



REVIEW OF FISCAL YEAR 2024 REVENUES AND THE FISCAL CONDITION OF THE COMMONWEALTH

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

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TOPICS FOR DISCUSSION

FISCAL YEAR 2024 IN REVIEW

FISCAL CONDITION OF THE COMMONWEALTH

LOOKING AHEAD

FISCAL YEAR 2024 IN REVIEW

- FY 2024 general fund revenues were \$1.5 billion higher (5.5%) than FY 2023.
- Payroll withholding accounted for one-half (\$761 million) of the year-over-year increase and grew 4.8 percent over FY 2023.
- Lower individual income tax refunds added \$631 million to the year-over-year increase in net collections. Refunds were lower in FY 2024 due to policy actions: FY 2023 refunds included \$1.05 billion in tax rebates whereas the FY 2024 tax rebate of \$906.8 million is reflected in general fund transfers.
- Corporate income tax, nonwithholding, sales and use tax, and recordation tax collections were all lower year-over-year, but were offset by increases in other revenue sources, mainly interest income.
- Revenues exceeded the December forecast by \$1.72 billion and surpassed the revised forecast assumed in the amended FY 2024 budget (Ch 1) by \$1.17 billion.
- Nonwithholding and refunds accounted for 94 percent (\$1.1 billion) of unplanned revenues, while other revenue sources combined were within 3 percent of the forecast.
- Adjusting for the effects of PTET-related refunds and the timing of enacted policy actions, revenue collections were up 8.5 percent over FY 2023. Adjusted nonwithholding and refunds accounted for \$890 million of the year-over-year increase in adjusted revenues. Excluding nonwithholding and refunds, adjusted revenues grew 6.3 percent.

FISCAL YEAR 2024 GENERAL FUND REVENUES EXCEEDED THE DECEMBER FORECAST BY \$1.72 BILLION

Source, \$ Mil	Actuals				December Forecast		
	FY 2023	FY 2024	Change	% Change	HB 29 Fcst	% Change	Variance
Individual Income Tax	\$18,983.6	\$20,310.4	\$1,326.9	7.0%	\$18,516.1	-2.5%	\$1,794.3
Withholding	15,957.2	16,718.2	761.1	4.8%	16,038.5	0.5%	679.7
Nonwithholding	6,629.2	6,563.7	(65.5)	-1.0%	5,813.8	-12.3%	749.9
Refunds	(3,602.8)	(2,971.5)	631.3	-17.5%	(3,336.2)	-7.4%	364.7
Sales and Use Tax	4,734.5	4,709.7	(24.9)	-0.5%	4,515.8	-4.6%	193.9
Corporate Income Tax	2,031.1	1,907.1	(124.1)	-6.1%	2,213.5	9.0%	(306.4)
All Other	2,160.7	2,521.1	360.4	16.7%	2,487.3	15.1%	33.8
Total GF Revenues	\$27,909.9	\$29,448.2	\$1,538.3	5.5%	\$27,732.7	-0.6%	\$1,715.5
<i>Total, Excl. Nonwithholding & Refunds</i>	<i>\$24,883.5</i>	<i>\$25,856.0</i>	<i>\$972.5</i>	<i>3.9%</i>	<i>\$25,255.1</i>	<i>1.5%</i>	<i>\$600.9</i>
Transfers	\$815.6	\$12.8	(\$802.8)	-98%	(\$50.4)	-106%	\$63.2
Total General Fund	\$28,725.5	\$29,461.0	\$735.4	2.6%	\$27,682.3	-3.6%	\$1,778.7

- December forecast assumed a mild recession would result in GF revenues declining by 0.6 percent and payroll withholding collections growing by 0.5 percent. Sustained job growth resulted in withholding growth of 4.8 percent, a variance of \$679.7 million compared to the original forecast.
- Corporate income tax collections surprised to the downside as above-trend growth in corporate profits began to slow in FY 2024. Additionally, a backlog of corporate refunds had accumulated from prior years. This backlog was cleared this fiscal year resulting in large outflows which dragged down net corporate income tax revenues.

FISCAL YEAR 2024 GENERAL FUND REVENUES EXCEEDED THE REVISED FORECAST BY \$1.17 BILLION

Source, \$ Mil	Actuals				Official Forecast		
	FY 2023	FY 2024	Change	% Change	Ch. 1 Fcst	% Change	Variance
Individual Income Tax	\$18,983.6	\$20,310.4	\$1,326.9	7.0%	\$19,062.9	0.4%	\$1,247.5
Withholding	15,957.2	16,718.2	761.1	4.8%	16,563.5	3.8%	154.7
Nonwithholding	6,629.2	6,563.7	(65.5)	-1.0%	5,813.8	-12.3%	749.9
Refunds	(3,602.8)	(2,971.5)	631.3	-17.5%	(3,314.4)	-8.0%	342.9
Sales and Use Tax	4,734.5	4,709.7	(24.9)	-0.5%	4,515.8	-4.6%	193.9
Corporate Income Tax	2,031.1	1,907.1	(124.1)	-6.1%	2,213.5	9.0%	(306.4)
All Other	2,160.7	2,521.1	360.4	16.7%	2,487.3	15.1%	33.8
Total GF Revenues	\$27,909.9	\$29,448.2	\$1,538.3	5.5%	\$28,279.5	1.3%	\$1,168.7
<i>Total, Excl. Nonwithholding & Refunds</i>	<i>\$24,883.5</i>	<i>\$25,856.0</i>	<i>\$972.5</i>	<i>3.9%</i>	<i>\$25,780.1</i>	<i>3.6%</i>	<i>\$75.9</i>
Transfers	\$815.6	\$12.8	(\$802.8)	-98%	(\$24.6)	-103%	\$37.4
Total General Fund	\$28,725.5	\$29,461.0	\$735.4	2.6%	\$28,254.9	-1.6%	\$1,206.1

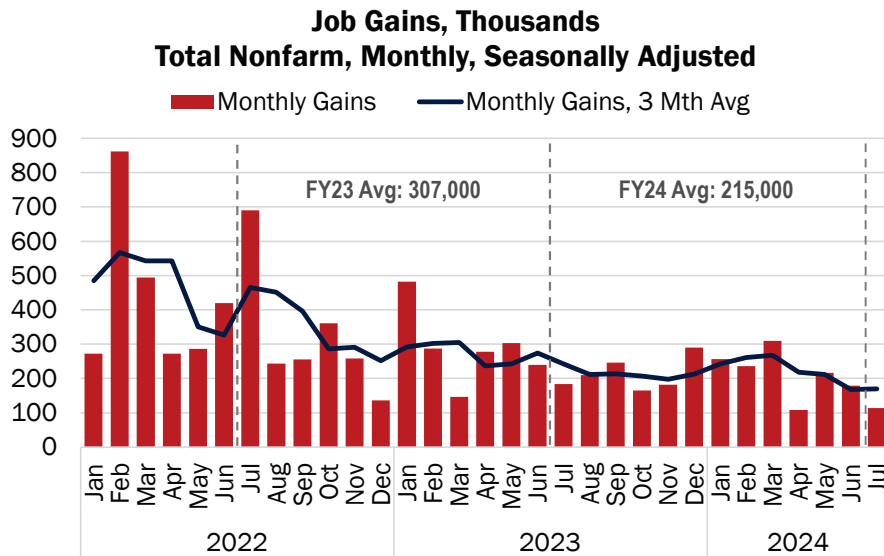
- In May, the General Assembly and Governor's Office recognized the overperformance and allocated an additional \$546.8 million in revenues for the fiscal year. After accounting for additional revenues, fiscal year 2024 still ended with a surplus of \$1,168.7 million. Including transfers, total general fund revenues exceeded the forecast by \$1,206.1 million.
- Nonwithholding and refunds were impacted by PTET activity and better than projected market returns. Excluding nonwithholding and refunds, revenues were \$75.9 million over forecast.

WITH RECESSION CONCERNS UNREALIZED, ECONOMIC GROWTH IN FY 2024 EXCEEDED EXPECTATIONS

- In the fall of 2023, there was uncertainty regarding near-term economic growth as indicated by the Wall Street Journal Economic Forecasting Survey of economists, and a majority of GACRE participants, which indicated that a mild recession was more likely than not over the next twelve months. Therefore, a prudent outlook including the possibility of a recession was adopted.
- At the time, the U.S. economy was experiencing high inflation and interest rates, reduced credit access, a potential federal government shutdown, and rising geopolitical tensions. The recession in our forecast was projected to start in the second quarter of calendar year 2024 and last three quarters.
- Over the course of FY 2024, consumption and employment data remained stronger than forecast despite higher inflation and interest rates. Labor market and consumer spending data showed an economy that was slowing but not into recession.

(% change)	FY 2024 Forecast	FY 2024 Actual	Actual Minus Forecast
U.S. Real GDP	1.5	3.0	1.4
U.S. Real Consumer Spending	1.5	2.5	1.0
U.S. Employment Growth	(0.2)	1.9	2.1
Virginia Employment Growth	0.1	1.8	1.7

U.S. ECONOMY CONTINUED TO ADD JOBS IN FY 2024 BUT AT A SLOWER PACE THAN THE PREVIOUS FISCAL YEAR

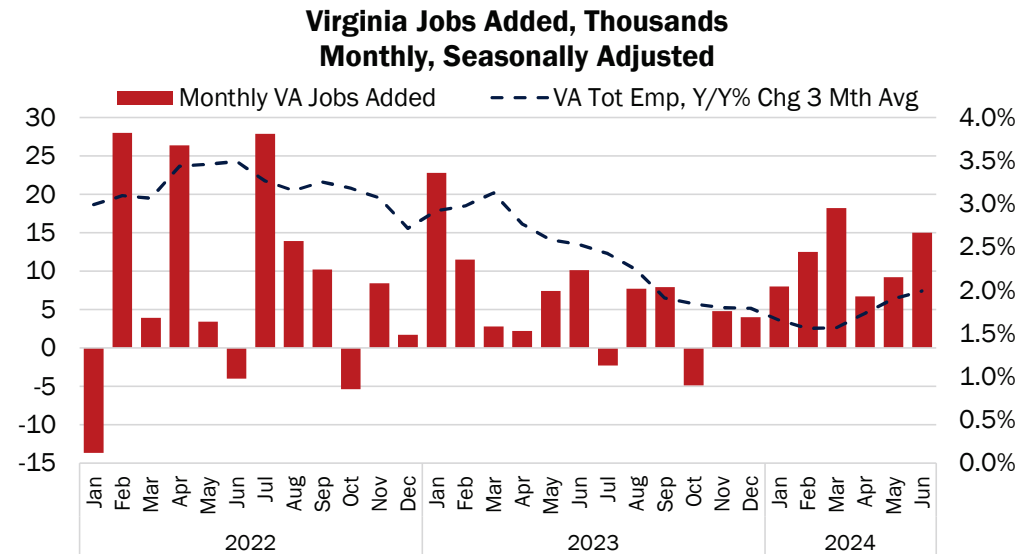


Source: US Bureau of Labor Statistics (BLS).

- Our outlook called for a year-over-year decline in U.S. employment of 0.2% in FY 2024 due to projected job losses in the fourth quarter of the fiscal year.
- The most recent employment report from the Bureau of Labor Statistics indicated that U.S. nonfarm payroll employment increased by 114,000 in July, below the average monthly gain of 215,000 over the prior 12 months.
- In addition, the change in employment for May was revised down by 2,000, from 218,000 to 216,000, and the change for June was revised down by 27,000, from 206,000 to 179,000.
- The unemployment rate rose to 4.3 percent in July.

WITH NO RECESSION IN FY 2024, VIRGINIA JOB GROWTH EXCEEDED EXPECTATIONS

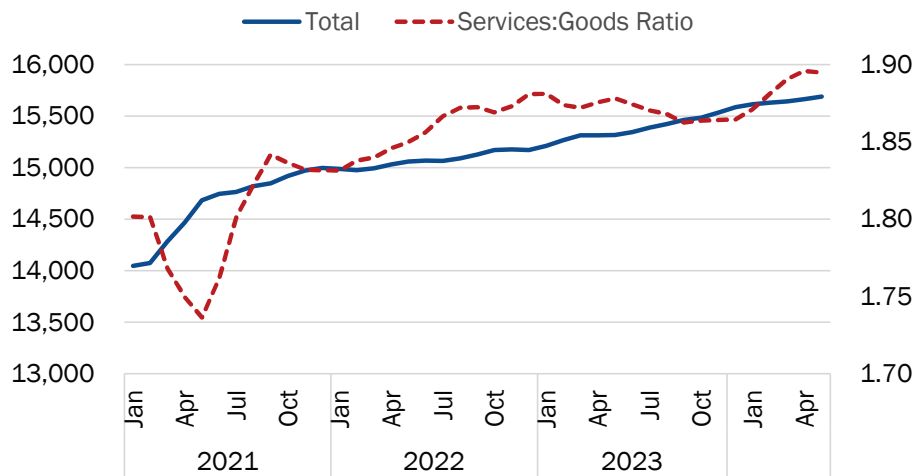
- Payroll employment growth surpassed expectations in FY 2024. The official forecast projected a 0.1% increase in total nonagricultural employment in Virginia, but actual growth was 1.8%.
- In June, Virginia’s nonagricultural employment, from the monthly establishment survey, increased by 15,000 to 4,260,900, a 2.1 percent year over year rise.
- Virginia’s seasonally adjusted unemployment rate in June was 2.7%, which is 0.1 percentage points above the rate from a year ago.



Source: Current Population Survey, US Bureau of Labor Statistics.

CONSUMERS CONTINUED TO SPEND

**Real Personal Consumption Expenditures, Billions
Services to Goods Ratio**

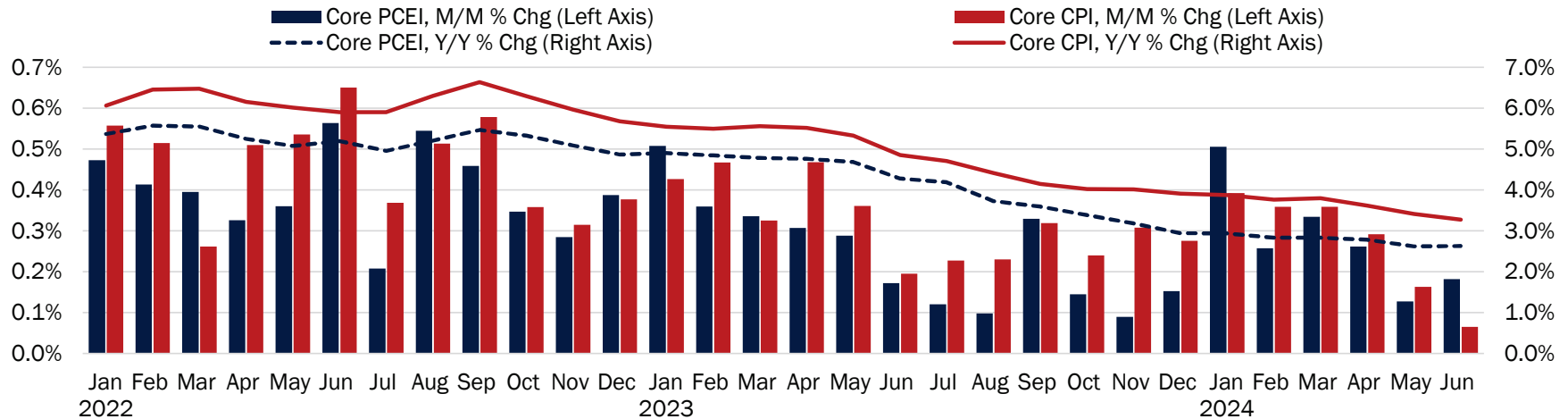


Source: Federal Reserve Bank of St. Louis.

