



COMMONWEALTH of VIRGINIA
Office of the Governor

Richard D. Brown
Secretary of Finance

PO Box 1475
Richmond, VA. 23218

February 16, 2010

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: January Revenue Data

January is a significant month for revenue collections. Individual estimated payments, sales taxes on December sales, and corporate income taxes from large retailers are all due in January. This month's report compares actual revenue collections to the revenue estimates prepared in December 2009 and included in the budget introduced to the 2010 General Assembly.

Total general fund revenue collections fell 6.5 percent in January. However, the monthly decline in total revenues is overstated because the State Corporation Commission issued refunds to insurance companies in January, while last year they were issued in February. Collections in individual estimated payments, sales tax, and recordation taxes declined for the month. Individual withholding collections and corporate income tax payments posted gains. On a year-to-date basis, total revenues fell 4.7 percent, trailing the revised annual forecast of a 2.7 percent decline.

National Economic Indicators

Most national indicators depict an expanding economy, although growth is expected to be sluggish over the rest of the year. Gains in consumer spending are modest and consumers are likely to remain cautious given the current weak labor market conditions, tight credit, and depleted wealth. In addition, effects of the government stimulus have peaked and will have less of an impact on the economy going forward.

- According to the advance estimate, real GDP grew 5.7 percent at an annual rate in the fourth quarter of 2009, the highest rate since the third quarter of 2003 and above expectations. Most of the growth was due to businesses making smaller cuts in inventory. For calendar year 2009, real GDP fell 2.4 percent, the steepest drop since 1938.
- The January employment report incorporates annual benchmark revisions, which suggest job losses were somewhat greater than earlier reports indicated. With the revisions, total payroll employment declined by 4.78 million in 2009, compared with the 4.16 million previously reported. The January employment report suggests that the deterioration in the labor market is easing, although there are no indications that employers will be adding significantly to their payrolls in the near future. Payroll employment was essentially unchanged in January, falling by 20,000 jobs. The November monthly gain was revised up from 4,000 to 64,000 jobs, and the December loss increased from 85,000 to 150,000 jobs.
- The unemployment rate in January fell 0.3 percentage point to 9.7 percent, even as the labor force slightly increased.
- Initial claims for unemployment increased by 8,000 to 480,000 during the week ending January 30, contrary to consensus expectations of a slight decline. The four-week moving average rose from 457,000 to 468,750.
- The Conference Board's index of leading indicators rose 1.1 percent to 106.4 in December, its ninth consecutive monthly increase. Eight of the ten components contributed positively to the index. The recent growth in the index strongly suggests the economy is expanding.
- The Conference Board's index of consumer confidence rose modestly from 53.6 to 55.9 in January, the third consecutive monthly gain. Both the expectations and current conditions components increased, with most of the gain in assessments of the present situation. Although confidence is at its highest level since September 2008, it remains at historical lows.
- The recovery in the manufacturing sector continued in January. The Institute of Supply Management index rose from 54.9 to 58.4, the sixth consecutive month above the expansionary threshold of 50.0, and the highest reading since 58.5 in August 2004.
- Inflation remains low -- the CPI rose 0.1 percent in December from the previous month. Core inflation also rose 0.1 percent for the month and stands 1.8 percent above December of last year.
- At its January meeting, the Federal Reserve again announced it will keep the federal funds target rate in the 0.0 to 0.25 percent range "for an extended period."

Virginia Economy

Although Virginia employment continues to decline, the pace of job losses has slowed. Payroll employment fell by 1.5 percent in December, following a 2.0 percent decline in November, the sixteenth consecutive monthly drop. Northern Virginia posted a loss of 0.1 percent, Hampton Roads fell 0.2 percent, and employment in the Richmond-Petersburg area fell 2.1 percent in December. The unemployment rate in Virginia rose from 6.4 percent to 6.7 percent in December, but remains below the June peak of 7.3 percent.

