



COMMONWEALTH of VIRGINIA

Office of the Governor

Richard D. Brown
Secretary of Finance

PO Box 1475
Richmond, VA. 23218

September 15, 2011

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: August Revenue Data

August is not a significant month for revenue collections, with collections mainly from withholding payments, sales taxes, and other sources which have regular monthly payments.

Total general fund revenue collections rose 7.8 percent in August, driven by strong growth in individual withholding and nonwithholding payments. Collections of recordation taxes also increased for the month, while receipts in the other major sources declined. On a year-to-date basis, total revenue collections rose 8.8 percent, ahead of the revised annual forecast of 3.7 percent growth. Adjusting for the partial repeal of the accelerated sales tax program, total revenues grew 6.7 percent through August, ahead of the economic-base forecast of 3.5 percent growth.

National Economic Indicators

Current national indicators suggest economic growth has slowed. The consensus of economic advisors expects the expansion will continue at a modest, uneven pace with significant downside risk.

- According to the second estimate, real GDP grew 1.0 percent at an annualized rate in the second quarter of 2011, following growth of 0.4 percent in the first quarter.

- The labor market stalled in August. Payroll employment added no jobs in August, as meager gains in the private sector were offset by cuts in government jobs. In addition, the prior two months were revised down by a combined 58,000 jobs. In a separate report, the unemployment rate remained flat at 9.1 percent in August.
- Initial claims for unemployment increased by 2,000 to 414,000 during the week ending September 3, while the four-week moving average rose from 411,000 to 415,000. The rise in claims is consistent with a stagnant labor market.
- The Conference Board's index of leading indicators rose 0.5 percent in July, its third consecutive monthly increase. Six of the ten components of the index rose in July, with an increase in the money supply driving the gain. The rise in the index suggests the economy should continue to modestly expand.
- The Conference Board's index of consumer confidence dropped sharply from 59.2 to 44.5 in August. Both components contributed to the decrease, although the expectations component drove the decline. The index is at its lowest level since April 2009.
- The manufacturing sector further slowed in August as the Institute of Supply Management index slightly fell from 50.9 to 50.6. The index had remained above 60 for four consecutive months early in the year, but has been slowly declining since May. A reading above 50 indicates that manufacturing activity is expanding, but the drop in the index suggests the rate of growth has further slowed.
- Inflation remains contained. The CPI increased 0.5 percent in July from the previous month and stands 3.6 percent above July of last year. Core inflation (excluding food and energy prices) rose 0.2 percent in July, and has increased 1.8 percent from July 2010.

Virginia Economy

In Virginia, the modest pace of job growth earlier in the year has slowed. In July, payroll employment rose 0.1 percent from July of last year. Northern Virginia posted growth of 0.1 percent, Hampton Roads fell 0.1 percent, and Richmond-Petersburg fell 1.7 percent. The unemployment rate in the Commonwealth fell from 6.3 percent to 6.2 percent in July, and is 0.7 percentage point below July 2010.

The Virginia Leading Index fell 0.3 percent in July, following a 0.4 percent decline in June. Building permits and the U.S. leading index rose in July, while future employment, auto registrations, and initial unemployment claims contributed negatively to the index. The Leading Index rose in July in Lynchburg, Charlottesville, and Bristol and was flat for Harrisonburg. The remaining seven metro areas showed declines.

August Revenue Collections

Total general fund revenue collections rose 7.8 percent in August, driven by strong growth in individual withholding payments. On a year-to-date basis, total revenue collections rose 8.8

percent, ahead of the revised annual forecast of 3.7 percent growth. Adjusting for the partial repeal of the accelerated sales tax program, total revenues grew 6.7 percent through August, ahead of the economic-base forecast of 3.5 percent growth.

Net Individual Income Tax (66% of general fund revenues): Through the first two months of the fiscal year, collections of net individual income tax rose 9.8 percent from the same period last year, ahead of the annual estimate of 3.9 percent growth. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (64% of general fund revenues): With an extra deposit day compared with August of last year, collections of payroll withholding taxes grew 13.3 percent in August. Year-to-date, withholding collections grew 8.1 percent compared with the same period last year, ahead of the projected annual growth rate of 3.4 percent.

Individual Income Tax Nonwithholding (14% of general fund revenues): August is not a significant month for nonwithholding collections since the first estimated payment in fiscal year 2012 is due in September.

Through the first two months of fiscal year, collections were \$79.7 million compared with \$64.2 million in the same period last year, rising 24.0 percent and ahead of the annual estimate of 2.1 percent growth.

Individual Income Tax Refunds: Through August, TAX issued \$71.2 million in refunds compared with \$78.8 million last year, a 9.5 percent decline, compared with the revised annual estimate of a 0.9 percent decline.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting July sales, fell 4.4 percent in August. On a year-to-date basis, collections have risen 8.4 percent, compared with the annual estimate of 3.4 percent growth. The strong year-to-date growth is due to the partial repeal of the accelerated sales tax program, which ended the participation of a number of small dealers. Adjusting for this, sales tax collections have grown by 0.1 percent year-to-date, lagging the economic-base forecast of 2.5 percent.

