



COMMONWEALTH of VIRGINIA

Office of the Governor

Jody M. Wagner
Secretary of Finance

P.O. Box 1475
Richmond, Virginia 23218

April 14, 2006

MEMORANDUM

TO: The Honorable Timothy M. Kaine

THROUGH: The Honorable William H. Leighty

FROM: Jody M. Wagner

A handwritten signature in cursive script that reads "Jody M. Wagner".

SUBJECT: March Revenue Data

This month's revenue report incorporates the revised general fund revenue forecast provided to the General Assembly on February 14, 2006. A growth rate of 7.4 percent is projected for general fund revenue in fiscal year 2006. Net of tax policy changes, economics-based revenue growth in fiscal year 2006 is projected to be 9.9 percent.

March is not a significant month in revenue collections. Collections consist mainly of withholding and sales tax revenues in addition to normal collections for most minor sources. No estimated payments are due from either individuals or corporations, although March collections do include the leading edge of corporate payments which are due April 15.

Total general fund revenue grew 9.2 percent in March. Most of the growth was due to an increase in individual withholding payments. Through March, revenues grew 10.5 percent over the same period last year. Fiscal year 2006 revenues are overstated on an annual basis because revenue losses from the reduced Accelerated Sales Tax program and the reduction on the sales tax on food that will occur in the fourth quarter of this fiscal year are not reflected in collections to date. Accounting for these known revenue losses, total general fund revenues are increasing at 7.8% -- slightly ahead of the annual 7.4% forecast.

National Economic Indicators

Current economic indicators depict an expansion in the national economy.

- Payroll employment grew by 211,000 jobs in March. The first quarter average came in at 197,000, a pace of job growth that is more than sufficient to accommodate the growing labor force. In a separate report, the unemployment rate fell slightly to 4.7 percent.
- Initial claims for unemployment fell to 299,000 during the last week of March. The four-week moving average fell to 309,000 – consistent with a healthy labor market.

- The Conference Board index of leading indicators fell 0.2 percent in February, slightly better than expectations. The six-month annualized growth rate of 3.0 percent dropped from last month's 3.5 percent, and is consistent with strong first quarter growth moderating to slower growth in the second quarter.
- The Consumer Price Index rose 0.1 percent in February, following a sharp 0.7 percent increase in January. Core inflation remains under control, with a 0.1 percent increase for the month, bringing the annual rate of core inflation to 2.1 percent.
- The Institute of Supply Management index fell slightly from 56.7 to 55.2 in March. Despite the modest decline, the index remains well over 50.0 and signals an expanding manufacturing sector.
- The Conference Board's index of consumer confidence rose from 102.7 to 107.2 in March, its highest level since May 2002.
- As expected, the Federal Reserve raised the federal funds rate another 25 basis points to 4.75 percent at its meeting on March 28.

Virginia Economy

In Virginia, payroll employment grew 2.0 percent in February. In Northern Virginia, employment grew by 3.6 percent. Jobs in the western MSAs grew by 2.6 percent, followed by Richmond-Petersburg with 2.1 percent, and Hampton Roads with 1.6 percent growth. The unemployment rate was flat at 3.3 percent in February.

The Virginia Leading Index rose 0.5 percent in February after falling 0.2 percent in January. Two out of the four components -- auto registrations and initial claims for unemployment -- contributed positively to the index. The other two components -- building permits and the U.S. Leading Index -- showed a decline. Ten of the eleven metro areas in Virginia saw increases in their indexes, while the Harrisonburg leading index fell for the month.

March Revenue Collections

March is not a significant month in revenue collections. Collections consist mainly of withholding and sales tax revenues in addition to normal collections for most minor sources. No estimated payments are due from either individuals or corporations, although March collections do include the leading edge of corporate payments which are due April 15.

Individual Income Tax Withholding (54% of general fund revenues): Reflecting the healthy job market, collections of payroll withholding taxes grew 8.3 percent in March. Year-to-date withholding growth is 6.4 percent -- very close to the projected annual growth rate of 6.2 percent.

Individual Income Tax Nonwithholding (17% of general fund revenues): March is not a significant month for nonwithholding receipts. A total of \$59.5 million was collected in March, compared with \$58.3 million in March of last year.

To date, TAX has collected about 44 percent of the nonwithholding forecast, typical for this time of year, and collections are 18.7 percent above last year. The majority of the remaining collections in this source will occur in April and May, with both final payments for tax year 2005 and estimated payments for the current year due May 1.