The Virginia Leading Index was unchanged in December following seven consecutive monthly gains. Initial claims for unemployment improved in December, offsetting the declines in building permits and auto registrations. The leading index contracted in seven of the eleven metropolitan areas in the Commonwealth. The index expanded in Blacksburg, Bristol, Charlottesville, and Winchester.

January Revenue Collections

Total general fund revenue collections fell 6.5 percent in January. Collections in individual estimated payments, sales tax, and recordation taxes declined for the month. Individual withholding collections posted a modest gain and corporate income tax payments increased. Year to date, total revenues fell 4.7 percent, trailing the revised annual estimate of a 2.7 percent decline.

Net Individual Income Tax (64% of general fund revenues): Through January, collections of net individual income tax fell by 5.7 percent from the same period last year, close to the revised annual estimate of a 5.6 percent decline. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (66% of general fund revenues): Collections of payroll withholding taxes grew 1.4 percent in January. Year-to-date withholding collections declined by 1.8 percent over the same period last year, trailing the projected annual growth rate of a 0.2 percent increase.

Individual Income Tax Nonwithholding (13% of general fund revenues): Collections in this source fell 22.7 percent in January. December and January are significant months for collections in this source and growth can be distorted by the timing of payments. Taxpayers have until January 15 to submit their fourth estimated payment for tax year 2009. Receipts for the two-month period fell 17.0 percent from last year. Year to date, collections fell 20.0 percent from the same period last year, close to the revised annual estimate of a 21.5 percent decline.

Individual Income Tax Refunds: TAX issued \$88.8 million in refunds in January compared with \$108.2 million last January. The main income tax filing season will begin in February.

Sales Tax (22% of general fund revenues): Collections of sales and use taxes, reflecting December sales, fell 3.7 percent in January. Taken together, collections of sales and use taxes in December and January (amnesty payments removed) declined 3.1 percent, compared with the forecast of a 3.0 percent decline. A more complete picture will be available with February receipts, which include January post-holiday sales and gift card redemptions.

On a year-to-date basis, collections have fallen 3.4 percent, compared with the annual estimate of 4.1 percent growth and the policy adjusted forecast of a 4.1 percent decline (excluding the amnesty and the accelerated sales tax program policy adjustments).

Corporate Income Tax (5% of general fund revenues): Collections of corporate income tax were \$30.3 million in January, compared with \$20.8 million last January, a 45.3 percent increase. On a year-to-date basis, collections in this source have risen 34.5 percent, ahead of the revised annual forecast of 8.8 percent growth.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – fell 3.0 percent in January. On a year-to-date basis, collections are down 1.1 percent, ahead of the forecast of a 9.6 percent decline.

Insurance Premiums (2% of general fund revenues): Collections of taxes on insurance premiums were negative for the month of January and down 82.8 percent year-to-date. Chapter 896 of the 2007 Acts of the Assembly required that \$129.1 million of collections in this source be transferred to the Transportation Trust Fund in fiscal year 2010 before any deposits to the general fund could be made. The required transfer was completed in December. Refunds to insurance companies were then paid in January, while refunds were issued in February of last year.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Interest Income (1% GF revenues)	-10.8%	10.8%
ABC Taxes (1% GF revenues)	0.1%	0.9%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue fell 11.3 percent in January – \$36.8 million compared with \$41.5 million last January. For the fiscal year-to-date, collections of All Other Revenue fell 14.9 percent from the same period in fiscal year 2009, lagging the annual estimate of a 4.2 percent decline.