Corporate Income Tax (5% of general fund revenues): As with nonwithholding, August is not typically a significant month in corporate income tax collections, since the first estimated payment for the fiscal year is due in September. Through August, collections of corporate income tax were \$2.8 million, compared with \$8.4 million in the same period last year.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – rose 3.4 percent in August. On a year-to-date basis, collections are up 2.6 percent, behind the annual forecast of 3.3 percent growth.

Other Revenue Sources

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

| | <u>Year-to-Date</u> | <u>Annual Estimate</u> |
|-------------------------------------|---------------------|------------------------|
| Insurance Premiums (2% GF revenues) | NA | 2.9% |
| Interest Income (1% GF revenues) | 11.9% | 27.7% |
| ABC Taxes (1% GF revenues) | 9.7% | 0.9% |

Note: Monthly collections of insurance company premiums are being transferred to the Transportation Trust Fund per Chapter 896, 2007 Acts of the Assembly until the required amount of \$137.3 million has been reached.

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue fell 5.7 percent in August – \$33.5 million compared with \$35.5 million last August. For the fiscal year, collections of All Other Revenue grew 2.2 percent, trailing the annual estimate of 3.5 percent growth.

Summary

August is not a significant month for revenue collections, with collections mainly from withholding payments, sales taxes, and other sources which have regular monthly payments.

Total general fund revenue collections rose 7.8 percent in August, driven by strong growth in individual withholding and nonwithholding payments. Collections of recordation taxes also increased for the month, while receipts in the other major sources declined. On a year-to-date basis, total revenue collections rose 8.8 percent, ahead of the revised annual forecast of 3.7 percent growth. Adjusting for the partial repeal of the accelerated sales tax program, total revenues grew 6.7 percent through August, ahead of the economic-base forecast of 3.5 percent growth.

September collections will complete the first quarter of fiscal year 2011 and provide a clearer assessment of revenue growth. The first estimated payments from individuals, corporations, and insurance companies are due in September.

**Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2011 and 2012
(Dollars in Thousands)**

| Revenue | (1) | (2) | August | | | Year-To-Date | | | (9) |
|---|---------------------|------------------------|--------------------|--------------------|----------------|--------------------|--------------------|---------------|----------------------------|
| | FY 2012 Estimate | As a % of Gen Fund Rev | FY 2012 | FY 2011 | % Change | FY 2012 | FY 2011 | % Change | % Annual Growth Req By Est |
| Individual Income Tax: | | | | | | | | | |
| Withholding | \$9,958,000 | 63.85 | \$812,013 | \$716,911 | 13.3 | \$1,560,863 | \$1,443,319 | 8.1 | 3.4 |
| Tax Dues/Estimated Payments | 2,223,600 | 14.26 | 40,504 | 32,513 | 24.6 | 79,674 | 64,247 | 24.0 | 2.1 |
| Gross Individual Income Tax | \$12,181,600 | 78.11 | \$852,517 | \$749,424 | 13.8 | \$1,640,537 | \$1,507,566 | 8.8 | 3.1 |
| Individual and Fiduciary Income (Refunds) | (1,852,000) | (11.87) | (32,730) | (30,004) | 9.1 | (71,247) | (78,763) | (9.5) | (0.9) |
| Net Individual Income Tax | \$10,329,600 | 66.24 | \$819,787 | \$719,420 | 14.0 | \$1,569,290 | \$1,428,803 | 9.8 | 3.9 |
| Sales and Use Tax | \$3,115,500 | 19.97 | \$229,237 | \$239,862 | (4.4) | \$370,991 | \$342,299 | 8.4 | 3.4 |
| Corporations Income Tax | 831,600 | 5.33 | (963) | 9,032 | (110.7) | 2,878 | 8,397 | (65.7) | 1.1 |
| Wills, Suits, Deeds, Contracts | 301,100 | 1.93 | 28,041 | 27,131 | 3.4 | 52,243 | 50,926 | 2.6 | 3.3 |
| Insurance Premiums | 289,600 | 1.86 | 0 | 0 | - | 0 | 0 | - | 2.9 |
| Interest Income (a) | 103,600 | 0.67 | 10,179 | 8,662 | 17.5 | 17,415 | 15,559 | 11.9 | 27.7 |
| Alcoholic Beverage Sales (b) | 180,600 | 1.16 | 5,425 | 4,617 | 17.5 | 9,694 | 8,834 | 9.7 | 0.9 |
| All Other Revenues | 443,200 | 2.84 | 33,496 | 35,517 | (5.7) | 58,079 | 56,854 | 2.2 | 3.5 |
| Total General Fund Revenues | \$15,594,800 | 100.00 | \$1,125,202 | \$1,044,241 | 7.8 | \$2,080,590 | \$1,911,672 | 8.8 | 3.7 |

