



# COMMONWEALTH of VIRGINIA

Office of the Governor

Jody M. Wagner  
Secretary of Finance

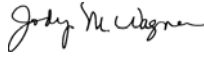
P.O. Box 1475  
Richmond, Virginia 23218

June 13, 2008

## MEMORANDUM

TO: The Honorable Timothy M. Kaine

THROUGH: The Honorable Wayne M. Turnage

FROM: Jody M. Wagner 

SUBJECT: May Revenue Data

May is a significant month for revenue collections. In addition to normal collections in withholding and sales taxes, estimated and final payments for individuals are due May 1 and corporations with a fiscal year ending other than December 31 – primarily retailers – have final payments due in May.

Total general fund revenue collections declined 13.8 percent in May compared to May 2007. As anticipated from April's strong growth, May's decline was driven by a significant retreat in nonwithholding payments, reflecting the impact of those early April receipts. Withholding tax payments also contributed to the decline with deposits that were below May 2007 levels in part because there was one less deposit day compared to last year. As we have always cautioned, April and May must be considered together to accurately assess growth.

On a year-to-date basis, total revenues grew 1.8 percent over the same period last year, slightly ahead of the annual forecast of 1.2 percent growth. Collections of sales and use taxes, although experiencing strong growth in May, remain below the annual target, and recordation tax collections have continued to fall with the depressed housing market.

### **National Economic Indicators**

Most recent indicators suggest the short-term outlook for the national economy remains weak, with the housing market and oil prices significantly dampening growth.

- Real GDP growth for the first quarter was revised up to an annualized rate of 0.9 percent from the 0.6 percent rate reported in April. The small upward revision was close to the consensus, bringing the rate slightly above growth for the fourth quarter of calendar year 2007.

- The labor market contracted for the fifth consecutive month in May, with payroll employment falling by 49,000 jobs. Although weakness was widespread, it was primarily centered in housing-related industries. Only education and health services, leisure and hospitality, and government added jobs in May. In a separate report, the unemployment rate jumped by half a percentage point to 5.5 percent, the biggest one-month jump since 1986.
- Initial claims for unemployment fell by 18,000 to 357,000 during the last week of May. The four-week moving average fell slightly from 371,000 to 369,000.
- The Consumer Price Index (CPI) increased 0.2 percent in April for annual growth of 3.9 percent. Core inflation, excluding food and energy, rose 0.1 percent in April, bringing annual growth to 2.3 percent. Higher energy prices are not yet passing through into core inflation.
- Activity in the manufacturing sector is consistent with an economy that is stagnant. The Institute of Supply Management index increased from 48.6 to 49.6 for the month. The improvement brings the index closer to its expansionary threshold of 50.
- The Conference Board's index of leading indicators rose 0.1 percent to 102.0 in April, the same increase as in March. This is the first time the index has risen for two straight months in more than a year and a half. The leading index is consistent with an economy that has stalled but not collapsed.
- The Conference Board's index of consumer confidence fell from 62.8 to 57.2 in May, the fifth consecutive monthly decline and its lowest level since October 1992. Both the expectations and current situation components contributed to the decline.

### **Virginia Economy**

In Virginia, payroll employment grew 0.5 percent in April. Northern Virginia posted job growth of 0.9 percent in April. Jobs grew by 1.1 percent in Hampton Roads and 1.0 percent in Richmond-Petersburg. The unemployment rate fell from 3.9 percent to 3.3 percent in April partially due to workers in the auto industry returning after the Volvo strike ended in late March and other workers returning to work from furloughs around the Easter holiday.

The Virginia Leading Index declined 0.2 percent in April for the seventh decline in nine months. All three components of the leading index – auto registrations, building permits, and initial unemployment claims – contributed to the drop in April. Despite falling in the state, the leading index grew in six of the eleven metro areas in April; the areas of growth were Winchester, Charlottesville, Lynchburg, Harrisonburg, Danville, and Bristol. The index for Richmond was unchanged. Northern Virginia experienced the largest decline while Blacksburg, Roanoke, and Hampton Roads also edged down in April.

## **May Revenue Collections**

May is a significant month for revenue collections. In addition to normal collections in withholding and sales taxes, estimated and final payments for individuals are due May 1 and corporations with a fiscal year ending other than December 31 – primarily retailers – have final payments due in May.

Total general fund revenue collections declined 13.8 percent in May compared to May 2007. As anticipated from April's strong growth, May's decline was driven by a significant retreat in nonwithholding payments, reflecting the impact of those early April receipts. Withholding tax payments also contributed to the decline with deposits that were below May 2007 levels in part because there was one less deposit day compared to last year. As we have always cautioned, April and May must be considered together to accurately assess growth.

On a year-to-date basis, total revenues grew 1.8 percent over the same period last year, slightly ahead of the annual forecast of 1.2 percent growth. Collections of sales and use taxes, although experiencing strong growth in May, remain below the annual target, and recordation tax collections have continued to fall with the depressed housing market.

***Net Individual Income Tax (65% of general fund revenues):*** Year-to-date net individual income tax growth is 4.0 percent, near the annual estimate of 3.9 percent. Performance in each component of individual income tax is as follows:

***Individual Income Tax Withholding (57% of general fund revenues):*** Collections of payroll withholding taxes declined 6.9 percent in May, partially due to one less deposit day. Year-to-date withholding growth is 4.9 percent, slightly below the projected annual growth rate of 5.2 percent. June collections must increase 8.5 percent over last year in order to attain the annual forecast.