Individual Income Tax Refunds: This month, TAX issued \$301.5 million in refunds compared with \$290.6 million in March of last year. Fiscal year-to-date, \$751.4 million in refunds have been issued compared to \$756.9 million in the same period last year. For the filing season beginning January 1, TAX issued about 1.44 million refunds, compared with 1.49 million issued in the same period last year.

Sales Tax (19% of general fund revenues): Collections of sales and use taxes, reflecting February sales, grew 4.8 percent in March. Adjusting for the effects of tax relief on food, growth was 11.9 percent for the month. The high growth rate in March can be attributed to some February collections being booked in March.

Year-to-date growth is 4.0 percent through March, ahead of the estimate of a 3.9 percent decline. However, the reduced Accelerated Sales Tax program will decrease collections by \$200.1 million in June and year-to-date growth is expected to drop to the 3.9 percent forecast decline.

Corporate Income Tax (6% of general fund revenues): Collections of corporate income tax were \$67.7 million compared with \$56.4 million in March of last year, a 20.1 percent increase. March receipts are typically from companies paying ahead of the April 15 filing date for final payments on tax year 2005 liability and estimated payments for the first quarter of the current fiscal year. Through March, collections have increased 74.9 percent, well ahead of the annual estimate of 38.1 percent growth.

Other Revenue Sources

The following list provides data on March collections for other revenue sources:

	<u>Year-to-Date</u>	<u>Required to Meet Estimate</u>
Insurance Premiums Taxes (3% GF revenues)	-1.4%	5.1%
ABC Taxes (1.1% GF revenues)	5.9%	-0.5%
Public Service Corporations (0.7% GF revenues)	13.3%	2.6%

Interest Income (0.7% GF revenues)*	34.8%	20.9%
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**Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in April.*

All Other Revenue: Receipts in All Other Revenue grew 11.3 percent in March -- \$102.3 million compared with \$91.9 million in March of last year. Collections of inheritance, gift and estate taxes drove the growth -- \$26.7 million compared with \$12.3 million in March of last year. Growth in the largest component of all other revenue -- wills, suits, deeds, and contract fees, primarily due to increased recordation tax receipts, has been a major contributor to increases in this source over the last few years. In March, growth in wills, suits, deeds, and contract fees (mostly recordation tax receipts) grew a modest 0.9 percent. Year-to-date growth in this source stands at 28.7 percent, ahead of the estimate of 21.3 percent growth. March marks the second consecutive month that recordation tax collections have shown a marked slowdown. For the fiscal year, collections of All Other Revenue are 9.0 percent above fiscal year 2005, ahead of the annual estimate of 4.0 percent growth.

Lottery Revenues: Lottery net profits increased 1.0 percent for the month. Significantly lower than expected payouts in the Pick 3 and Pick 4 games for another month have begun to dampen sales in these games. For the month, all games experienced a decline in sales with the exception of Mega Millions.

With the strong sales growth so far, the year-to-date net income growth rate of 13.0 percent is well ahead of the projected 2.4 percent annual rate. On March 30, however, North Carolina started its lottery program, which is expected to further slow sales growth in Virginia.

Summary

This month's revenue report incorporates the revised general fund revenue forecast provided to the General Assembly on February 14, 2006. A growth rate of 7.4 percent is projected for general fund revenue in fiscal year 2006. Net of tax policy changes, economics-based revenue growth in fiscal year 2006 is projected to be 9.9 percent.

March is not a significant month in revenue collections. Collections consist mainly of withholding and sales tax revenues in addition to normal collections for most minor sources.

Total general fund revenue grew 9.2 percent in March. Most of the growth was due to solid growth in individual withholding payments. Through March, revenues grew 10.5 percent over the same period last year. Fiscal year 2006 revenues are overstated on an annual basis because revenue losses from the reduced Accelerated Sales Tax program and the reduction on the sales tax on food that will occur in the fourth quarter of this fiscal year are not reflected in collections to date. Accounting for these known revenue losses, total general fund revenues are increasing

at 7.8% -- slightly ahead of the annual 7.4% forecast.