Summary

Total general fund revenue collections fell 6.5 percent in January. The monthly decline is overstated because the State Corporation Commission issued refunds to insurance companies in January this year, while last year they were issued in February. On a year-to-date basis, total revenues fell 4.7 percent, trailing the revised annual forecast of a 2.7 percent decline. Further analysis of the collections data will form the basis of any recommended mid-session forecast adjustments.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4) (5)			(6) (7) (8)			(9)
	FY 2010 Estimate	As a % of Gen Fund Rev	January FY 2010	January FY 2009	% Change	Year-To-Date FY 2010	Year-To-Date FY 2009	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$9,153,400	65.75	\$804,111	\$793,227	1.4	\$5,257,760	\$5,353,260	(1.8)	0.2
Tax Dues/Estimated Payments	1,813,200	13.02	258,992	335,215	(22.7)	788,116	984,987	(20.0)	(21.5)
Gross Individual Income Tax	\$10,966,600	78.77	\$1,063,103	\$1,128,442	(5.8)	\$6,045,876	\$6,338,247	(4.6)	(4.2)
Individual and Fiduciary Income (Refunds)	(2,019,300)	(14.50)	(88,776)	(108,228)	(18.0)	(421,957)	(376,655)	12.0	2.6
Net Individual Income Tax	\$8,947,300	64.27	\$974,327	\$1,020,214	(4.5)	\$5,623,919	\$5,961,592	(5.7)	(5.6)
Sales and Use Tax	\$3,021,900	21.71	\$285,457	\$296,522	(3.7)	\$1,734,146	\$1,795,686	(3.4)	4.1
Corporations Income Tax	705,200	5.07	30,247	20,814	45.3	382,168	284,106	34.5	8.8
Wills, Suits, Deeds, Contracts	284,000	2.04	19,674	20,279	(3.0)	174,773	176,804	(1.1)	(9.6)
Insurance Premiums	255,500	1.83	(62,095)	(146)	#	13,007	75,436	(82.8)	0.2
Interest Income (a)	115,500	0.83	9,996	(13,945)	171.7	76,718	85,981	(10.8)	10.8
Alcoholic Beverage Sales (b)	174,800	1.25	3,680	3,812	(3.5)	58,204	58,144	0.1	0.9
All Other Revenues	417,600	3.00	36,788	41,482	(11.3)	195,994	230,179	(14.9)	(4.2)
Total General Fund Revenues	\$13,921,800	100.00	\$1,298,074	\$1,389,032	(6.5)	\$8,258,929	\$8,667,928	(4.7)	(2.7)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 781, 2009 Virginia Acts of Assembly.