- Growth in U.S. real consumer spending maintained a healthy trend throughout fiscal year 2024 and continued to drive economic growth despite high interest rates and still high inflation.
- For the fiscal year, real consumer spending grew at a 2.5% rate, higher than the 1.5% growth anticipated in our forecast.
- Spending has shifted back toward services as consumers adjust spending patterns following pandemic lockdowns.
- Looking forward, headwinds are expected to put downward pressure on consumer spending growth. The biggest of these are continuing inflation, and high interest rates that increase the cost of new debt and squeeze household budgets, particularly for those of lower incomes.

INFLATION MODERATED MORE SLOWLY THAN EXPECTED

Core Inflation: Consumer Price Index and Personal Consumption Expenditures Index, Excluding Food and Energy



Source: U.S. Bureau of Labor Statistics, Bureau of Economic Analysis.

- The gradual moderation in inflation stalled in late-2023 before resuming a slow downward path in recent months. Overall inflation improved, but the improvement was less than expected in our outlook for fiscal year 2024, contributing to the Fed’s “higher for longer” position.
- In June, the twelve-month change in “core” CPI, which excludes food and energy, fell from 3.4% to 3.3%.
- The twelve-month change in Core Personal Consumption Expenditure Price Index (Core PCE), the Federal Reserve’s preferred inflation measure, remained unchanged at 2.6 percent in June, still well above the Fed’s two-percent target.

EXCESS GENERAL FUND COLLECTIONS ARE SUFFICIENT TO MEET ALL IDENTIFIED INVESTMENT PRIORITIES

(\$ Millions)

General Fund Revenues, FY 2024 Actual	\$29,448.2
Less I-81 Improvement (Ch 1 487.50 C1 / Ch 2, 470 K1)	(175.0)
Less WQIF (Ch 1 487.50 C2 / Ch 2, 470 K2)	(400.0)
Net GF Revenues	\$28,873.2
Less Official Forecast (Ch 1)	(28,279.5)
Net GF Revenue Surplus	\$593.7
Less WQIF Part A Deposit	(59.4)
Less Revenue Reserve Fund Deposit	(288.7)
Less VMSDEP	(90.0)
Remaining Unrestricted and Uncommitted GF Revenue Surplus	\$155.6

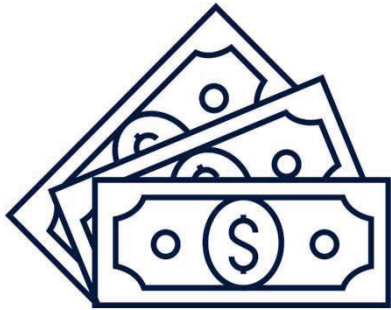
- After set-asides for contingent appropriations and mandatory commitments, the remaining unrestricted and uncommitted revenue surplus totals \$155.6 million.

SUMMARY OF PRELIMINARY FY 2024 GF BALANCE SHEET

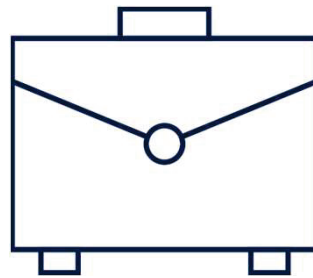
(\$ Thousands)

Assets Less Liabilities	15,561,899	
Restricted Fund Balance		
Revenue Stabilization Fund Ending Balance	2,767,048	
Lottery Proceeds Fund	24,304	
Water Supply Assistance Grant Fund	13,105	
Total Restricted Fund Balance	2,804,457	
Committed Fund Balance:		
Reappropriation of Capital Outlay	2,433,408	
Operating Mandatory Reappropriation	1,018,046	
I-81 Corridor Improvement Program	175,000	} ← \$575 million. Commitments required by Item 470, CH 2.
Water Quality Improvement Fund Matching Grants	400,000	
WQIF Ending Balance	763,711	
WQIF Part A Calculation	59,372	} ← \$93.7 million. WQIF deposits, parts A and B, based on FY 2024 revenues and balances.
WQIF Part B Calculation	34,315	
Revenue Reserve Fund Ending Balance	1,926,068	
Revenue Reserve Calculation	288,732	← \$288.7 million. Revenue Reserve Fund deposit based on FY 2024 revenues.
VMSDEP	90,000	← \$90 million. Commitment required by CH 3/CH 4 for VMSDEP.
Other Commitments	1,882,815	
Total Committed Fund Balance	9,071,466	
Assigned Fund Balance:		
Starting Balance Required by Chapter 2	2,989,627	
Discretionary GF Balances	308,838	
Amount to support additional Medicaid Contingency	88,500	← \$294.4 million. Additional assignments for anticipated needs.
Amount for Additional Taxpayer Relief and Other Budgetary Priorities	205,880	
Other Assignments	93,131	
Total Assigned	3,685,976	

THE COMMONWEALTH HAS NEVER BEEN IN A STRONGER POSITION



Historic Revenue Growth &
Unprecedented
Investments in Mutual
Priorities



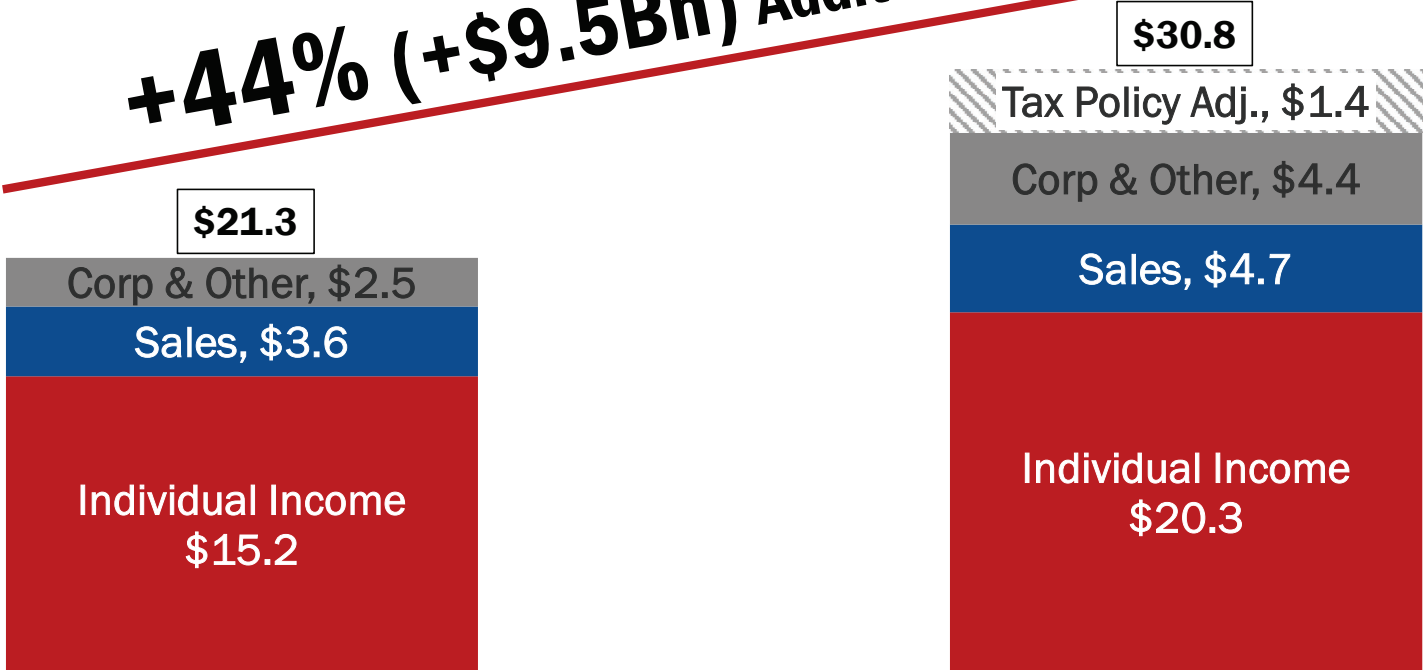
Record Job Growth &
Highest Number of
Virginians Working



AAA Rating,
Record Reserves &
Conservative Balance Sheet

UNPRECEDENTED REVENUE GROWTH SINCE FY 2019

+44% (+\$9.5Bn) Additional Resources



FY 2019

**GF dollars in billions (excluding transfers)*

FY 2024

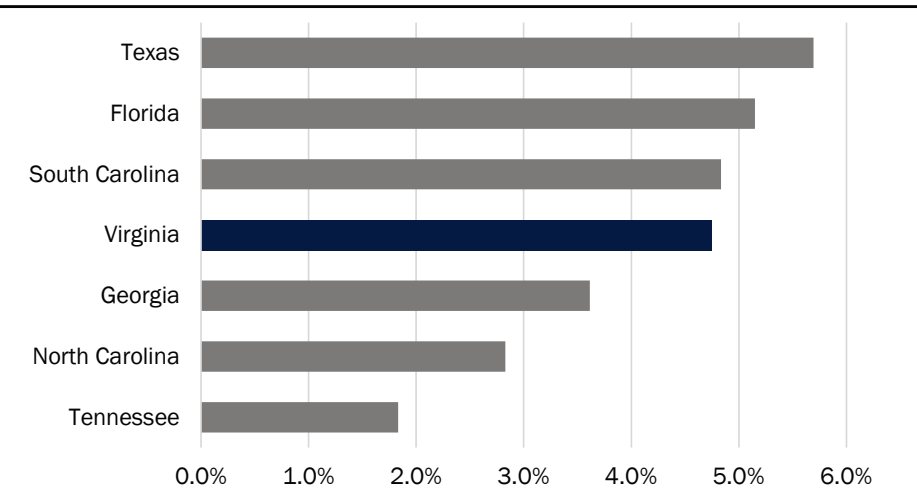
VIRGINIA JOB GROWTH:

From Bottom-Third in FY 2021 to Top-10 Since January 2022

Highest Employment in Virginia's History

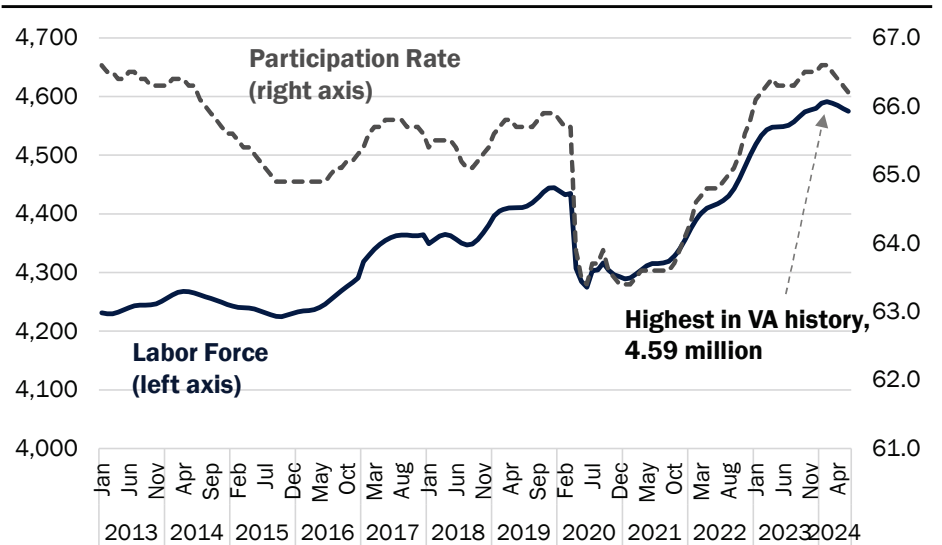
January 2022 to-date employment change

% Jan 2022 to June 2024, seasonally adjusted



Virginia Labor Force and Labor Participation Rate

Labor Force in thousands, Participation Rate in %, seasonally adjusted



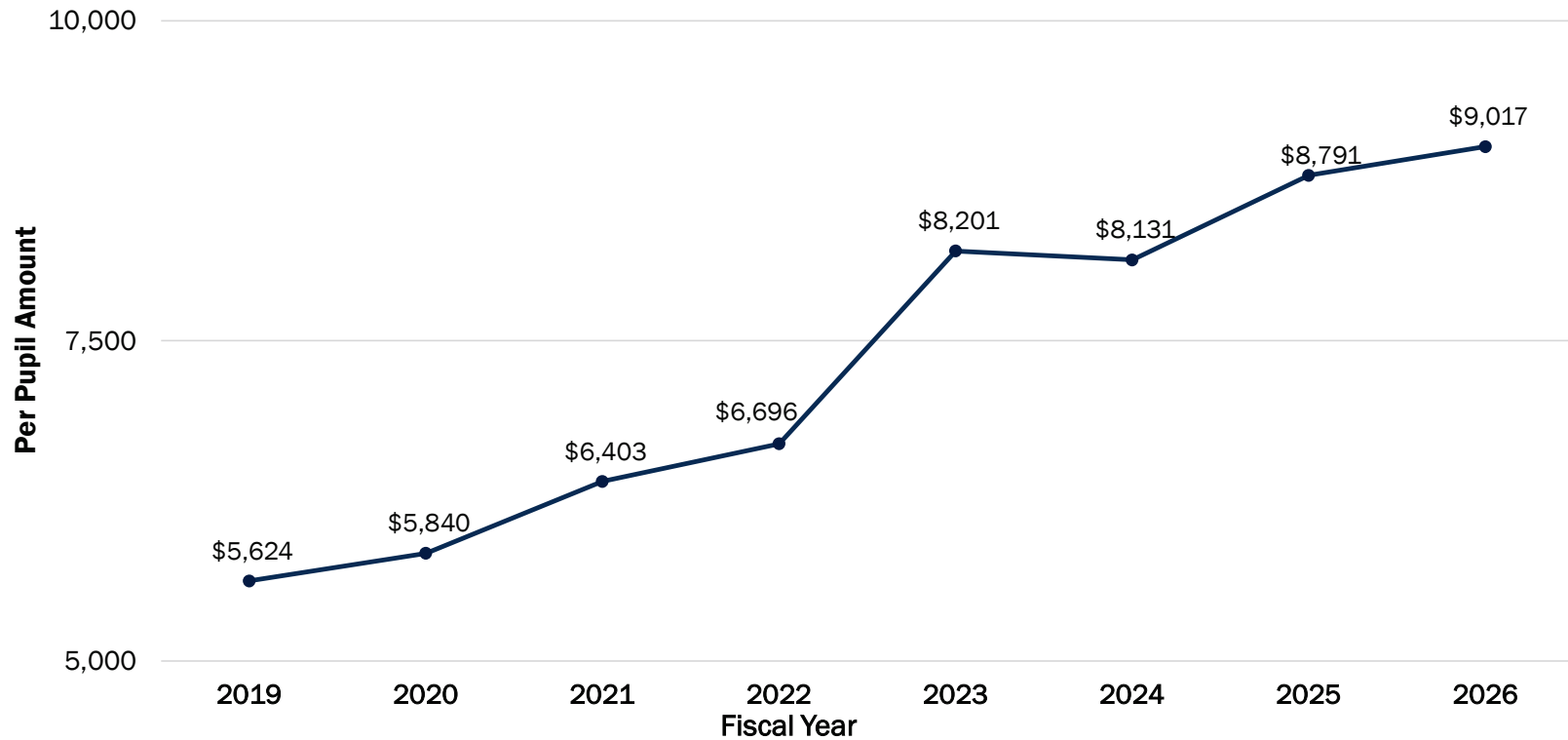
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (seasonally adjusted).