***Individual Income Tax Nonwithholding (18% of general fund revenues):*** May is a significant month for this source, since final payments for tax year 2007 and the first estimated payment for tax year 2008 are both due May 1.

May collections were \$516.7 million compared with \$687.1 million in May of last year, a 24.8 percent decline. Since a large portion of final payments due May 1 are received in April, it is important to consider April and May collections together to accurately assess growth in this source. Taken together, nonwithholding collections in April and May were essentially flat with last year, increasing only 0.8 percent.

To date, about 90 percent of the nonwithholding forecast has been collected, and collections during this period are 3.5 percent above the same period last year – on target with the projected annual growth rate of 3.2 percent. June collections can be flat with last year and attain the annual forecast. The last estimated payment to be received during this fiscal year is due June 15.

**Individual Income Tax Refunds:** Through May, \$1.6 billion has been refunded compared with \$1.5 billion during the same period last year. For the filing season beginning January 1, 2.44 million refunds have been issued – about 60,000 more than during the same period last year. Individual refunds continue to track below the annual estimate due to lower-than-expected claims of the land preservation tax credit. Year-to-date growth for refunds through May is 7.6 percent, behind the annual estimate of 9.7 percent growth.

**Sales Tax (20% of general fund revenues):** After declining 10.4 percent in April, collections of sales and use taxes, reflecting April sales, increased 16.0 percent in May. On a year-to-date basis, collections have increased 1.0 percent, behind the annual estimate of 1.6 percent growth. Sales tax collections are projected to fall short of the annual estimate due to the housing depression and its impact on other sectors of the economy.

**Corporate Income Tax (4% of general fund revenues):** May is typically not a significant month in corporate income tax collections, with final or extension payments due mainly from retailers who typically have a January 31 close to their fiscal year. Such payments vary significantly from year to year. Collections this month experienced a significant decline due to minimal final payments for tax year 2007 liability. On a year-to-date basis, receipts are 12.3 percent below last year, better than the forecast of a 20.5 percent decline. The last corporate estimated payment to be received during this fiscal year is due June 15.

**Wills, Suits, Deeds, Contracts (3% of general fund revenues):** Wills, suits, deeds, and contracts – mainly recordation tax collections – fell 27.5 percent in May, the seventh consecutive month with a decline near or in excess of 25.0 percent. On a year-to-date basis, collections in this source declined 21.5 percent from last year, compared with the estimate of a 15.0 percent annual decline. The housing slowdown has dampened collections more than anticipated, resulting in a shortfall in recordation tax collections.

### **Other Revenue Sources**

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

	<b><u>Year-to-Date</u></b>	<b><u>Annual Estimate</u></b>
Insurance Premiums (3% GF revenues)	3.1%	8.7%
Interest Income (1% GF revenues)	6.5%	-3.5%
ABC Taxes (1% GF revenues)	4.7%	5.0%

**All Other Revenue:** Receipts in All Other Revenue increased 20.1 percent in May – \$43.8 million compared with \$36.5 million in May of last year. Most of the growth was in payments from public service corporations and the timing of receipts of bank franchise tax collections. Bank franchise tax payments are due June 1. For the fiscal year-to-date, collections of All Other Revenue are 9.2 percent above the same period in fiscal year 2007, ahead of the annual estimate of a 2.4 percent decline.

**Lottery Revenues:** Net income of \$39.3 million in May was 11.4 percent ahead of May of last year, driven by sales increases in all products except Pick 3. Year-to-date, net income is up 6.4 percent, better than the annual estimate of 5.7 percent growth. Net income for June 2008 is anticipated to be below the estimate included in the appropriation act because of lower interest earnings and sales initiatives that will not occur this year.

### **Summary**

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June is another significant month for revenue collections, and typically accounts for 11 to 12 percent of total general fund revenue for the year. June collections include receipts of individual and corporate estimated payments, estimated payments for insurance premiums and corporate franchise fees, along with regular monthly collections in other sources.

June collections must total about \$1.62 billion to meet the forecast for the fiscal year. Receipts last June totaled \$1.68 billion.

Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund and Lottery Revenue Collections  
For the Fiscal Years 2007 and 2008  
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2008 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	May FY 2008	May FY 2007	% Change	Year-To-Date FY 2008	Year-To-Date FY 2007	% Change	% Annual Growth Req By Est
<b>Individual Income Tax:</b>									
<b>Withholding (a)</b>	\$9,010,900	55.58	\$705,830	\$757,827	(6.9)	\$8,196,751	\$7,814,839	4.9	5.2
<b>Tax Dues/Estimated Payments (a)</b>	2,870,800	17.70	516,685	687,130	(24.8)	2,549,718	2,462,456	3.5	3.2
<b>Gross Individual Income Tax (a)</b>	<u>\$11,881,700</u>	<u>73.28</u>	<u>\$1,222,515</u>	<u>\$1,444,957</u>	<u>(15.4)</u>	<u>\$10,746,469</u>	<u>\$10,277,295</u>	<u>4.6</u>	<u>4.7</u>
<b>Individual and Fiduciary Income (Refunds)</b>	(1,710,400)	(10.55)	(164,534)	(144,580)	13.8	(1,620,845)	(1,506,560)	7.6	9.7
<b>Net Individual Income Tax (a)</b>	<u>\$10,171,300</u>	<u>62.73</u>	<u>\$1,057,981</u>	<u>\$1,300,377</u>	<u>(18.6)</u>	<u>\$9,125,624</u>	<u>\$8,770,735</u>	<u>4.0</u>	<u>3.9</u>
<b>Sales and Use Tax</b>	\$3,096,400	19.10	\$250,466	\$215,915	16.0	\$2,815,570	\$2,787,670	1.0	1.6
<b>Corporations Income Tax (a)</b>	699,100	4.31	1,814	20,062	(91.0)	639,400	729,204	(12.3)	(20.5)
<b>Wills, Suits, Deeds, Contracts</b>	495,500	3.06	35,713	49,278	(27.5)	414,756	528,184	(21.5)	(15.0)
<b>Insurance Premiums</b>	418,400	2.58	3,155	7,438	(57.6)	298,851	289,781	3.1	8.7
<b>Interest Income (a) (b)</b>	169,800	1.05	42,325	42,271	0.1	218,110	204,884	6.5	(3.5)
<b>Alcoholic Beverage Sales (c)</b>	170,000	1.05	32,516	30,857	5.4	134,647	128,662	4.7	5.0
<b>All Other Revenues (a)</b>	530,600	3.27	43,784	36,467	20.1	484,899	444,057	9.2	(2.4)
<b>Total General Fund Revenues</b>	<u>\$15,751,100</u>	<u>97.15</u>	<u>\$1,467,754</u>	<u>\$1,702,665</u>	<u>(13.8)</u>	<u>\$14,131,857</u>	<u>\$13,883,177</u>	<u>1.8</u>	<u>1.2</u>
<b>Gross Lottery Revenue</b>	\$1,399,051	8.63	\$123,707	\$114,045	8.5	\$1,278,579	\$1,244,931	2.7	2.7
<b>Less: Expenses</b>	(936,871)	(5.78)	(84,432)	(78,782)	7.2	(857,149)	(848,896)	1.0	1.3
<b>Net Lottery Profits</b>	<u>\$462,180</u>	<u>2.85</u>	<u>\$39,275</u>	<u>\$35,263</u>	<u>11.4</u>	<u>\$421,430</u>	<u>\$396,035</u>	<u>6.4</u>	<u>5.7</u>
<b>Total General Fund Revenues and Net Lottery Profits</b>	<u>\$16,213,280</u>	<u>100.00</u>	<u>\$1,507,029</u>	<u>\$1,737,928</u>	<u>(13.3)</u>	<u>\$14,553,287</u>	<u>\$14,279,212</u>	<u>1.9</u>	<u>1.3</u>

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

(a) Certain revenue reclassifications among line items were made by the Department of Taxation to the monthly and year-to-date amounts for Fiscal Year 2007 and the first four months of Fiscal Year 2008. Total revenue was unchanged.

(b) Interest will be allocated in accordance with Section 3-3.04 of Chapter 847, 2008 Virginia Acts of Assembly.