The last three months of the fiscal year are all major revenue months, with estimated and final payments due from both individuals and businesses. About \$4.4 billion – about 30 percent of the projected total general fund – will need to be collected over the remainder of the fiscal year to meet the annual forecast.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2006 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	March FY 2006	March FY 2005	% Change	Year-To-Date FY 2006	Year-To-Date FY 2005	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$7,978,800	52.71	\$756,553	\$698,407	8.3	\$6,029,648	\$5,665,554	6.4	6.2
Tax Dues/Estimated Payments	2,431,500	16.06	59,484	58,349	1.9	1,081,858	911,535	18.7	17.3
Gross Individual Income Tax	<u>\$10,410,300</u>	<u>68.77</u>	<u>\$816,037</u>	<u>\$756,756</u>	<u>7.8</u>	<u>\$7,111,506</u>	<u>\$6,577,089</u>	<u>8.1</u>	<u>8.6</u>
Individual and Fiduciary Income (Refunds)	(1,239,700)	(8.19)	(301,461)	(290,583)	3.7	(751,426)	(756,936)	(0.7)	0.4
Net Individual Income Tax	<u>\$9,170,600</u>	<u>60.58</u>	<u>\$514,576</u>	<u>\$466,173</u>	<u>10.4</u>	<u>\$6,360,080</u>	<u>\$5,820,153</u>	<u>9.3</u>	<u>9.8</u>
Sales and Use Tax	\$2,829,800	18.69	\$225,082	\$214,763	4.8	\$2,066,455	\$1,987,342	4.0	(3.9)
Corporations Income Tax	851,500	5.63	67,744	56,385	20.1	589,059	336,840	74.9	38.1
Public Service Corporations	90,600	0.60	8,486	4,799	76.8	64,235	56,701	13.3	2.6
Insurance Premiums	392,500	2.59	26,114	31,939	(18.2)	192,508	195,299	(1.4)	5.1
Interest Income (a)	101,400	0.67	19,480	16,182	20.4	98,421	73,034	34.8	20.9
Alcoholic Beverage Sales (b)	143,800	0.95	2,824	2,848	(0.8)	90,582	85,505	5.9	(0.5)
Tobacco Master Settlement	0	0.00	0	0	-	0	571	(100.0)	(100.0)
All Other Revenues	1,124,700	7.43	102,283	91,925	11.3	811,974	745,222	9.0	4.0
Total General Fund Revenues	<u>\$14,704,900</u>	<u>97.14</u>	<u>\$966,589</u>	<u>\$885,014</u>	<u>9.2</u>	<u>\$10,273,314</u>	<u>\$9,300,667</u>	<u>10.5</u>	<u>7.4</u>
Gross Lottery Revenue	\$1,388,262	9.17	\$118,713	\$122,533	(3.1)	\$1,047,609	\$977,622	7.2	4.1
Less: Expenses	(954,762)	(6.31)	(76,042)	(80,291)	(5.3)	(700,341)	(670,439)	4.5	4.9
Net Lottery Profits	<u>\$433,500</u>	<u>2.86</u>	<u>\$42,671</u>	<u>\$42,242</u>	<u>1.0</u>	<u>\$347,268</u>	<u>\$307,183</u>	<u>13.0</u>	<u>2.4</u>
Total General Fund Revenues and Net Lottery Profits	<u>\$15,138,400</u>	<u>100.00</u>	<u>\$1,009,260</u>	<u>\$927,256</u>	<u>8.8</u>	<u>\$10,620,582</u>	<u>\$9,607,850</u>	<u>10.5</u>	<u>7.3</u>

Percentage is greater than 1,000%.

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

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

NOTE: Due to the Department of Taxation's implementation of a new accounting system, there are various estimates within the detailed tax line items listed above. While the total revenue represents the collections for the fiscal year, the classification within line items is largely a result of estimates provided by the Department of Taxation. In addition, the Department of Taxation has processed fewer refunds during this implementation phase, particularly in corporations income tax, which has the effect of reporting higher than normal revenue.

