| | Number of Projects | New Jobs | Capital Investment |
|----------------|--------------------|----------|--------------------|
| Since Jan 2022 | 293 | 24,720 | \$58.8 billion |
| Since Jan 2023 | 95 | 7,983 | \$48.8 billion |

Source: VEDP

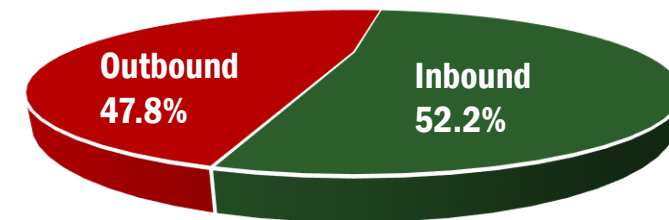
- Since January of 2022, Virginia welcomed 293 economic development projects and over \$58 billion in capital investment, generating more than 24,700 jobs as a result.
- According to U-Haul data, Virginia was previously ranked 31st in one-way hires but is now 5th in the US. The U-Haul Growth Index is compiled according to the net gain of one-way U-Haul trucks arriving in a state, versus departing from that state, in a calendar year.
- United Van Lines data suggest more Virginia inbound moves (52.2%) than outbound moves (47.8%) in 2022.

2022 U-Haul Growth States

| 2021 Rank | 2022 Rank | State |
|-----------|-----------|----------------|
| 1 | 1 | Texas |
| 2 | 2 | Florida |
| 4 | 3 | South Carolina |
| 19 | 4 | North Carolina |
| 31 | 5 | Virginia |

Source: uhaul.com

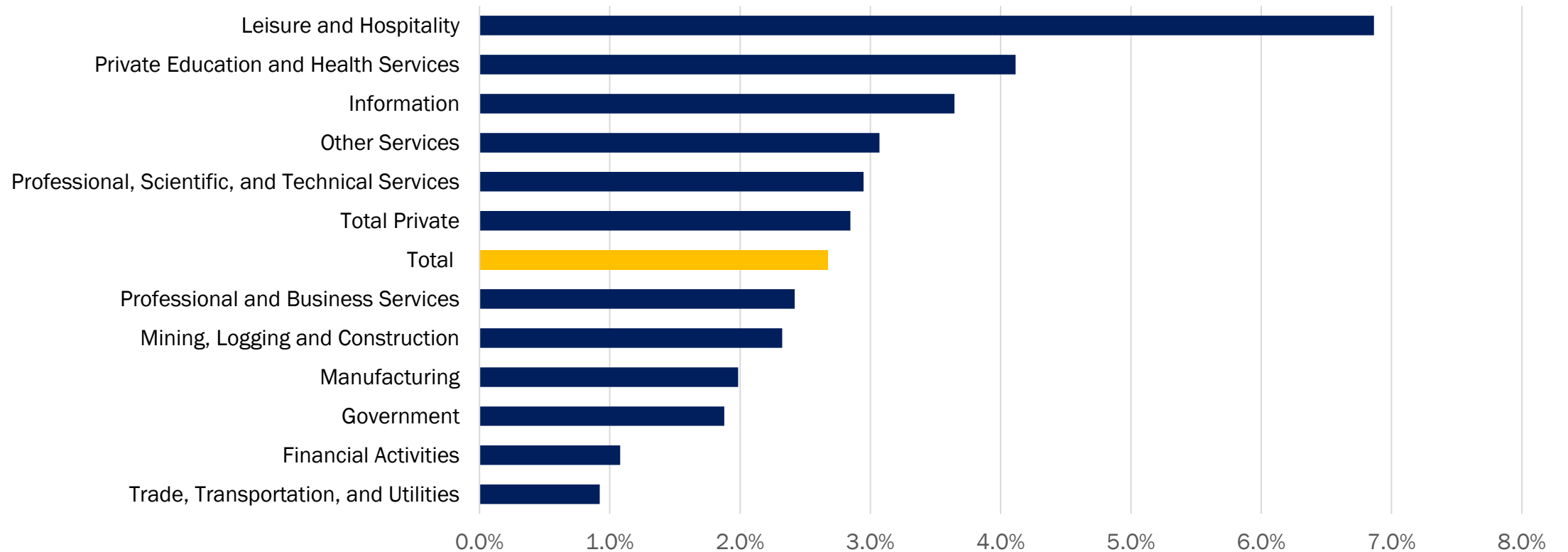
2022 United Van Lines: Moves To/From VA



Source: [unitedvanlines.com/newsroom/movers-study-2022](https://www.unitedvanlines.com/newsroom/movers-study-2022)

TOTAL VA EMPLOYMENT GREW BY 2.7 PERCENT IN FY 2023, STRONGER THAN THE FORECAST GROWTH OF 2.5 PERCENT

Employment by Sector, FY 2023 Y/Y, % Chg



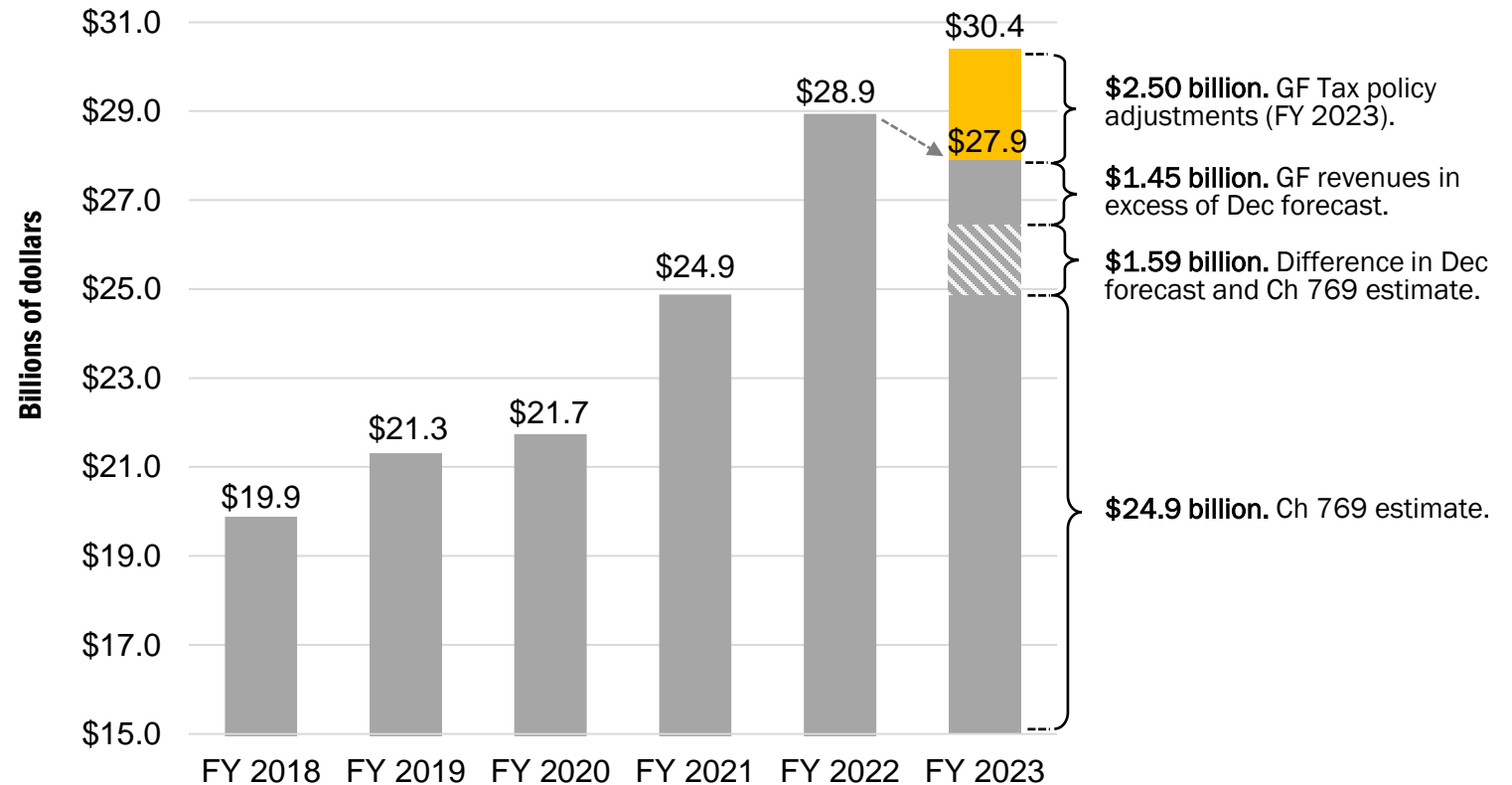
Source: US BLS CES Survey, VA Department of Taxation analysis.

UNADJUSTED GENERAL FUND REVENUES EXCEEDED THE DECEMBER FORECAST BY \$1.45 BILLION

FY 2023 GF Revenues

- \$1.0 billion below FY 2022 actuals (-3.5%).
- \$1.5 billion above FY 2022 actuals (+5.1%), adjusted for policy actions.
- \$3.0 billion higher than the Chapter 769 official estimate.
- \$1.5 billion greater than the December forecast.
- This is in addition to the \$3.6 billion General Fund balance that was available for appropriation in the December budget.

Excludes GF transfers.



ACTUAL FY 2023 GF REVENUES EXCEEDED THE DECEMBER FORECAST BY ALMOST \$1.5 BILLION, AND THE CHAPTER 769 FORECAST BY \$3.0 BILLION

| SOURCE, \$ Mil | ACTUALS | | | | December Forecast | | Chapter 769 | |
|---------------------------|-----------------|-----------------|-----------------|--------------|-------------------|----------------|-----------------|----------------|
| | FY 2022 | FY 2023 | Change | % Change | Dec Fcst | Variance | Ch 769 | Variance |
| Withholding | 15,340.3 | 15,957.2 | 616.9 | 4.0% | 16,078.3 | -121.1 | 15,319.7 | 637.5 |
| Non-Withholding | 6,810.5 | 6,629.2 | -181.3 | -2.7% | 5,088.6 | 1,540.6 | 5,213.6 | 1,415.6 |
| IIT Refunds | -1,740.5 | -3,602.8 | -1,862.3 | 107.0% | -3,535.2 | -67.6 | -3,800.9 | 198.1 |
| Net Individual Income Tax | 20,410.2 | 18,983.6 | -1,426.6 | -7.0% | 17,631.7 | 1,351.9 | 16,732.6 | 2,251.2 |
| Sales/Use | 4,558.1 | 4,734.6 | 176.5 | 3.9% | 4,926.3 | -191.8 | 4,497.8 | 236.7 |
| Corporate | 1,978.7 | 2,031.1 | 52.4 | 2.6% | 1,881.0 | 150.1 | 1,737.0 | 294.1 |
| All other | 1,987.9 | 2,160.7 | 172.8 | 8.7% | 2,020.6 | 140.1 | 1,903.9 | 256.8 |
| Total GF Revenues | 28,934.9 | 27,909.9 | -1,024.9 | -3.5% | 26,459.6 | 1,450.3 | 24,871.1 | 3,038.8 |
| Transfers | 814.3 | 815.6 | 1.3 | 0.2% | 679.4 | 136.2 | 714.7 | 100.9 |
| Total General Fund | 29,749.2 | 28,725.5 | -1,023.6 | -3.4% | 27,139.0 | 1,586.5 | 25,585.8 | 3,139.7 |

- Late implementation and unfamiliarity with the new Pass-Through Entity Tax (PTET) caused many filers to file on extension, impacting non-withholding revenues and IIT refunds. The resulting impact will be known in November.
- Excluding non-withholding and IIT refunds, actual FY 2023 collections were in line with the December forecast (\$-22.7 million, or -0.001%).

TAXPAYERS DID NOT FULLY ACCOUNT FOR PASS THROUGH ENTITY TAX (PTET) POLICY IN FY 2023

- The December forecast assumed that Virginia taxpayers would either adjust their FY 2023 individual income tax non-withholding payments and/or file for and receive their PTET refunds during FY 2023 in order to maximize their cash benefit, which would result in no net change to FY 2023 general fund revenues.
- Actual behavior differed from assumed behavior ranging from:
 - Fully accounting for PTET by reducing non-withholding payments, resulting in no net impact to FY 2023 revenues.
 - Partially accounting for PTET by making a PTET payment and partially reducing non-withholding payments.
 - Not adjusting individual non-withholding tax payments to reflect a lower liability and/or not claiming and receiving a refund before the FY 2023 end, resulting in 100% overpayment of the refund due.
- The blended result is somewhere between these possible behaviors, and this will continue going forward until taxpayers have fully adjusted, making it difficult to accurately predict the outcome.
- The net impact on FY 2024 is estimated to be \$1.0 billion.

ACCOUNTING FOR SIGNIFICANT TAX RELIEF, TOTAL REVENUES GREW BY 5.1 PERCENT

| Source, \$ Mil | FY 2022 | | FY 2023 | | |
|--|-----------------|-----------------|----------------|-----------------|-----------------|
| | Adjusted | Unadjusted | Policy Adj | Adjusted | Adjusted Growth |
| Withholding | 15,340.3 | 15,957.2 | 575.9 | 16,533.1 | 7.8% |
| Non-Withholding | 6,810.5 | 6,629.2 | 345.2 | 6,974.4 | 2.4% |
| Refunds | -1,740.5 | -3,602.8 | 1,519.9 | -2,082.9 | 19.7% |
| Sales/Use | 4,558.1 | 4,734.6 | 61.9 | 4,796.5 | 5.2% |
| All other taxes with no policy impacts | 3,966.6 | 4,191.8 | 0.0 | 4,191.8 | 5.7% |
| Total General Fund | 28,934.9 | 27,909.9 | 2,502.9 | 30,412.8 | 5.1% |
| <i>Total Excl. Non-Withholding & Refunds</i> | <i>23,865.0</i> | <i>24,883.5</i> | <i>637.8</i> | <i>25,521.3</i> | <i>6.9%</i> |

- Large policy changes, including tax rebates (\$1.06 billion), a higher standard deduction (\$1.01 billion), and other tax cuts subtracted a total of \$2.5 billion to FY 2023 revenues.
- Adjusting for policy impacts, withholding – the strongest barometer of Virginia’s economy – grew by almost eight percent.