UNPRECEDENTED INVESTMENTS IN SHARED PRIORITIES: 48 PERCENT GROWTH (\$10.3 BN) SINCE FY 2019

GF Operating Appropriation Dollars in Millions

	FY 2019	FY 2025	FY 25 % of Total	FY 19 to 25 \$ Growth	FY 19 to 25 % Growth
K-12 Education	\$6,331.4	\$9,779.7	30.8%	\$3,448.2	54.5%
Medical Assistance Services	\$5,008.2	\$6,880.6	21.6%	\$1,872.5	37.4%
Higher Education	\$1,988.9	\$3,557.9	11.2%	\$1,569.1	78.9%
Behavioral Health/Dev Svcs	\$823.3	\$1,576.7	5.0%	\$753.4	91.5%
Corrections	\$1,202.4	\$1,503.7	4.7%	\$301.3	25.1%
Other Public Safety	\$809.0	\$1,144.8	3.6%	\$335.8	41.5%
Other Health and Human Resources	\$686.3	\$983.4	3.1%	\$297.2	43.3%
Agriculture, Forestry, and Natural Resources	\$216.1	\$701.9	2.2%	\$485.7	224.7%
Subtotal, Above Categories	\$17,065.6	\$26,128.7	82.2%	\$9,063.1	53.1%
<i>All Others</i>	\$4,377.4	\$5,656.0	17.8%	\$1,278.6	29.2%
Total GF Operating	\$21,443.0	\$31,784.7	100.0%	\$10,341.7	48.2%

K-12 PER PUPIL DIRECT AID APPROPRIATION HAS INCREASED BY ALMOST 60%

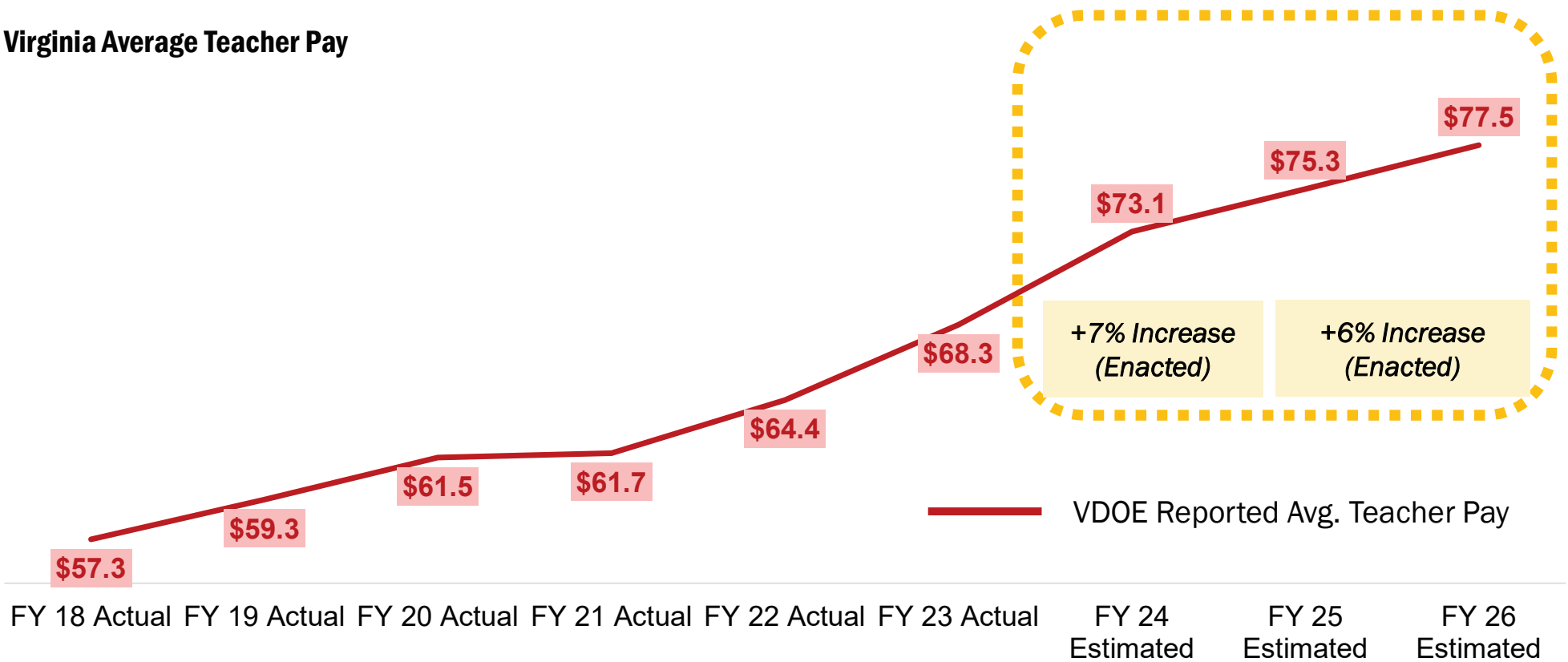


Includes state funding for Early Childhood Care and Education. Direct Aid to Public Education Appropriation per pupil general and State nongeneral funds.

ACCELERATED INVESTMENTS FOR TEACHERS

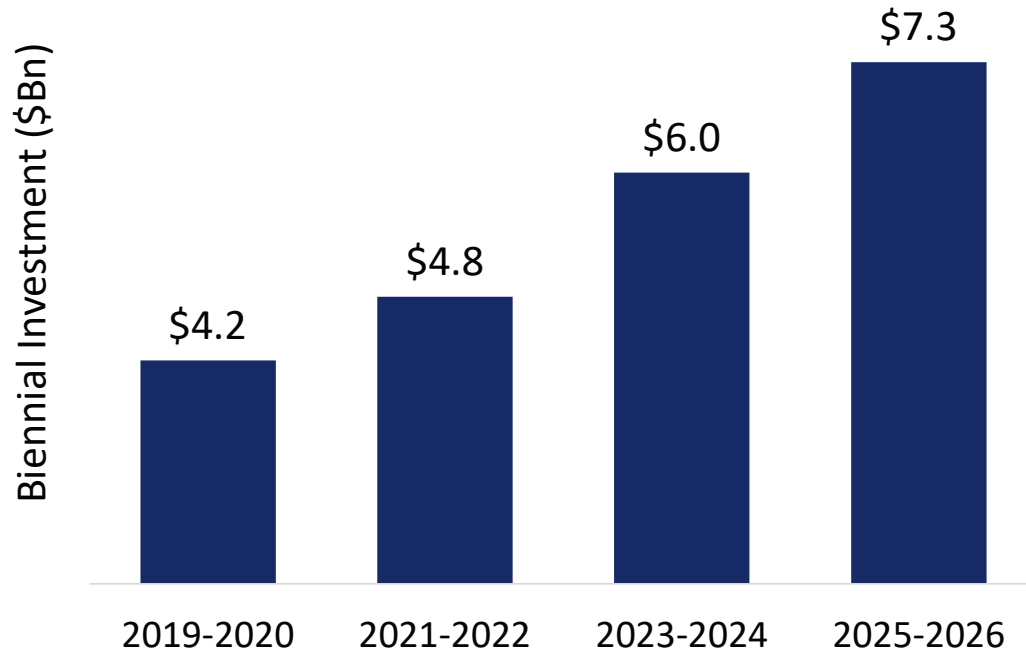
Recent State Investments Will Increase Teacher Compensation by 35%

Virginia Average Teacher Pay



\$3.1 BILLION IN ADDITIONAL HIGHER EDUCATION INVESTMENTS

State Operating Funds - Higher Education Biennial Investments



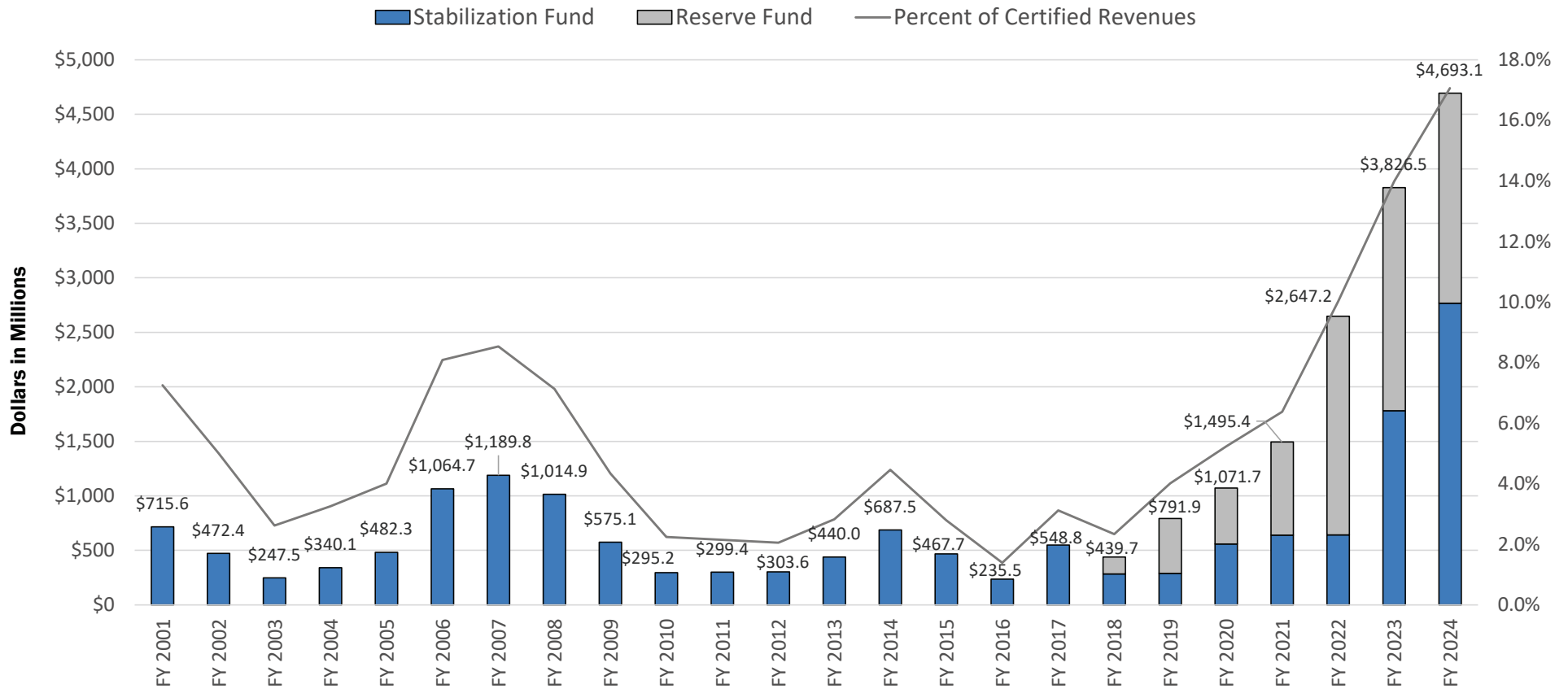
2025 - 2026 Priorities:

- ✓ +\$205M in tuition increase mitigation
- ✓ \$75M for low-income student recruitment and retention (PELL)
- ✓ +\$42M in undergraduate and graduate financial aid
- ✓ +\$130M tuition waiver cost offsets & stipends for Veterans and their families
- ✓ Increases to Tuition Assistance Grant (TAG)

LONG TERM ECONOMIC DEVELOPMENT TRANSFORMED THROUGH INVESTMENTS IN INFRASTRUCTURE AND BUSINESS READY SITES

Name	FY22	FY23	FY24	FY25	FY26	Interest	Total
Virginia Business Ready Sites Program (VBRSP)	\$5.6	\$109.0	\$125.0	\$20.0	\$20.0	\$4.0	\$283.6
Virginia Business Ready Sites Acquisition Program (VBR SAP)			75.0				75.0
Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (VBAF)	2.3	2.3	2.3	2.3	2.3		11.3
Port of Virginia Economic and Infrastructure Development Grant Program				4.0	4.0		8.0
GO Virginia Sites Grants (GOVA)			11.3				11.3
Subtotal Sites							\$389.2
Transportation Partnership Opportunity Fund (TPOF)	3.5		70.9	35.0	35.0		144.4
Rail and Economic Development Access Programs		8.1		5.5	5.5		19.1
Subtotal Infrastructure							\$163.5
Total (\$M)	\$19.4	\$122.5	\$273.2	\$66.8	\$66.8	\$4.0	\$552.6

RESERVE FUND BALANCES OF \$4.7 BILLION (17.4 PERCENT) EXCEED 15 PERCENT STATUTORY CAP



AMONG TRIPLE-AAA RATED STATES, VIRGINIA HAS PRIORITIZED RESERVE FUND GROWTH

Rainy Day Funds as Percent of GF Expenditures

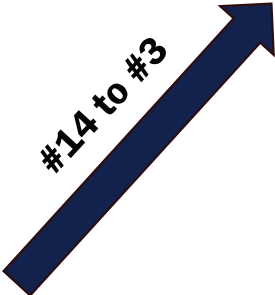
AAA States, FY 2019

Texas	21%
Georgia	10%
South Dakota	10%
Iowa	9%
Indiana	9%
Minnesota	9%
North Carolina	8%
Utah	7%
South Carolina	7%
Tennessee	6%
Delaware	5%
Maryland	5%
Florida	5%
Virginia	4%
Missouri	3%

AAA States, FY 2024

Texas	22%
North Carolina	16%
Virginia*	15%
South Dakota	15%
Iowa	11%
Ohio	11%
Maryland	9%
Indiana	9%
Minnesota	9%
Utah	8%
Tennessee	8%
Florida	7%
Missouri	6%
Delaware	6%
Georgia	N/A

Currently 17.4%



Source: National Association of State Budget Officers "The Fiscal Survey of States"

ALMOST \$8 BILLION WILL BE RETURNED TO TAXPAYERS, SAVING THE TYPICAL VIRGINIA FAMILY \$4,100+

Annual Value of Tax Relief Measures

Tax Relief Measures	2022 Relief*	2023 Relief*	2024 Relief*	2025 Relief*	2026 Relief*	Total Per Family
Increase standard deduction to \$8,000/\$16,000	\$399	\$400	\$400	\$400	\$401	\$1,999
Increase standard deduction to \$8,500/\$17,000	\$0	\$0	\$57	\$57	\$57	\$171
Eliminate State Tax on Groceries	\$209	\$221	\$222	\$227	\$233	\$1,112
Individual Income Tax Rebates	\$500	\$400	\$0	\$0	\$0	\$900
Total	\$1,108	\$1,020	\$679	\$684	\$691	\$4,182
Military Retirement Income Tax Subtraction**	\$575	\$1,150	\$1,725	\$2,300	\$2,300	\$8,050
Total, Including Military**	\$1,683	\$2,831	\$2,404	\$2,984	\$2,991	\$12,232

*2022 Session Tax Relief reflects estimated tax savings in 2022 for income tax changes and 2023 for food tax relief and tax rebate.

Typical Virginia Family is a family of four earning \$75,000 per year.

**Assumes subtraction of \$10,000 in Taxable Year 2022, \$20,000 in Taxable Year 2023, \$30,000 in Taxable Year 2024 and \$40,000 in Taxable Year 2025.