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2006 Estimate	As a % of Total Gen Fund Rev	March FY 2006	March FY 2005	% Change	Year-To-Date FY 2006	Year-To-Date FY 2005	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$7,978,800	54.26	\$756,553	\$698,407	8.3	\$6,029,648	\$5,665,554	6.4	6.2
Tax Dues/Estimated Payments	2,431,500	16.53	59,484	58,349	1.9	1,081,858	911,535	18.7	17.3
Gross Individual Income Tax	\$10,410,300	70.79	\$816,037	\$756,756	7.8	\$7,111,506	\$6,577,089	8.1	8.6
Individ and Fiduc Income (Refunds)	(1,239,700)	(8.43)	(301,461)	(290,583)	3.7	(751,426)	(756,936)	(0.7)	0.4
Net Individual Income Tax	\$9,170,600	62.36	\$514,576	\$466,173	10.4	\$6,360,080	\$5,820,153	9.3	9.8
Sales and Use Tax	2,829,800	19.24	225,082	214,763	4.8	2,066,455	1,987,342	4.0	(3.9)
Corporations Income	851,500	5.79	67,744	56,385	20.1	589,059	336,840	74.9	38.1
Public Service Corporations	90,600	0.62	8,486	4,799	76.8	64,235	56,701	13.3	2.6
Insurance Premiums	392,500	2.67	26,114	31,939	(18.2)	192,508	195,299	(1.4)	5.1
Alcoholic Beverage Excise	101,800	0.69	0	0	-	58,633	54,445	7.7	(0.9)
Beer and Beverage Excise	42,000	0.29	2,824	2,848	(0.8)	31,949	31,060	2.9	0.5
Wills, Suits, Deeds, Contracts	723,000	4.92	57,190	56,657	0.9	522,620	406,231	28.7	21.3
Inheritance, Gift, and Estate	144,000	0.98	26,669	12,335	116.2	123,412	121,837	1.3	(4.0)
Tobacco Products	0	0.00	0	0	-	0	6,333	(100.0)	(100.0)
Bank Franchise	10,900	0.07	1,258	(80)	#	1,070	508	110.6	2.8
Other Taxes	4,300	0.03	(1,371)	943	(245.4)	1,660	13,347	(87.6)	(86.2)
Total Taxes	\$14,361,000	97.66	\$928,572	\$846,762	9.7	\$10,011,681	\$9,030,096	10.9	7.9
Rights and Privileges:									
Licenses and Permits	\$4,800	0.03	\$504	\$509	(1.0)	\$3,497	\$3,408	2.6	3.3
Corp. Franchise and Charters	44,300	0.31	694	705	(1.6)	16,396	16,187	1.3	2.9
Fees for Practice of Prof	0	0.00	0	0	-	0	0	-	0.0
Fees for Misc. Privileges & Services	13,400	0.09	878	976	(10.0)	8,457	7,960	6.2	0.9
Total Rights and Privileges	\$62,500	0.43	\$2,076	\$2,190	(5.2)	\$28,350	\$27,555	2.9	2.5
Other Revenues:									
Sales of Property & Commodities	\$5,200	0.04	\$87	\$3	#	\$7,026	\$11,332	(38.0)	(55.8)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	19	34	(44.1)	187	201	(7.0)	20.1
Institutional Revenue	9,200	0.06	600	1,504	(60.1)	6,611	6,931	(4.6)	0.0
Interest (a)	101,400	0.69	19,480	16,182	20.4	98,421	73,034	34.8	20.9
Dividends and Rent	300	0.00	9	9	0.0	220	202	8.9	22.4
Fines, Forfeitures & Fees	201,100	1.37	16,700	20,903	(20.1)	140,549	161,686	(13.1)	(8.3)
Other Revenue	(6,200)	(0.04)	939	(821)	214.4	4,963	10,213	(51.4)	(144.4)
Excess Fees	(39,500)	(0.27)	(2,637)	(2,565)	(2.8)	(32,102)	(27,823)	(15.4)	(4.2)
Private Donations, Gifts & Cont.	0	0.00	0	1	(100.0)	67	1	#	(100.0)
Cities, Counties, and Towns	9,500	0.06	744	812	(8.4)	7,341	6,668	10.1	0.6
Tobacco Master Settlement	0	0.00	0	0	-	0	571	(100.0)	(100.0)
Total Other Revenues	\$281,400	1.91	\$35,941	\$36,062	(0.3)	\$233,283	\$243,016	(4.0)	(9.4)
Total General Fund Revenues	\$14,704,900	100.00	\$966,589	\$885,014	9.2	\$10,273,314	\$9,300,667	10.5	7.4

Percentage is greater than 1,000%.

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

NOTE: Due to the Department of Taxation's implementation of a new accounting system, there are various estimates within the detailed tax line items listed above. While the total revenue represents the collections for the fiscal year, the classification within line items is largely a result of estimates provided by the Department of Taxation. In addition, the Department of Taxation has processed fewer refunds during this implementation phase, particularly in corporations income tax, which has the effect of reporting higher than normal revenue.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)**