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

- (a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 890, 2011 Virginia Acts of Assembly.
- (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 2011 and 2012
(Dollars in Thousands)**

| Revenue | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---------------------|------------------------------|--------------------|--------------------|-------------|--------------------|----------------------|------------|----------------------------|
| | FY 2012 Estimate | As a % of Total Gen Fund Rev | FY 2012 | August FY 2011 | % Change | FY 2012 | Year-To-Date FY 2011 | % Change | % Annual Growth Req By Est |
| Taxes: | | | | | | | | | |
| Individual Income Tax - Withholding | \$9,958,000 | 63.85 | \$812,013 | \$716,911 | 13.3 | \$1,560,863 | \$1,443,319 | 8.1 | 3.4 |
| Tax Dues/Estimated Payments | 2,223,600 | 14.26 | 40,504 | 32,513 | 24.6 | 79,674 | 64,247 | 24.0 | 2.1 |
| Gross Individual Income Tax | \$12,181,600 | 78.11 | \$852,517 | \$749,424 | 13.8 | \$1,640,537 | \$1,507,566 | 8.8 | 3.1 |
| Individ and Fiduc Income (Refunds) | (1,852,000) | (11.87) | (32,730) | (30,004) | 9.1 | (71,247) | (78,763) | (9.5) | (0.9) |
| Net Individual Income Tax | \$10,329,600 | 66.24 | \$819,787 | \$719,420 | 14.0 | \$1,569,290 | \$1,428,803 | 9.8 | 3.9 |
| Sales and Use Tax | 3,115,500 | 19.97 | 229,237 | 239,862 | (4.4) | 370,991 | 342,299 | 8.4 | 3.4 |
| Corporations Income | 831,600 | 5.33 | (963) | 9,032 | (110.7) | 2,878 | 8,397 | (65.7) | 1.1 |
| Public Service Corporations | 96,400 | 0.62 | 11,751 | 12,372 | (5.0) | 16,914 | 14,386 | 17.6 | 2.8 |
| Insurance Premiums | 289,600 | 1.86 | 0 | 0 | - | 0 | 0 | - | 2.9 |
| Alcoholic Beverage Excise | 137,100 | 0.88 | 1,775 | 643 | 176.0 | 1,775 | 643 | - | 0.8 |
| Beer and Beverage Excise | 43,500 | 0.28 | 3,650 | 3,974 | (8.2) | 7,919 | 8,191 | (3.3) | 1.3 |
| Wills, Suits, Deeds, Contracts | 301,100 | 1.93 | 28,041 | 27,131 | 3.4 | 52,243 | 50,926 | 2.6 | 3.3 |
| Inheritance, Gift, and Estate | 2,000 | 0.01 | (188) | 269 | (169.9) | (120) | 928 | (112.9) | (26.3) |
| Bank Franchise | 18,000 | 0.12 | 129 | 0 | 100.0 | 254 | 55 | 361.8 | (26.2) |
| Other Taxes | 4,100 | 0.03 | 693 | 866 | (20.0) | 1,253 | 770 | 62.7 | 247.0 |
| Total Taxes | \$15,168,500 | 97.27 | \$1,093,912 | \$1,013,569 | 7.9 | \$2,023,397 | \$1,855,398 | 9.1 | 3.5 |
| Rights and Privileges: | | | | | | | | | |
| Licenses and Permits | \$4,200 | 0.03 | \$472 | \$430 | 9.8 | \$672 | \$718 | (6.4) | (3.4) |
| Corp. Franchise and Charters | 46,700 | 0.29 | 535 | 491 | 9.0 | 979 | 967 | 1.2 | 5.2 |
| Fees for Misc. Privileges & Services | 10,200 | 0.07 | 676 | 581 | 16.4 | 1,218 | 1,180 | 3.2 | (8.4) |
| Total Rights and Privileges | \$61,100 | 0.39 | \$1,683 | \$1,502 | 12.1 | \$2,869 | \$2,865 | 0.1 | 2.0 |
| Other Revenues: | | | | | | | | | |
| Sales of Property & Commodities | \$20,000 | 0.13 | \$0 | \$0 | - | \$0 | \$0 | - | 596.1 |
| Assessmts & Rcpts for Support of Special Svcs | 400 | 0.00 | 55 | 28 | 96.4 | 108 | 137 | (21.2) | (8.3) |
| Institutional Revenue | 5,800 | 0.04 | 431 | 572 | (24.7) | 846 | 1,004 | (15.7) | (10.0) |
| Interest (a) | 103,600 | 0.67 | 10,179 | 8,662 | 17.5 | 17,415 | 15,559 | 11.9 | 27.7 |
| Dividends and Rent | 300 | 0.00 | 78 | 78 | 0.0 | 115 | 113 | 1.8 | (17.1) |
| Fines, Forfeitures & Fees | 227,400 | 1.46 | 18,827 | 19,648 | (4.2) | 35,534 | 36,633 | (3.0) | (0.5) |
| Other Revenue | 8,200 | 0.05 | 604 | 270 | 123.7 | 849 | 652 | 30.2 | (20.3) |
| Excess Fees | (10,300) | (0.07) | (981) | (791) | (24.0) | (1,620) | (2,004) | 19.2 | (19.4) |
| Private Donations, Gifts & Cont. | 0 | 0.00 | 0 | 3 | (100.0) | 0 | 8 | (100.0) | (100.0) |
| Cities, Counties, and Towns | 9,800 | 0.06 | 414 | 700 | (40.9) | 1,077 | 1,307 | (17.6) | 1.9 |
| Total Other Revenues | \$365,200 | 2.34 | \$29,607 | \$29,170 | 1.5 | \$54,324 | \$53,409 | 1.7 | 10.3 |
| Total General Fund Revenues | \$15,594,800 | 100.00 | \$1,125,202 | \$1,044,241 | 7.8 | \$2,080,590 | \$1,911,672 | 8.8 | 3.7 |