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

FY 2010 Revised Estimate
Per House Bill 29, December 18, 2009

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2010 Estimate	As a % of Total Gen Fund Rev	FY 2010	January FY 2009	% Change	FY 2010	Year-To-Date FY 2009	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$9,153,400	65.75	\$804,111	\$793,227	1.4	\$5,257,760	\$5,353,260	(1.8)	0.2
Tax Dues/Estimated Payments	1,813,200	13.02	258,992	335,215	(22.7)	788,116	984,987	(20.0)	(21.5)
Gross Individual Income Tax	\$10,966,600	78.77	\$1,063,103	\$1,128,442	(5.8)	\$6,045,876	\$6,338,247	(4.6)	(4.2)
Individ and Fiduc Income (Refunds)	(2,019,300)	(14.50)	(88,776)	(108,228)	(18.0)	(421,957)	(376,655)	12.0	2.6
Net Individual Income Tax	\$8,947,300	64.27	\$974,327	\$1,020,214	(4.5)	\$5,623,919	\$5,961,592	(5.7)	(5.6)
Sales and Use Tax	3,021,900	21.71	285,457	296,522	(3.7)	1,734,146	1,795,686	(3.4)	4.1
Corporations Income	705,200	5.07	30,247	20,814	45.3	382,168	284,106	34.5	8.8
Public Service Corporations	94,600	0.68	6,144	8,104	(24.2)	44,794	47,772	(6.2)	3.6
Insurance Premiums	255,500	1.83	(62,095)	(146)	#	13,007	75,436	(82.8)	0.2
Alcoholic Beverage Excise	131,400	0.94	0	0	-	31,706	31,368	1.1	1.4
Beer and Beverage Excise	43,400	0.31	3,680	3,812	(3.5)	26,498	26,776	(1.0)	(0.5)
Wills, Suits, Deeds, Contracts	284,000	2.04	19,674	20,279	(3.0)	174,773	176,804	(1.1)	(9.6)
Inheritance, Gift, and Estate	0	0.00	611	271	125.5	4,163	5,613	(25.8)	(100.0)
Bank Franchise	20,000	0.14	(1)	1,457	(100.1)	(1,139)	4,133	(127.6)	(11.0)
Other Taxes	4,000	0.03	934	159	487.4	3,273	4,199	(22.1)	(30.7)
Total Taxes	\$13,507,300	97.02	\$1,258,978	\$1,371,486	(8.2)	\$8,037,308	\$8,413,485	(4.5)	(2.8)
Rights and Privileges:									
Licenses and Permits	\$4,200	0.03	\$118	\$150	(21.3)	\$2,335	\$2,364	(1.2)	(2.3)
Corp. Franchise and Charters	46,200	0.33	11,767	11,925	(1.3)	14,713	15,054	(2.3)	(6.5)
Fees for Misc. Privileges & Services	13,300	0.10	648	1,769	(63.4)	5,140	7,175	(28.4)	(3.0)
Total Rights and Privileges	\$63,700	0.46	\$12,533	\$13,844	(9.5)	\$22,188	\$24,593	(9.8)	(5.5)
Other Revenues:									
Sales of Property & Commodities	\$8,300	0.06	\$0	\$0	-	\$2	\$1	100.0	#
Assessmts & Rcpts for Support of Special Svcs	400	0.00	44	46	(4.3)	222	174	27.6	1.0
Institutional Revenue	5,900	0.05	407	445	(8.5)	3,435	3,878	(11.4)	(7.8)
Interest (a)	115,500	0.83	9,996	(13,945)	171.7	76,718	85,981	(10.8)	10.8
Dividends and Rent	300	0.00	18	15	20.0	266	264	0.8	(11.8)
Fines, Forfeitures & Fees	209,900	1.51	15,215	17,134	(11.2)	116,333	124,109	(6.3)	(2.5)
Other Revenue	5,100	0.04	795	141	463.8	3,685	19,781	(81.4)	(81.2)
Excess Fees	(6,500)	(0.05)	(697)	(1,048)	33.5	(6,870)	(10,092)	31.9	62.1
Private Donations, Gifts & Cont.	1,700	0.01	6	0	-	43	38	13.2	#
Cities, Counties, and Towns	10,200	0.07	779	914	(14.8)	5,599	5,716	(2.0)	(0.6)
Total Other Revenues	\$350,800	2.52	\$26,563	\$3,702	617.5	\$199,433	\$229,850	(13.2)	1.1
Total General Fund Revenues	\$13,921,800	100.00	\$1,298,074	\$1,389,032	(6.5)	\$8,258,929	\$8,667,928	(4.7)	(2.7)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 781, 2009 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)**

	FY 2010 Estimate	(a)	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change (b)	
Lottery Collections									
Win for Life	\$34,900		\$2,580	\$2,689	(4.1)	\$18,388	\$19,189	(4.2)	8.6
Cash 5	29,000		2,344	2,537	(7.6)	16,960	16,900	0.4	(0.9)
Pick 4	191,400		15,813	15,933	(0.8)	112,514	107,113	5.0	3.2
Pick 3	277,200		19,862	20,968	(5.3)	142,165	144,331	(1.5)	10.6
Mega Millions	137,500		15,949	10,075	58.3	119,454	87,667	36.3	(15.2)
Fast Play	10,900		563	381	47.8	4,072	4,062	0.2	60.9
Raffle	10,600		6,600	0	-	6,600	8,906	(25.9)	19.0
Scratch	699,800		55,381	55,513	(0.2)	406,453	394,380	3.1	1.4
Gross Lottery Revenue	<u>1,391,300</u>		<u>119,092</u>	<u>108,096</u>	<u>10.2</u>	<u>826,606</u>	<u>782,548</u>	<u>5.6</u>	<u>1.9</u>
Expenses (c)	<u>951,215</u>		<u>83,349 (d)</u>	<u>72,084</u>	<u>15.6</u>	<u>572,822 (d)</u>	<u>531,798</u>	<u>7.7</u>	<u>2.7</u>
Net Lottery Ticket Profits	<u>\$440,085</u>		<u>\$35,743 (d)</u>	<u>\$36,012</u>	<u>(0.7)</u>	<u>\$253,784 (d)</u>	<u>\$250,750</u>	<u>1.2</u>	<u>0.2</u>