	FY 2006 Estimate (d)	March			Year-To-Date			% Annual Growth Required By Estimate
		FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change (b)	
Lottery Collections								
Lotto South/Win for Life (e)	\$65,122	\$5,126	\$5,945	(13.8)	\$49,449	\$50,077	(1.3)	(2.4)
Cash 5	27,453	2,429	2,504	(3.0)	21,101	21,118	(0.1)	(2.3)
Pick 4	174,669	14,725	15,816	(6.9)	129,699	125,894	3.0	3.2
Pick 3	254,789	22,468	23,993	(6.4)	195,491	187,324	4.4	0.6
Mega Millions	147,120	11,974	10,758	11.3	125,819	99,285	26.7	7.2
Scratch	<u>719,109</u>	<u>61,991</u>	<u>63,517</u>	<u>(2.4)</u>	<u>526,050</u>	<u>493,924</u>	<u>6.5</u>	<u>5.8</u>
Gross Lottery Revenue	1,388,262	118,713	122,533	(3.1)	1,047,609	977,622	7.2	4.1
Expenses (c)	<u>954,762</u>	<u>76,042 (a)</u>	<u>80,291</u>	<u>(5.3)</u>	<u>700,341 (a)</u>	<u>670,439</u>	<u>4.5</u>	<u>4.9</u>
Net Lottery Ticket Profits	<u>\$433,500</u>	<u>\$42,671 (a)</u>	<u>\$42,242</u>	<u>1.0</u>	<u>\$347,268 (a)</u>	<u>\$307,183</u>	<u>13.0</u>	<u>2.4</u>

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

(b) The current-year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year.

Lottery revenues can have dramatic swings up and down month-to-month depending on the lotto jackpots, prize expense, and game related administrative expenses.

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

(d) Estimate established in December 2005.

(e) Lotto South ended on February 25, 2006, and was replaced with Win for Life.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$63,793	\$65,951	(3.3)	\$585,716	\$574,779	1.9	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	14,000	14,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	55,205	53,791	2.6	468,580	450,582	4.0	3.5
State Sales and Use Tax	474,900	13.79	38,346	34,475	11.2	349,636	325,149	7.5	5.6
Motor Vehicle License Fees	169,200	4.91	16,053	16,378	(2.0)	123,192	117,804	4.6	2.9
International Registration Plan	58,600	1.70	19,026	10,991	73.1	40,752	39,340	3.6	(3.5)
Interest Earnings	25,700	0.75	16	0	-	14,247	7,754	83.7	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,709	2,586	4.8	25,073	23,221	8.0	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$197,148	\$186,172	5.9	\$1,621,196	\$1,552,629	4.4	2.3