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 890, 2011 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2011 and 2012
(Dollars in Thousands)**

| | FY 2012 <u>Estimate</u> (a) | August | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|---------------------------------------|--------------------------------|---------------------|-----------------|--------------------|---------------------|-----------------|------------------------|---|
| | | <u>FY 2012</u> | <u>FY 2011</u> | % <u>Change</u> | <u>FY 2012</u> | <u>FY 2011</u> | % <u>Change</u> (b) | |
| Lottery Collections | | | | | | | | |
| Win for Life / Decades of Dollars (c) | \$25,000 | \$2,942 | \$1,741 | 69.0 | \$5,757 | \$3,722 | 54.7 | (15.0) |
| Cash 5 | 25,000 | 2,118 | 2,296 | (7.8) | 4,275 | 4,669 | (8.4) | (6.2) |
| Pick 4 | 200,000 | 17,012 | 16,061 | 5.9 | 34,329 | 33,093 | 3.7 | (3.5) |
| Pick 3 | 240,000 | 19,205 | 19,827 | (3.1) | 38,939 | 40,772 | (4.5) | (0.8) |
| Mega Millions / Powerball | 200,000 | 15,794 | 16,472 | (4.1) | 30,479 | 31,255 | (2.5) | (2.5) |
| Fast Play | 8,000 | 888 | 515 | 72.4 | 1,819 | 1,048 | 73.6 | (10.3) |
| Raffle | 6,600 | 0 | 0 | - | 0 | 0 | - | 0.0 |
| Scratch | 750,000 | 64,098 | 58,151 | 10.2 | 124,577 | 118,306 | 5.3 | (0.9) |
| Gross Lottery Revenue | <u>1,454,600</u> | <u>122,057</u> | <u>115,063</u> | <u>6.1</u> | <u>240,175</u> | <u>232,865</u> | <u>3.1</u> | <u>(1.9)</u> |
| Expenses (d) | <u>1,018,725</u> | <u>82,902</u> (e) | <u>76,137</u> | <u>8.9</u> | <u>162,641</u> (e) | <u>156,979</u> | <u>3.6</u> | <u>(1.9)</u> |
| Net Lottery Ticket Profits | <u>\$435,875</u> | <u>\$39,155</u> (e) | <u>\$38,926</u> | <u>0.6</u> | <u>\$77,534</u> (e) | <u>\$75,886</u> | <u>2.2</u> | <u>(1.9)</u> |

(a) Estimate established by Chapter 890, 2011 Virginia Acts of Assembly.

(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) Decades of Dollars began on January 30, 2011.

(d) "Expenses" includes prizes to winners, compensation to retailers, instant and online gaming costs, Lottery operating expenses, and net other income/expense.

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

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2011 and 2012
(Dollars in Thousands)

| Revenue | FY 2012 Estimate | As a % of Total Fund | August | | | Year-To-Date | | | % Annual Growth Required By Estimate |
|------------------------------------|--------------------|----------------------|------------------|------------------|------------|------------------|------------------|------------|--------------------------------------|
| | | | FY 2012 | FY 2011 | % Change | FY 2012 | FY 2011 | % Change | |
| Motor Fuel Taxes | \$866,800 | 24.11 | \$74,974 | \$64,674 | 15.9 | \$78,356 | \$80,197 | (2.3) | 2.7 |
| Priority Transportation Fund (PTF) | 156,000 | 4.34 | 4,942 | 6,568 | (24.8) | 7,024 | 9,992 | (29.7) | 3.8 |
| Motor Vehicle Sales and Use Tax | 531,100 | 14.77 | 51,823 | 44,924 | 15.4 | 99,914 | 90,154 | 10.8 | (0.2) |
| State Sales and Use Tax | 501,600 | 13.96 | 40,836 | 41,307 | (1.1) | 63,019 | 58,085 | 8.5 | 5.1 |
| Motor Vehicle License Fees | 237,400 | 6.60 | 21,908 | 21,476 | 2.0 | 42,931 | 42,542 | 0.9 | (0.2) |
| International Registration Plan | 63,200 | 1.76 | 6,072 | 4,002 | 51.7 | 8,754 | 8,597 | 1.8 | 3.5 |
| Recordation Tax | 34,600 | 0.96 | 3,352 | 3,032 | 10.6 | 6,271 | 5,499 | 14.0 | (1.1) |
| Interest Earnings | 27,800 | 0.77 | 0 | 80 | (100.0) | 10 | 85 | (88.2) | 52.2 |
| Misc. Taxes, Fees, and Revenues | 12,900 | 0.36 | 1,219 | 1,034 | 17.9 | 2,194 | 2,226 | (1.4) | 0.1 |
| Total State Taxes and Fees | \$2,431,400 | 67.63 | \$205,126 | \$187,097 | 9.6 | \$308,473 | \$297,377 | 3.7 | 2.6 |