JULY GF REVENUES GREW 2.8 PERCENT YEAR-OVER-YEAR (2.4 PERCENT ADJUSTED FOR POLICY)

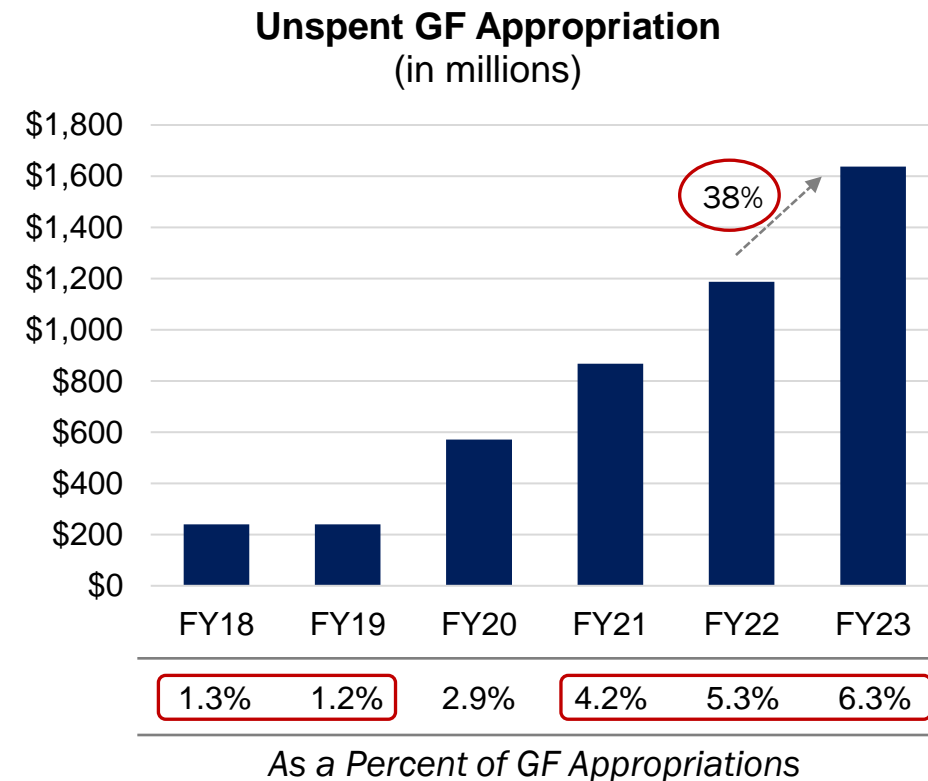
| Unadjusted Revenues | JULY | | | |
|------------------------------------|------------------|------------------|---------------|-------------|
| | FY 2024 | FY 2023 | Change | % Change |
| Withholding | 1,233.6 | 1,244.6 | (11.0) | -0.9% |
| Non-Withholding | 103.0 | 99.2 | 3.8 | 3.8% |
| Refunds | (166.7) | (51.8) | (114.9) | 222.1% |
| Sales and Use Tax | 402.8 | 358.8 | 44.1 | 12.3% |
| Corporate Income Tax | 86.9 | 49.7 | 37.2 | 74.9% |
| All Other Sources | 196.0 | 104.6 | 91.5 | 87.5% |
| Total GF Revenues | \$1,855.7 | \$1,805.0 | \$50.7 | 2.8% |
| Adjusted Revenues | | | | |
| Adjusted Withholding | 1,274.4 | 1,244.6 | 29.9 | 2.4% |
| Adjusted Non-Withholding | 103.0 | 99.2 | 3.8 | 3.8% |
| Adjusted Refunds+Rebates | (166.7) | (51.8) | (114.9) | 222.1% |
| Adjusted Sales (AST+Grocery Tax) | 354.1 | 358.8 | (4.6) | -1.3% |
| Total GF Revenues, Adjusted | \$1,847.8 | \$1,805.0 | \$42.8 | 2.4% |

- Policy actions include the AST and the elimination of the State sales tax on groceries which added \$48.7 million to the monthly result.
- After adjusting for the higher standard deduction, withholding grew by 2.4 percent compared to -0.9 percent on an unadjusted basis.

OBJECTIVES FOR THE YEAR WERE MET WHILE SPENDING LESS

FY 2023 UNSPENT APPROPRIATIONS TOTALED \$1.6 BILLION

- By applying commonsense management practices in FY 2022 and 2023, the share of unspent appropriations at year-end has increased significantly.
- No programs have been cut and a significant amount of these funds are mandatorily carried over.
- Our collective goal should be to return to one to two percent underspend, which is consistent with pre-pandemic levels.



SUMMARY

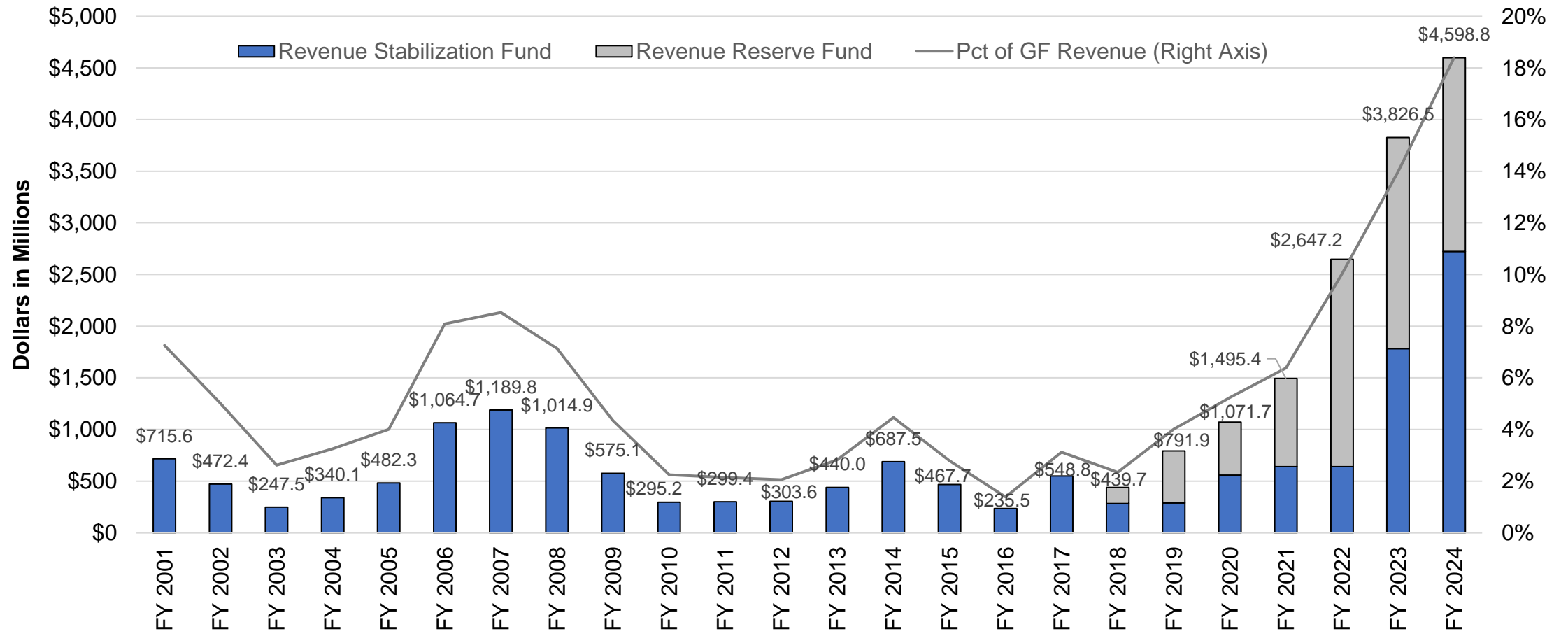
- The December forecast, which prudently included a recession beginning in Q4 FY 2023 projected that FY 2023 GF revenues would be \$1.5 billion higher than the level assumed in the 2022 Appropriation Act. The increase in the forecast, when combined with other resources identified in December, yielded a \$3.6 billion General Fund balance available for appropriation.
- No recession occurred. The Virginia economy remained strong. Consequently, actual FY 2023 revenues exceeded the December forecast by \$1.5 billion. As a result, revenues were \$3.0 billion higher than was projected in the 2022 Appropriation Act, to which is added a portion of the unspent appropriations of \$1.6 billion.
- As provided by statute, all of the GF cash surplus is required to be fully committed or assigned on the balance sheet, including commitments for deposits to the Water Quality Improvement Fund and the Revenue Reserve Fund.
- In addition to those required deposits, Governor Youngkin has elected to assign the remaining cash surplus of \$2.1 billion to a reserve account for additional taxpayer relief and other budgetary priorities, which provides a cushion for an economic downturn more severe than is included in the forecast and other budget priorities, including the anticipated \$1.0 billion for PTET.

SUMMARY OF PRELIMINARY FY 2023 GF BALANCE SHEET

| | | | |
|--|------------------|---------------------|---|
| Total Assets | | <u>\$15,228,368</u> | |
| Total Liabilities | | | \$135,624 |
| Fund Equity | | | |
| Restricted Fund Balance | | | |
| Revenue Stabilization Fund | 1,782,005 | | |
| Revenue Stabilization 2024 | 904,652 | | |
| Other Restricted | <u>25,919</u> | | |
| Total Restricted Fund Balance | 2,712,576 | | |
| Committed Fund Balance | | | |
| Amount Req'd for Reappropriation - Capital Outlay and Restoration Projects | 2,460,339 | | |
| Amount Req'd for Mandatory Reappropriation | 695,305 | | |
| Water Quality Improvement Fund Part A 2023 | 408,741 | } ← | \$513.5 million. WQIF deposits, parts A and B, based on FY 2023 revenues and balances. |
| Water Quality Improvement Fund Part B 2023 | 104,718 | | |
| Water Quality Improvement Fund - Other | 466,428 | | |
| Revenue Reserve Fund | 1,545,772 | | |
| Revenue Reserve 2024 | <u>289,585</u> | ← | \$289.6 million. Revenue Reserve Fund deposit based on FY 2023 revenues. |
| Other Committed | <u>1,799,951</u> | | |
| Total Committed Fund Balance | 7,770,839 | | |
| Assigned Fund Balance | | | |
| Amount Req'd by Chapter 769 | 1,449,577 | | |
| Amount Req'd for Discretionary Reappropriation | 942,458 | | |
| Amount for Additional Taxpayer Relief and Other Budgetary Priorities | <u>2,128,074</u> | | |
| Other Assigned | <u>89,220</u> | | |
| Total Assigned Fund Balance | 4,609,329 | | |
| Total Fund Equity | | <u>\$15,092,744</u> | |
| Total Liabilities and Fund Balance | | <u>\$15,228,368</u> | |

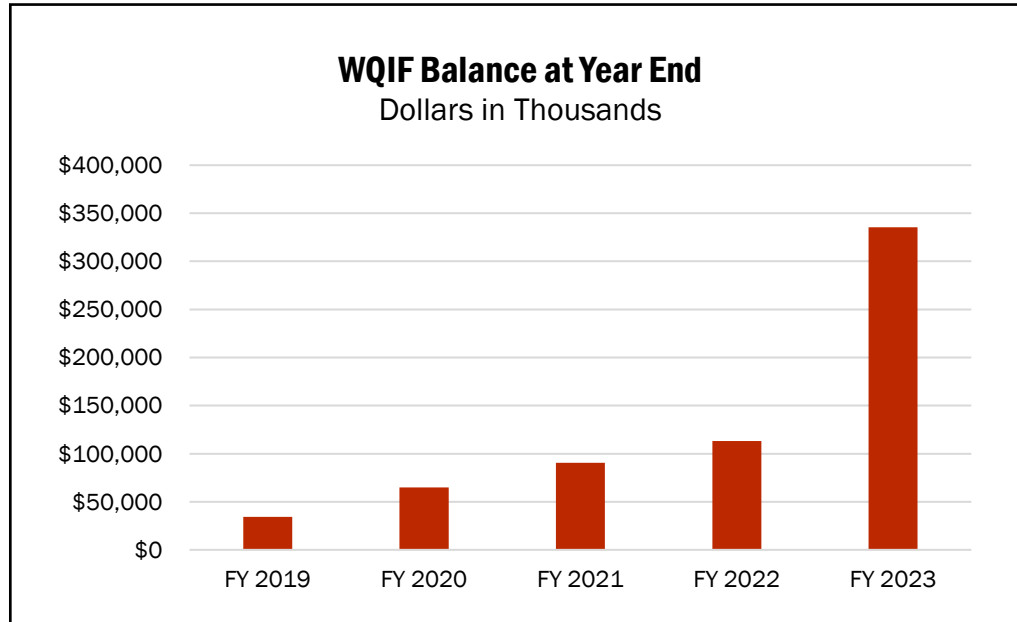
RESERVE BALANCES TO TOTAL \$4.6 BILLION BY FY 2024

THE COMMONWEALTH HAS NEVER BEEN IN A STRONGER FINANCIAL POSITION WITH RESERVES IN EXCESS OF THE 15 PERCENT CAP PROVIDED BY CODE



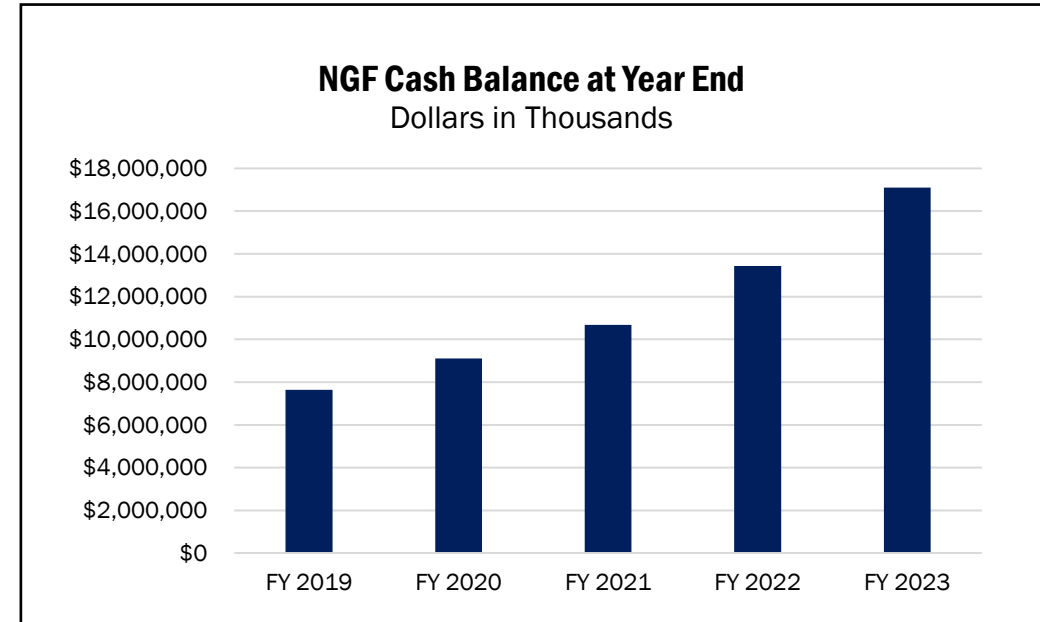
THE COMMONWEALTH HAS NEVER BEEN IN A STRONGER FINANCIAL POSITION

Water Quality Improvement Fund (WQIF), 2019-2023



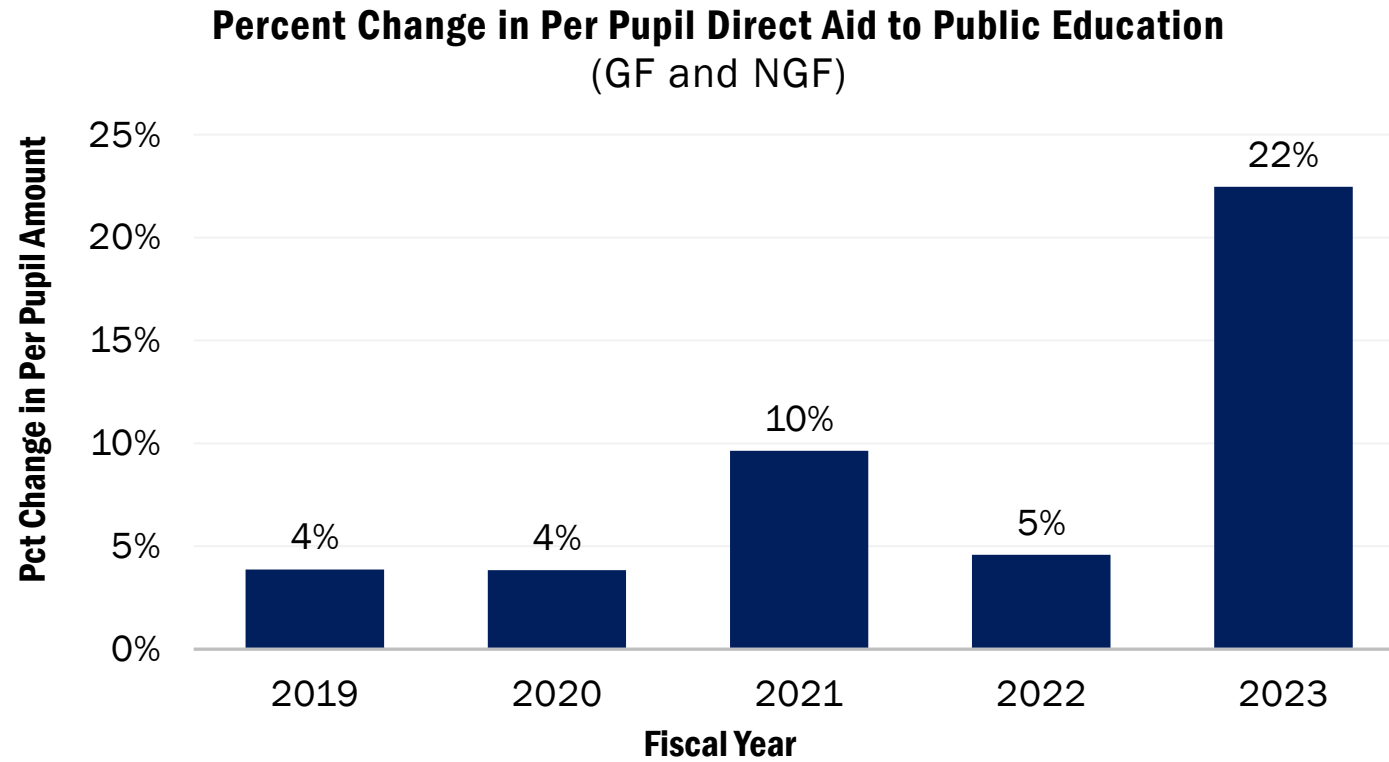
Source: Commonwealth Preliminary Balance Sheets for FY 19 through FY 23. Note: Does not include deposits yet to be made from FY 22 balance sheet calculations for WQIF A and B (\$131 million) and future deposits to be made from FY 2023 balance sheet calculations.