REVENUE IMPACT FROM MAJOR TAX POLICY ACTIONS

Tax Action (\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026
Individual: Increase Standard Deduction \$8,000/\$16,000 *	(1,015.8)	(707.4)	(719.4)	(730.8)
Individual: Increase Standard Deduction \$8,500/\$17,000 (TY24)	0.0	(48.1)	(101.7)	(102.6)
Sales and Use: Eliminate State Portion on Groceries (1.5 percent) *	(115.0)	(267.2)	(272.5)	(273.6)
Individual: Refundable Earned Income Tax Credit to 15.0 percent of Federal Credit	(159.0)	(156.0)	(159.6)	(155.0)
Individual: Military Retirement Subtraction for Age 55 or Older	(145.0)	(156.0)	(182.0)	(194.4)
Individual: Military Retirement Subtraction Eliminate Age Limitation (TY24)	0.0	(37.8)	(33.4)	(34.7)
Individual/Corporate: Increase Business Interest Deduction Disallowed from 20% to 30%	(15.3)	(10.9)	(11.3)	(11.8)
Individual/Corporate: Increase Business Interest Deduction Disallowed from 30% to 50% (TY24)	<u>0.0</u>	<u>(10.3)</u>	<u>(22.6)</u>	<u>(23.5)</u>
Total Permanent Tax Cuts	(\$1,450.1)	(\$1,393.7)	(\$1,502.5)	(\$1,526.4)
Individual: 2022 Tax Rebate (\$250/\$500)	(\$1,048.6)	0.0	0.0	0.0
Individual: 2023 Tax Rebate (\$200/\$400) (Paid from Special Fund)	<u>0.0</u>	<u>(906.8)</u>	<u>0.0</u>	<u>0.0</u>
Total Permanent + One-Time Tax Cuts	(\$2,498.7)	(\$2,300.5)	(\$1,502.5)	(\$1,526.4)

Source: Virginia Department of Tax, Revenue Impacts. * Estimates updated in July 2023 to reflect wage and inflation growth since fall 2021 estimates.

As presented by the Senate Finance & Appropriations Committee, *Overview of Virginia's Revenue & Tax Policy* November 16, 2023

CONCLUSION

- Revenues exceeded the December forecast by \$1.7 billion and the May forecast by \$1.2 billion.
- The December forecast for a mild recession prudently reflected concerns about the economy due to ongoing inflation pressures, the prospect of higher rates for longer and numerous geopolitical risks.
- The recession did not occur, particularly due to stronger job growth, with Virginia reporting 258,000 more jobs since January 2022.

CONCLUSION (CONT'D)

- Over the past three years, revenues have significantly exceeded projections and significant investments have been made in shared priorities.
- At the same time, we have built one of the strongest balance sheets in the country, ensuring future fiscal stability and soundness.
- And almost \$8 billion will be returned to taxpayers by the end of the Administration.
- Virginia's economy is growing, we have turned the corner to becoming a winning state:
 - Top 10 in job growth since January 2022;
 - Largest workforce in the history of Virginia;
 - Highest labor force participation rate in more than a decade, and
 - CNBC Top State for Business after unprecedented investments in Business Ready Sites, education and workforce development.

CONCLUSION (CONT'D)

- Looking ahead, our prudent approach to financial planning will be maintained.
- Early indications are that current year revenues are continuing to grow and will likely meet the revenue forecast assumed in the current appropriations act. July revenues, which included an additional deposit day relative to last July, grew 14.3 percent year-over-year and exceeded projections by \$91.3 million.
- While Virginia is currently in an excellent position, there are critical issues that will be watched closely in the coming months.
- GACRE meeting (July 31) indicated expectations for continued but slower growth in the US and Virginia economy.
- Recent mixed economic data has built a strong consensus that the Fed will begin to lower rates in September. More data will be available in the near term to affirm that view.
- November elections will have a significant impact on economic outlook given the expectations for very different outcomes with the sunset of the Tax Cuts and Jobs Act on December 31, 2025, reverting to prior law.
 - Approximately 15 sunset provisions will have a direct impact on Virginia; with additional provisions having potential indirect impacts.
- Given these uncertainties, and the ongoing geopolitical risks that continue to exist, it was agreed that the November GACRE meeting, after the elections, will be a critical discussion of our outlook for the national and Virginia economies.

FORECASTING PROCESS CONTINUES THROUGH DECEMBER

ACTUAL REVENUE COLLECTIONS WILL BE INCORPORATED INTO THE FORECAST

Key Dates

- **September:** Individual, corporate, and insurance estimated payments are due.
- **October:** Joint Advisory Board of Economists reviews economic assumptions.
- **November:**
 - Individual income tax extension returns due November 1st.
 - Presidential Election on November 5th.
 - Corporate refunds from extension returns peak.
 - Governor's Advisory Council on Revenue Estimates reviews revenue forecast for the 2024 - 26 biennium.
- **December:**
 - General fund revenue forecast is finalized, including post-GACRE adjustments and proposed policy changes.
 - Governor Youngkin's amendments to the 2024 - 26 budget are presented at the December 18th Joint Money Committee meeting.

Appendix

LOOKING AHEAD: TAX CUTS AND JOBS ACT (“TCJA”) PARTIALLY EXPIRES DECEMBER 31, 2025

- The TCJA is the most substantial federal tax legislation since 1986.
- Most of the individual income tax provisions of TCJA, including lower rates, sunset after December 31, 2025, and revert to prior law, unless action is taken by Congress; most business-oriented provisions do not expire.
- Approximately 15 sunset provisions have a direct impact on Virginia; additional provisions have potential indirect impacts (e.g., Virginia’s standard deduction which is currently \$8,500 for single filers and \$17,000 for joint filers).
- Chainbridge Consulting, LLC is in the process of updating Virginia Tax’s microsimulation model so we can generate more accurate estimates of the potential impact on Virginia.

TAX CUTS AND JOBS ACT: MAJOR PROVISIONS

Federal Provision	Pre-TCJA	Post TCJA	Expires	Virginia Impact
Individual				
Adjust Individual Rates and Brackets	10%, 15%, 25%, 28%, 33%, 35%, 39.6%	10%, 12%, 22%, 24%, 32%, 35%, 37%	Yes	No
Increase Federal Standard Deduction	\$6,350 single/\$12,700 married	\$12,000 single/\$24,000 married (indexed)	Yes	Yes (indirect)
Repeal/Limit Itemized Deductions	Casualty/wagering/misc. deductions allowed Mortgage interest limited to \$1M	Casualty/wagering/misc. ded. disallowed Mortgage Interest limited to \$750,000	Yes	Yes
SALT Deduction Limitation	No limit	\$10,000	Yes	No
Estate and Gift Tax Exemption	\$5 million	\$10 million	Yes	No
Business				
Adjust Corporate Income Tax Rate	Top rate of 35%	Flat 21%	No	No
Repeal AMT on Corporations	20%	Repealed	No	No
Increase IRC § 179 Expensing	\$500,000 deduction, \$2M phaseout	\$1 million, \$2.5M phase-out	No	Yes
Increase IRC § 168(k) Depreciation	50%	100% (phasing down after 1/1/2023)	No	No
Noncorporate Loss Limitation	No limit	\$250,000, \$500,000	Yes	Yes
Small Business (QBI) Deduction	No deduction	20% income deduction for PTEs	Yes	No
Limit Business Interest Deductions	Net investment income limit	30% total income limit	No	Yes
International				
Modify International Tax Rules	Worldwide taxation	Territorial taxation	No	No

VIRGINIA'S RESPONSE TO THE TCJA

Virginia Tax Policy Changes from 2019-2023

INDIVIDUAL PROVISIONS

Increase Virginia Standard Deduction (Expires)
First increase from \$3,000/\$6,000 to \$4,500/\$9,000 in tax year 2019

Made Virginia's Earned Income Tax Credit Partially Refundable (Expires)

Deconformed from State and Local Tax Deduction Limitation for Real and Personal Property Tax (Permanent)

Deconformed from Overall Limitation on Itemized Deductions Suspension (Permanent)

Individual Income Tax Rebates
First tax rebate of \$110/\$220 in 2019

BUSINESS PROVISIONS

Partial Deconformity from Business Interest Deduction Limitation (Permanent)

Subtraction for Global Intangible Low-tax Income ("GILTI") Taxed under the TCJA (Permanent)

Created Pass-Through Entity Tax ("PTET") to Workaround the Federal \$10,000 SALT Limitation (Expires)

APPENDIX

- Fiscal Year 2024 General Fund Collections: Actual and Official Forecast
- Official General Fund Forecast for Fiscal Years 2025-26
- Fiscal Year 2024 Commonwealth Transportation Fund Collections: Actual and Official Forecast
- Official Commonwealth Transportation Fund Forecast for Fiscal Years 2025-26
- Growth in Total General Fund Revenues, Fiscal Years 1961 to 2024
- June 2024 Revenue Report
- July 2024 Revenue Report

Note: General Fund Preliminary Annual Report, August 2024, will be posted on the Department of Accounts web site (www.doa.virginia.gov).

Fiscal Year 2024 General Fund Collections: Actual and Official Forecast
(Dollars in Millions)

August 14, 2024

	Fiscal Year 2023		Chapter 1 Forecast	Fiscal Year 2024			Percent Growth over FY 23	
	Actual	Percent Growth		Actual	Forecast Dollars	Forecast Variance Percent	Forecast	Actual
MAJOR TAX SOURCES								
Corporate Income	\$ 2,031.1	2.6 %	\$ 2,213.5	\$ 1,907.1	\$ (306.4)	(13.8) %	9.0 %	(6.1) %
Individual Income Tax:								
Gross	22,586.4	2.0	22,377.3	23,281.9	904.7	4.0	(0.9)	3.1
Withholding	15,957.2	4.0	16,563.5	16,718.2	154.8	0.9	3.8	4.8
Nonwithholding	6,629.2	(2.7)	5,813.8	6,563.7	749.9	12.9	(12.3)	(1.0)
Refunds	<u>(3,602.8)</u>	<u>107.0</u>	<u>(3,314.4)</u>	<u>(2,971.5)</u>	<u>342.9</u>	<u>(10.3)</u>	<u>(8.0)</u>	<u>(17.5)</u>
Net	18,983.6	(7.0)	19,062.9	20,310.4	1,247.6	6.5	0.4	7.0
Insurance Company Premiums	450.9	5.6	446.3	468.2	21.9	4.9	(1.0)	3.8
State Sales & Use Tax	4,734.5	3.9	4,515.8	4,709.7	193.9	4.3	(4.6)	(0.5)
Wills, Suits, Deeds, & Contract Fees	<u>430.6</u>	<u>(34.2)</u>	<u>425.6</u>	<u>406.5</u>	<u>(19.1)</u>	<u>(4.5)</u>	<u>(1.2)</u>	<u>(5.6)</u>
Total Major Tax Sources	\$ 26,630.7	(5.0) %	\$ 26,664.0	\$ 27,801.8	\$ 1,137.8	4.3 %	0.1 %	4.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 268.9	3.3 %	\$ 284.0	\$ 276.1	\$ (7.9)	(2.8) %	5.6 %	2.7 %
Bank Franchise Tax	31.4	(16.0)	30.4	26.0	(4.4)	(14.4)	(3.2)	(17.1)
Beer & Beverage Excise Tax	38.6	(3.5)	40.0	38.0	(2.0)	(4.9)	3.6	(1.5)
Corporate Franchise & Charter Fees	83.2	7.5	83.0	74.8	(8.2)	(9.9)	(0.2)	(10.1)
Sports Betting Taxes	67.3	145.5	74.1	78.6	4.5	6.0	10.2	16.8
Interest & Rents	365.3	375.7	672.9	699.9	27.0	4.0	84.2	91.6
Miscellaneous Taxes and Penalties	261.6	4.3	244.4	244.6	0.2	0.1	(6.6)	(6.5)
Other Miscellaneous Revenues	58.5	70.1	82.4	101.5	19.1	23.2	40.9	73.5
Public Service GR / Consumption Tax	<u>104.4</u>	<u>1.8</u>	<u>104.3</u>	<u>106.9</u>	<u>2.6</u>	<u>2.5</u>	<u>(0.1)</u>	<u>2.4</u>
Total Misc. Taxes and Other Revenues	\$ 1,279.2	41.0 %	\$ 1,615.5	\$ 1,646.4	\$ 30.9	1.9 %	26.3 %	28.7 %
TOTAL GF REVENUES	\$ 27,909.9	(3.5) %	\$ 28,279.5	\$ 29,448.2	\$ 1,168.7	4.1 %	1.3 %	5.5 %
TRANSFERS								
A.B.C. Profits	\$ 164.3	0.9 %	\$ 169.2	\$ 170.1	\$ 0.9	0.5 %	3.0 %	3.5 %
Sales Tax (0.375%)	557.0	6.6	550.9	573.8	22.9	4.2	(1.1)	3.0
Transfers Per Appropriations Act	<u>94.3</u>	<u>(26.9)</u>	<u>(744.7)</u>	<u>(731.2)</u>	<u>13.5</u>	<u>(1.8)</u>	<u>(889.7)</u>	<u>(875.4)</u>
Total Transfers	\$ 815.6	0.2 %	\$ (24.6)	\$ 12.8	\$ 37.4	(151.8) %	(103.0) %	(98.4) %
TOTAL GENERAL FUND	\$ 28,725.5	(3.4) %	\$ 28,254.9	\$ 29,461.0	\$ 1,206.0	4.3 %	(1.6) %	2.6 %

Fiscal Year 2024: Includes additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

The Official Forecast for Fiscal Years 2025 and 2026
(Dollars in Millions)

August 14, 2024

	Fiscal Year 2025		Fiscal Year 2026		2025-2026 Biennium	
	Chapter 2 Forecast	% Growth Over FY 24	Chapter 2 Forecast	% Growth Over FY 25	Chapter 2 Forecast	% Growth Over 23-24
MAJOR TAX SOURCES						
Corporate Income	\$ 2,065.5	8.3 %	\$ 2,164.7	4.8 %	\$ 4,230.2	7.4 %
Individual Income Tax:						
Gross	22,260.5	(4.4)	23,439.1	5.3	45,699.6	(0.4)
Withholding	16,629.4	(0.5)	17,739.9	6.7	34,369.3	5.2
Nonwithholding	5,631.1	(14.2)	5,699.1	1.2	11,330.3	(14.1)
Refunds	<u>(3,015.8)</u>	<u>1.5</u>	<u>(2,743.4)</u>	<u>(9.0)</u>	<u>(5,759.2)</u>	<u>(12.4)</u>
Net	19,244.7	(5.2)	20,695.7	7.5	39,940.4	1.6
Insurance Company Premiums	439.3	(6.2)	452.3	3.0	891.6	(3.0)
State Sales & Use Tax	4,692.3	(0.4)	4,889.3	4.2	9,581.6	1.5
Wills, Suits, Deeds, & Contract Fees	<u>456.7</u>	<u>12.4</u>	<u>457.2</u>	<u>0.1</u>	<u>913.9</u>	<u>9.2</u>
Total Major Tax Sources	\$ 26,898.5	(3.2) %	\$ 28,659.3	6.5 %	\$ 55,557.8	2.1 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 297.2	7.6 %	\$ 311.2	4.7 %	\$ 608.4	11.6 %
Bank Franchise Tax	30.4	16.9	30.4	0.0	60.8	5.9
Beer & Beverage Excise Tax	40.0	5.2	40.0	0.0	80.0	4.4
Corporate Franchise & Charter Fees	83.0	10.9	83.0	0.0	166.0	5.1
Sports Betting Taxes	83.0	5.7	83.0	0.0	166.0	13.8
Interest & Rents	724.5	3.5	652.2	(10.0)	1,376.7	29.2
Miscellaneous Taxes and Penalties	254.0	3.9	260.3	2.5	514.3	1.6
Other Miscellaneous Revenues	47.3	(53.4)	48.7	3.0	96.0	(40.0)
Public Service GR / Consumption Tax	<u>105.9</u>	<u>(0.9)</u>	<u>107.7</u>	<u>1.7</u>	<u>213.6</u>	<u>1.1</u>
Total Misc. Taxes and Other Revenues	\$ 1,665.3	1.1 %	\$ 1,616.5	(2.9) %	\$ 3,281.8	12.2 %
TOTAL GF REVENUES	\$ 28,563.8	(3.0) %	\$ 30,275.6	6.0 %	\$ 58,839.3	2.6 %
TRANSFERS						
A.B.C. Profits	\$ 162.1	(4.7) %	\$ 231.0	42.5 %	\$ 393.1	17.6 %
Sales Tax (0.375%)	571.7	(0.4)	595.1	4.1	1,166.8	3.2
Transfers Per Appropriations Act	<u>394.3</u>	<u>(153.9)</u>	<u>888.6</u>	<u>125.4</u>	<u>1,282.9</u>	<u>(301.4)</u>
Total Transfers	\$ 1,128.1	8,747.8 %	\$ 1,714.7	52.0 %	\$ 2,842.8	243.2 %
TOTAL GENERAL FUND	\$ 29,691.9	0.8 %	\$ 31,990.3	7.7 %	\$ 61,682.1	6.0 %