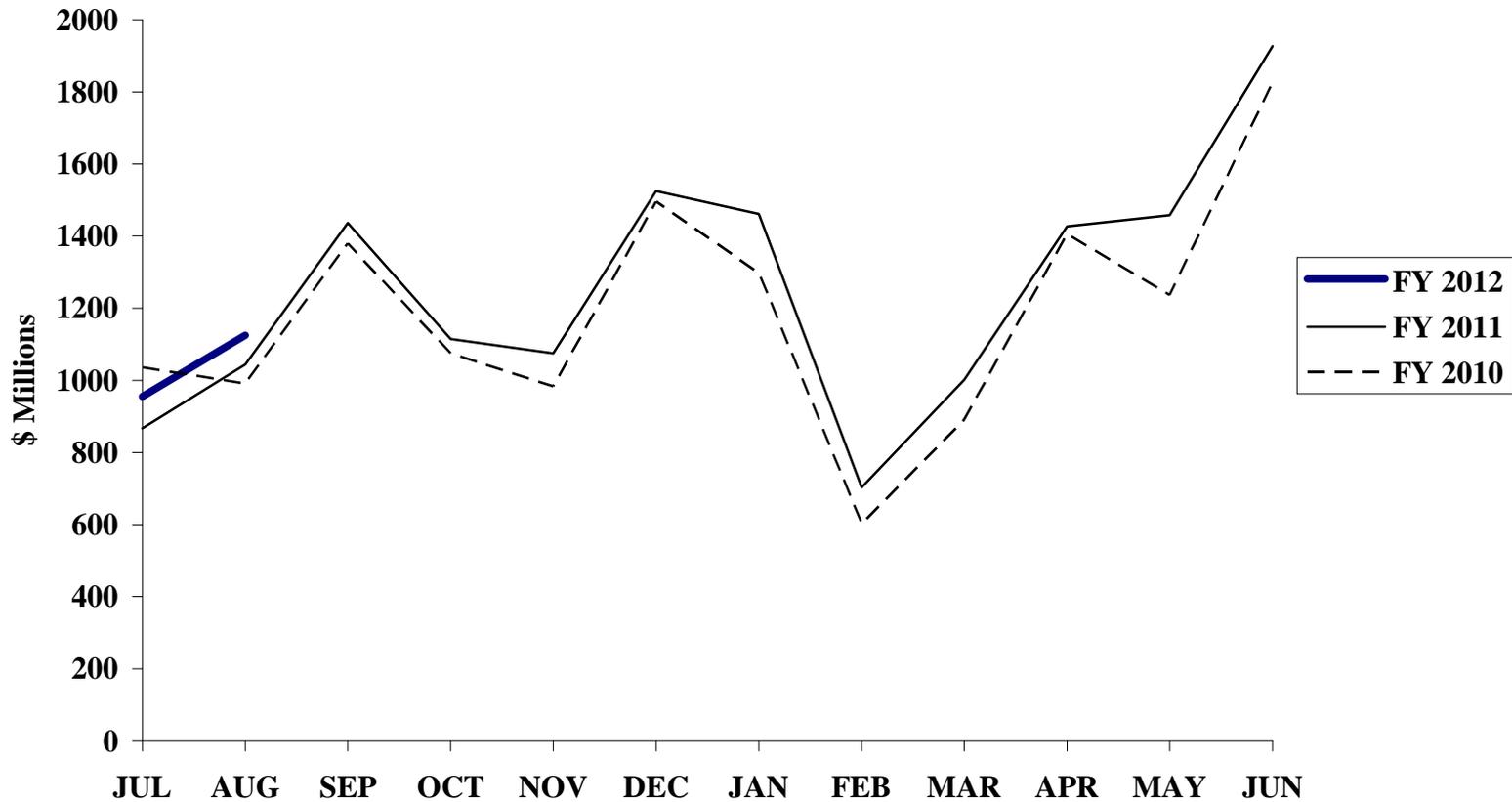
Percentage is greater than or equal to 1,000%.