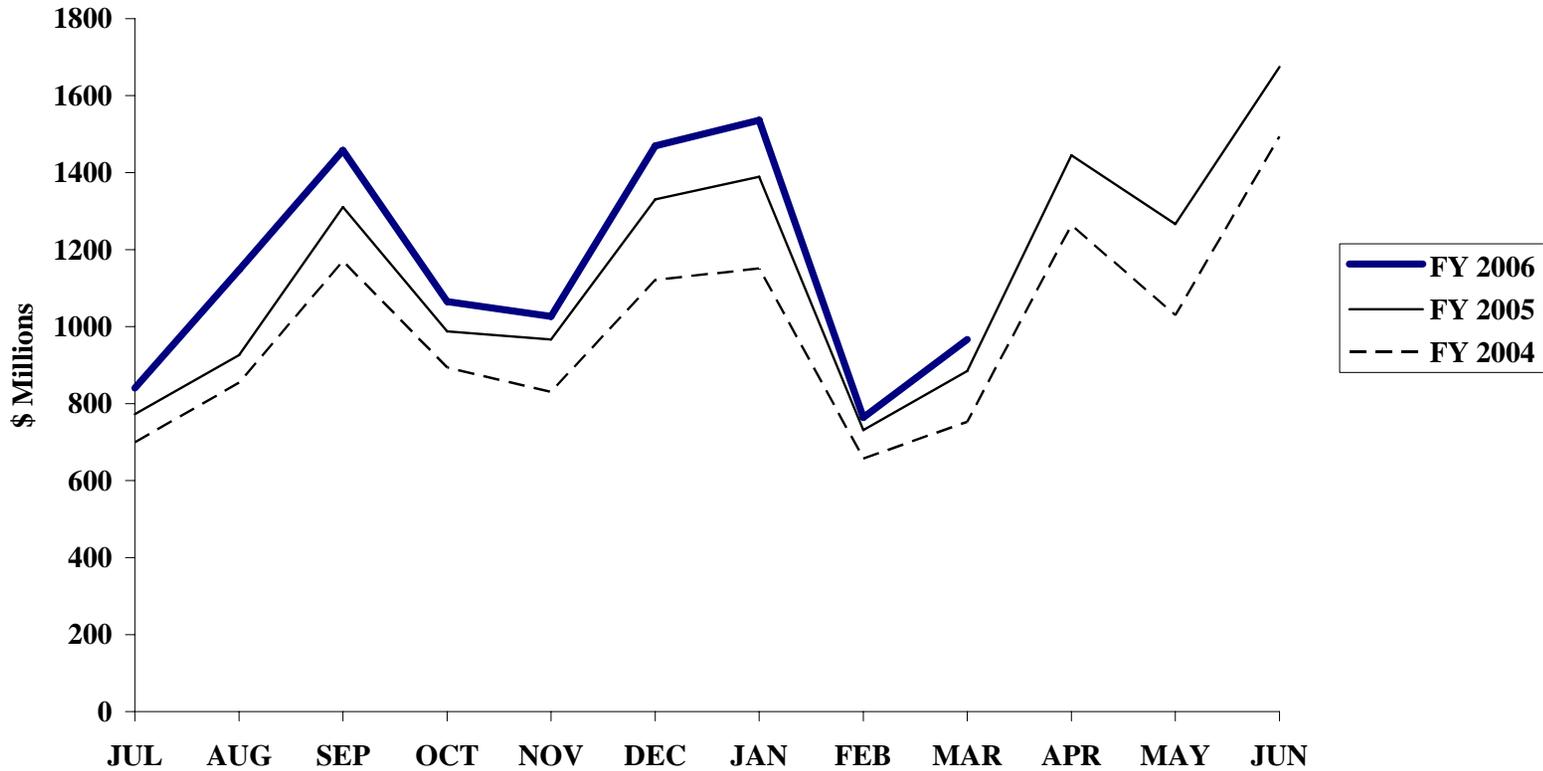
Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	March			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$53,203	\$54,862	(3.0)	\$506,927	\$494,629	2.5	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	34,553	34,608	(0.2)	290,165	290,080	0.0	(0.2)
Motor Vehicle License Fees	147,900	4.29	14,033	14,319	(2.0)	107,863	103,104	4.6	2.8
International Registration Plan	58,600	1.70	19,026	10,991	73.1	40,752	39,340	3.6	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,709	2,586	4.8	25,073	23,221	8.0	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$123,524	\$117,366	5.2	\$970,780	\$950,374	2.1	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$4,332	\$7,705	(43.8)	\$26,119	\$20,716	26.1	(100.0)
Transfer (to) / from Transportation Trust Fund	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$127,856	\$125,071	2.2	\$1,183,098	\$1,166,067	1.5	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,300	3.49	\$10,590	\$11,089	(4.5)	\$78,789	\$80,150	(1.7)	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	14,000	14,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	241,400	7.01	20,652	19,183	7.7	178,415	160,502	11.2	10.1
State Sales and Use Tax	474,900	13.79	38,346	34,475	11.2	349,636	325,149	7.5	5.6
Motor Vehicle License Fees	21,300	0.62	2,020	2,059	(1.9)	15,329	14,700	4.3	3.5
Interest Earnings	25,700	0.75	16	0	-	14,247	7,754	83.7	45.7
Total State Taxes and Fees	\$903,600	26.24	\$73,624	\$68,806	7.0	\$650,416	\$602,255	8.0	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$20,454	\$37,641	(45.7)	\$336,003	\$321,811	4.4	121.8
Receipts from Cities/Counties	70,400	2.04	3,799	(11,431)	133.2	36,964	23,223	59.2	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	8,434	11,296	(25.3)	82,053	73,836	11.1	(20.5)
Miscellaneous Revenues	20,200	0.59	1,732	(17)	#	12,773	23,034	(44.5)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$34,419	\$37,489	(8.2)	\$467,793	\$441,904	5.9	91.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$108,043	\$106,295	1.6	\$932,010	\$849,182	9.8	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,444,100	100.00	\$235,899	\$231,366	2.0	\$2,115,108	\$2,015,249	5.0	20.7