Total NGF Balances, 2019-2023



Note: Excludes Federal funds and bond proceeds/debt service.

CURRENT APPROPRIATION ACT INCLUDES THE LARGEST EDUCATION BUDGET IN VIRGINIA HISTORY



Fiscal year 2023 amounts per chapter 769, 2023 Acts of Assembly.

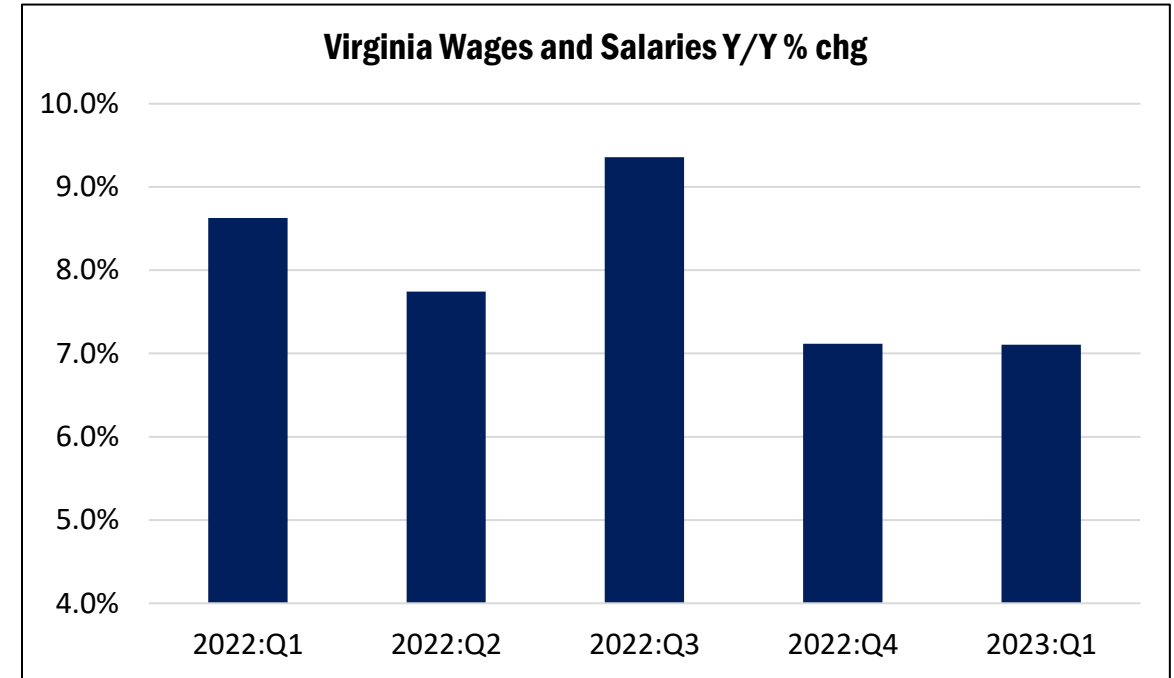
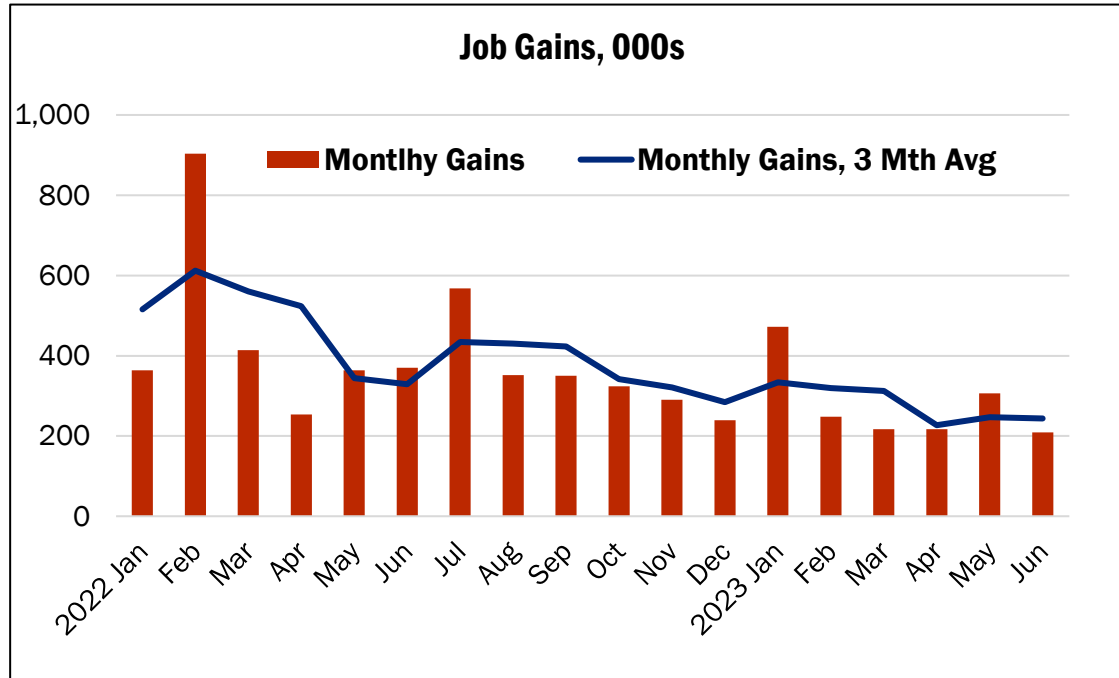
LOOKING AHEAD: FY 2023 EXCEEDED EXPECTATIONS, BUT A SLOWDOWN IS ANTICIPATED BY GACRE

Summary of Key U.S. and Virginia Economic Indicators

| INDICATOR (% CHANGE) | FY 2023 FORECAST | FY 2023 ACTUAL | ACTUAL MINUS FORECAST | FY 2024 IHS STD FORECAST |
|------------------------|------------------|----------------|-----------------------|--------------------------|
| U.S. | | | | |
| Real GDP | 0.4 | 1.8 | 1.4 | 1.4 |
| Payroll Employment | 2.4 | 3.3 | 0.9 | 1.3 |
| Average Wage/Salary | 3.9 | 3.3 | (0.6) | 3.5 |
| Real Consumer Spending | 1.1 | 2.1 | 1.0 | 1.5 |
| Unemployment Rate | 3.8 | 3.5 | (0.3) | 3.8 |
| CPI | 6.5 | 6.3 | (0.2) | 3.1 |
| Virginia | | | | |
| Real GSP | 1.4 | 1.4 | 0.0 | 1.2 |
| Payroll Employment | 2.5 | 2.7 | 0.2 | 1.1 |
| Wages and Salaries | 8.0 | 7.6 | (0.4) | 4.1 |

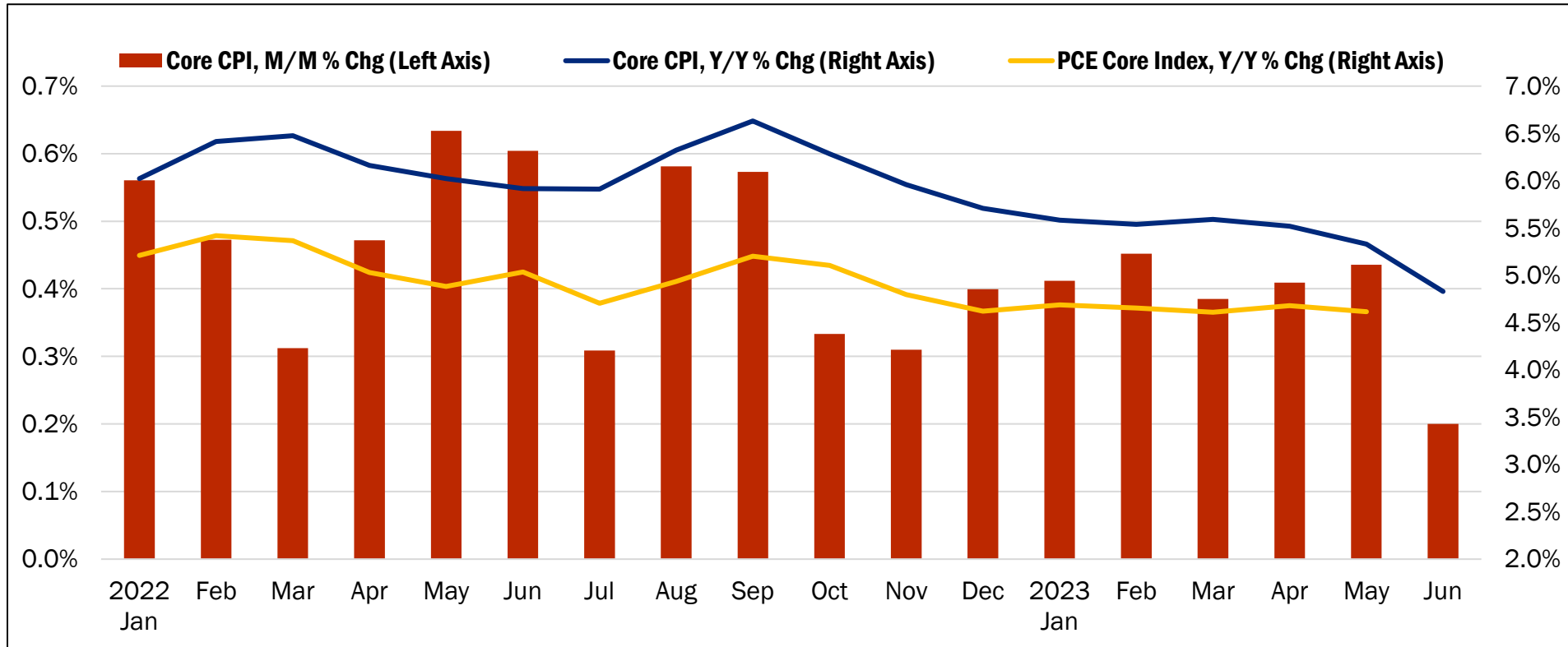
FY 2023 Forecast is based on IHS Markit's October 2022 U.S. standard forecast. FY23 actuals preliminary based on three quarters of data.
 FY 2024 Forecast is based on IHS Markit's July 2023 U.S. standard forecast.

MEASURES OF LABOR DEMAND INDICATE A COOLING BUT STILL GROWING JOB MARKET



Sources: US BLS; US BEA. Unless otherwise noted economic data is presented on a calendar year basis.

INFLATIONARY PRESSURES ARE SUBSIDING, BUT FED'S KEY MEASURE REMAINS TOO HIGH



Sources: US BLS, US BEA

CONTINUED CAUTION IS RECOMMENDED

- While the market has increasingly moved to a “soft landing” outlook, risks continue that could lead to a more severe downturn, such as:
 - Further rate hikes
 - Global impact of China slowdown
 - Potential federal budget impasse in October
 - Anticipated refunds associated with PTET
- Administration recommends maintaining incremental cash resources in reserve as added near-term cushion.
- Budgeting off of a conservative forecast (and a modest recession) was the consensus view at the August 7 meeting of the Governor’s Advisory Council on Revenue Estimates (GACRE).
- Outlook will be updated in November GACRE forecast.

THE FALL FORECASTING PROCESS CONTINUES THROUGH DECEMBER

August: First meeting of the Governor's Advisory Council on Revenue Estimates was held on August 7.

September: Individual and corporate estimated payments are due on September 15.

October:

- Corporate estimated payments are due.
- Joint Advisory Board of Economists reviews economic projections for current and next biennium.

November:

- Corporate refunds from extension returns peak.
- Individual income tax extension returns due November 1.
- Governor's Advisory Council on Revenue Estimates reviews revenue forecast for the 2024 - 2026 biennium.

December:

- General fund revenue forecast finalized.
- Governor Youngkin's 2024 budget amendments and the 2024-2026 biennial budget are presented to the Joint Money Committee on December 20.

APPENDIX

- Fiscal Year 2023 General Fund Collections: Actual and Official Forecast
- Official General Fund Forecast for Fiscal Year 2024
- Fiscal Year 2023 Commonwealth Transportation Fund Collections: Actual and Official Forecast
- Official Commonwealth Transportation Fund Forecast for Fiscal Year 2024
- Growth in Total General Fund Revenues, Fiscal Years 1961 to 2024
- June 2023 Revenue Report
- July 2023 Revenue Report

Note: General Fund Preliminary Annual Report, August 2023, is available at the Department of Accounts web site (www.doa.virginia.gov).