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 2011 and 2012
(Dollars in Thousands)

| Revenue | FY 2012 Estimate | As a % of Total Fund | August | | | Year-To-Date | | | % Annual Growth Required By Est |
|--|--------------------|----------------------|------------------|------------------|--------------|------------------|------------------|------------|---------------------------------|
| | | | FY 2012 | FY 2011 | % Change | FY 2012 | FY 2011 | % Change | |
| HIGHWAY MAINTENANCE AND OPERATING FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Road Tax) | \$749,900 | 20.86 | \$65,082 | \$53,069 | 22.6 | \$68,554 | \$67,256 | 1.9 | 3.2 |
| Motor Vehicle Sales and Use Tax | 325,400 | 9.05 | 31,735 | 27,517 | 15.3 | 61,053 | 55,400 | 10.2 | 0.2 |
| Motor Vehicle License Fees | 216,100 | 6.01 | 19,957 | 19,586 | 1.9 | 39,111 | 38,886 | 0.6 | (0.3) |
| International Registration Plan | 63,200 | 1.76 | 6,072 | 4,002 | 51.7 | 8,754 | 8,597 | 1.8 | 3.5 |
| Recordation Tax (1 cent) | 11,500 | 0.32 | 1,117 | 1,011 | 10.5 | 2,090 | 1,833 | 14.0 | (1.4) |
| Misc. Taxes, Fees, and Revenues | 12,900 | 0.36 | 1,219 | 1,034 | 17.9 | 2,194 | 2,226 | (1.4) | 0.1 |
| Total State Taxes and Fees | \$1,379,000 | 38.36 | \$125,182 | \$106,219 | 17.9 | \$181,756 | \$174,198 | 4.3 | 1.9 |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$0 | 0.00 | \$3,928 | \$2,182 | 80.0 | \$5,056 | \$3,801 | 33.0 | (100.0) |
| Miscellaneous Revenues | 11,479 | 0.32 | 1,497 | 691 | 116.6 | 3,109 | 1,171 | 165.5 | (24.2) |
| Transfer (to) / from Transportation Trust Fund | 447,767 | 12.45 | 0 | 0 | - | 0 | 0 | - | (3.3) |
| Total Highway Maintenance and Operating Fund | \$1,838,246 | 51.13 | \$130,607 | \$109,092 | 19.7 | \$189,921 | \$179,170 | 6.0 | (0.8) |
| TRANSPORTATION TRUST FUND: | | | | | | | | | |
| Motor Fuel Taxes (Includes Aviation & Road Taxes) | \$116,900 | 3.25 | \$9,892 | \$11,605 | (14.8) | \$9,802 | \$12,941 | (24.3) | (0.6) |
| PTF Motor Fuels | 20,000 | 0.56 | 0 | 0 | - | 0 | 0 | - | 0.0 |
| PTF Insurance Premiums Tax | 136,000 | 3.78 | 4,942 | 6,568 | (24.8) | 7,024 | 9,992 | (29.7) | 4.4 |
| Motor Vehicle Sales and Use Tax (Includes Rental Tax) | 205,700 | 5.72 | 20,088 | 17,407 | 15.4 | 38,861 | 34,754 | 11.8 | (0.8) |
| State Sales and Use Tax | 501,600 | 13.96 | 40,836 | 41,307 | (1.1) | 63,019 | 58,085 | 8.5 | 5.1 |
| Motor Vehicle License Fees | 21,300 | 0.59 | 1,951 | 1,890 | 3.2 | 3,820 | 3,656 | 4.5 | 0.4 |
| Recordation Tax (2 cents) | 23,100 | 0.64 | 2,235 | 2,021 | 10.6 | 4,181 | 3,666 | 14.0 | (1.0) |
| Interest Earnings | 27,800 | 0.77 | 0 | 80 | (100.0) | 10 | 85 | (88.2) | 52.2 |
| Total State Taxes and Fees | \$1,052,400 | 29.27 | \$79,944 | \$80,878 | (1.2) | \$126,717 | \$123,179 | 2.9 | 3.6 |
| Other Revenues: | | | | | | | | | |
| Federal Grants and Contracts | \$1,006,822 | 28.00 | \$111,326 | \$77,300 | 44.0 | \$182,075 | \$168,907 | 7.8 | 12.5 |
| Receipts from Cities/Counties | 102,383 | 2.85 | 3,357 | 5,283 | (36.5) | 8,119 | 8,070 | 0.6 | 135.2 |
| Toll Revenues (Includes Route 28) | 28,949 | 0.80 | 1,580 | 879 | 79.7 | 1,580 | 3,068 | (48.5) | 43.7 |
| Miscellaneous Revenues | 14,219 | 0.40 | 3,515 | 6,873 | (48.9) | 7,971 | 8,807 | (9.5) | (74.0) |
| Total Other Revenues | \$1,152,373 | 32.05 | \$119,778 | \$90,335 | 32.6 | \$199,745 | \$188,852 | 5.8 | 13.8 |
| Transfer (to) / from Highway Maintenance and Operating Fund | (\$447,767) | (12.45) | \$0 | \$0 | - | \$0 | \$0 | - | 3.3 |
| Total Transportation Trust Fund | \$1,757,006 | 48.87 | \$199,722 | \$171,213 | 16.7 | \$326,462 | \$312,031 | 4.6 | 12.2 |
| TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND | | | | | | | | | |
| | \$3,595,252 | 100.00 | \$330,329 | \$280,305 | 17.8 | \$516,383 | \$491,201 | 5.1 | 5.2 |