FY 2025-26: Includes adjustments to general fund revenues assumed in the 2024 Appropriations Act, Chapter 2, 2024 Acts of Assembly, Special Session I (HB 6001)

Commonwealth Transportation Fund
Actual Collections Compared to the Official Forecast for Fiscal Year 2024
(Millions of Dollars)

Revenue Sources	FY2023 Actual	FY2024 Actual	FY2024 Forecast	Percent Change 2023-2024		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	1,382.8	1,415.9	1,450.8	2.4	4.9	(34.9)	(2.4)
Road Use Tax	87.6	80.0	85.4	(8.7)	(2.5)	(5.4)	(6.3)
Vehicle Sales Tax	1,208.6	1,200.0	1,178.9	(0.7)	(2.5)	21.1	1.8
Vehicle Licenses	196.6	212.8	225.6	8.2	14.8	(12.8)	(5.7)
Highway User Fee	58.4	71.0	61.8	21.6	5.8	9.2	14.9
State Sales Tax	1,416.7	1,377.1	1,372.1	(2.8)	(3.1)	5.0	0.4
Recordation Tax	52.6	50.9	52.5	(3.2)	(0.2)	(1.6)	(3.0)
Insurance Premiums Tax	202.5	217.8	217.9	7.6	7.6	(0.1)	(0.0)
Int'l Registration Plan	115.1	113.8	114.1	(1.1)	(0.9)	(0.3)	(0.3)
Interest Earnings	21.2	54.2	14.2	155.7	(33.0)	40.0	281.7
Rental Tax	53.8	55.4	55.5	3.0	3.2	(0.1)	(0.2)
Aviation Fuels Tax	2.0	2.0	2.0	0.0	0.0	0.0	0.0
Miscellaneous	19.8	21.5	18.6	8.6	(6.1)	2.9	15.6
TOTAL	\$4,817.7	\$4,872.4	\$4,849.4	1.1	0.7	23.0	0.5

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 Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Dollars in Millions)

August 14, 2024

	Fiscal Year 2024		Fiscal Year 2025					
	Forecast	% Growth	December Forecast	Official Forecast	Change	% Growth over FY 24		
			December Forecast	Official Forecast	Change	December	Official	
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,415.9	2.4 %	\$ 1,504.3	\$ 1,504.3	\$ 0.0	6.2 %	6.2 %	
Road Tax	80.0	(8.7)	85.1	85.1	0.0	6.4	6.4	
Aviation Fuels Tax	2.0	0.0	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,200.0	(0.7)	1,193.5	1,193.5	0.0	(0.5)	(0.5)	
Motor Vehicle Rental Tax(1)	55.4	3.0	54.9	54.9	0.0	(0.9)	(0.9)	
Motor Vehicle License Fees	212.8	8.2	219.5	219.5	0.0	3.1	3.1	
Highway User Fee	71.0	21.6	65.4	65.4	0.0	(7.9)	(7.9)	
International Registration Plan	113.8	(1.1)	119.6	119.6	0.0	5.1	5.1	
Retail Sales and Use Tax	1,377.1	(2.8)	1,435.9	1,392.2	(43.7)	4.3	1.1	
Recordation Tax (3 cents)	50.9	(3.2)	55.9	55.9	0.0	9.8	9.8	
Insurance Premiums Tax (1/3)	217.8	7.6	221.3	228.7	7.4	1.6	5.0	
Interest Earnings	54.2	155.7	14.2	14.2	0.0	(73.8)	(73.8)	
Miscellaneous	<u>21.5</u>	<u>8.6</u>	<u>18.6</u>	<u>18.6</u>	<u>0.0</u>	<u>(13.5)</u>	<u>(13.5)</u>	
Total State Taxes and Fees	\$ <u>4,872.4</u>	<u>1.1</u> %	\$ <u>4,990.2</u>	\$ <u>4,953.9</u>	\$ <u>(36.3)</u>	<u>2.4</u> %	<u>1.7</u> %	

The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Advisory Council on Revenue Estimates.

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapter 2).

(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 and Official Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

August 14, 2024

	Fiscal Year 2026				
	December Forecast	Official Forecast	Change	% Growth over FY 25 December Official	
Commonwealth Transportation Fund					
Motor Fuels Tax	\$ 1,554.6	\$ 1,554.6	\$ 0.0	3.3 %	3.3 %
Road Tax	82.9	82.9	0.0	(2.6)	(2.6)
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,220.6	1,220.6	0.0	2.3	2.3
Motor Vehicle Rental Tax(1)	55.7	55.7	0.0	1.5	1.5
Motor Vehicle License Fees	221.9	221.9	0.0	1.1	1.1
Highway User Fee	67.9	67.9	0.0	3.8	3.8
International Registration Plan	120.0	120.0	0.0	0.3	0.3
Retail Sales and Use Tax	1,562.0	1,452.1	(109.9)	8.8	4.3
Recordation Tax (3 cents)	56.0	56.0	0.0	0.2	0.2
Insurance Premiums Tax (1/3)	220.2	220.2	0.0	(0.5)	(3.7)
Interest Earnings	14.2	14.2	0.0	0.0	0.0
Miscellaneous	<u>18.6</u>	<u>18.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total State Taxes and Fees	\$ <u>5,196.6</u>	\$ <u>5,086.7</u>	\$ <u>(109.9)</u>	<u>4.1 %</u>	<u>2.7 %</u>

The December forecast is based on the October Moody's Analytics October 2023 mild recession forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Advisory Council on Revenue Estimates.
The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapter 2).
(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.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2026

(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	-	95	6,881,145,000	5.8%
62	242,144,567	4.8%	96	7,356,110,000	6.9%
63	286,304,265	18.2%	97	7,949,327,000	8.1%
64	298,033,919	4.1%	98	8,773,520,000	10.4%
65	323,213,412	8.4%	99	9,702,747,000	10.6%
66	365,129,776	13.0%	00	10,788,482,000	11.2%
67	414,755,644	13.6%	01	11,105,275,000	2.9%
68	533,597,744	28.7%	02	10,678,954,000	-3.8%
69	706,254,374	32.4%	03	10,867,149,000	1.8%
70	743,721,322	5.3%	04	11,917,867,000	9.7%
71	807,954,651	8.6%	05	13,687,252,000	14.8%
72	922,653,686	14.2%	06	14,834,298,000	8.4%
73	1,054,469,443	14.3%	07	15,565,827,000	4.9%
74	1,168,562,871	10.8%	08	15,766,951,000	1.3%
75	1,303,178,893	11.5%	09	14,315,060,000	-9.2%
76	1,428,421,157	9.6%	10	14,219,477,000	-0.7%
77	1,636,301,819	14.6%	11	15,040,200,000	5.8%
78	1,923,085,084	17.5%	12	15,846,665,000	5.4%
79	2,115,211,522	10.0%	13	16,684,600,000	5.3%
80	2,344,928,934	10.9%	14	16,411,400,000	-1.6%
81	2,579,663,941	10.0%	15	17,735,600,000	8.1%
82	2,796,458,741	8.4%	16	18,040,100,000	1.7%
83	2,975,687,935	6.4%	17	18,695,100,000	3.6%
84	3,397,710,261	14.2%	18	19,880,800,000	6.3%
85	3,790,816,000	11.6%	19	21,307,500,000	7.2%
86	4,131,778,000	9.0%	20	21,737,800,000	2.0%
87	4,590,434,000	11.1%	21	24,878,500,000	14.4%
88	5,054,382,000	10.1%	22	28,934,900,000	16.3%
89	5,478,912,000	8.4%	23	27,909,900,000	-3.5%
90	5,494,884,000	0.3%	24	29,448,200,000	5.5%
91	5,471,879,000	-0.4%	25*	28,563,800,000	-3.0%
92	5,623,213,000	2.8%	26*	30,275,600,000	6.0%
93	6,133,637,000	9.1%			
94	6,503,368,000	6.0%			

* Official Forecast (Excludes Transfers)

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

FY 2024 Revised Estimate
Per Chapter 1

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)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2024 Estimate	As a % of Gen Fund Rev	June FY 2024	June FY 2023	% Change	Year-To-Date FY 2024	Year-To-Date FY 2023	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$16,563,500	58.57	\$1,330,685	\$1,369,041	(2.8)	\$16,718,227	\$15,957,159	4.8	3.8
Tax Dues/Estimated Payments	5,813,800	20.56	708,393	609,688	16.2	6,563,693	6,629,192	(1.0)	(12.3)
Gross Individual Income Tax	\$22,377,300	79.13	\$2,039,078	\$1,978,729	3.0	\$23,281,920	\$22,586,351	3.1	(0.9)
Individual and Fiduciary Income (Refunds)	(3,314,400)	(11.72)	(92,228)	(185,348)	(50.2)	(2,971,514)	(3,602,795)	(17.5)	(8.0)
Net Individual Income Tax	\$19,062,900	67.41	\$1,946,850	\$1,793,381	8.6	\$20,310,406	\$18,983,556	7.0	0.4
Sales and Use Tax	\$4,515,800	15.97	\$412,922	\$407,631	1.3	\$4,709,661	\$4,734,549	(0.5)	(4.6)
Corporations Income Tax	2,213,500	7.83	305,109	349,508	(12.7)	1,907,065	2,031,120	(6.1)	9.0
Wills, Suits, Deeds, Contracts	425,600	1.50	38,210	41,245	(7.4)	406,486	430,553	(5.6)	(1.2)
Insurance Premiums	446,300	1.58	140,306	141,878	(1.1)	468,192	450,877	3.8	(1.0)
Interest Income (a)	672,700	2.39	(70,096)	(27,672)	(153.3)	699,767	365,107	91.7	84.2
Alcoholic Beverage Sales (b)	324,000	1.14	71,525	69,522	2.9	314,127	307,412	2.2	5.4
All Other Revenues	618,700	2.18	120,815	130,402	(7.4)	632,520	606,758	4.2	2.0
Total General Fund Revenues	\$28,279,500	100.00	\$2,965,641	\$2,905,895	2.1	\$29,448,224	\$27,909,932	5.5	1.3

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 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	FY 2024	June FY 2023	% Change	FY 2024	Year-To-Date FY 2023	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$16,563,500	58.57	\$1,330,685	\$1,369,041	(2.8)	\$16,718,227	\$15,957,159	4.8	3.8
Tax Dues/Estimated Payments	5,813,800	20.56	708,393	609,688	16.2	6,563,693	6,629,192	(1.0)	(12.3)
Gross Individual Income Tax	\$22,377,300	79.13	\$2,039,078	\$1,978,729	3.0	\$23,281,920	\$22,586,351	3.1	(0.9)
Net Individual and Fiduc Income (Refunds)	(3,314,400)	(11.72)	(92,228)	(185,348)	(50.2)	(2,971,514)	(3,602,795)	(17.5)	(8.0)
Net Individual Income Tax	\$19,062,900	67.41	\$1,946,850	\$1,793,381	8.6	\$20,310,406	\$18,983,556	7.0	0.4
Sales and Use Tax	4,515,800	15.97	412,922	407,631	1.3	4,709,661	4,734,549	(0.5)	(4.6)
Corporations Income	2,213,500	7.83	305,109	349,508	(12.7)	1,907,065	2,031,120	(6.1)	9.0
Public Service Corporations	104,300	0.37	11,822	14,253	(17.1)	106,903	104,449	2.3	(0.1)
Insurance Premiums	446,300	1.58	140,306	141,878	(1.1)	468,192	450,877	3.8	(1.0)
Alcoholic Beverage Excise	284,000	1.00	65,000	63,000	3.2	276,092	268,852	2.7	5.6
Beer and Beverage Excise	40,000	0.14	6,525	6,522	0.0	38,035	38,560	(1.4)	3.7
Wills, Suits, Deeds, Contracts	425,600	1.50	38,210	41,245	(7.4)	406,486	430,553	(5.6)	(1.2)
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	-
Bank Franchise	30,400	0.12	9,128	9,472	(3.6)	26,016	31,396	(17.1)	(3.2)
Other Taxes	63,200	0.22	9,149	7,137	28.2	65,562	68,684	(4.5)	(8.0)
Total Taxes	\$27,186,000	96.14	\$2,945,021	\$2,834,027	3.9	\$28,314,418	\$27,142,596	4.3	0.2
Rights and Privileges:									
Licenses and Permits	\$3,900	0.01	\$531	\$478	11.1	\$3,799	\$3,788	0.3	3.0
Corp. Franchise and Charters	83,000	0.29	56,143	64,160	(12.5)	74,810	83,193	(10.1)	(0.2)
Fees for Misc. Privileges & Services	18,700	0.07	4,851	3,932	23.4	20,526	18,863	8.8	(0.9)
Total Rights and Privileges	\$105,600	0.37	\$61,525	\$68,570	(10.3)	\$99,135	\$105,844	(6.3)	(0.2)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	(\$3,117)	\$0	-	\$13,118	\$10,852	20.9	(100.0)
Assessmts & Rcpts for Support of Special Svcs	300	0.00	23	5	360.0	628	267	135.2	12.4
Institutional Revenue	3,400	0.01	48	165	(70.9)	3,313	3,325	(0.4)	2.3
Interest (a)	672,700	2.39	(70,096)	(27,672)	(153.3)	699,767	365,107	91.7	84.2
Dividends and Rent	200	0.00	(4)	6	(166.7)	135	150	(10.0)	33.3
Fines, Forfeitures & Fees	255,300	0.90	19,720	20,774	(5.1)	257,679	260,160	(1.0)	(1.9)
Other Revenue	57,700	0.20	12,423	10,697	16.1	58,049	22,573	157.2	155.6
Excess Fees	(7,700)	(0.03)	(408)	(1,172)	65.2	(3,113)	(5,529)	43.7	(39.3)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	20	1	#	(100.0)
Cities, Counties, and Towns	6,000	0.02	506	495	2.2	5,075	4,586	10.7	30.8
Total Other Revenues	\$987,900	3.49	(\$40,905)	\$3,298	#	\$1,034,671	\$661,492	56.4	49.3
Total General Fund Revenues	\$28,279,500	100.00	\$2,965,641	\$2,905,895	2.1	\$29,448,224	\$27,909,932	5.5	1.3