Fiscal Year 2023 General Fund Collections: Actual and Official Forecast
(Dollars in Millions)

August 23, 2023

| | Fiscal Year 2022 | | Official Forecast | Fiscal Year 2023 | | | | |
|---|--------------------|---------------|----------------------|--------------------|---------------------|---------------------|--|----------------|
| | Actual | % Growth | | Actual | Forecast Dollars | Variance Percent | % Growth Over FY 22 Official Actual | |
| MAJOR TAX SOURCES | | | | | | | | |
| Corporate Income | \$ 1,978.7 | 30.5 % | \$ 1,737.0 | \$ 2,031.1 | \$ 294.1 | 16.9 % | (12.2) % | 2.6 % |
| Individual Income Tax: | | | | | | | | |
| Gross | 22,150.7 | 15.2 | 20,533.3 | 22,586.4 | 2,053.1 | 10.0 | (7.3) | 2.0 |
| Withholding | 15,340.3 | 9.5 | 15,319.7 | 15,957.2 | 637.5 | 4.2 | (0.1) | 4.0 |
| Nonwithholding | 6,810.5 | 30.5 | 5,213.6 | 6,629.2 | 1,415.6 | 27.2 | (23.4) | (2.7) |
| Refunds | <u>(1,740.5)</u> | <u>(9.6)</u> | <u>(3,800.9)</u> | <u>(3,602.8)</u> | <u>198.1</u> | <u>(5.2)</u> | <u>118.4</u> | <u>107.0</u> |
| Net | 20,410.2 | 18.0 | 16,732.4 | 18,983.6 | 2,251.2 | 13.5 | (18.0) | (7.0) |
| Insurance Company Premiums | 426.8 | 17.6 | 406.1 | 450.9 | 44.8 | 11.0 | (4.9) | 5.6 |
| State Sales & Use Tax | 4,558.1 | 9.4 | 4,497.8 | 4,734.5 | 236.7 | 5.3 | (1.3) | 3.9 |
| Wills, Suits, Deeds, & Contract Fees | <u>654.1</u> | <u>(3.8)</u> | <u>593.7</u> | <u>430.6</u> | <u>(163.1)</u> | <u>(27.5)</u> | <u>(9.2)</u> | <u>(34.2)</u> |
| Total Major Tax Sources | \$ 28,027.9 | 16.6 % | \$ 23,967.0 | \$ 26,630.7 | \$ 2,663.7 | 11.1 % | (14.5) % | (5.0) % |
| MISCELLANEOUS TAXES AND OTHER REVENUES | | | | | | | | |
| Alcoholic Beverage State Tax | \$ 260.2 | 2.4 % | \$ 261.6 | \$ 268.9 | \$ 7.3 | 2.8 % | 0.6 % | 3.4 % |
| Bank Franchise Tax | 37.4 | 39.6 | 26.8 | 31.4 | 4.6 | 17.2 | (28.4) | (16.1) |
| Beer & Beverage Excise Tax | 40.0 | (4.8) | 42.0 | 38.6 | (3.4) | (8.1) | 5.0 | (3.5) |
| Corporate Franchise & Charter Fees | 77.4 | 26.1 | 62.3 | 83.2 | 20.9 | 33.5 | (19.5) | 7.5 |
| Excess & Other Fees from Officers | (12.3) | 11.6 | (9.3) | (5.6) | 3.7 | (39.8) | (24.5) | (54.5) |
| Estate & Gifts | 0.0 | na | 0.0 | 0.0 | 0.0 | n/a | n/a | n/a |
| Institutional Revenues | 2.4 | 5.6 | 2.2 | 3.2 | 1.0 | 45.5 | (7.7) | 34.2 |
| Interest & Rents | 76.8 | (8.0) | 98.4 | 365.3 | 266.9 | 271.2 | 28.2 | 375.7 |
| Licenses & Permits | 4.6 | 52.8 | 2.9 | 3.8 | 0.9 | 31.0 | (36.6) | (17.0) |
| Miscellaneous Taxes and Penalties | 278.1 | 10.6 | 275.3 | 328.9 | 53.6 | 19.5 | (1.0) | 18.2 |
| Other Miscellaneous Revenues | 39.8 | 5.6 | 38.4 | 57.1 | 18.7 | 48.7 | (3.5) | 43.4 |
| Public Service GR / Consumption Tax | <u>102.6</u> | <u>1.5</u> | <u>103.5</u> | <u>104.4</u> | <u>0.9</u> | <u>0.9</u> | <u>0.9</u> | <u>1.8</u> |
| Total Misc. Taxes and Other Revenues | \$ 907.0 | 6.7 % | \$ 904.1 | \$ 1,279.2 | \$ 375.1 | 41.5 % | (0.3) % | 41.0 % |
| TOTAL GF REVENUES | \$ 28,934.9 | 16.3 % | \$ 24,871.1 | \$ 27,909.9 | \$ 3,038.8 | 12.2 % | (14.0) % | (3.5) % |
| TRANSFERS | | | | | | | | |
| A.B.C. Profits | \$ 162.9 | (8.4) % | \$ 112.1 | \$ 164.3 | \$ 52.2 | 46.6 % | (31.2) % | 0.9 % |
| Sales Tax (0.25%) | 522.5 | 14.0 | 506.9 | 557.0 | 50.1 | 9.9 | (3.0) | 6.6 |
| Transfers Per Appropriations Act | <u>129.0</u> | <u>5.5</u> | <u>95.7</u> | <u>94.3</u> | <u>(1.4)</u> | <u>(1.5)</u> | <u>(25.8)</u> | <u>(26.9)</u> |
| Total Transfers | \$ 814.3 | 7.3 % | \$ 714.7 | \$ 815.6 | \$ 100.9 | 14.1 % | (12.2) % | 0.2 % |
| TOTAL GENERAL FUND | \$ 29,749.2 | 16.0 % | \$ 25,585.8 | \$ 28,725.5 | \$ 3,139.7 | 12.3 % | (14.0) % | (3.4) % |

The Official forecast is based on the October 2021 IHS Markit US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2023 GA Special Session, Chapter 769.

The Official to December Standard General Fund Forecast for Fiscal Year 2024

(Dollars in Millions)

August 23, 2023

| | Fiscal Year 2024 | | | | |
|---|------------------------------|------------------------------|--------------------------|---------------------------|-----------------------|
| | <u>December Forecast</u> | <u>Official Forecast</u> | <u>Change</u> | <u>% Growth Over FY23</u> | |
| | | | | <u>December</u> | <u>Official</u> |
| MAJOR TAX SOURCES | | | | | |
| Corporate Income | \$ 1,760.3 | \$ 1,790.4 | \$ 30.0 | (13.3) % | (11.9) % |
| Individual Income Tax: | | | | | |
| Gross | 21,180.9 | 21,368.6 | 187.7 | (6.2) | (5.4) |
| Withholding | 16,465.1 | 15,790.3 | (674.9) | 3.2 | (1.0) |
| Nonwithholding | 4,715.7 | 5,578.3 | 862.6 | (28.9) | (15.9) |
| Refunds | <u>(1,824.4)</u> | <u>(2,287.7)</u> | <u>(463.3)</u> | <u>(49.4)</u> | <u>(36.5)</u> |
| Net | 19,356.5 | 19,080.9 | (275.6) | 2.0 | 0.5 |
| Insurance Company Premiums | 403.8 | 425.3 | 21.6 | (10.5) | (5.7) |
| State Sales & Use Tax | 4,876.5 | 4,472.7 | (403.8) | 3.0 | (5.5) |
| Wills, Suits, Deeds, & Contract Fees | <u>436.9</u> | <u>593.7</u> | <u>156.8</u> | <u>1.5</u> | <u>37.9</u> |
| Total Major Tax Sources | \$ 26,833.9 | \$ 26,363.0 | \$ (470.9) | 0.8 % | (1.0) % |
| MISCELLANEOUS TAXES AND OTHER REVENUES | | | | | |
| Alcoholic Beverage State Tax | \$ 277.9 | \$ 269.2 | \$ (8.7) | 3.3 % | 0.1 % |
| Bank Franchise Tax | 38.4 | 26.8 | (11.6) | 22.4 | (14.6) |
| Beer & Beverage Excise Tax | 41.0 | 42.0 | 1.0 | 6.3 | 8.8 |
| Corporate Franchise & Charter Fees | 79.4 | 62.3 | (17.1) | (4.5) | (25.1) |
| Excess & Other Fees from Officers | (12.6) | (9.3) | 3.3 | (125.8) | (66.1) |
| Estate & Gifts | 0.0 | 0.0 | 0.0 | n/a | n/a |
| Institutional Revenues | 2.5 | 2.2 | (0.3) | (23.4) | (31.3) |
| Interest & Rents | 124.4 | 110.0 | (14.4) | (66.0) | (69.9) |
| Licenses & Permits | 4.7 | 2.9 | (1.8) | 23.4 | (23.7) |
| Miscellaneous Taxes and Penalties | 300.0 | 279.8 | (20.2) | (8.8) | (14.9) |
| Other Miscellaneous Revenues | 34.7 | 34.0 | (0.7) | (39.2) | (40.5) |
| Public Service GR / Consumption Tax | <u>105.9</u> | <u>103.5</u> | <u>(2.4)</u> | <u>1.4</u> | <u>(0.9)</u> |
| Total Misc. Taxes and Other Revenues | \$ 996.3 | \$ 923.4 | \$ (72.9) | (22.1) % | (27.8) % |
| TOTAL GF REVENUES | \$ 27,830.2 | \$ 27,286.4 | \$ (543.8) | (0.3) % | (2.2) % |
| TRANSFERS | | | | | |
| A.B.C. Profits | \$ 116.0 | \$ 116.0 | \$ (0.0) | 3.5 % | 3.5 % |
| Sales Tax (0.375%) | 582.6 | 521.5 | (61.1) | 14.9 | 2.9 |
| Transfers Per Appropriations Act | <u>94.6</u> | <u>95.7</u> | <u>1.1</u> | <u>(1.1)</u> | <u>0.0</u> |
| Total Transfers | \$ 793.2 | \$ 733.2 | \$ (60.0) | 11.0 % | 2.6 % |
| TOTAL GENERAL FUND | \$ <u>28,623.4</u> | \$ <u>27,996.2</u> | \$ <u>(627.2)</u> | <u>(0.0) %</u> | <u>(2.2) %</u> |

The December forecast is based on the October 2022 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from the JABE and the GACRE.

The Official forecast is based on the October 2021 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates actions of the General Assembly 2023 special session, Chapter 769.

Commonwealth Transportation Fund
Actual Collections Compared to the Official Forecast for Fiscal Year 2023
(Millions of Dollars)

| Revenue Sources | FY2022 Actual | FY2023 Actual | FY2023 Forecast | Percent Change 2022-2023 | | Forecast Variance | |
|-------------------------|------------------|------------------|--------------------|-----------------------------|------------|-------------------|------------|
| | | | | Actual | Forecast | Amount | Percent |
| Motor Fuels Tax | 1,215.3 | 1,382.8 | 1,407.7 | 13.8 | 15.8 | (24.9) | (1.8) |
| Road Use Tax | 71.2 | 87.6 | 71.4 | 23.0 | 0.3 | 16.2 | 22.7 |
| Vehicle Sales Tax | 1,200.2 | 1,208.6 | 1,141.8 | 0.7 | (4.9) | 66.8 | 5.9 |
| Vehicle Licenses | 231.0 | 196.6 | 200.7 | (14.9) | (13.1) | (4.1) | (2.0) |
| Highway User Fee | 53.8 | 58.4 | 61.3 | 8.6 | 13.9 | (2.9) | (4.7) |
| State Sales Tax | 1,368.3 | 1,416.7 | 1,433.1 | 3.5 | 4.7 | (16.4) | (1.1) |
| Recordation Tax | 81.6 | 52.6 | 61.7 | (35.5) | (24.4) | (9.1) | (14.7) |
| Insurance Premiums Tax | 180.7 | 202.5 | 202.5 | 12.1 | 12.1 | 0.0 | 0.0 |
| Int'l Registration Plan | 118.7 | 115.1 | 119.2 | (3.0) | 0.4 | (4.1) | (3.4) |
| Interest Earnings | 1.7 | 21.2 | 3.2 | 1147.1 | 88.2 | 18.0 | 562.5 |
| Rental Tax | 48.8 | 53.8 | 52.3 | 10.2 | 7.2 | 1.5 | 2.9 |
| Aviation Fuels Tax | 1.5 | 2.0 | 2.0 | 33.3 | 33.3 | 0.0 | 0.0 |
| Miscellaneous | 21.3 | 19.8 | 17.6 | (7.0) | (17.4) | 2.2 | 12.5 |
| TOTAL | \$4,594.1 | \$4,817.7 | \$4,774.5 | 4.9 | 3.9 | 43.2 | 0.9 |

As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.

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

August 23, 2023

| | Fiscal Year 2023 | | Fiscal Year 2024 | | | | |
|---|--------------------------|---------------------|--------------------------|--------------------------|--------------------------|---------------------------------|-----------------------|
| | Forecast | % Growth | December Forecast | Official Forecast | Change | % Growth over FY 23 December | Official |
| Commonwealth Transportation Fund | | | | | | | |
| Motor Fuels Tax | \$ 1,382.8 | 13.8 % | \$ 1,499.5 | \$ 1,380.7 | \$ (118.8) | 8.4 % | (0.2) % |
| Road Tax | 87.6 | 23.0 | 71.2 | 69.5 | (1.7) | (18.7) | (20.7) |
| Aviation Fuels Tax | 2.0 | 33.3 | 2.0 | 2.0 | 0.0 | 0.0 | 0.0 |
| Motor Vehicle Sales and Use Tax | 1,208.6 | 0.7 | 1,078.2 | 1,119.4 | 41.2 | (10.8) | (7.4) |
| Motor Vehicle Rental Tax | 53.8 | 10.2 | 51.9 | 43.6 | (8.3) | (3.5) | (19.0) |
| Motor Vehicle License Fees | 196.6 | (14.9) | 218.4 | 240.3 | 21.9 | 11.1 | 22.2 |
| Highway User Fee | 58.4 | 8.6 | 64.4 | 62.7 | (1.7) | 10.3 | 7.4 |
| International Registration Plan | 115.1 | (3.0) | 118.2 | 122.6 | 4.4 | 2.7 | 6.5 |
| Retail Sales and Use Tax | 1,416.7 | 3.5 | 1,388.2 | 1,313.9 | (74.3) | (2.0) | (7.3) |
| Recordation Tax (3 cents) | 52.6 | (35.5) | 52.4 | 81.0 | 28.6 | (0.4) | 54.0 |
| Insurance Premiums Tax (1/3) | 202.5 | 12.1 | 214.5 | 217.8 | 3.3 | 5.9 | 7.6 |
| Interest Earnings | 21.2 | 1,147.1 | 3.2 | 5.7 | 2.5 | (84.9) | (73.1) |
| Miscellaneous | <u>19.8</u> | <u>(7.0)</u> | <u>17.6</u> | <u>17.2</u> | <u>(0.4)</u> | <u>(11.1)</u> | <u>(13.1)</u> |
| Total State Taxes and Fees | \$ <u>4,817.7</u> | <u>4.9</u> % | \$ <u>4,779.7</u> | \$ <u>4,676.4</u> | \$ <u>(103.3)</u> | <u>(0.8)</u> % | <u>(2.9)</u> % |

The December forecast is based on the October 2022 IHS Markit Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The Official forecast is based on the October 2021 IHS Markit US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions from the 2023 GA Special Session, Chapter 769.

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 | 28,934,900,000 | 16.3% |
| 91 | 5,471,879,000 | -0.4% | 23 | 27,909,900,000 | -3.5% |
| 92 | 5,623,213,000 | 2.8% | 24* | 27,286,400,000 | -2.2% |

* Official Forecast (Excludes Transfers)

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

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)

| Revenue | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--|---------------------|---------------------------|-----------------|-----------------|-------------|-------------------------|-------------------------|-------------|-------------------------------------|
| | FY 2023 Estimate | As a % of Gen Fund Rev | June FY 2023 | June FY 2022 | % Change | Year-To-Date FY 2023 | Year-To-Date FY 2022 | % Change | % Annual Growth Req By Est |
| Individual Income Tax: | | | | | | | | | |
| Withholding | \$15,319,735 | 61.60 | \$1,369,041 | \$1,333,104 | 2.7 | \$15,957,159 | \$15,340,253 | 4.0 | (0.1) |
| Tax Dues/Estimated Payments | 5,213,600 | 20.96 | 609,688 | 622,307 | (2.0) | 6,629,192 | 6,810,455 | (2.7) | (23.4) |
| Gross Individual Income Tax | \$20,533,335 | 82.56 | \$1,978,729 | \$1,955,411 | 1.2 | \$22,586,351 | \$22,150,708 | 2.0 | (7.3) |
| Individual and Fiduciary Income (Refunds) | (3,800,900) | (15.28) | (185,348) | (84,348) | 119.7 | (3,602,795) | (1,740,505) | 107.0 | 118.4 |
| Net Individual Income Tax | \$16,732,435 | 67.28 | \$1,793,381 | \$1,871,063 | (4.2) | \$18,983,556 | \$20,410,203 | (7.0) | (18.0) |
| Sales and Use Tax | \$4,497,800 | 18.08 | \$407,631 | \$475,336 | (14.2) | \$4,734,549 | \$4,558,082 | 3.9 | (1.3) |
| Corporations Income Tax | 1,737,000 | 6.98 | 349,508 | 320,202 | 9.2 | 2,031,120 | 1,978,697 | 2.6 | (12.2) |
| Wills, Suits, Deeds, Contracts | 593,700 | 2.39 | 41,245 | 53,714 | (23.2) | 430,553 | 654,072 | (34.2) | (9.2) |
| Insurance Premiums | 406,100 | 1.63 | 141,878 | 130,081 | 9.1 | 450,877 | 426,830 | 5.6 | (4.9) |
| Interest Income (a) | 98,200 | 0.39 | (27,672) | (4,841) | (471.6) | 365,107 | 76,644 | 376.4 | 28.1 |
| Alcoholic Beverage Sales (b) | 303,600 | 1.22 | 69,522 | 68,473 | 1.5 | 307,412 | 300,153 | 2.4 | 1.1 |
| All Other Revenues | 502,300 | 2.03 | 130,402 | 133,285 | (2.2) | 606,758 | 530,201 | 14.4 | (5.3) |
| Total General Fund Revenues | \$24,871,135 | 100.00 | \$2,905,895 | \$3,047,313 | (4.6) | \$27,909,932 | \$28,934,882 | (3.5) | (14.0) |

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

(a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of June.