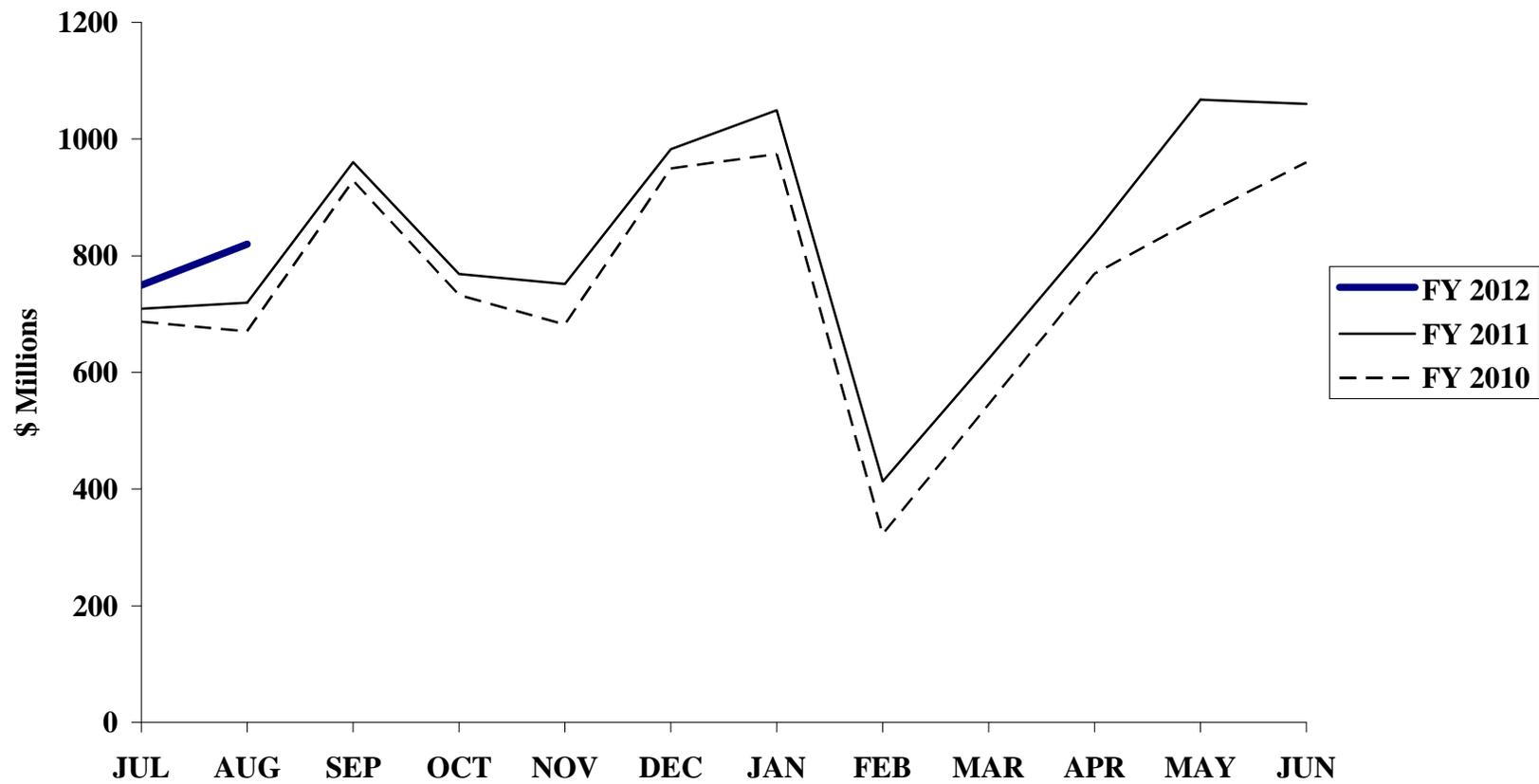
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