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 2023 and 2024
(Dollars in Thousands)

	FY 2024 Estimate	(b)	June		Year-To-Date			% Annual Growth Required By Estimate	
			FY 2024	FY 2023	FY 2024	FY 2023	% Change		
Lottery Collections (a)									
Total Lottery Sales	\$5,298,008		\$449,674	\$384,712	16.9	\$5,521,005	\$4,611,856	19.7	14.9
Other Income	4,200		610	151	304.0	9,929	3,991	148.8	5.2
Total Income	<u>\$5,302,208</u>		<u>\$450,284</u>	<u>\$384,863</u>	<u>17.0</u>	<u>\$5,530,934</u>	<u>\$4,615,847</u>	<u>19.8</u>	<u>14.9</u>
Less:									
Prize Expenses	\$4,066,723		\$353,611	\$289,079	22.3	\$4,245,744	\$3,416,373	24.3	19.0
Retailer Commissions	138,251		12,187	10,443	16.7	141,510	137,301	3.1	0.7
Operating Expenses	238,736		20,013	19,203	4.2	209,584	194,821	7.6	22.6
Total Expenses	<u>\$4,443,710</u>		<u>\$385,811</u>	<u>\$318,725</u>	<u>21.0</u>	<u>\$4,596,838</u>	<u>\$3,748,495</u>	<u>22.6</u>	<u>18.5</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$858,498		\$64,473	\$66,138	(2.5)	\$934,096 (d)	\$867,352	7.7	(1.0)
Prior Year Residual Profit Transfer	86,170		0	0	-	86,171	3,491	#	#
Available to Lottery Proceeds Fund	<u>\$944,668</u>		<u>\$64,473</u>	<u>\$66,138</u>	<u>(2.5)</u>	<u>\$1,020,267</u>	<u>\$870,843</u>	<u>17.2</u>	<u>8.5</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 1, 2024 Virginia Acts of Assembly Special Session I. The Prior Year Residual Profit Transfer of \$86,170,708 was transferred on August 15, 2023, 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 2024. In accordance with Chapter 1, 2024 Virginia Acts of Assembly Special Session I, §3-1.01 G, \$944,668,276 was transferred to the Lottery Proceeds Fund during FY 2024. Final FY 2024 audited net profit will be determined in August 2024. The amount of audited profit that exceeds the FY 2024 profit transfers to the Lottery Proceeds Fund will be included in the Residual Profit Transfer to the Lottery Proceeds Fund in August 2024 (FY 2025).

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	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change	
Motor Fuel Taxes	\$1,538,200	19.51	\$117,647	\$146,846	(19.9)	\$1,497,908	\$1,472,404	1.7	4.5
Insurance Premiums Tax	217,791	2.76	0	0	-	217,791	202,496	7.6	7.6
Motor Vehicle Sales and Use Tax	1,234,400	15.66	85,978	118,900	(27.7)	1,255,398	1,262,463	(0.6)	(2.2)
State Sales and Use Tax	1,372,100	17.40	121,011	119,043	1.7	1,377,114	1,416,622	(2.8)	(3.1)
Motor Vehicle License Fees	225,600	2.86	10,970	14,499	(24.3)	212,768	196,564	8.2	14.8
Highway Use Fee	61,800	0.78	5,930	5,317	11.5	71,017	58,414	21.6	5.8
International Registration Plan	114,100	1.45	3,816	4,384	(13.0)	113,777	115,124	(1.2)	(0.9)
Recordation Tax	52,500	0.67	4,992	5,086	(1.8)	50,875	52,647	(3.4)	(0.3)
Interest Earnings	14,200	0.18	16,344	8,765	86.5	54,202	21,183	155.9	(33.0)
Misc. Taxes, Fees, and Revenues	18,600	0.24	3,059	1,565	95.5	21,567	19,797	8.9	(6.0)
Total State Taxes and Fees	<u>\$4,849,291</u>	<u>61.51</u>	<u>\$369,747</u>	<u>\$424,405</u>	<u>(12.9)</u>	<u>\$4,872,417</u>	<u>\$4,817,714</u>	<u>1.1</u>	<u>0.7</u>

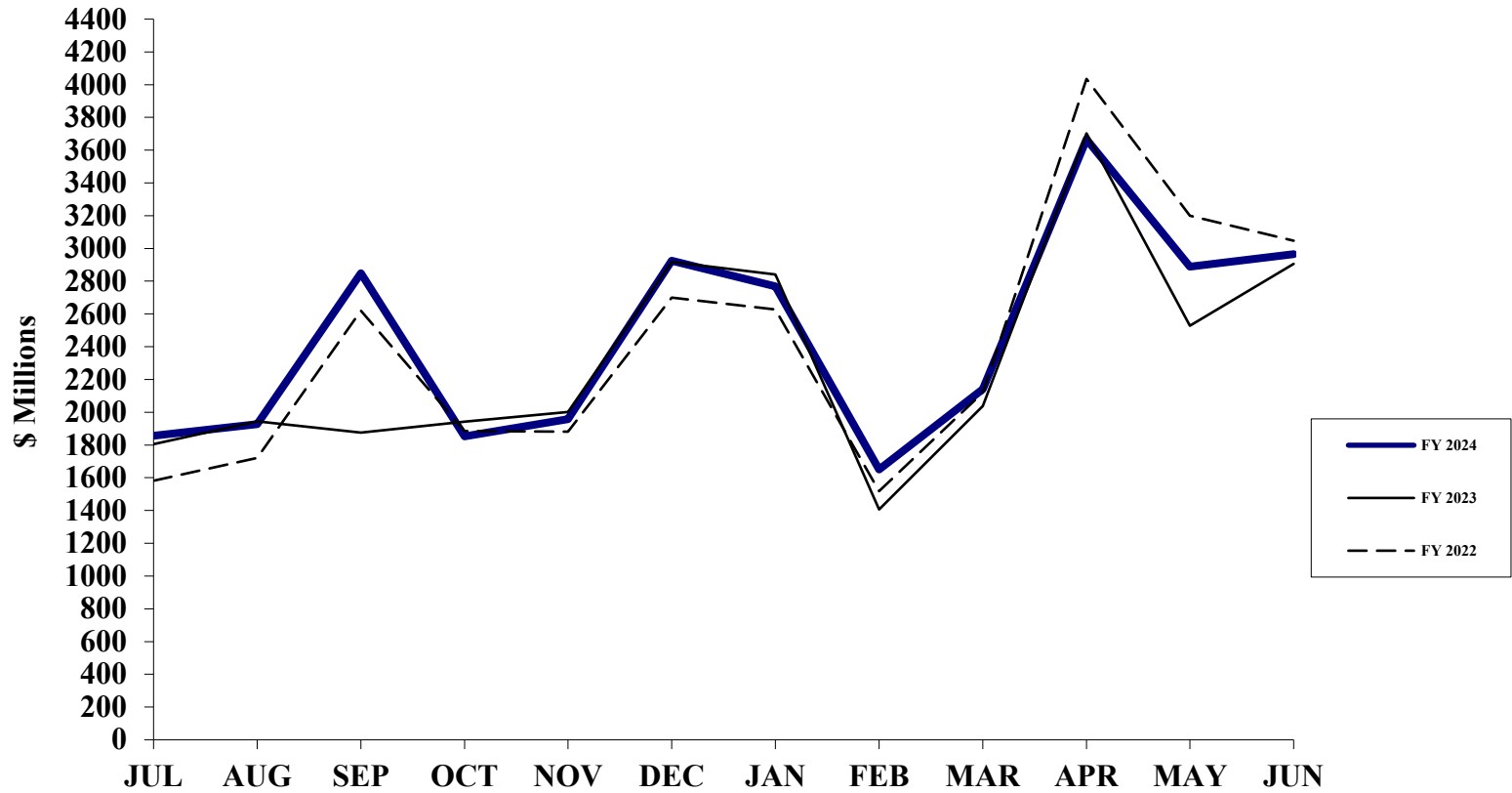
Percentage is greater than or equal to 1,000%.

**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	June			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)	\$1,538,200	19.51	\$117,647	\$146,846	(19.9)	\$1,497,908	\$1,472,404	1.7	4.5
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,234,400	15.66	85,978	118,900	(27.7)	1,255,398	1,262,463	(0.6)	(2.2)
State Sales and Use Tax	1,372,100	17.40	121,011	119,043	1.7	1,377,114	1,416,622	(2.8)	(3.1)
Motor Vehicle License Fees	225,600	2.86	10,970	14,499	(24.3)	212,768	196,564	8.2	14.8
Highway Use Fee	61,800	0.78	5,930	5,317	11.5	71,017	58,414	21.6	5.8
International Registration Plan	114,100	1.45	3,816	4,384	(13.0)	113,777	115,124	(1.2)	(0.9)
Insurance Premiums Tax	217,791	2.76	0	0	-	217,791	202,496	7.6	7.6
Recordation Tax	52,500	0.67	4,992	5,086	(1.8)	50,875	52,647	(3.4)	(0.3)
Total Commonwealth Transportation Fund	\$4,816,491	61.09	\$350,344	\$414,075	(15.4)	\$4,796,648	\$4,776,734	0.4	0.8
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,600	0.24	\$3,059	\$1,565	95.5	\$21,567	\$19,797	8.9	(6.0)
Other Miscellaneous Revenues	271,103	3.44	9,312	6,609	40.9	375,742	579,369	(35.1)	(53.2)
Federal Grants and Contracts	0	0.00	4,072	2,316	75.8	41,181	25,273	62.9	(100.0)
Transfer (to) / from Transportation Trust Fund	363,025	4.60	90,025	24,952	260.8	340,424	69,952	386.7	419.0
Total Highway Maintenance and Operating Fund	\$652,728	8.28	\$106,468	\$35,442	200.4	\$778,914	\$694,391	12.2	(6.0)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$14,200	0.18	\$16,344	\$8,765	86.5	\$54,202	\$21,183	155.9	(33.0)
Federal Grants and Contracts	1,577,002	20.00	52,706	82,358	(36.0)	1,255,276	1,488,320	(15.7)	6.0
Receipts from Cities/Counties	784,754	9.95	69,030	71,378	(3.3)	646,876	464,333	39.3	69.0
Toll Revenues	82,294	1.05	4,685	5,052	(7.3)	67,324	58,595	14.9	40.4
Miscellaneous Revenues	319,225	4.05	44,518	29,977	48.5	278,647	268,224	3.9	19.0
Transfer (to) / from Highway Maintenance and Operating Fund	(363,025)	(4.60)	(90,025)	(24,952)	(260.8)	(340,424)	(69,952)	(386.7)	(419.0)
Total Transportation Trust Fund	\$2,414,450	30.63	\$97,258	\$172,578	(43.6)	\$1,961,901	\$2,230,703	(12.1)	8.2
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$7,883,669	100.00	\$554,070	\$622,095	(10.9)	\$7,537,463	\$7,701,828	(2.1)	2.4

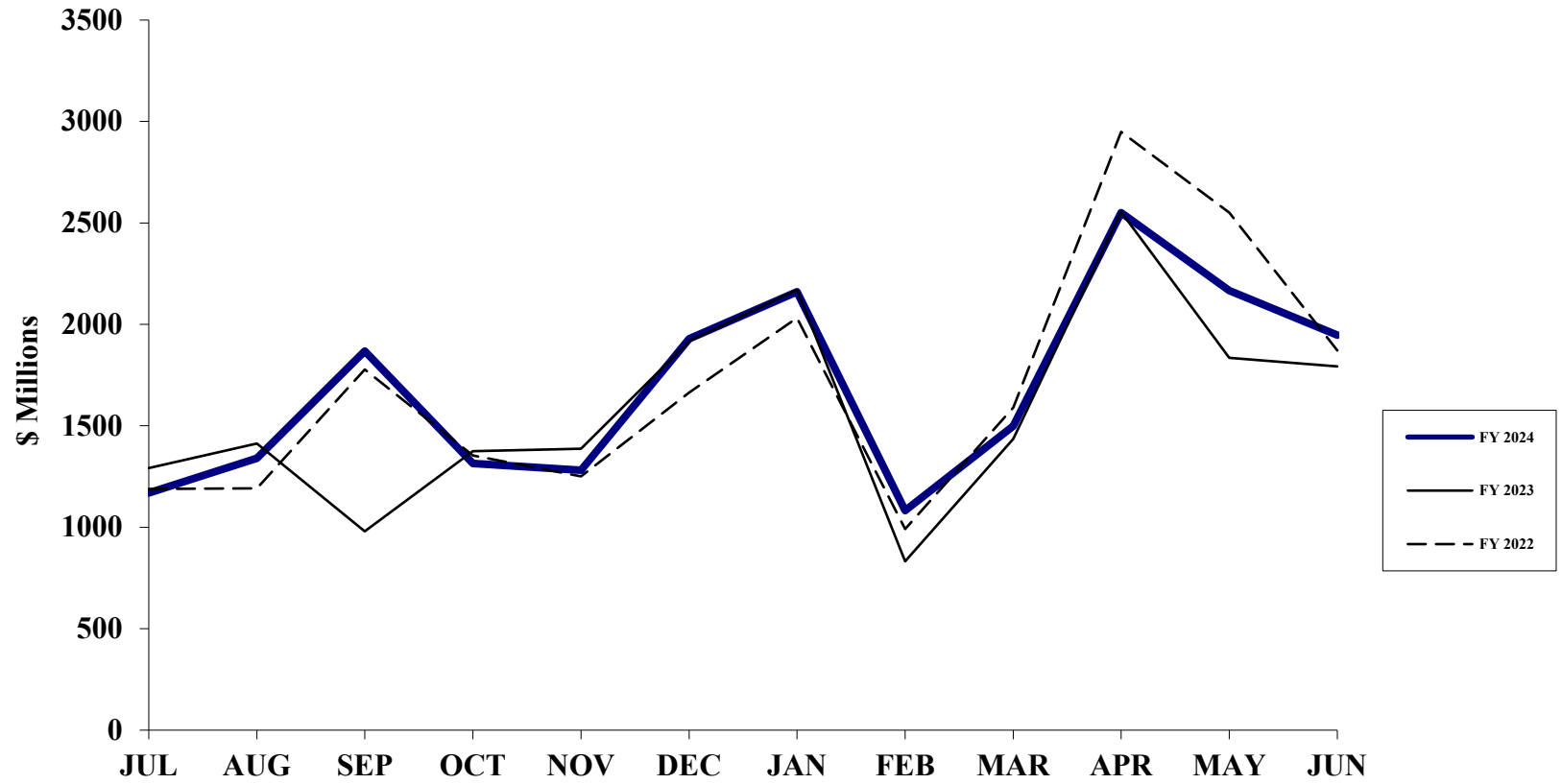
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