(c) 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 2007 and 2008  
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2008 Estimate	As a % of Total Gen Fund Rev	FY 2008	May FY 2007	% Change	FY 2008	Year-To-Date FY 2007	% Change	% Annual Growth Req By Est
<b>Taxes:</b>									
Individual Income Tax - Withholding (a)	\$9,010,900	57.21	\$705,830	\$757,827	(6.9)	\$8,196,751	\$7,814,839	4.9	5.2
Tax Dues/Estimated Payments (a)	2,870,800	18.22	516,685	687,130	(24.8)	2,549,718	2,462,456	3.5	3.2
Gross Individual Income Tax (a)	\$11,881,700	75.43	\$1,222,515	\$1,444,957	(15.4)	\$10,746,469	\$10,277,295	4.6	4.7
Individ and Fiduc Income (Refunds)	(1,710,400)	(10.85)	(164,534)	(144,580)	13.8	(1,620,845)	(1,506,560)	7.6	9.7
Net Individual Income Tax (a)	\$10,171,300	64.58	\$1,057,981	\$1,300,377	(18.6)	\$9,125,624	\$8,770,735	4.0	3.9
Sales and Use Tax	3,096,400	19.65	250,466	215,915	16.0	2,815,570	2,787,670	1.0	1.6
Corporations Income (a)	699,100	4.43	1,814	20,062	(91.0)	639,400	729,204	(12.3)	(20.5)
Public Service Corporations	88,000	0.56	9,733	6,179	57.5	87,938	79,971	10.0	0.0
Insurance Premiums	418,400	2.66	3,155	7,438	(57.6)	298,851	289,781	3.1	8.7
Alcoholic Beverage Excise	126,000	0.80	28,867	27,495	5.0	95,239	89,814	6.0	6.1
Beer and Beverage Excise	44,000	0.28	3,649	3,362	8.5	39,408	38,848	1.4	2.0
Wills, Suits, Deeds, Contracts	495,500	3.15	35,713	49,278	(27.5)	414,756	528,184	(21.5)	(15.0)
Inheritance, Gift, and Estate	118,500	0.75	7,850	9,857	(20.4)	152,668	126,682	20.5	(22.5)
Bank Franchise	13,100	0.08	6,071	1,556	290.2	7,034	1,520	362.8	4.2
Other Taxes	10,500	0.07	471	(1,236)	138.1	3,478	4,795	(27.5)	57.7
Total Taxes (a)	\$15,280,800	97.01	\$1,405,770	\$1,640,283	(14.3)	\$13,679,966	\$13,447,204	1.7	1.2
<b>Rights and Privileges:</b>									
Licenses and Permits	\$5,000	0.03	\$441	\$492	(10.4)	\$4,057	\$4,270	(5.0)	3.5
Corp. Franchise and Charters	47,900	0.31	610	603	1.2	17,702	17,920	(1.2)	(0.1)
Fees for Misc. Privileges & Services	15,900	0.10	705	729	(3.3)	11,545	11,903	(3.0)	1.6
Total Rights and Privileges	\$68,800	0.44	\$1,756	\$1,824	(3.7)	\$33,304	\$34,093	(2.3)	0.6
<b>Other Revenues:</b>									
Sales of Property & Commodities	\$5,100	0.03	\$0	(\$20)	100.0	\$3	\$54	(94.4)	#
Assessmts & Rcpts for Support of Special Svcs	300	0.00	21	8	162.5	335	171	95.9	33.9
Institutional Revenue	7,500	0.05	698	647	7.9	7,008	7,127	(1.7)	4.6
Interest (a) (b)	169,800	1.08	42,325	42,271	0.1	218,110	204,884	6.5	(3.5)
Dividends and Rent	300	0.00	13	11	18.2	324	257	26.1	9.9
Fines, Forfeitures & Fees (a)	232,000	1.47	17,937	19,227	(6.7)	200,694	207,632	(3.3)	2.3
Other Revenue	5,800	0.04	243	155	56.8	5,318	2,760	92.7	48.0
Excess Fees	(29,600)	(0.19)	(1,933)	(2,610)	25.9	(22,504)	(30,331)	25.8	10.7
Private Donations, Gifts & Cont.	0	0.00	0	(3)	100.0	131	16	718.8	(100.0)
Cities, Counties, and Towns	10,300	0.07	924	872	6.0	9,168	9,310	(1.5)	0.2
Total Other Revenues (a)	\$401,500	2.55	\$60,228	\$60,558	(0.5)	\$418,587	\$401,880	4.2	2.6
<b>Total General Fund Revenues</b>	<b>\$15,751,100</b>	<b>100.00</b>	<b>\$1,467,754</b>	<b>\$1,702,665</b>	<b>(13.8)</b>	<b>\$14,131,857</b>	<b>\$13,883,177</b>	<b>1.8</b>	<b>1.2</b>

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

(a) Certain revenue reclassifications among line items were made by the Department of Taxation to the monthly and year-to-date amounts for Fiscal Year 2007 and the first four months of Fiscal Year 2008. Total revenue was unchanged.

(b) Interest will be allocated in accordance with Section 3-3.04 of Chapter 847, 2008 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery  
Summary Report on Lottery Collections  
For the Fiscal Years 2007 and 2008  
(Dollars in Thousands)**

	<b>FY 2008 Estimate (a)</b>	<b>May</b>			<b>Year-To-Date</b>			<b>% Annual Growth Required By Estimate</b>
		<b>FY 2008</b>	<b>FY 2007</b>	<b>% Change</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>% Change (b)</b>	
Lottery Collections								
Win for Life	\$33,336	\$3,963	\$3,067	29.2	\$35,094	\$38,230	(8.2)	(19.3)
Cash 5	28,734	2,469	2,384	3.6	26,701	25,193	6.0	4.4
Pick 4	189,580	16,027	15,994	0.2	169,070	164,368	2.9	5.4
Pick 3	269,995	21,626	22,766	(5.0)	236,264	243,261	(2.9)	1.7
Mega Millions	146,653	16,990	10,064	68.8	156,797	120,668	29.9	12.6
Scratch/Bingo/Raffle (c)	730,753	62,632	59,770	4.8	654,653	653,211	0.2	1.8
Gross Lottery Revenue	<u>1,399,051</u>	<u>123,707</u>	<u>114,045</u>	<u>8.5</u>	<u>1,278,579</u>	<u>1,244,931</u>	<u>2.7</u>	<u>2.7</u>
Expenses (d)	<u>936,871</u>	<u>84,432 (e)</u>	<u>78,782</u>	<u>7.2</u>	<u>857,149 (e)</u>	<u>848,896</u>	<u>1.0</u>	<u>1.3</u>
Net Lottery Ticket Profits	<u>\$462,180</u>	<u>\$39,275 (e)</u>	<u>\$35,263</u>	<u>11.4</u>	<u>\$421,430 (e)</u>	<u>\$396,035</u>	<u>6.4</u>	<u>5.7</u>

(a) Estimate established in Chapter 847, 2008 Virginia Acts of Assembly, and includes the residual amount of FY 2007 profits (\$3,180,128) that were transferred in FY 2008.