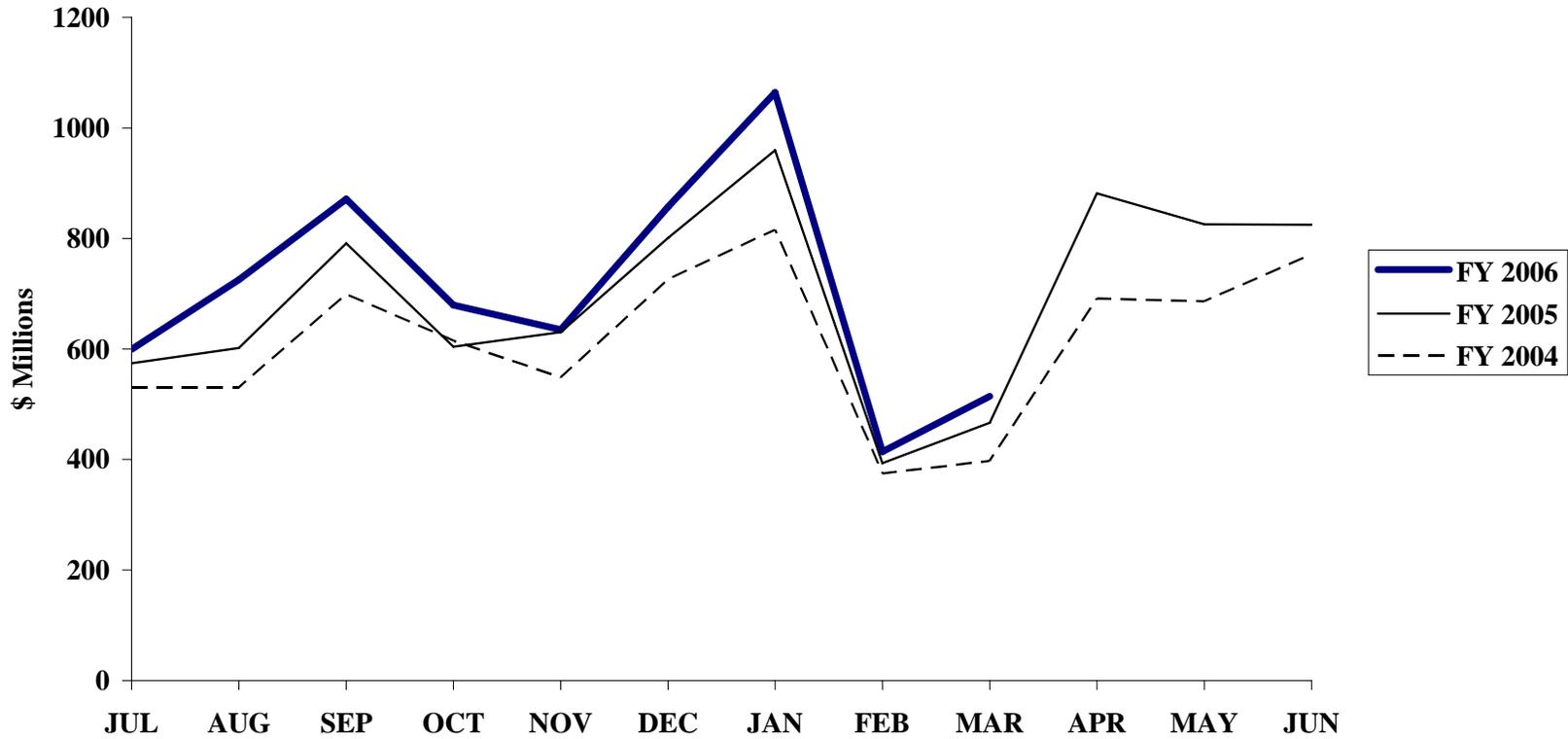
Percentage is greater than 1,000%.