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

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)

| Revenue | (1) | (2) | (3) June | | (5) | (6) Year-To-Date | | (8) | (9) |
|---|---------------------|------------------------------|--------------------|--------------------|---------------|---------------------|---------------------|--------------|----------------------------|
| | FY 2023 Estimate | As a % of Total Gen Fund Rev | FY 2023 | FY 2022 | % Change | FY 2023 | FY 2022 | % Change | % Annual Growth Req By Est |
| Taxes: | | | | | | | | | |
| Individual Income Tax - Withholding | \$15,319,735 | 61.60 | \$1,369,041 | \$1,333,104 | 2.7 | \$15,957,159 | \$15,340,253 | 4.0 | (0.1) |
| Tax Dues/Estimated Payments | 5,213,600 | 20.96 | 609,688 | 622,307 | (2.0) | 6,629,192 | 6,810,455 | (2.7) | (23.4) |
| Gross Individual Income Tax | \$20,533,335 | 82.56 | \$1,978,729 | \$1,955,411 | 1.2 | \$22,586,351 | \$22,150,708 | 2.0 | (7.3) |
| Individ and Fiduc Income Tax (Refunds) | (3,800,900) | (15.28) | (185,348) | (84,348) | 119.7 | (3,602,795) | (1,740,505) | 107.0 | 118.4 |
| Net Individual Income Tax | \$16,732,435 | 67.28 | \$1,793,381 | \$1,871,063 | (4.2) | \$18,983,556 | \$20,410,203 | (7.0) | (18.0) |
| Sales and Use Tax | 4,497,800 | 18.08 | 407,631 | 475,336 | (14.2) | 4,734,549 | 4,558,082 | 3.9 | (1.3) |
| Corporations Income | 1,737,000 | 6.98 | 349,508 | 320,202 | 9.2 | 2,031,120 | 1,978,697 | 2.6 | (12.2) |
| Public Service Corporations | 103,500 | 0.42 | 14,253 | 13,819 | 3.1 | 104,449 | 102,586 | 1.8 | 0.9 |
| Insurance Premiums | 406,100 | 1.63 | 141,878 | 130,081 | 9.1 | 450,877 | 426,830 | 5.6 | (4.9) |
| Alcoholic Beverage Excise | 261,600 | 1.05 | 63,000 | 61,300 | 2.8 | 268,852 | 260,164 | 3.3 | 0.6 |
| Beer and Beverage Excise | 42,000 | 0.17 | 6,522 | 7,173 | (9.1) | 38,560 | 39,989 | (3.6) | 5.0 |
| Wills, Suits, Deeds, Contracts | 593,700 | 2.39 | 41,245 | 53,714 | (23.2) | 430,553 | 654,072 | (34.2) | (9.2) |
| Inheritance, Gift, and Estate | 0 | 0.00 | 0 | 0 | - | 0 | 27 | (100.0) | (100.0) |
| Bank Franchise | 26,800 | 0.11 | 9,472 | 17,378 | (45.5) | 31,396 | 37,442 | (16.1) | (28.4) |
| Other Taxes | 42,600 | 0.17 | 7,137 | 6,788 | 5.1 | 68,684 | 51,393 | 33.6 | (17.1) |
| Total Taxes | \$24,443,535 | 98.28 | \$2,834,027 | \$2,956,854 | (4.2) | \$27,142,596 | \$28,519,485 | (4.8) | (14.3) |
| Rights and Privileges: | | | | | | | | | |
| Licenses and Permits | \$2,900 | 0.01 | \$478 | \$496 | (3.6) | \$3,788 | \$4,577 | (17.2) | (36.6) |
| Corp. Franchise and Charters | 62,300 | 0.25 | 64,160 | 57,788 | 11.0 | 83,193 | 77,410 | 7.5 | (19.5) |
| Fees for Misc. Privileges & Services | 13,900 | 0.06 | 3,932 | 1,010 | 289.3 | 18,863 | 12,016 | 57.0 | 15.7 |
| Total Rights and Privileges | \$79,100 | 0.32 | \$68,570 | \$59,294 | 15.6 | \$105,844 | \$94,003 | 12.6 | (15.9) |
| Other Revenues: | | | | | | | | | |
| Sales of Property & Commodities | \$0 | 0.00 | \$0 | \$5,359 | (100.0) | \$10,852 | \$7,003 | 55.0 | (100.0) |
| Assessmts & Rcpts for Support of Special Svcs | 400 | 0.00 | 5 | 162 | (96.9) | 267 | 541 | (50.6) | (26.1) |
| Institutional Revenue | 2,200 | 0.01 | 165 | 7 | # | 3,325 | 2,384 | 39.5 | (7.7) |
| Interest (a) | 98,200 | 0.39 | (27,672) | (4,841) | (471.6) | 365,107 | 76,644 | 376.4 | 28.1 |
| Dividends and Rent | 200 | 0.00 | 6 | 0 | - | 150 | 137 | 9.5 | 46.0 |
| Fines, Forfeitures & Fees | 232,700 | 0.95 | 20,774 | 20,851 | (0.4) | 260,160 | 226,750 | 14.7 | 2.6 |
| Other Revenue | 18,100 | 0.07 | 10,697 | 10,061 | 6.3 | 22,573 | 16,503 | 36.8 | 9.7 |
| Excess Fees | (9,300) | (0.04) | (1,172) | (821) | (42.8) | (5,529) | (12,317) | 55.1 | 24.5 |
| Private Donations, Gifts & Cont. | 0 | 0.00 | 0 | 0 | - | 1 | 0 | - | - |
| Cities, Counties, and Towns | 6,000 | 0.02 | 495 | 387 | 27.9 | 4,586 | 3,749 | 22.3 | 60.0 |
| Total Other Revenues | \$348,500 | 1.40 | \$3,298 | \$31,165 | (89.4) | \$661,492 | \$321,394 | 105.8 | 8.4 |
| Total General Fund Revenues | \$24,871,135 | 100.00 | \$2,905,895 | \$3,047,313 | (4.6) | \$27,909,932 | \$28,934,882 | (3.5) | (14.0) |

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

(a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of June.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)**

| | FY 2023 <u>Estimate</u> | (b) | June | | Year-To-Date | | | % Annual Growth Required By Estimate | |
|-------------------------------------|----------------------------|-----|------------------|--------------------|--------------------|--------------------|--------------------|---|--------------------|
| | | | <u>FY 2023</u> | (c) <u>FY 2022</u> | % <u>Change</u> | <u>FY 2023</u> | (c) <u>FY 2022</u> | | % <u>Change</u> |
| Lottery Collections (a) | | | | | | | | | |
| Total Lottery Sales | \$4,197,854 | | \$384,712 | \$299,777 | 28.3 | \$4,611,855 | \$3,752,415 | 22.9 | 11.9 |
| Other Income | 1,699 | | 150 | 73 | 105.5 | 3,991 | 964 | 314.0 | 73.4 |
| Total Income | <u>\$4,199,553</u> | | <u>\$384,862</u> | <u>\$299,850</u> | <u>28.4</u> | <u>\$4,615,846</u> | <u>\$3,753,379</u> | <u>23.0</u> | <u>11.9</u> |
| Less: | | | | | | | | | |
| Prize Expenses | \$3,099,786 | | \$289,079 | \$225,233 | 28.3 | \$3,416,374 | \$2,676,925 | 27.6 | 15.8 |
| Retailer Commissions | 136,039 | | 10,443 | 10,254 | 1.8 | 137,301 | 138,608 | (0.9) | (1.9) |
| Operating Expenses | 182,547 | | 19,184 | 13,433 | 42.8 | 194,802 | 158,277 | 23.1 | 15.3 |
| Total Expenses | <u>\$3,418,372</u> | | <u>\$318,706</u> | <u>\$248,920</u> | <u>28.0</u> | <u>\$3,748,477</u> | <u>\$2,973,810</u> | <u>26.0</u> | <u>14.9</u> |
| Net Proceeds from Operations | | | | | | | | | |
| Net Lottery Ticket Profits | \$781,181 | | \$66,156 | \$50,930 | 29.9 | \$867,369 (d) | \$779,569 | 11.3 | 0.2 |
| Prior Year Residual Profit Transfer | 3,491 | | 0 | 0 | - | 3,491 | 67,283 | (94.8) | - |
| Available to Lottery Proceeds Fund | <u>\$784,672</u> | | <u>\$66,156</u> | <u>\$50,930</u> | <u>29.9</u> | <u>\$870,860</u> | <u>\$846,852</u> | <u>2.8</u> | <u>(7.3)</u> |

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 769, 2023 Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$3,490,521 was transferred on August 16, 2022, and is included in the total estimate.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) This amount represents estimated net profits for FY 2023. In accordance with Chapter 769, 2023 Virginia Acts of Assembly, §3-1.01 G, \$784,671,715 was transferred to the Lottery Proceeds Fund during FY 2023. Final FY 2023 audited net profit will be determined in August 2023. The amount of audited profit that exceeds the FY 2023 profit transfers to the Lottery Proceeds Fund will be included in the Residual Profit Transfer to the Lottery Proceeds Fund in August 2023 (FY 2024).

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)

| Revenue | FY 2023 Estimate | As a % of Total Fund | June | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|--|---------------------|----------------------------|------------------|------------------|-------------|--------------------|--------------------|-------------|---|
| | | | FY 2023 | FY 2022 | % Change | FY 2023 | FY 2022 | % Change | |
| Motor Fuel Taxes | \$1,431,900 | 17.00 | \$146,846 | \$113,651 | 29.2 | \$1,472,404 | \$1,287,990 | 14.3 | 11.2 |
| Insurance Premiums Tax | 202,496 | 2.40 | 0 | 0 | - | 202,496 | 180,657 | 12.1 | 12.1 |
| Motor Vehicle Sales and Use Tax | 1,198,000 | 14.23 | 118,900 | 109,182 | 8.9 | 1,262,463 | 1,249,031 | 1.1 | (4.1) |
| State Sales and Use Tax | 1,349,200 | 16.03 | 119,043 | 144,558 | (17.7) | 1,416,622 | 1,368,275 | 3.5 | (1.4) |
| Motor Vehicle License Fees | 236,600 | 2.81 | 14,499 | 19,965 | (27.4) | 196,564 | 231,062 | (14.9) | 2.4 |
| Highway Use Fee | 59,700 | 0.71 | 5,317 | 4,528 | 17.4 | 58,414 | 53,799 | 8.6 | 11.0 |
| International Registration Plan | 124,200 | 1.47 | 4,384 | 6,658 | (34.2) | 115,124 | 118,704 | (3.0) | 4.6 |
| Recordation Tax | 81,000 | 0.96 | 5,086 | 6,707 | (24.2) | 52,647 | 81,598 | (35.5) | (0.7) |
| Interest Earnings | 5,700 | 0.07 | 8,765 | 1 | # | 21,183 | 1,702 | # | 234.9 |
| Misc. Taxes, Fees, and Revenues | 17,200 | 0.20 | 1,565 | 1,171 | 33.6 | 19,797 | 21,260 | (6.9) | (19.1) |
| Total State Taxes and Fees | <u>\$4,705,996</u> | <u>55.88</u> | <u>\$424,405</u> | <u>\$406,421</u> | <u>4.4</u> | <u>\$4,817,714</u> | <u>\$4,594,078</u> | <u>4.9</u> | <u>2.4</u> |

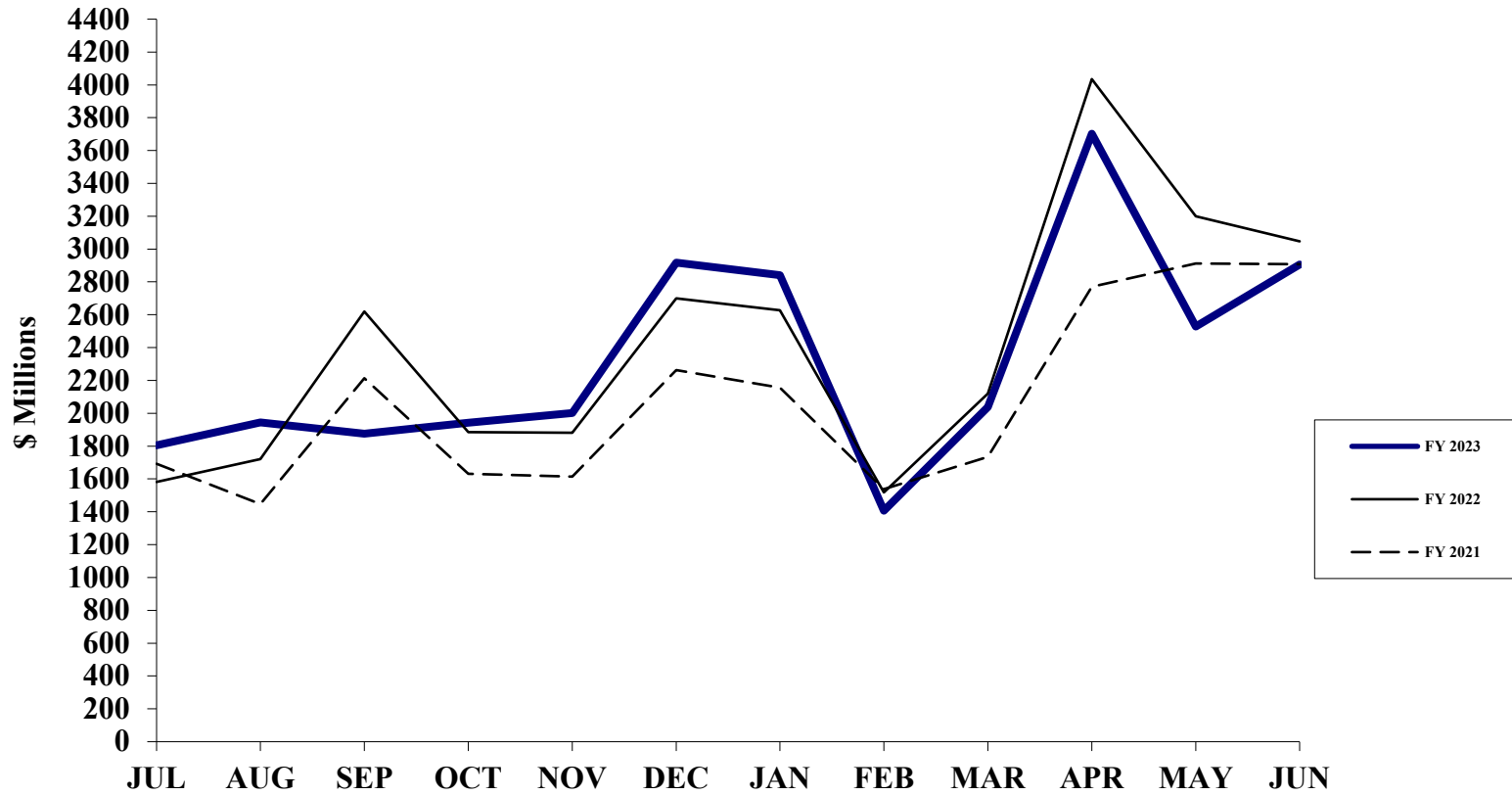
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2022 and 2023
(Dollars in Thousands)**