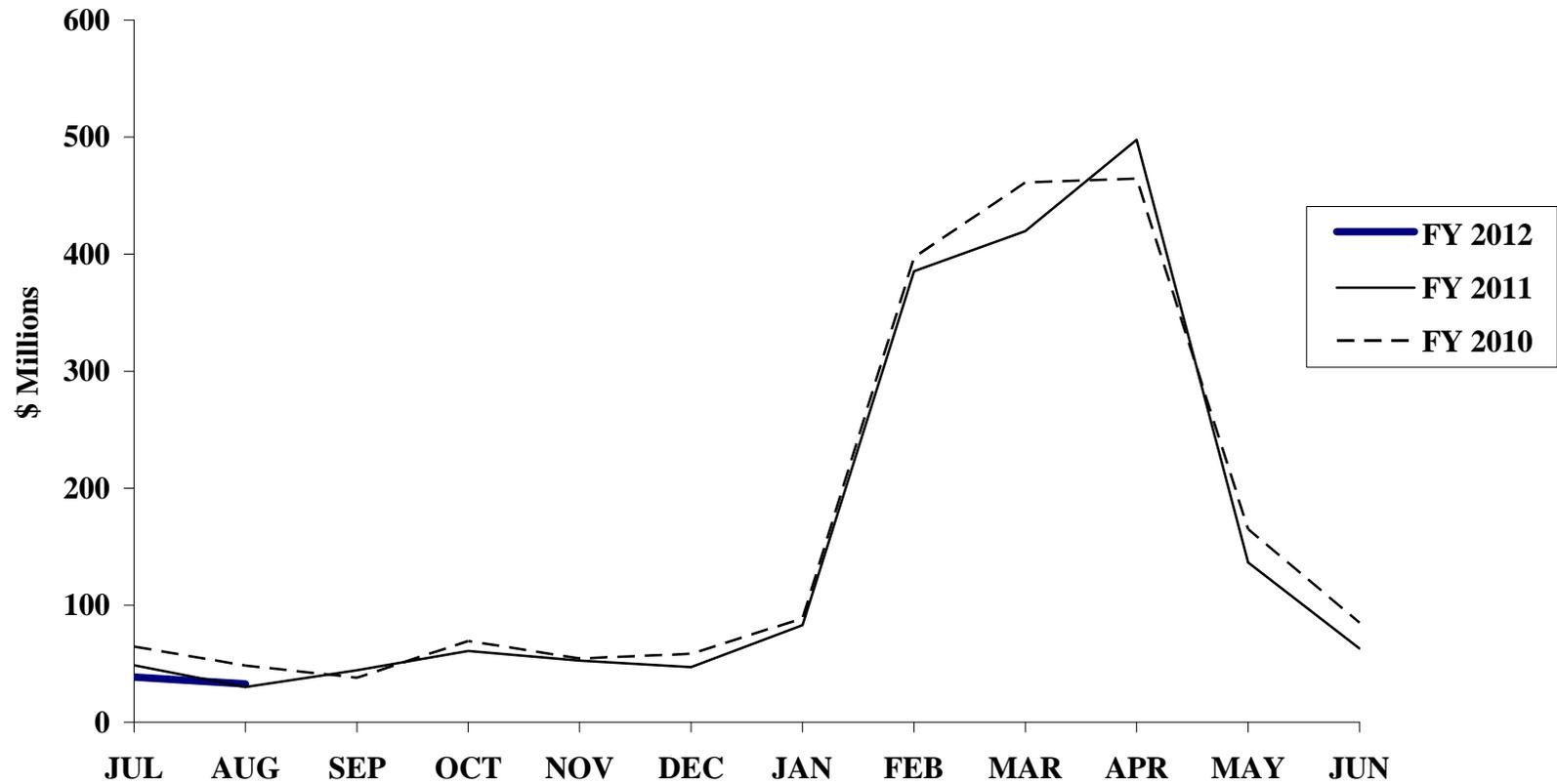
FY 2010 Actual = \$14,219.5 Million
FY 2011 Actual = \$15,040.2 Million
FY 2012 Estimate = \$15,594.8 Million

Net Individual Income Tax



FY 2010 Actual = \$9,088.3 Million
FY 2011 Actual = \$9,944.4 Million
FY 2012 Estimate = \$10,329.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2010 Actual = \$1,994.7 Million
FY 2011 Actual = \$1,869.3 Million
FY 2012 Estimate = \$1,852.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2012
 (Dollars in Millions)

| MONTH | PRIMARY LIQUIDITY | | EXTERNAL MANAGEMENT EXTENDED DURATION | | COMPOSITE | | TREASURY 1 YR. CONSTANT MATURITY ¹ |
|-----------------------------|-------------------|-------|--|----------------------------|--------------|-------|---|
| | Avg. Balance | Yield | Avg. Balance | Annualized Total Return | Avg. Balance | Rate | Yield |
| July, 2011 | \$3,889.8 | 0.31% | \$1,279.0 | 15.39% | \$5,168.8 | 4.04% | 0.19% |
| August | \$3,330.4 | 0.35% | \$1,292.5 | 10.31% | \$4,622.9 | 3.13% | 0.11% |
| September | | | | | | | |
| October | | | | | | | |
| November | | | | | | | |
| December | | | | | | | |
| January, 2012 | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year-to-Date Average | \$3,610.1 | 0.33% | \$1,285.8 | 12.84% | \$4,895.9 | 3.61% | 0.15% |

• Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

• Unaudited.

¹ Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2012**

| <u>Month</u> | <u>Beginning Balance</u> | <u>Deposits</u> | <u>Withdrawals</u> | <u>Interest Allocated (A)</u> | <u>Ending Balance</u> |
|--------------|--------------------------|-----------------|--------------------|-------------------------------|-----------------------|
| July | \$299,361,498 | \$0 | \$0 | \$0 | \$299,361,498 |
| August | \$299,361,498 | \$0 | \$0 | \$0 | \$299,361,498 |
| 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.