(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) Fast Play Bingo began on February 4, 2007. Fast Play Bingo is an online game which plays like a Scratch game. Millionaire Raffle began on April 15, 2007 and drawing occurred June 14, 2007. Raffle is an online game which has a limited amount of tickets. The Lottery had one Raffle drawing in FY 2008; the drawing occurred on December 31, 2007.

(d) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing 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 2007 and 2008**  
**(Dollars in Thousands)**

Revenue	FY 2008 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
<b>Motor Fuel Taxes</b>	\$894,000	24.02	\$70,015	\$70,414	(0.6)	\$728,850	\$713,563	2.1	4.0
<b>Priority Transportation Fund</b>	20,000	0.54	2,000	2,000	0.0	18,000	18,000	0.0	0.0
<b>Motor Vehicle Sales and Use Tax</b>	599,900	16.11	43,623	57,209	(23.7)	521,607	563,571	(7.4)	(4.5)
<b>State Sales and Use Tax</b>	517,800	13.91	42,586	36,061	18.1	480,872	470,871	2.1	0.1
<b>Motor Vehicle License Fees</b>	253,100	6.81	20,625	12,674	62.7	220,762	153,259	44.0	49.4
<b>International Registration Plan</b>	64,500	1.73	11,382	4,949	130.0	68,031	49,669	37.0	19.5
<b>Interest Earnings</b>	43,500	1.17	33	60	(45.0)	49,198	38,703	27.1	(19.4)
<b>Misc. Taxes, Fees, and Revenues</b>	15,800	0.42	1,196	1,035	15.6	13,788	11,156	23.6	28.1
<b>Total State Taxes and Fees</b>	<u>\$2,408,600</u>	<u>64.71</u>	<u>\$191,460</u>	<u>\$184,402</u>	<u>3.8</u>	<u>\$2,101,108</u>	<u>\$2,018,792</u>	<u>4.1</u>	<u>4.0</u>

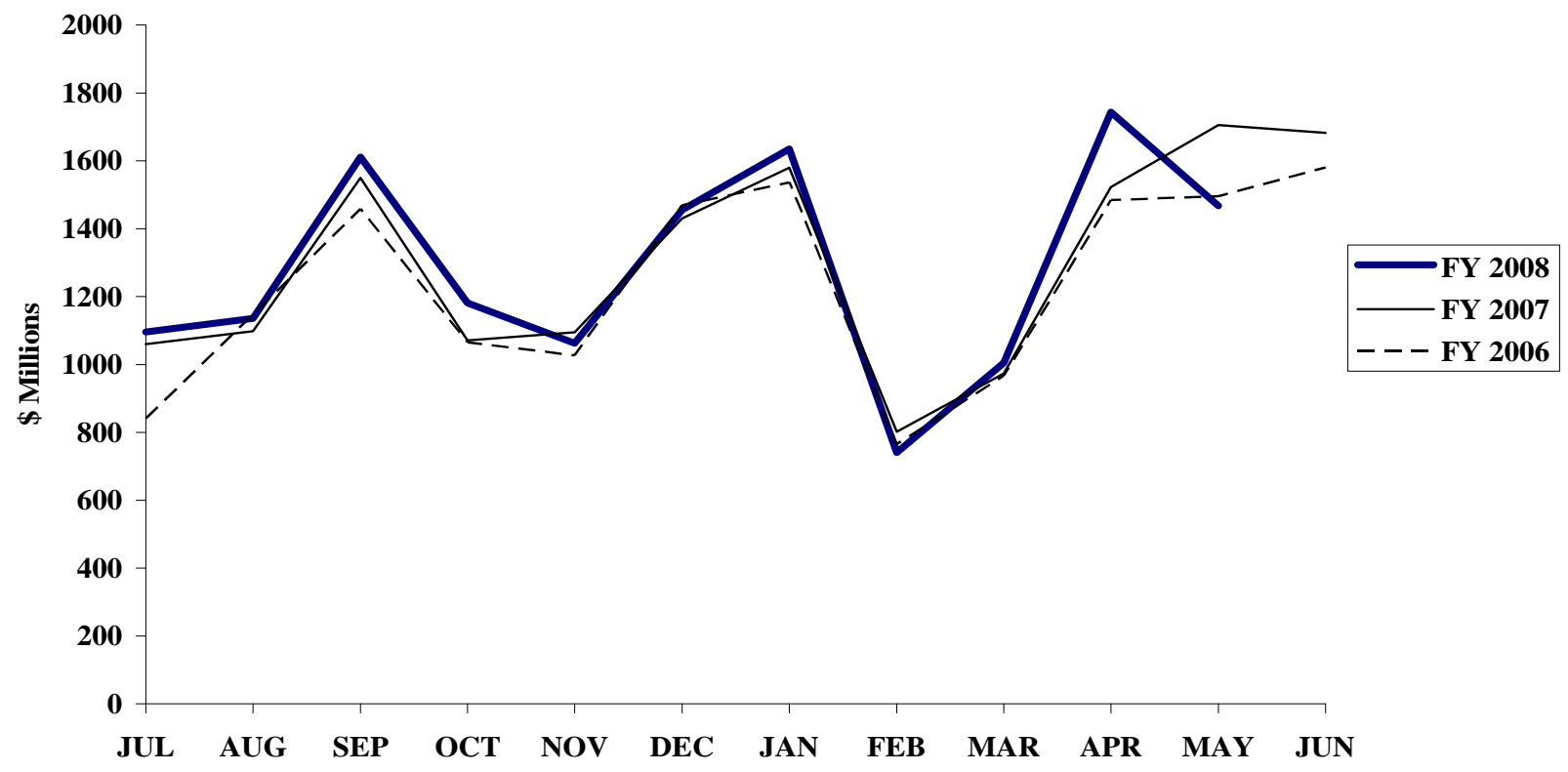
# Percentage is greater than or equal to 1,000%.