| Revenue | FY 2023 Estimate | As a % of Total Fund | June | | | Year-To-Date | | | % Annual Growth Required By Est |
|--|---------------------|----------------------------|------------------|-------------------|--------------|--------------------|--------------------|---------------|--|
| | | | FY 2023 | FY 2022 | % Change | FY 2023 | FY 2022 | % Change | |
| COMMONWEALTH TRANSPORTATION FUND | | | | | | | | | |
| Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes) | \$1,431,900 | 17.00 | \$146,846 | \$113,651 | 29.2 | \$1,472,404 | \$1,287,990 | 14.3 | 11.2 |
| Motor Vehicle Sales and Use Tax (Includes Rental Tax) | 1,198,000 | 14.23 | 118,900 | 109,182 | 8.9 | 1,262,463 | 1,249,031 | 1.1 | (4.1) |
| State Sales and Use Tax | 1,349,200 | 16.03 | 119,043 | 144,558 | (17.7) | 1,416,622 | 1,368,275 | 3.5 | (1.4) |
| Motor Vehicle License Fees | 236,600 | 2.81 | 14,499 | 19,965 | (27.4) | 196,564 | 231,062 | (14.9) | 2.4 |
| Highway Use Fee | 59,700 | 0.71 | 5,317 | 4,528 | 17.4 | 58,414 | 53,799 | 8.6 | 11.0 |
| International Registration Plan | 124,200 | 1.47 | 4,384 | 6,658 | (34.2) | 115,124 | 118,704 | (3.0) | 4.6 |
| Insurance Premiums Tax | 202,496 | 2.40 | 0 | 0 | - | 202,496 | 180,657 | 12.1 | 12.1 |
| Recordation Tax | 81,000 | 0.96 | 5,086 | 6,707 | (24.2) | 52,647 | 81,598 | (35.5) | (0.7) |
| Total Commonwealth Transportation Fund | \$4,683,096 | 55.61 | \$414,075 | \$405,249 | 2.2 | \$4,776,734 | \$4,571,116 | 4.5 | 2.4 |
| HIGHWAY MAINTENANCE AND OPERATING FUND | | | | | | | | | |
| Misc. Taxes, Fees, and Revenues | \$17,200 | 0.20 | \$1,565 | \$1,171 | 33.6 | \$19,797 | \$21,260 | (6.9) | (19.1) |
| Other Miscellaneous Revenues | 553,272 | 6.58 | 6,609 | 6,909 | (4.3) | 579,369 | 426,596 | 35.8 | 29.7 |
| Federal Grants and Contracts | 0 | 0.00 | 2,316 | 1,562 | 48.3 | 25,273 | 14,380 | 75.8 | (100.0) |
| Transfer (to) / from Transportation Trust Fund | 63,329 | 0.75 | 24,952 | (32,513) | 176.7 | 69,952 | (234,482) | 129.8 | 127.0 |
| Total Highway Maintenance and Operating Fund | \$633,801 | 7.53 | \$35,442 | (\$22,871) | 255.0 | \$694,391 | \$227,754 | 204.9 | 178.3 |
| TRANSPORTATION TRUST FUND | | | | | | | | | |
| Interest Earnings | \$5,700 | 0.07 | \$8,765 | \$1 | # | \$21,183 | \$1,702 | # | 234.9 |
| Federal Grants and Contracts | 1,746,997 | 20.74 | 82,358 | 54,796 | 50.3 | 1,488,320 | 1,286,975 | 15.6 | 35.7 |
| Receipts from Cities/Counties | 1,002,622 | 11.90 | 71,378 | 52,752 | 35.3 | 464,333 | 672,344 | (30.9) | 49.1 |
| Toll Revenues | 73,840 | 0.88 | 5,052 | 2,852 | 77.1 | 58,595 | 35,632 | 64.4 | 107.2 |
| Miscellaneous Revenues | 338,311 | 4.02 | 29,977 | 27,009 | 11.0 | 268,224 | 406,391 | (34.0) | (16.8) |
| Transfer (to) / from Highway Maintenance and Operating Fund | (63,329) | (0.75) | (24,952) | 32,513 | (176.7) | (69,952) | 234,482 | (129.8) | (127.0) |
| Total Transportation Trust Fund | \$3,104,141 | 36.86 | \$172,578 | \$169,923 | 1.6 | \$2,230,703 | \$2,637,526 | (15.4) | 17.7 |
| TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND | | | | | | | | | |
| | \$8,421,038 | 100.00 | \$622,095 | \$552,301 | 12.6 | \$7,701,828 | \$7,436,396 | 3.6 | 13.2 |

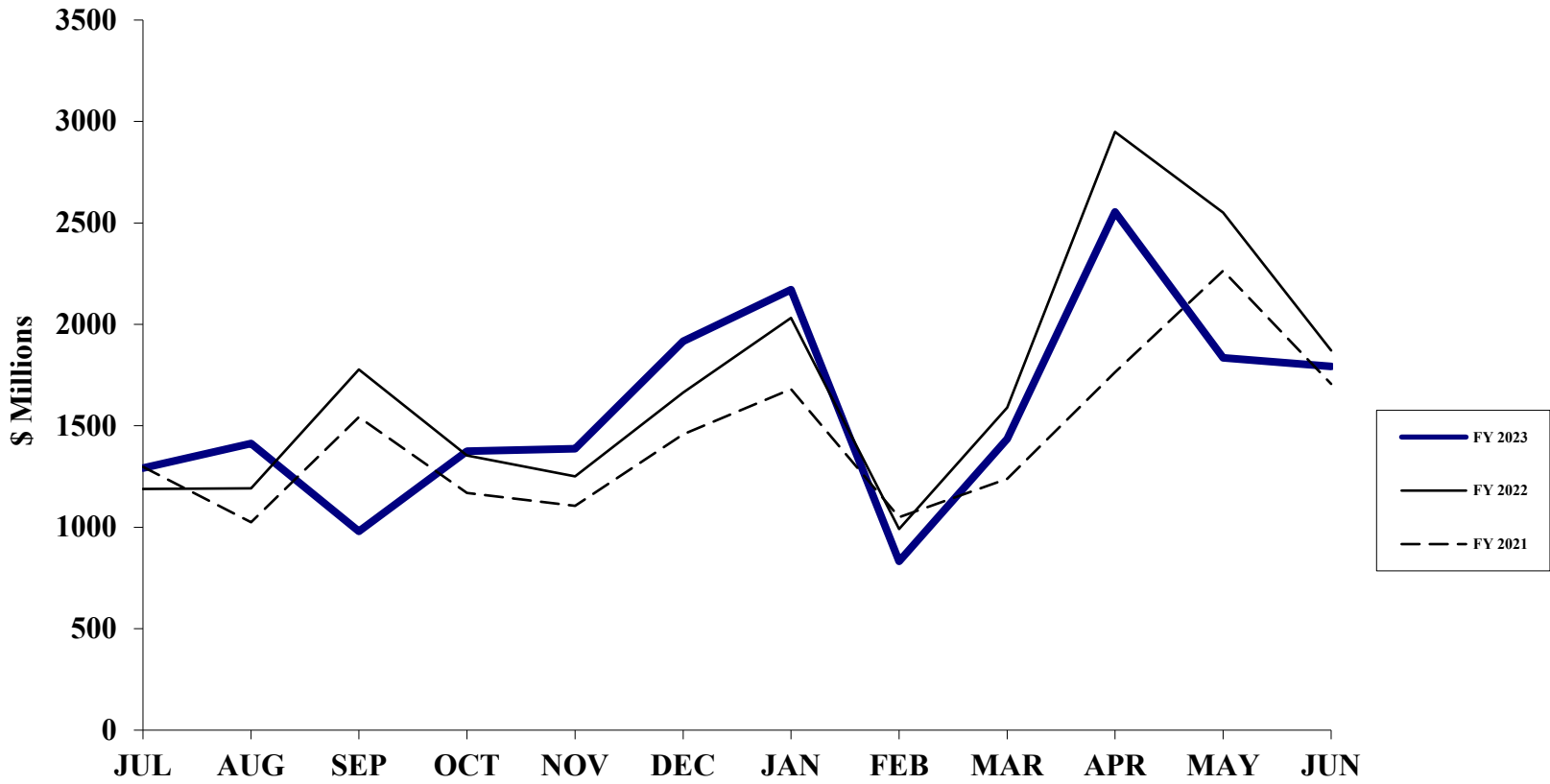
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



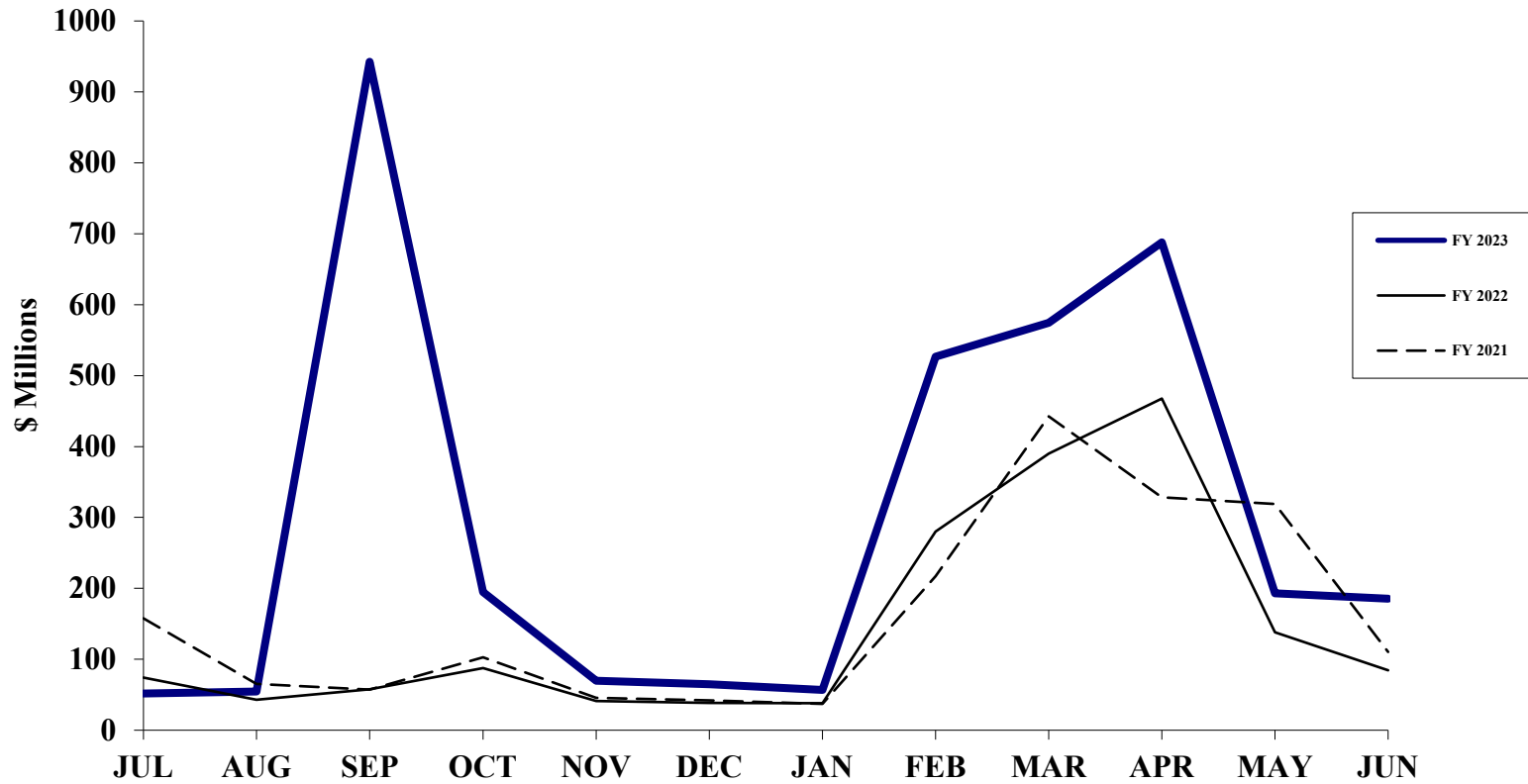
FY 2021 Actual = \$24,878.5 Million
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million

Net Individual Income Tax



FY 2021 Actual = \$17,303.7 Million
FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2021 Actual = \$1,926.2 Million
FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2023
 (Dollars in Millions)

| MONTH | PRIMARY LIQUIDITY | | 9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹ | EXTERNAL MANAGEMENT EXTENDED DURATION | | COMPOSITE | |
|-----------------------------|-------------------|--------|--|--|--------------|----------------------------|--------------|
| | Avg. Balance | Yield | | Yield | Avg. Balance | Annualized Total Return | Avg. Balance |
| July, 2022 | \$21,312.5 | 1.51% | 1.44% | \$5,093.1 | 22.65% | \$26,405.6 | 5.58% |
| August | \$20,538.0 | 1.82% | 1.79% | \$5,250.4 | -24.83% | \$25,788.4 | -3.61% |
| September | \$21,220.3 | 2.15% | 2.19% | \$5,116.6 | -36.19% | \$26,336.9 | -5.30% |
| October | \$21,727.7 | 2.58% | 2.62% | \$5,017.4 | -9.71% | \$26,745.1 | 0.27% |
| November | \$21,678.4 | 3.09% | 3.03% | \$5,061.1 | 31.22% | \$26,739.5 | 8.42% |
| December | \$21,255.9 | 3.38% | 3.40% | \$5,122.2 | -1.46% | \$26,378.1 | 2.44% |
| January, 2023 | \$22,486.1 | 3.65% | 3.71% | \$5,301.4 | 26.69% | \$27,787.5 | 8.04% |
| February | \$22,329.1 | 3.85% | 4.03% | \$5,448.8 | -20.61% | \$27,777.9 | -0.95% |
| March | \$21,589.7 | 3.91% | 4.26% | \$5,466.7 | 23.56% | \$27,056.4 | 7.88% |
| April | \$22,329.9 | 4.05% | 4.44% | \$5,536.2 | 7.21% | \$27,866.1 | 4.68% |
| May | \$23,778.7 | 4.24% | 4.62% | \$5,532.5 | -8.50% | \$29,311.2 | 1.84% |
| June | \$23,517.4 | 4.34% | 4.77% | \$5,501.9 | -4.57% | \$29,019.3 | 2.65% |
| Year-to-Date Average | \$21,980.3 | 3.24 % | 3.36% | \$5,287.4 | 0.62% | \$27,267.7 | 2.73% |

▪ 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 2023**

| Month | Beginning Balance | Deposits | Withdrawals | Interest Allocated (A) | Ending Balance |
|------------------|--------------------------|---------------------|--------------------|-------------------------------|-----------------------|
| July | \$640,922,940 | \$0 | \$0 | \$0 | \$640,922,940 |
| August | \$640,922,940 | \$0 | \$0 | \$0 | \$640,922,940 |
| September | \$640,922,940 | \$0 | \$0 | \$0 | \$640,922,940 |
| October | \$640,922,940 | \$0 | \$0 | \$1,549,154 | \$642,472,094 |
| November | \$642,472,094 | \$0 | \$0 | \$0 | \$642,472,094 |
| December | \$642,472,094 | \$0 | \$0 | \$0 | \$642,472,094 |
| January | \$642,472,094 | \$0 | \$0 | \$2,235,014 | \$644,707,108 |
| February | \$644,707,108 | \$0 | \$0 | \$0 | \$644,707,108 |
| March | \$644,707,108 | \$0 | \$0 | \$0 | \$644,707,108 |
| April | \$644,707,108 | \$0 | \$0 | \$3,834,320 | \$648,541,428 |
| May | \$648,541,428 | \$0 | \$0 | \$0 | \$648,541,428 |
| June | \$648,541,428 | \$1,127,733,028 (B) | \$0 | \$5,730,236 | \$1,782,004,692 |

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

(B) A deposit of \$1,127,733,028 was made as required by Item 267 B of Chapter 769, 2023 Virginia Acts of Assembly.