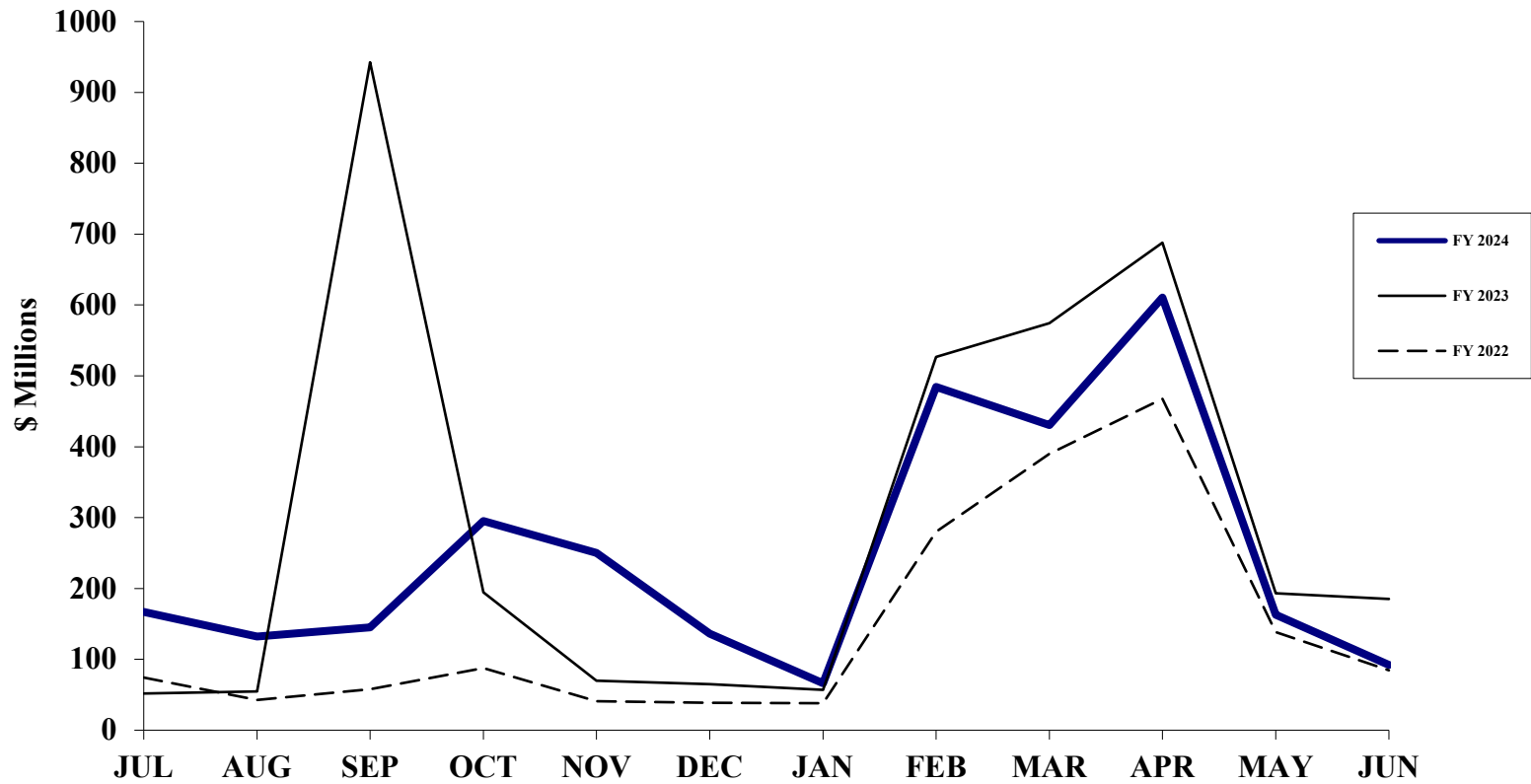
FY 2022 Actual = \$28,934.9 Million
FY 2023 Actual = \$27,909.9 Million
FY 2024 Actual = \$29,448.2 Million

Net Individual Income Tax



FY 2022 Actual = \$20,410.2 Million
FY 2023 Actual = \$18,983.6 Million
FY 2024 Actual = \$20,310.4 Million

Individual and Fiduciary Income Tax Refunds



FY 2022 Actual = \$1,740.5 Million
FY 2023 Actual = \$3,602.8 Million
FY 2024 Actual = \$2,971.5 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	YTM ²	Avg. Balance	Rate ³
July, 2023	\$23,322.6	4.42%	4.88%	\$5,497.6	2.74%	5.19%	\$28,820.2	4.10%	4.57%
August	\$23,027.5	4.51%	4.95%	\$5,500.0	-1.56%	5.28%	\$28,527.5	3.34%	4.66%
September	\$23,380.9	4.62%	5.03%	\$5,458.0	-16.58%	5.64%	\$28,838.9	0.61%	4.81%
October	\$24,093.0	4.70%	5.12%	\$5,400.1	-8.62%	5.86%	\$29,493.1	2.26%	4.91%
November	\$23,394.9	4.78%	5.15%	\$5,462.9	37.17%	5.32%	\$28,857.8	10.91%	4.88%
December	\$23,177.3	4.78%	5.19%	\$5,619.6	32.11%	4.82%	\$28,796.9	10.11%	4.79%
January, 2024	\$23,862.5	4.80%	5.20%	\$5,949.5	2.54%	4.86%	\$29,812.0	4.35%	4.81%
February	\$23,600.4	4.82%	5.20%	\$6,428.5	-9.89%	5.16%	\$30,028.9	1.67%	4.89%
March	\$21,859.0	4.73%	5.17%	\$6,919.0	8.69%	5.07%	\$28,778.0	5.68%	4.81%
April	\$22,145.4	4.73%	5.15%	\$7,403.1	-11.73%	5.45%	\$29,548.5	0.60%	4.91%
May	\$22,822.5	4.72%	5.12%	\$7,903.8	14.59%	5.27%	\$30,726.3	7.26%	4.87%
June	\$21,848.1	4.74%	5.09%	\$8,482.6	9.25%	5.20%	\$30,330.7	6.00%	4.87%
Year-to-Date Average	\$23,044.5	4.69 %	5.10%	\$6,335.4	4.98%	5.25%	\$29,379.9	4.76%	4.82%

• 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.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2024**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
August	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
September	\$1,782,004,692	\$0	\$0	\$0	\$1,782,004,692
October	\$1,782,004,692	\$0	\$0	\$18,835,510	\$1,800,840,202
November	\$1,800,840,202	\$0	\$0	\$0	\$1,800,840,202
December	\$1,800,840,202	\$0	\$0	\$0	\$1,800,840,202
January	\$1,800,840,202	\$0	\$0	\$18,070,546	\$1,818,910,748
February	\$1,818,910,748	\$0	\$0	\$0	\$1,818,910,748
March	\$1,818,910,748	\$0	\$0	\$0	\$1,818,910,748
April	\$1,818,910,748	\$0	\$0	\$18,953,424	\$1,837,864,172
May	\$1,837,864,172	\$0	\$0	\$0	\$1,837,864,172
June	\$1,837,864,172	\$904,652,425 (B)	\$0	\$24,530,937	\$2,767,047,534

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

(B) A deposit of \$904,652,425 was made as required by Item 267 D.3 of Chapter 1, 2024 Virginia Acts of Assembly Special Session I.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2025 Estimate	As a % of Gen Fund Rev	July FY 2025	July FY 2024	% Change	Year-To-Date FY 2025	Year-To-Date FY 2024	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$16,629,400	58.22	\$1,409,848	\$1,233,585	14.3	\$1,409,848	\$1,233,585	14.3	(0.5)
Tax Dues/Estimated Payments	5,631,100	19.71	109,456	103,018	6.2	109,456	103,018	6.2	(14.2)
Gross Individual Income Tax	\$22,260,500	77.93	\$1,519,304	\$1,336,603	13.7	\$1,519,304	\$1,336,603	13.7	(4.4)
Individual and Fiduciary Income (Refunds)	(3,015,800)	(10.56)	(95,371)	(166,691)	(42.8)	(95,371)	(166,691)	(42.8)	1.5
Net Individual Income Tax	\$19,244,700	67.37	\$1,423,933	\$1,169,912	21.7	\$1,423,933	\$1,169,912	21.7	(5.2)
Sales and Use Tax	\$4,692,300	16.43	\$413,133	\$402,822	2.6	\$413,133	\$402,822	2.6	(0.4)
Corporations Income Tax	2,065,500	7.23	53,984	86,913	(37.9)	53,984	86,913	(37.9)	8.3
Wills, Suits, Deeds, Contracts	456,700	1.60	42,868	35,854	19.6	42,868	35,854	19.6	12.4
Insurance Premiums	439,300	1.54	0	0	-	0	0	-	(6.2)
Interest Income (a)	724,300	2.54	114,050	127,879	(10.8)	114,050	127,879	(10.8)	3.5
Alcoholic Beverage Sales (b)	337,200	1.18	200	651	(69.3)	200	651	(69.3)	7.3
All Other Revenues	603,800	2.11	72,566	31,645	129.3	72,566	31,645	129.3	(4.5)
Total General Fund Revenues	\$28,563,800	100.00	\$2,120,734	\$1,855,676	14.3	\$2,120,734	\$1,855,676	14.3	(3.0)

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 2025 Estimate
Per Chapter 2

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2025 Estimate	As a % of Total Gen Fund Rev	FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$16,629,400	58.22	\$1,409,848	\$1,233,585	14.3	\$1,409,848	\$1,233,585	14.3	(0.5)
Tax Dues/Estimated Payments	5,631,100	19.71	109,456	103,018	6.2	109,456	103,018	6.2	(14.2)
Gross Individual Income Tax	\$22,260,500	77.93	\$1,519,304	\$1,336,603	13.7	\$1,519,304	\$1,336,603	13.7	(4.4)
Individ and Fiduc Income (Refunds)	(3,015,800)	(10.56)	(95,371)	(166,691)	(42.8)	(95,371)	(166,691)	(42.8)	1.5
Net Individual Income Tax	\$19,244,700	67.37	\$1,423,933	\$1,169,912	21.7	\$1,423,933	\$1,169,912	21.7	(5.2)
Sales and Use Tax	4,692,300	16.43	413,133	402,822	2.6	413,133	402,822	2.6	(0.4)
Corporations Income	2,065,500	7.23	53,984	86,913	(37.9)	53,984	86,913	(37.9)	8.3
Public Service Corporations	105,900	0.37	8,052	6,846	17.6	8,052	6,846	17.6	(0.9)
Insurance Premiums	439,300	1.54	0	0	-	0	0	-	(6.2)
Alcoholic Beverage Excise	297,200	1.04	0	223	(100.0)	0	223	(100.0)	7.6
Beer and Beverage Excise	40,000	0.14	200	428	(53.3)	200	428	(53.3)	5.2
Wills, Suits, Deeds, Contracts	456,700	1.60	42,868	35,854	19.6	42,868	35,854	19.6	12.4
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	-
Bank Franchise	30,400	0.11	(131)	421	(131.1)	(131)	421	(131.1)	16.9
Other Taxes	77,500	0.27	3,941	4,422	(10.9)	3,941	4,422	(10.9)	18.2
Total Taxes	\$27,449,500	96.10	\$1,945,980	\$1,707,841	13.9	\$1,945,980	\$1,707,841	13.9	(3.1)
Rights and Privileges:									
Licenses and Permits	\$3,900	0.01	\$206	\$177	16.4	\$206	\$177	16.4	2.7
Corp. Franchise and Charters	83,000	0.29	628	545	15.2	628	545	15.2	10.9
Fees for Misc. Privileges & Services	15,500	0.06	291	278	4.7	291	278	4.7	(24.5)
Total Rights and Privileges	\$102,400	0.36	\$1,125	\$1,000	12.5	\$1,125	\$1,000	12.5	3.3
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$0	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	300	0.00	4	5	(20.0)	4	5	(20.0)	(52.2)
Institutional Revenue	3,400	0.01	25	194	(87.1)	25	194	(87.1)	2.6
Interest (a)	724,300	2.54	114,050	127,879	(10.8)	114,050	127,879	(10.8)	3.5
Dividends and Rent	200	0.00	12	13	(7.7)	12	13	(7.7)	48.1
Fines, Forfeitures & Fees	259,500	0.91	21,447	17,218	24.6	21,447	17,218	24.6	0.7
Other Revenue	25,900	0.09	38,123	1,545	#	38,123	1,545	#	(55.4)
Excess Fees	(7,700)	(0.03)	(328)	(361)	9.1	(328)	(361)	9.1	(147.3)
Private Donations, Gifts & Cont.	0	0.00	0	2	(100.0)	0	2	(100.0)	(100.0)
Cities, Counties, and Towns	6,000	0.02	296	340	(12.9)	296	340	(12.9)	18.2
Total Other Revenues	\$1,011,900	3.54	\$173,629	\$146,835	18.2	\$173,629	\$146,835	18.2	(2.2)
Total General Fund Revenues	\$28,563,800	100.00	\$2,120,734	\$1,855,676	14.3	\$2,120,734	\$1,855,676	14.3	(3.0)

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 2024 and 2025
(Dollars in Thousands)**

	FY 2025 Estimate	(b)	July		Year-To-Date			% Annual Growth Required By Estimate			
			FY 2025	(c)	FY 2024	% Change	FY 2025		(c)	FY 2024	% Change
Lottery Collections (a)											
Total Lottery Sales	\$5,744,113		\$453,798		\$442,555	2.5	\$453,798		\$442,555	2.5	4.0
Other Income	3,000		410		713	(42.5)	410		713	(42.5)	(69.8)
Total Income	<u>\$5,747,113</u>		<u>\$454,208</u>		<u>\$443,268</u>	2.5	<u>\$454,208</u>		<u>\$443,268</u>	2.5	<u>3.9</u>
Less:											
Prize Expenses	\$4,473,917		\$351,054		\$326,133	7.6	\$351,054		\$326,133	7.6	5.4
Retailer Commissions	132,767		10,665		11,549	(7.7)	10,665		11,549	(7.7)	(6.2)
Operating Expenses	262,503		15,981		15,441	3.5	15,981		15,441	3.5	25.2
Total Expenses	<u>\$4,869,187</u>		<u>\$377,700</u>		<u>\$353,123</u>	7.0	<u>\$377,700</u>		<u>\$353,123</u>	7.0	<u>5.9</u>
Net Proceeds from Operations											
Net Lottery Ticket Profits	\$877,926		\$76,508		\$90,145	(15.1)	\$76,508		\$90,145	(15.1)	(6.0)
Prior Year Residual Profit Transfer	0		0		0	-	0		0	-	-
Available to Lottery Proceeds Fund	<u>\$877,926</u>		<u>\$76,508</u>		<u>\$90,145</u>	(15.1)	<u>\$76,508</u>		<u>\$90,145</u>	(15.1)	<u>(14.0)</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 2, 2024 Virginia Acts of Assembly, Special Session I. 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 2025 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2025 sales and profits, as well as the residual transfer from FY 2024.
- (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 2024 and 2025
(Dollars in Thousands)

Revenue	FY 2025 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
Motor Fuel Taxes	\$1,591,400	19.14	\$143,916	\$106,335	35.3	\$143,916	\$106,335	35.3	6.2
Insurance Premiums Tax	228,661	2.75	26,296	14,651	79.5	26,296	14,651	79.5	5.0
Motor Vehicle Sales and Use Tax	1,248,400	15.02	130,583	111,050	17.6	130,583	111,050	17.6	(0.6)
State Sales and Use Tax	1,392,200	16.74	121,938	117,275	4.0	121,938	117,275	4.0	1.1
Motor Vehicle License Fees	219,500	2.64	28,206	21,924	28.7	28,206	21,924	28.7	3.2
Highway Use Fee	65,400	0.79	8,528	5,881	45.0	8,528	5,881	45.0	(7.9)
International Registration Plan	119,600	1.44	16,225	14,274	13.7	16,225	14,274	13.7	5.1
Recordation Tax	55,900	0.67	5,210	4,373	19.1	5,210	4,373	19.1	9.9
Interest Earnings	14,200	0.17	55	0	-	55	0	-	(73.8)
Misc. Taxes, Fees, and Revenues	18,600	0.22	1,884	1,486	26.8	1,884	1,486	26.8	(13.8)
Total State Taxes and Fees	<u>\$4,953,861</u>	<u>59.58</u>	<u>\$482,841</u>	<u>\$397,249</u>	<u>21.5</u>	<u>\$482,841</u>	<u>\$397,249</u>	<u>21.5</u>	<u>1.7</u>