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 2007 and 2008  
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	May			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$770,300	20.70	\$61,285	\$58,491	4.8	\$626,357	\$613,749	2.1	3.9
Motor Vehicle Sales and Use Tax	369,400	9.92	26,826	36,238	(26.0)	323,077	349,607	(7.6)	(5.3)
Motor Vehicle License Fees	231,700	6.23	18,757	11,171	67.9	201,314	133,861	50.4	56.4
International Registration Plan	64,500	1.73	11,382	4,949	130.0	68,031	49,669	37.0	19.5
Misc. Taxes, Fees, and Revenues	15,800	0.42	1,196	1,035	15.6	13,788	11,156	23.6	28.1
<b>Total State Taxes and Fees</b>	<b>\$1,451,700</b>	<b>39.00</b>	<b>\$119,446</b>	<b>\$111,884</b>	<b>6.8</b>	<b>\$1,232,567</b>	<b>\$1,158,042</b>	<b>6.4</b>	<b>7.9</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,699	\$4,604	(63.1)	\$27,486	\$27,330	0.6	(100.0)
Miscellaneous Revenues	16,937	0.46	1,979	1,375	43.9	15,415	15,806	(2.5)	0.1
Transfer (to) / from Transportation Trust Fund	260,570	7.00	0	0	-	265,543	231,205	14.9	12.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,729,207</b>	<b>46.46</b>	<b>\$123,124</b>	<b>\$117,863</b>	<b>4.5</b>	<b>\$1,541,011</b>	<b>\$1,432,383</b>	<b>7.6</b>	<b>6.4</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,700	3.32	\$8,730	\$11,923	(26.8)	\$102,493	\$99,814	2.7	4.8
Priority Transportation Fund	20,000	0.54	2,000	2,000	0.0	18,000	18,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	230,500	6.19	16,797	20,971	(19.9)	198,530	213,964	(7.2)	(3.4)
State Sales and Use Tax	517,800	13.91	42,586	36,061	18.1	480,872	470,871	2.1	0.1
Motor Vehicle License Fees	21,400	0.58	1,868	1,503	24.3	19,448	19,398	0.3	0.7
Interest Earnings	43,500	1.17	33	60	(45.0)	49,198	38,703	27.1	(19.4)
<b>Total State Taxes and Fees</b>	<b>\$956,900</b>	<b>25.71</b>	<b>\$72,014</b>	<b>\$72,518</b>	<b>(0.7)</b>	<b>\$868,541</b>	<b>\$860,750</b>	<b>0.9</b>	<b>(1.3)</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,101,708	29.60	\$95,631	\$53,967	77.2	\$767,230	\$559,162	37.2	78.1
Receipts from Cities/Counties	78,428	2.11	2,616	1,827	43.2	40,790	41,667	(2.1)	86.4
Toll Revenues (Includes Route 28)	100,598	2.70	20,273	9,685	109.3	122,564	96,750	26.7	(3.0)
Miscellaneous Revenues	15,758	0.42	1,841	3,052	(39.7)	13,935	19,853	(29.8)	(26.9)
<b>Total Other Revenues</b>	<b>\$1,296,492</b>	<b>34.83</b>	<b>\$120,361</b>	<b>\$68,531</b>	<b>75.6</b>	<b>\$944,519</b>	<b>\$717,432</b>	<b>31.7</b>	<b>65.0</b>
Transfer (to) / from Highway Maintenance and Operating Fund	(\$260,570)	(7.00)	\$0	\$0	-	(\$265,543)	(\$231,205)	(14.9)	(12.7)
<b>Total Transportation Trust Fund</b>	<b>\$1,992,822</b>	<b>53.54</b>	<b>\$192,375</b>	<b>\$141,049</b>	<b>36.4</b>	<b>\$1,547,517</b>	<b>\$1,346,977</b>	<b>14.9</b>	<b>30.8</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,722,029</b>	<b>100.00</b>	<b>\$315,499</b>	<b>\$258,912</b>	<b>21.9</b>	<b>\$3,088,528</b>	<b>\$2,779,360</b>	<b>11.1</b>	<b>18.2</b>