FY 2024 Estimate
Per Chapter 769

**Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)**

| Revenue | (1) | (2) | July | | | Year-To-Date | | | (9) |
|--|------------------|------------------------|-------------|-------------|----------|--------------|-------------|----------|----------------------------|
| | FY 2024 Estimate | As a % of Gen Fund Rev | FY 2024 | FY 2023 | % Change | FY 2024 | FY 2023 | % Change | % Annual Growth Req By Est |
| Individual Income Tax: | | | | | | | | | |
| Withholding | \$15,790,300 | 57.87 | \$1,233,585 | \$1,244,572 | (0.9) | \$1,233,585 | \$1,244,572 | (0.9) | (1.0) |
| Tax Dues/Estimated Payments | 5,578,300 | 20.44 | 103,018 | 99,216 | 3.8 | 103,018 | 99,216 | 3.8 | (15.9) |
| Gross Individual Income Tax | \$21,368,600 | 78.31 | \$1,336,603 | \$1,343,788 | (0.5) | \$1,336,603 | \$1,343,788 | (0.5) | (5.4) |
| Individual and Fiduciary Income (Refunds) | (2,287,700) | (8.38) | (166,691) | (51,754) | 222.1 | (166,691) | (51,754) | 222.1 | (36.5) |
| Net Individual Income Tax | \$19,080,900 | 69.93 | \$1,169,912 | \$1,292,034 | (9.5) | \$1,169,912 | \$1,292,034 | (9.5) | 0.5 |
| Sales and Use Tax | \$4,472,700 | 16.39 | \$402,822 | \$358,757 | 12.3 | \$402,822 | \$358,757 | 12.3 | (5.5) |
| Corporations Income Tax | 1,790,300 | 6.56 | 86,913 | 49,694 | 74.9 | 86,913 | 49,694 | 74.9 | (11.9) |
| Wills, Suits, Deeds, Contracts | 593,700 | 2.18 | 35,854 | 50,345 | (28.8) | 35,854 | 50,345 | (28.8) | 37.9 |
| Insurance Premiums | 425,300 | 1.56 | 0 | 0 | - | 0 | 0 | - | (5.7) |
| Interest Income (a) | 110,000 | 0.40 | 127,879 | 22,734 | 462.5 | 127,879 | 22,734 | 462.5 | (69.9) |
| Alcoholic Beverage Sales (b) | 311,200 | 1.14 | 651 | 614 | 6.0 | 651 | 614 | 6.0 | 1.2 |
| All Other Revenues | 502,300 | 1.84 | 31,645 | 30,870 | 2.5 | 31,645 | 30,870 | 2.5 | (17.2) |
| Total General Fund Revenues | \$27,286,400 | 100.00 | \$1,855,676 | \$1,805,048 | 2.8 | \$1,855,676 | \$1,805,048 | 2.8 | (2.2) |

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.

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)

| Revenue | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---------------------|------------------------------------|--------------------|--------------------|--------------|-------------------------|-------------------------|--------------|----------------------------------|
| | FY 2024 Estimate | As a % of Total Gen Fund Rev | July FY 2024 | July FY 2023 | % Change | Year-To-Date FY 2024 | Year-To-Date FY 2023 | % Change | % Annual Growth Req By Est |
| Taxes: | | | | | | | | | |
| Individual Income Tax - Withholding | \$15,790,300 | 57.87 | \$1,233,585 | \$1,244,572 | (0.9) | \$1,233,585 | \$1,244,572 | (0.9) | (1.0) |
| Tax Dues/Estimated Payments | 5,578,300 | 20.44 | 103,018 | 99,216 | 3.8 | 103,018 | 99,216 | 3.8 | (15.9) |
| Gross Individual Income Tax | \$21,368,600 | 78.31 | \$1,336,603 | \$1,343,788 | (0.5) | \$1,336,603 | \$1,343,788 | (0.5) | (5.4) |
| Individ and Fiduc Income (Refunds) | (2,287,700) | (8.38) | (166,691) | (51,754) | 222.1 | (166,691) | (51,754) | 222.1 | (36.5) |
| Net Individual Income Tax | \$19,080,900 | 69.93 | \$1,169,912 | \$1,292,034 | (9.5) | \$1,169,912 | \$1,292,034 | (9.5) | 0.5 |
| Sales and Use Tax | 4,472,700 | 16.39 | 402,822 | 358,757 | 12.3 | 402,822 | 358,757 | 12.3 | (5.5) |
| Corporations Income | 1,790,300 | 6.56 | 86,913 | 49,694 | 74.9 | 86,913 | 49,694 | 74.9 | (11.9) |
| Public Service Corporations | 103,500 | 0.38 | 6,846 | 7,406 | (7.6) | 6,846 | 7,406 | (7.6) | (0.9) |
| Insurance Premiums | 425,300 | 1.56 | 0 | 0 | - | 0 | 0 | - | (5.7) |
| Alcoholic Beverage Excise | 269,200 | 0.99 | 223 | 0 | - | 223 | 0 | - | 0.1 |
| Beer and Beverage Excise | 42,000 | 0.15 | 428 | 614 | (30.3) | 428 | 614 | (30.3) | 8.9 |
| Wills, Suits, Deeds, Contracts | 593,700 | 2.18 | 35,854 | 50,345 | (28.8) | 35,854 | 50,345 | (28.8) | 37.9 |
| Inheritance, Gift, and Estate | 0 | 0.00 | 0 | 0 | - | 0 | 0 | - | - |
| Bank Franchise | 26,800 | 0.10 | 421 | 96 | 338.5 | 421 | 96 | 338.5 | (14.6) |
| Other Taxes | 42,600 | 0.15 | 4,422 | 4,553 | (2.9) | 4,422 | 4,553 | (2.9) | (38.0) |
| Total Taxes | \$26,847,000 | 98.39 | \$1,707,841 | \$1,763,499 | (3.2) | \$1,707,841 | \$1,763,499 | (3.2) | (1.1) |
| Rights and Privileges: | | | | | | | | | |
| Licenses and Permits | \$2,900 | 0.01 | \$177 | \$182 | (2.7) | \$177 | \$182 | (2.7) | (23.4) |
| Corp. Franchise and Charters | 62,300 | 0.23 | 545 | 656 | (16.9) | 545 | 656 | (16.9) | (25.1) |
| Fees for Misc. Privileges & Services | 13,900 | 0.05 | 278 | 242 | 14.9 | 278 | 242 | 14.9 | (26.3) |
| Total Rights and Privileges | \$79,100 | 0.29 | \$1,000 | \$1,080 | (7.4) | \$1,000 | \$1,080 | (7.4) | (25.3) |
| Other Revenues: | | | | | | | | | |
| Sales of Property & Commodities | \$0 | 0.00 | \$0 | \$0 | - | \$0 | \$0 | - | (100.0) |
| Assessmts & Rcpts for Support of Special Svcs | 400 | 0.00 | 5 | 20 | (75.0) | 5 | 20 | (75.0) | 49.8 |
| Institutional Revenue | 2,200 | 0.01 | 194 | 182 | 6.6 | 194 | 182 | 6.6 | (33.8) |
| Interest (a) | 110,000 | 0.40 | 127,879 | 22,734 | 462.5 | 127,879 | 22,734 | 462.5 | (69.9) |
| Dividends and Rent | 200 | 0.00 | 13 | 16 | (18.8) | 13 | 16 | (18.8) | 33.3 |
| Fines, Forfeitures & Fees | 232,700 | 0.85 | 17,218 | 17,167 | 0.3 | 17,218 | 17,167 | 0.3 | (10.6) |
| Other Revenue | 18,100 | 0.07 | 1,545 | 925 | 67.0 | 1,545 | 925 | 67.0 | (19.8) |
| Excess Fees | (9,300) | (0.03) | (361) | (803) | 55.0 | (361) | (803) | 55.0 | (68.2) |
| Private Donations, Gifts & Cont. | 0 | 0.00 | 2 | 0 | - | 2 | 0 | - | (100.0) |
| Cities, Counties, and Towns | 6,000 | 0.02 | 340 | 228 | 49.1 | 340 | 228 | 49.1 | 30.8 |
| Total Other Revenues | \$360,300 | 1.32 | \$146,835 | \$40,469 | 262.8 | \$146,835 | \$40,469 | 262.8 | (45.5) |
| Total General Fund Revenues | \$27,286,400 | 100.00 | \$1,855,676 | \$1,805,048 | 2.8 | \$1,855,676 | \$1,805,048 | 2.8 | (2.2) |

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 2023 and 2024
(Dollars in Thousands)**

| | FY 2024 Estimate | (b) | July | | Year-To-Date | | | % Annual Growth Required By Estimate | | | | | | |
|-------------------------------------|-----------------------------|------------|------------------|------------|---------------------|---------------------|----------------|---|------------|------------------|---------------------|-------------|--|---------------|
| | | | FY 2024 | (c) | FY 2023 | % Change | FY 2024 | | (c) | FY 2023 | % Change | (d) | | |
| Lottery Collections (a) | | | | | | | | | | | | | | |
| Total Lottery Sales | \$3,796,284 | | \$442,555 | | \$365,312 | | 21.1 | \$442,555 | | \$365,312 | | 21.1 | | (17.7) |
| Other Income | 1,750 | | 306 | | 87 | | 251.7 | 306 | | 87 | | 251.7 | | (56.2) |
| Total Income | <u>\$3,798,034</u> | | <u>\$442,861</u> | | <u>\$365,399</u> | | <u>21.2</u> | <u>\$442,861</u> | | <u>\$365,399</u> | | <u>21.2</u> | | <u>(17.7)</u> |
| Less: | | | | | | | | | | | | | | |
| Prize Expenses | \$2,692,275 | | \$326,133 | | \$253,744 | | 28.5 | \$326,133 | | \$253,744 | | 28.5 | | (21.2) |
| Retailer Commissions | 153,765 | | 11,549 | | 12,118 | | (4.7) | 11,549 | | 12,118 | | (4.7) | | 12.0 |
| Operating Expenses | 187,322 | | 16,258 | | 14,952 | | 8.7 | 16,258 | | 14,952 | | 8.7 | | (3.8) |
| Total Expenses | <u>\$3,033,362</u> | | <u>\$353,940</u> | | <u>\$280,814</u> | | <u>26.0</u> | <u>\$353,940</u> | | <u>\$280,814</u> | | <u>26.0</u> | | <u>(19.1)</u> |
| Net Proceeds from Operations | | | | | | | | | | | | | | |
| Net Lottery Ticket Profits | \$764,672 | | \$88,921 | | \$84,585 | | 5.1 | \$88,921 | | \$84,585 | | 5.1 | | (11.8) |
| Prior Year Residual Profit Transfer | 0 | | 0 | | 0 | | - | 0 | | 0 | | - | | - |
| Available to Lottery Proceeds Fund | <u>\$764,672</u> | | <u>\$88,921</u> | | <u>\$84,585</u> | | <u>5.1</u> | <u>\$88,921</u> | | <u>\$84,585</u> | | <u>5.1</u> | | <u>(12.2)</u> |

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 769, 2023 Reconvened Session Virginia Acts of Assembly. The Prior Year Residual Profit Transfer will be reflected after the final APA audit is complete and the transfer is made in August. The FY 2024 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2024 sales and profits, as well as the residual transfer from FY 2023.
- (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 2023 and 2024
(Dollars in Thousands)

| Revenue | FY 2024 Estimate | As a % of Total Fund | July | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|--|---------------------|----------------------------|------------------|------------------|-------------|------------------|------------------|-------------|---|
| | | | FY 2024 | FY 2023 | % Change | FY 2024 | FY 2023 | % Change | |
| Motor Fuel Taxes | \$1,452,200 | 18.83 | \$106,335 | \$123,370 | (13.8) | \$106,335 | \$123,370 | (13.8) | (1.4) |
| Insurance Premiums Tax | 217,791 | 2.82 | 14,651 | 13,419 | 9.2 | 14,651 | 13,419 | 9.2 | 7.6 |
| Motor Vehicle Sales and Use Tax | 1,163,000 | 15.08 | 111,050 | 108,658 | 2.2 | 111,050 | 108,658 | 2.2 | (7.9) |
| State Sales and Use Tax | 1,313,900 | 17.05 | 117,275 | 108,412 | 8.2 | 117,275 | 108,412 | 8.2 | (7.3) |
| Motor Vehicle License Fees | 240,300 | 3.12 | 21,924 | 25,435 | (13.8) | 21,924 | 25,435 | (13.8) | 22.3 |
| Highway Use Fee | 62,700 | 0.81 | 5,881 | 5,805 | 1.3 | 5,881 | 5,805 | 1.3 | 7.3 |
| International Registration Plan | 122,600 | 1.59 | 14,274 | 4,624 | 208.7 | 14,274 | 4,624 | 208.7 | 6.5 |
| Recordation Tax | 81,000 | 1.05 | 4,373 | 6,120 | (28.5) | 4,373 | 6,120 | (28.5) | 53.9 |
| Interest Earnings | 5,700 | 0.07 | 0 | 0 | - | 0 | 0 | - | (73.1) |
| Misc. Taxes, Fees, and Revenues | 17,200 | 0.22 | 1,486 | 1,427 | 4.1 | 1,486 | 1,427 | 4.1 | (13.1) |
| Total State Taxes and Fees | <u>\$4,676,391</u> | <u>60.64</u> | <u>\$397,249</u> | <u>\$397,270</u> | <u>0.0</u> | <u>\$397,249</u> | <u>\$397,270</u> | <u>0.0</u> | <u>(2.9)</u> |