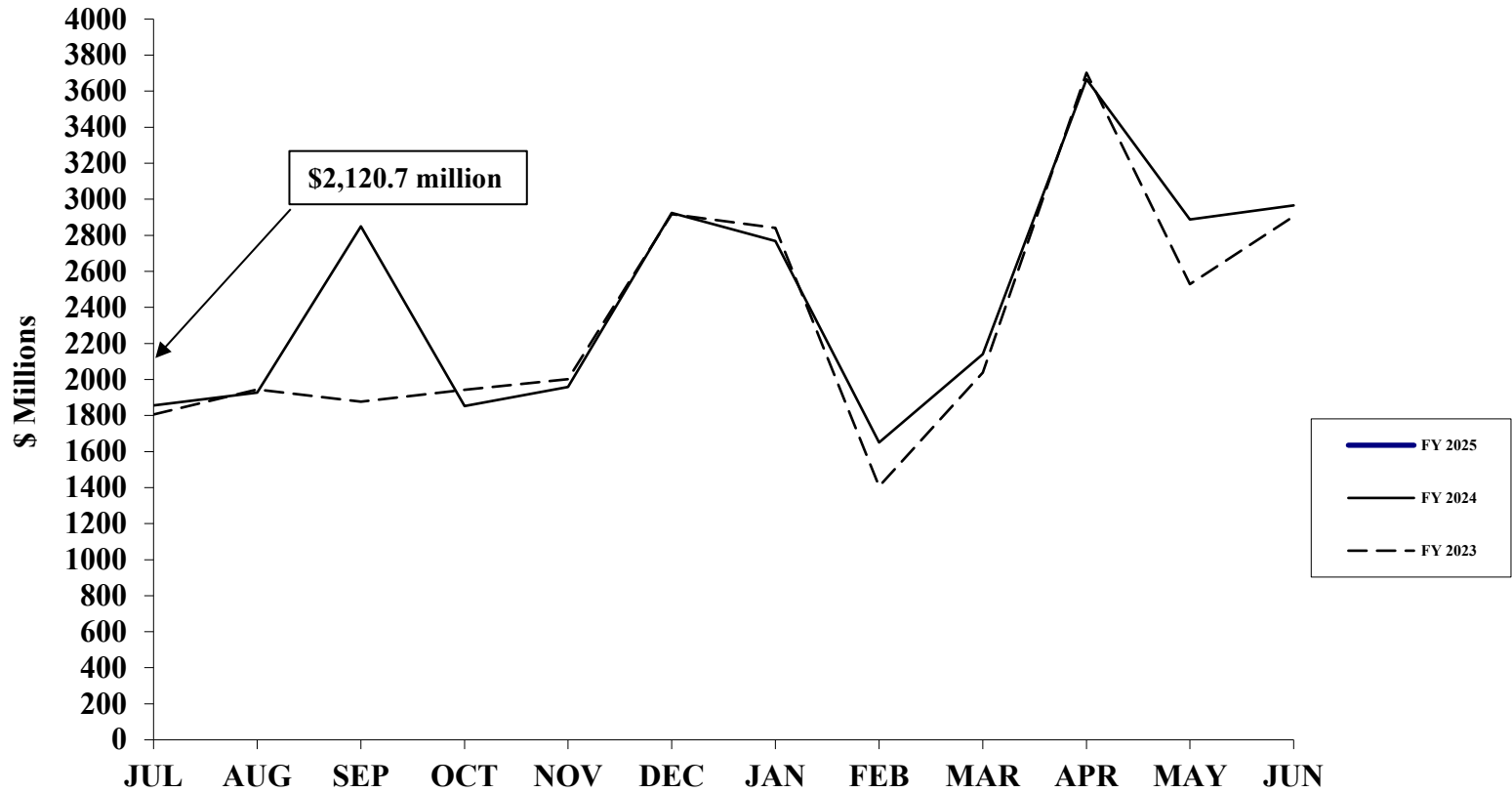
Percentage is greater than or equal to 1,000%.

**Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)**

Revenue	FY 2025 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,591,400	19.14	\$143,916	\$106,335	35.3	\$143,916	\$106,335	35.3	6.2
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,248,400	15.02	130,583	111,050	17.6	130,583	111,050	17.6	(0.6)
State Sales and Use Tax	1,392,200	16.74	121,938	117,275	4.0	121,938	117,275	4.0	1.1
Motor Vehicle License Fees	219,500	2.64	28,206	21,924	28.7	28,206	21,924	28.7	3.2
Highway Use Fee	65,400	0.79	8,528	5,881	45.0	8,528	5,881	45.0	(7.9)
International Registration Plan	119,600	1.44	16,225	14,274	13.7	16,225	14,274	13.7	5.1
Insurance Premiums Tax	228,661	2.75	26,296	14,651	79.5	26,296	14,651	79.5	5.0
Recordation Tax	55,900	0.67	5,210	4,373	19.1	5,210	4,373	19.1	9.9
Total Commonwealth Transportation Fund	\$4,921,061	59.19	\$480,902	\$395,763	21.5	\$480,902	\$395,763	21.5	2.6
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,600	0.22	\$1,884	\$1,486	26.8	\$1,884	\$1,486	26.8	(13.8)
Other Miscellaneous Revenues	30,132	0.37	2,291	108,880	(97.9)	2,291	108,880	(97.9)	(92.0)
Federal Grants and Contracts	0	0.00	4,344	2,629	65.2	4,344	2,629	65.2	(100.0)
Transfer (to) / from Transportation Trust Fund	509,882	6.13	0	0	-	0	0	-	49.8
Total Highway Maintenance and Operating Fund	\$558,614	6.72	\$8,519	\$112,995	(92.5)	\$8,519	\$112,995	(92.5)	(28.3)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$14,200	0.17	\$55	\$0	-	\$55	\$0	-	(73.8)
Federal Grants and Contracts	1,743,227	20.97	67,622	171,373	(60.5)	67,622	171,373	(60.5)	38.9
Receipts from Cities/Counties	1,466,358	17.64	32,239	52,524	(38.6)	32,239	52,524	(38.6)	126.7
Toll Revenues	116,696	1.39	4,270	3,152	35.5	4,270	3,152	35.5	73.3
Miscellaneous Revenues	4,058	0.05	8,625	17,052	(49.4)	8,625	17,052	(49.4)	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(509,882)	(6.13)	0	0	-	0	0	-	(49.8)
Total Transportation Trust Fund	\$2,834,657	34.09	\$112,811	\$244,101	(53.8)	\$112,811	\$244,101	(53.8)	44.5
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,314,332	100.00	\$602,232	\$752,859	(20.0)	\$602,232	\$752,859	(20.0)	10.3

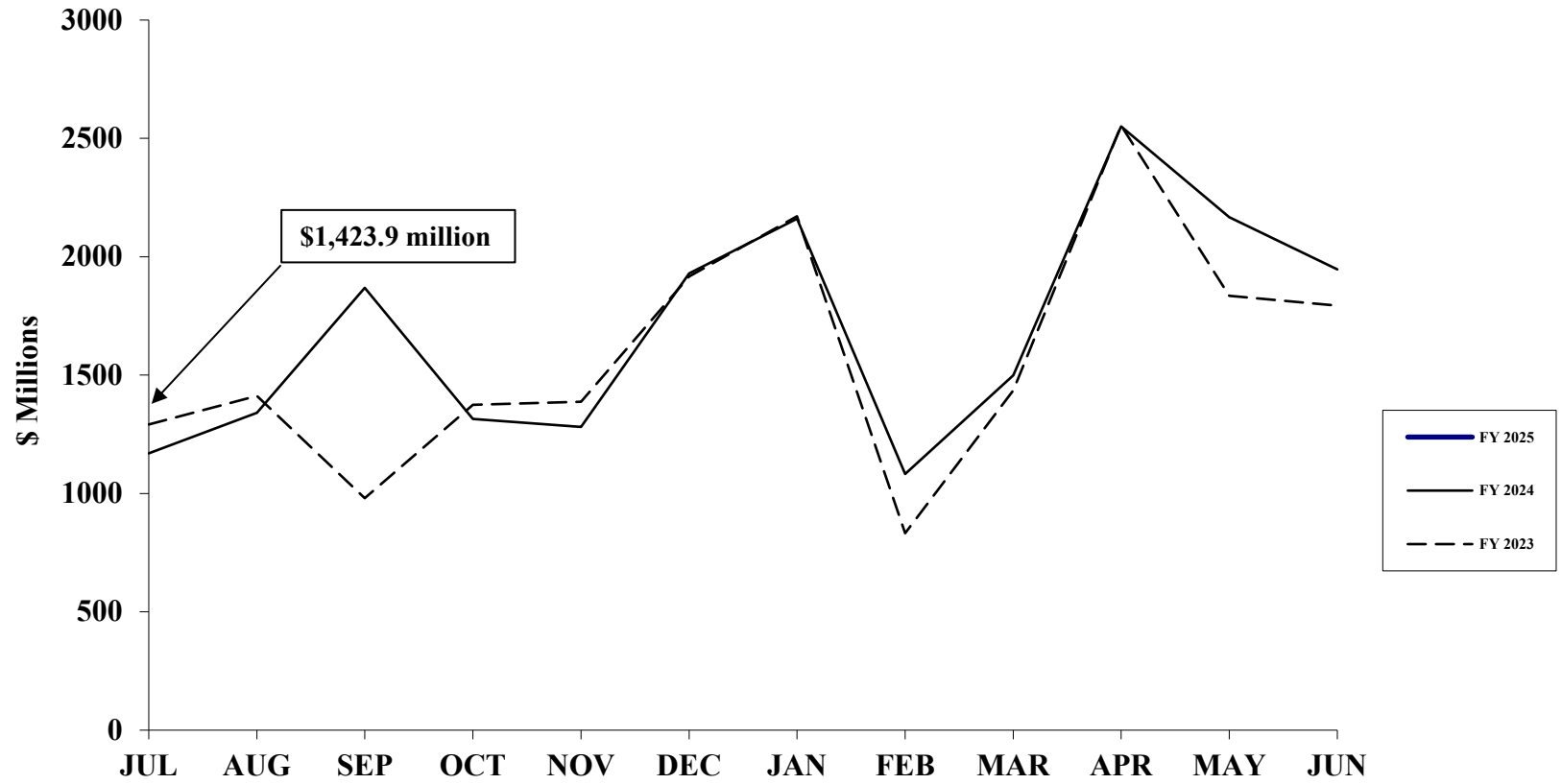
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



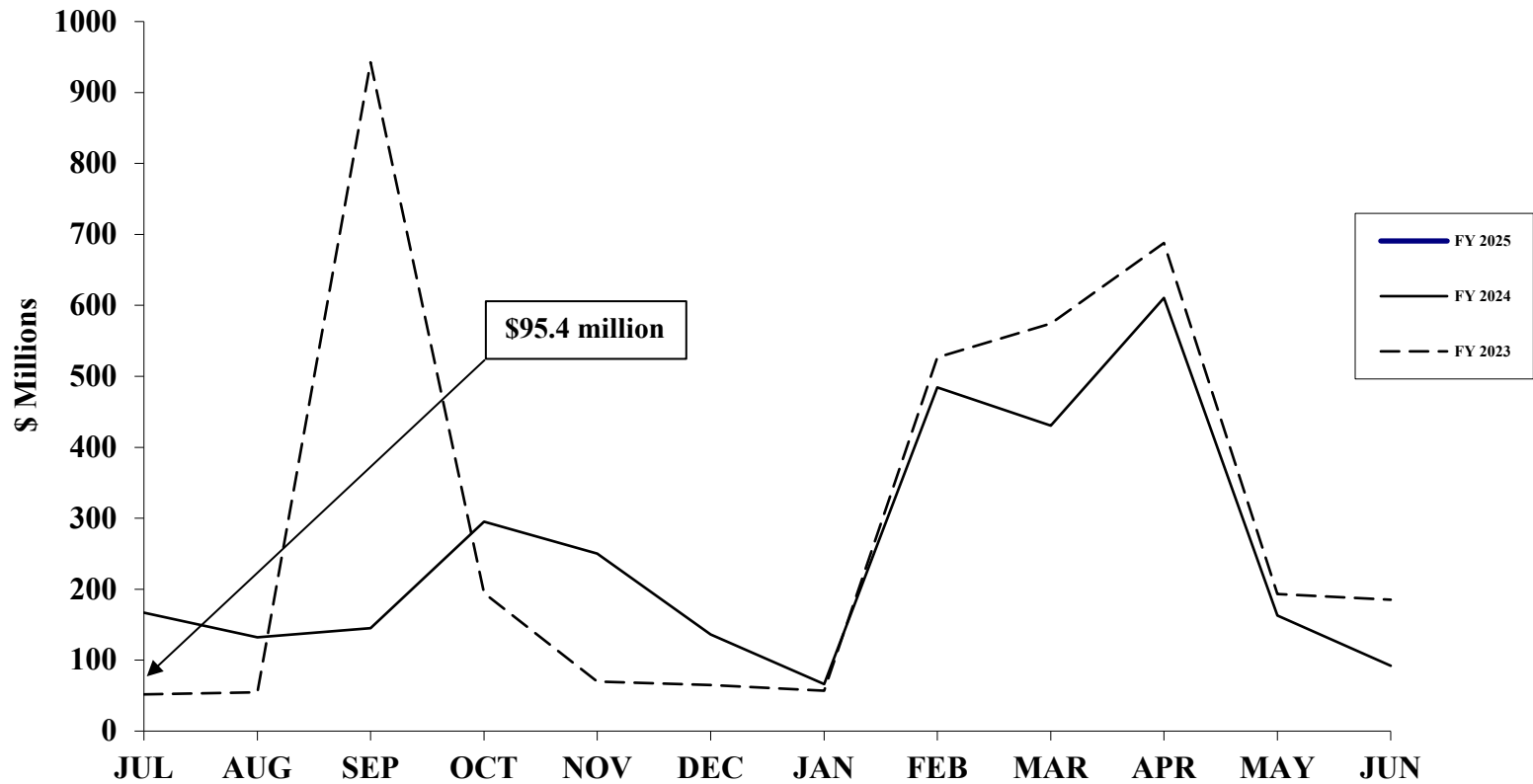
FY 2023 Actual = \$27,909.9 Million
FY 2024 Actual = \$29,448.2 Million
FY 2025 Estimate = \$28,563.8 Million

Net Individual Income Tax



FY 2023 Actual = \$18,983.6 Million
FY 2024 Actual = \$20,310.4 Million
FY 2025 Estimate = \$19,244.7 Million

Individual and Fiduciary Income Tax Refunds



FY 2023 Actual = \$3,602.8 Million
FY 2024 Actual = \$2,971.5 Million
FY 2025 Estimate = \$3,015.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2025
 (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	YTM ²	Avg. Balance	Rate ³	YTM ⁴
July, 2024	\$21,067.8	4.73%	5.03%	\$9,064.1	20.55%	4.82%	\$30,131.9	9.49%	4.76%
August									
September									
October									
November									
December									
January, 2025									
February									
March									
April									
May									
June									
Year-to-Date Average	\$21,067.8	4.73 %	5.03%	\$9,064.1	20.55%	4.82%	\$30,131.9	9.49%	4.76%

• 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.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2025**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
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.