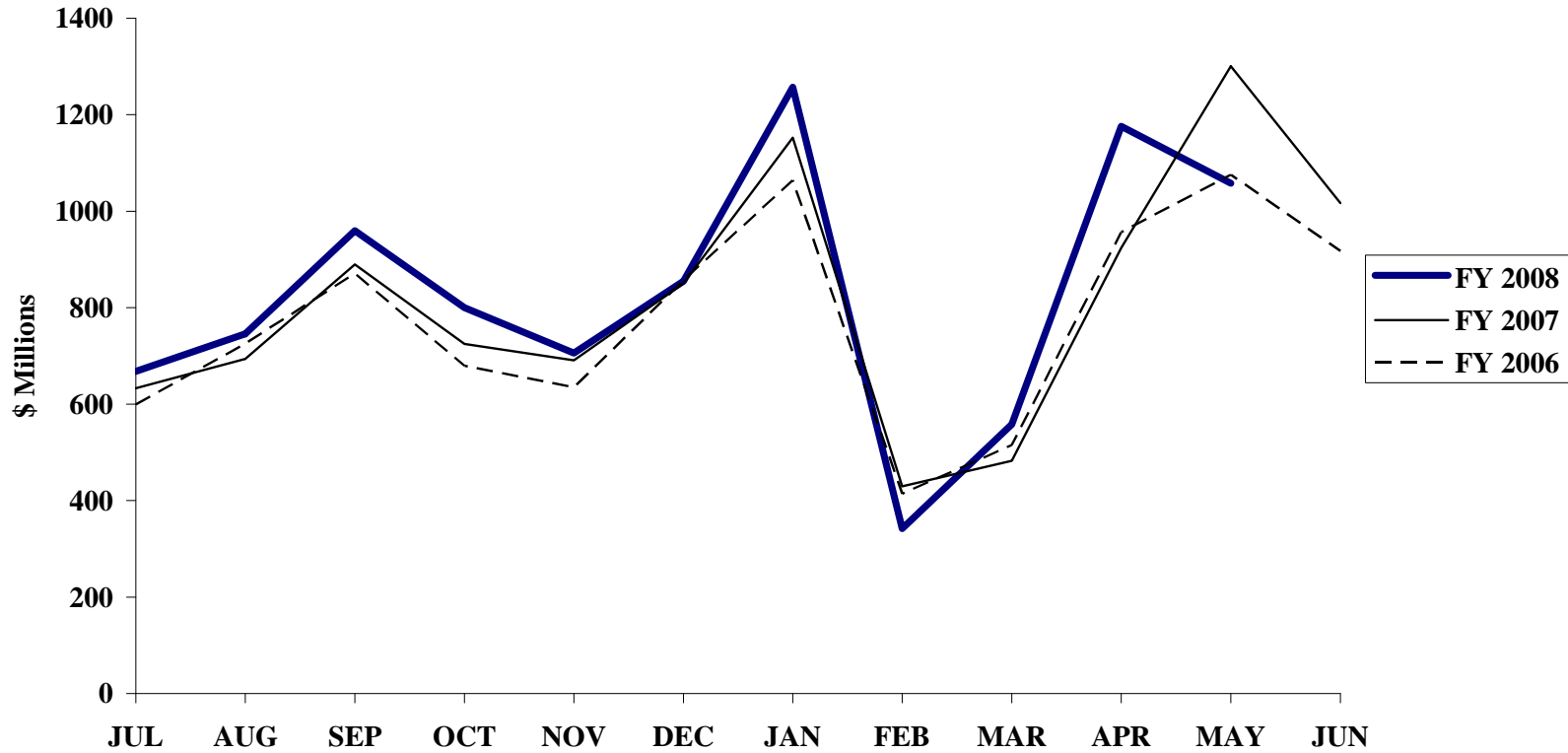
# Percentage is greater than or equal to 1,000%.