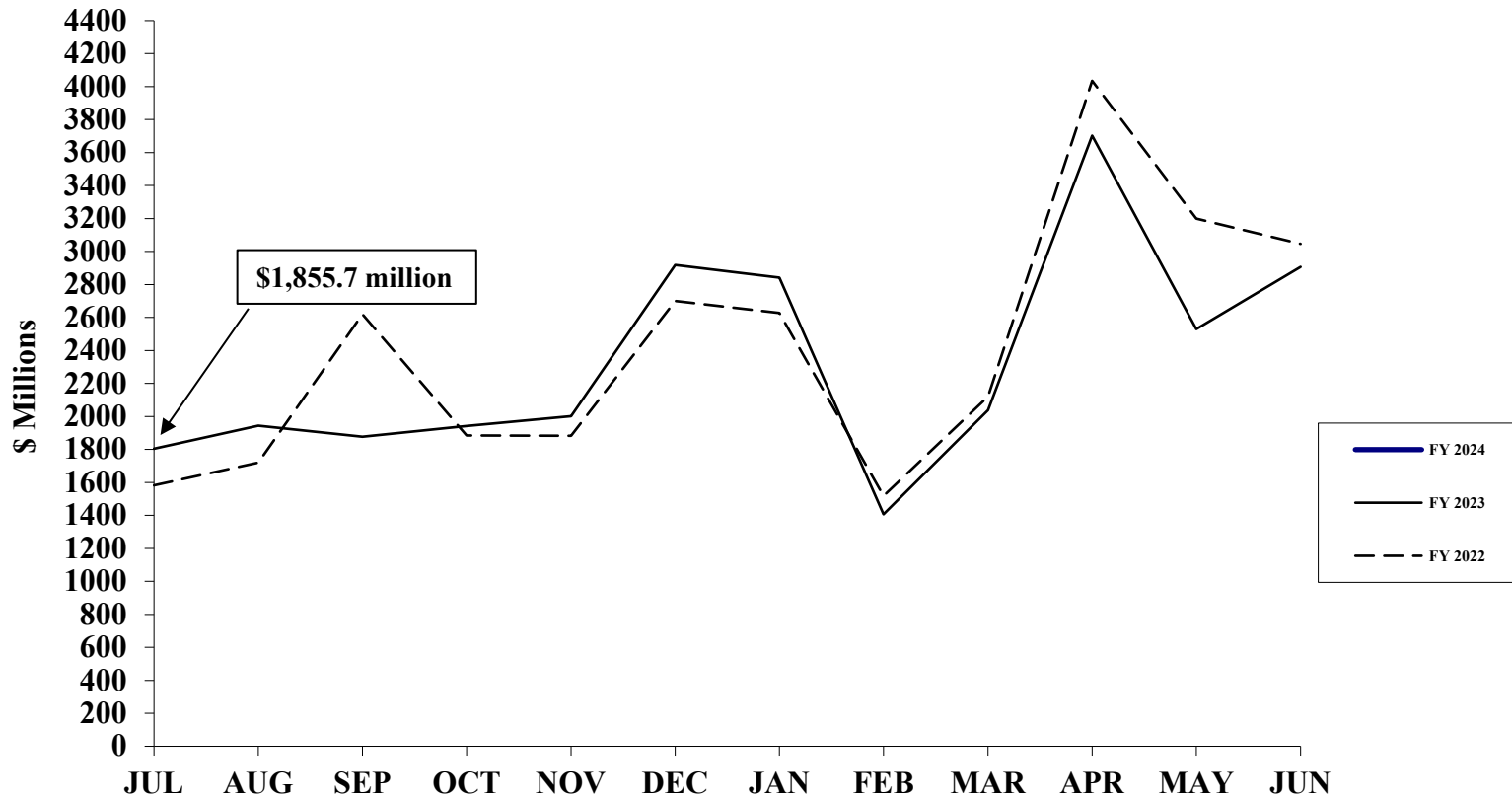
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2023 and 2024
(Dollars in Thousands)**

| Revenue | FY 2024 Estimate | As a % of Total Fund | July | | | Year-To-Date | | | % Annual Growth Required By Est |
|--|--------------------|----------------------|------------------|------------------|--------------|------------------|------------------|--------------|---------------------------------|
| | | | FY 2024 | FY 2023 | % Change | FY 2024 | FY 2023 | % Change | |
| COMMONWEALTH TRANSPORTATION FUND | | | | | | | | | |
| Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes) | \$1,452,200 | 18.83 | \$106,335 | \$123,370 | (13.8) | \$106,335 | \$123,370 | (13.8) | (1.4) |
| Motor Vehicle Sales and Use Tax (Includes Rental Tax) | 1,163,000 | 15.08 | 111,050 | 108,658 | 2.2 | 111,050 | 108,658 | 2.2 | (7.9) |
| State Sales and Use Tax | 1,313,900 | 17.05 | 117,275 | 108,412 | 8.2 | 117,275 | 108,412 | 8.2 | (7.3) |
| Motor Vehicle License Fees | 240,300 | 3.12 | 21,924 | 25,435 | (13.8) | 21,924 | 25,435 | (13.8) | 22.3 |
| Highway Use Fee | 62,700 | 0.81 | 5,881 | 5,805 | 1.3 | 5,881 | 5,805 | 1.3 | 7.3 |
| International Registration Plan | 122,600 | 1.59 | 14,274 | 4,624 | 208.7 | 14,274 | 4,624 | 208.7 | 6.5 |
| Insurance Premiums Tax | 217,791 | 2.82 | 14,651 | 13,419 | 9.2 | 14,651 | 13,419 | 9.2 | 7.6 |
| Recordation Tax | 81,000 | 1.05 | 4,373 | 6,120 | (28.5) | 4,373 | 6,120 | (28.5) | 53.9 |
| Total Commonwealth Transportation Fund | \$4,653,491 | 60.35 | \$395,763 | \$395,843 | 0.0 | \$395,763 | \$395,843 | 0.0 | (2.6) |
| HIGHWAY MAINTENANCE AND OPERATING FUND | | | | | | | | | |
| Misc. Taxes, Fees, and Revenues | \$17,200 | 0.22 | \$1,486 | \$1,427 | 4.1 | \$1,486 | \$1,427 | 4.1 | (13.1) |
| Other Miscellaneous Revenues | 271,103 | 3.52 | 108,880 | 2,261 | # | 108,880 | 2,261 | # | (53.2) |
| Federal Grants and Contracts | 0 | 0.00 | 2,629 | 512 | 413.5 | 2,629 | 512 | 413.5 | (100.0) |
| Transfer (to) / from Transportation Trust Fund | 363,025 | 4.71 | 0 | 0 | - | 0 | 0 | - | 419.0 |
| Total Highway Maintenance and Operating Fund | \$651,328 | 8.45 | \$112,995 | \$4,200 | # | \$112,995 | \$4,200 | # | (6.2) |
| TRANSPORTATION TRUST FUND | | | | | | | | | |
| Interest Earnings | \$5,700 | 0.07 | \$0 | \$0 | - | \$0 | \$0 | - | (73.1) |
| Federal Grants and Contracts | 1,577,002 | 20.45 | 171,373 | 49,737 | 244.6 | 171,373 | 49,737 | 244.6 | 6.0 |
| Receipts from Cities/Counties | 784,754 | 10.18 | 52,524 | 39,460 | 33.1 | 52,524 | 39,460 | 33.1 | 69.0 |
| Toll Revenues | 82,294 | 1.07 | 3,152 | 2,174 | 45.0 | 3,152 | 2,174 | 45.0 | 40.4 |
| Miscellaneous Revenues | 319,225 | 4.14 | 17,052 | 17,560 | (2.9) | 17,052 | 17,560 | (2.9) | 19.0 |
| Transfer (to) / from Highway Maintenance and Operating Fund | (363,025) | (4.71) | 0 | 0 | - | 0 | 0 | - | (419.0) |
| Total Transportation Trust Fund | \$2,405,950 | 31.20 | \$244,101 | \$108,931 | 124.1 | \$244,101 | \$108,931 | 124.1 | 7.9 |
| TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND | | | | | | | | | |
| | \$7,710,769 | 100.00 | \$752,859 | \$508,974 | 47.9 | \$752,859 | \$508,974 | 47.9 | 0.1 |

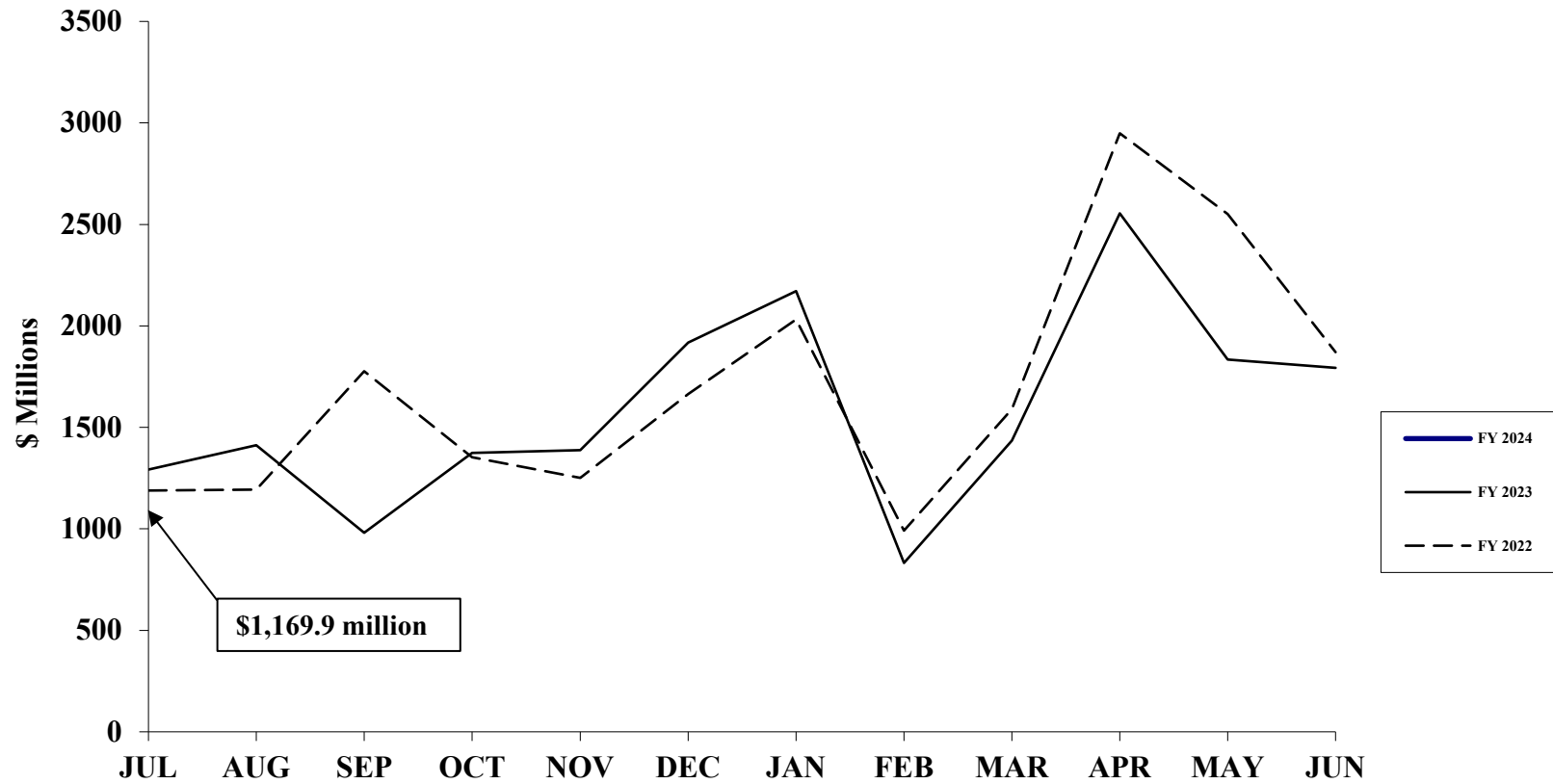
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



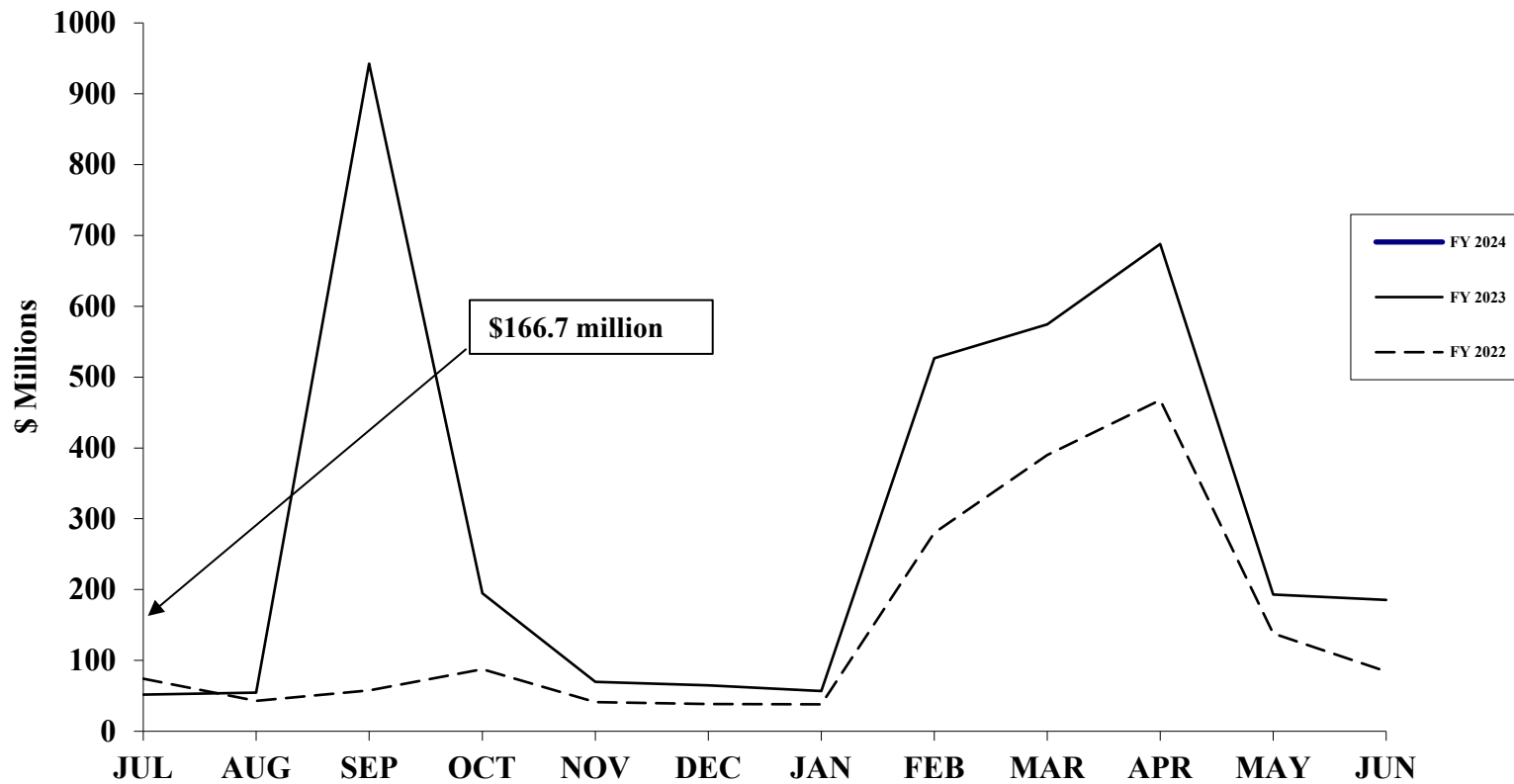
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million
FY 2024 Estimate = \$27,286.4 Million

Net Individual Income Tax



FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million
FY 2024 Estimate = \$19,080.9 Million

Individual and Fiduciary Income Tax Refunds



FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 Million
FY 2024 Estimate = \$2,287.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2024
 (Dollars in Millions)

| MONTH | PRIMARY LIQUIDITY | | 9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹ | EXTERNAL MANAGEMENT EXTENDED DURATION | | COMPOSITE | |
|-----------------------------|-------------------|--------|--|--|----------------------------|--------------|-------|
| | Avg. Balance | Yield | Yield | Avg. Balance | Annualized Total Return | Avg. Balance | Rate |
| July, 2023 | \$23,322.6 | 4.42% | 4.88% | \$5,497.6 | 2.74% | \$28,820.2 | 4.10% |
| August | | | | | | | |
| September | | | | | | | |
| October | | | | | | | |
| November | | | | | | | |
| December | | | | | | | |
| January, 2024 | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year-to-Date Average | \$23,322.6 | 4.42 % | 4.88% | \$5,497.6 | 2.74% | \$28,820.2 | 4.10% |

▪ 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 2024**

| <u>Month</u> | <u>Beginning Balance</u> | <u>Deposits</u> | <u>Withdrawals</u> | <u>Interest Allocated (A)</u> | <u>Ending Balance</u> |
|--------------|--------------------------|-----------------|--------------------|-------------------------------|-----------------------|
| July | \$1,782,004,692 | \$0 | \$0 | \$0 | \$1,782,004,692 |
| August | | | | | |
| September | | | | | |
| October | | | | | |
| November | | | | | |
| December | | | | | |
| January | | | | | |
| February | | | | | |
| March | | | | | |
| April | | | | | |
| May | | | | | |
| June | | | | | |

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