(a) Estimate established by House Bill 29, December 18, 2009, and includes the residual amounts of FY 2009 Lottery profits of \$8,897,212 and the residual balance in the Lottery Proceeds Fund of \$964,471 at June 30, 2009.

(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 and online gaming costs, Lottery operating expenses, and net other income/expense.

(d) 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 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Motor Fuel Taxes	\$824,000	25.21	\$66,253	\$69,297	(4.4)	\$425,739	\$433,618	(1.8)	(1.8)
Priority Transportation Fund (PTF)	149,100	4.56	2,000	2,000	0.0	139,102	142,286	(2.2)	(2.1)
Motor Vehicle Sales and Use Tax	420,100	12.86	38,194	36,182	5.6	267,725	265,530	0.8	(5.0)
State Sales and Use Tax	478,300	14.64	49,002	51,475	(4.8)	296,801	308,532	(3.8)	(4.2)
Motor Vehicle License Fees	239,900	7.34	16,247	16,948	(4.1)	125,405	131,160	(4.4)	(0.7)
International Registration Plan	58,600	1.79	3,334	4,589	(27.3)	26,038	25,336	2.8	(0.4)
Recordation Tax	33,500	1.02	2,418	2,576	(6.1)	21,434	19,746	8.5	(6.2)
Interest Earnings	23,900	0.73	100	8,088	(98.8)	6,294	18,909	(66.7)	(13.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	989	986	0.3	7,077	7,480	(5.4)	(1.8)
Total State Taxes and Fees	\$2,240,100	68.54	\$178,537	\$192,141	(7.1)	\$1,315,615	\$1,352,597	(2.7)	(3.0)