## Total General Fund Revenues



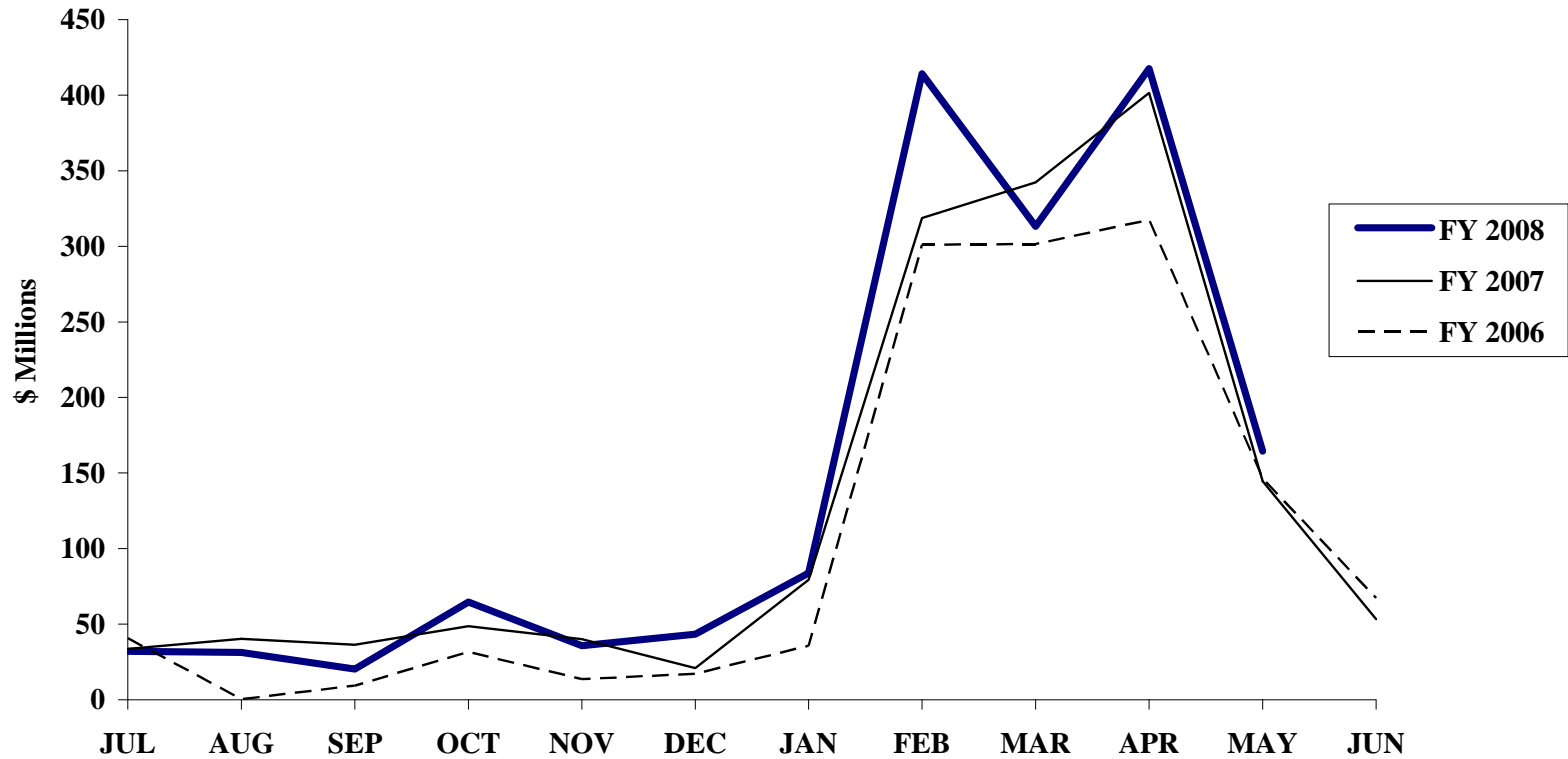
**FY 2006 Actual = \$14,834.3 Million**  
**FY 2007 Actual = \$15,565.8 Million**  
**FY 2008 Estimate = \$15,751.1 Million**

## Net Individual Income Tax



**FY 2006 Actual = \$9,308.6 Million**  
**FY 2007 Actual = \$9,787.6 Million**  
**FY 2008 Estimate = \$10,171.3 Million**

## Individual and Fiduciary Income Tax Refunds



**FY 2006 Actual = \$1,282.6 Million**  
**FY 2007 Actual = \$1,559.8 Million**  
**FY 2008 Estimate = \$1,710.4 Million**

## DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2008

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
<b>July, 2007</b>	\$5,727.9	5.35%	\$1,723.0	9.69%	\$7,450.9	6.35%
<b>August</b>	\$5,110.8	5.45%	\$1,737.9	11.29%	\$6,848.7	6.93%
<b>September</b>	\$5,243.4	5.58%	\$1,752.3	8.79%	\$6,995.7	6.38%
<b>October</b>	\$5,492.7	5.47%	\$1,764.6	8.48%	\$7,257.3	6.20%
<b>November</b>	\$5,180.7	5.48%	\$1,783.7	17.87%	\$6,964.4	8.65%
<b>December</b>	\$4,958.2	5.28%	\$1,798.6	2.57%	\$6,756.8	4.56%
<b>January, 2008</b>	\$5,283.2	5.06%	\$1,814.3	18.84%	\$7,097.5	8.58%
<b>February</b>	\$5,285.2	4.79%	\$1,829.7	2.14%	\$7,114.9	4.11%
<b>March</b>	\$4,856.5	4.29%	\$1,829.5	-2.27%	\$6,686.0	2.49%
<b>April</b>	\$4,674.1	3.97%	\$1,825.9	-2.09%	\$6,500.0	2.27%
<b>May</b>	\$5,145.3	3.54%	\$1,820.0	-5.42%	\$6,965.3	1.20%
<b>June</b>						
<b>Year-to-Date Average</b>	\$5,178.0	4.95%	\$1,789.0	6.28%	\$6,967.0	5.29%

▪ 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.

▪ Unaudited.

<sup>1</sup> Revised External Manager Annualized Total Return and Composite Rate for December 2007.

**Commonwealth of Virginia/Department of Accounts  
Report on the Revenue Stabilization Fund  
For the Fiscal Year 2008**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
August	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
September	\$1,189,834,417	\$0	\$0	\$0	\$1,189,834,417
October	\$1,189,834,417	\$0	\$0	\$15,138,454	\$1,204,972,871
November	\$1,204,972,871	\$0	\$0	\$0	\$1,204,972,871
December	\$1,204,972,871	\$0	\$0	\$0	\$1,204,972,871
January	\$1,204,972,871	\$0	\$0	\$17,925,393	\$1,222,898,264
February	\$1,222,898,264	\$0	\$0	\$0	\$1,222,898,264
March	\$1,222,898,264	\$0	\$0	\$0	\$1,222,898,264
April	\$1,222,898,264	\$0	\$0	\$15,471,560	\$1,238,369,824
May	\$1,238,369,824	\$0	\$0	\$0	\$1,238,369,824
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.