Total General Fund Revenues



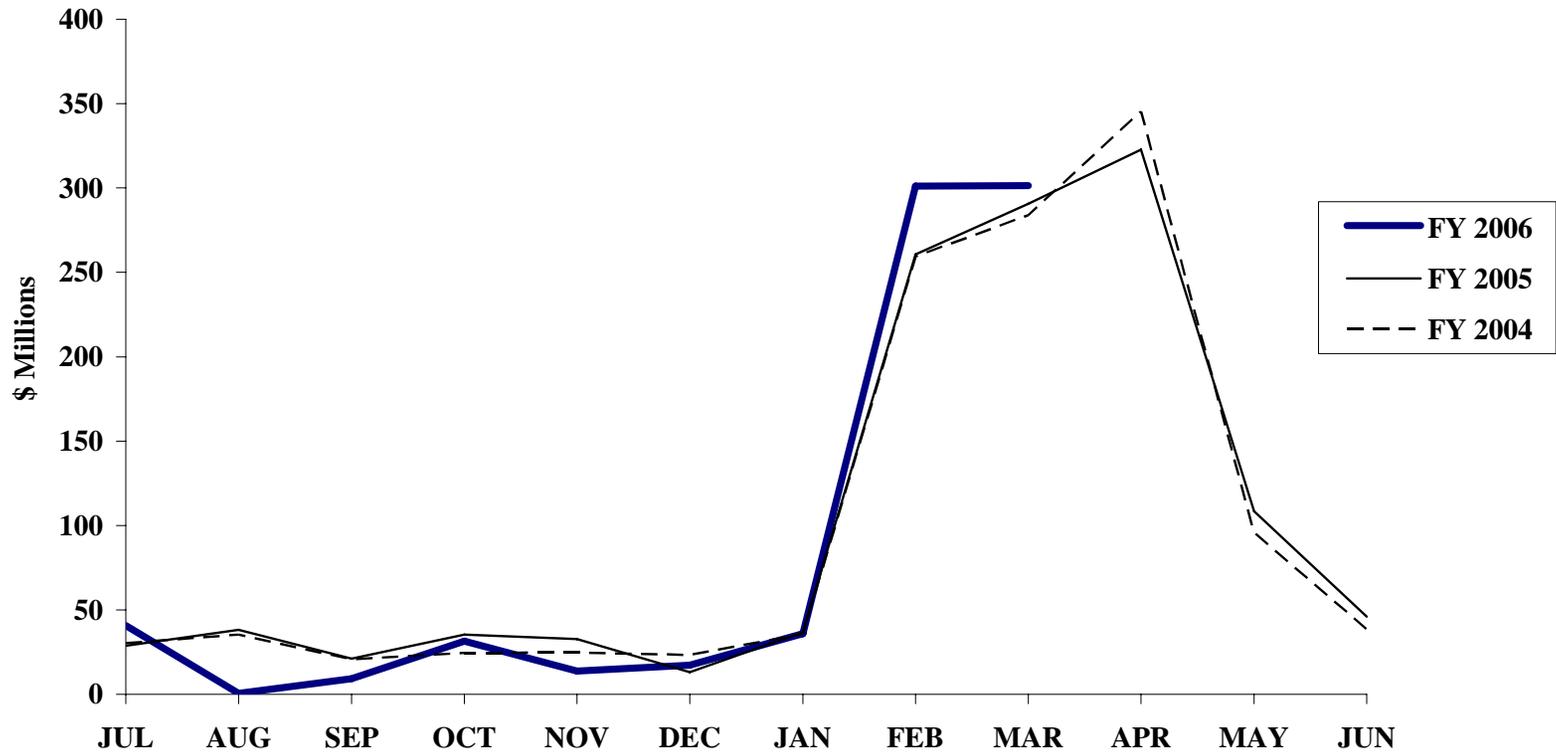
FY 2004 Actual = \$11,917.8 Million
FY 2005 Actual = \$13,687.3 Million
FY 2006 Estimate = \$14,704.9 Million

Net Individual Income Tax



FY 2004 Actual = \$7,384.8 Million
FY 2005 Actual = \$8,352.4 Million
FY 2006 Estimate = \$9,170.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2004 Actual = \$1,217.2 Million
FY 2005 Actual = \$1,234.2 Million
FY 2006 Estimate = \$1,239.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2006
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION ^{1, 2, 3}		COMPOSITE ³	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2005	\$4,108.3	3.13%	\$1,030.1	-9.54%	\$5,138.4	0.59%
August	\$4,049.1	3.29%	\$1,031.9	14.20%	\$5,081.0	5.51%
September	\$4,407.7	3.54%	\$1,033.8	-9.21%	\$5,441.5	1.12%
October	\$4,423.6	3.60%	\$1,027.1	-5.99%	\$5,450.7	1.79%
November	\$4,364.1	3.79%	\$1,026.5	5.00%	\$5,390.6	4.02%
December	\$4,136.2	3.92%	\$1,132.7	8.78%	\$5,268.9	4.97%
January, 2006	\$4,646.4	4.11%	\$1,237.0	0.72%	\$5,883.4	3.40%
February	\$5,077.6	4.46%	\$1,238.7	2.95%	\$6,316.3	4.16%
March	\$4,937.7	4.47%	\$1,236.8	-6.46%	\$6,174.5	2.28%
April						
May						
June						
Year-to-Date Average	\$4,461.2	3.84%	\$1,110.5	0.08%	\$5,571.7	3.09%
Latest 12-month Average	\$4,328.2	3.62%	\$1,087.1	2.33%	\$5,415.3	3.36%

¹ Performance on the extended duration portion of the General Account is now 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.

² Unaudited.

³ Revised External Manager and Composite balances and returns for the months of July, August, September, and October.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2006
(Dollars in Thousands)**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits/(Withdrawals)</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$482,259	\$0	\$0	\$482,259
August	\$482,259	\$0	\$0	\$482,259
September	\$482,259	\$0	\$0	\$482,259
October	\$482,259	\$0	\$3,947	\$486,206
November	\$486,206	\$0	\$0	\$486,206
December	\$486,206	\$0	\$0	\$486,206
January	\$486,206	\$0	\$3,967	\$490,173
February	\$490,173	\$0	\$0	\$490,173
March	\$490,173	\$0	\$0	\$490,173
April				
May				
June				

Notes: (A) Interest is earned monthly but credited to nongeneral funds on a quarterly basis and will appear on this report in the months of October, January, April, and final June.