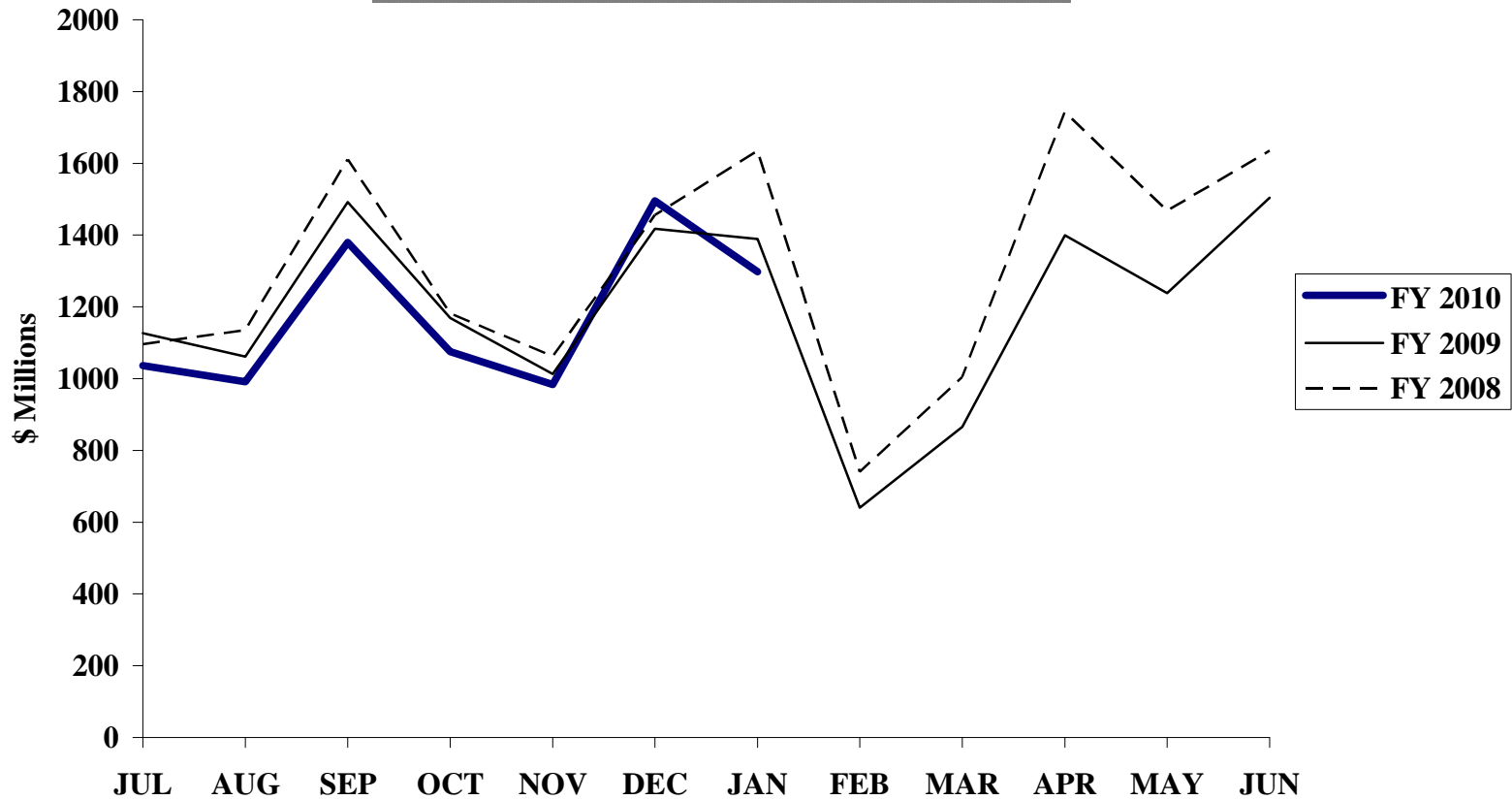
Percentage is greater than or equal to 1,000%.

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 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$710,800	21.75	\$54,956	\$58,783	(6.5)	\$365,056	\$371,917	(1.8)	(1.6)
Motor Vehicle Sales and Use Tax	253,200	7.75	23,449	22,147	5.9	161,811	161,255	0.3	(6.1)
Motor Vehicle License Fees	218,700	6.69	14,796	15,419	(4.0)	114,055	119,352	(4.4)	(0.6)
International Registration Plan	58,600	1.79	3,334	4,589	(27.3)	26,038	25,336	2.8	(0.4)
Recordation Tax (1 cent)	11,200	0.34	806	859	(6.2)	7,145	6,582	8.6	(5.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	989	986	0.3	7,077	7,480	(5.4)	(1.8)
Total State Taxes and Fees	\$1,265,200	38.71	\$98,330	\$102,783	(4.3)	\$681,182	\$691,922	(1.6)	(2.4)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,742	\$1,319	32.1	\$11,600	\$12,866	(9.8)	(100.0)
Miscellaneous Revenues	15,698	0.48	1,460	1,092	33.7	9,668	9,132	5.9	13.4
Transfer (to) / from Transportation Trust Fund	500,188	15.31	0	0	-	200,000	345,000	(42.0)	37.1
Total Highway Maintenance and Operating Fund	\$1,781,086	54.50	\$101,532	\$105,194	(3.5)	\$902,450	\$1,058,920	(14.8)	5.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,200	3.46	\$11,297	\$10,514	7.4	\$60,683	\$61,701	(1.6)	(3.1)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	10,000	10,000	0.0	0.0
PTF Insurance Premiums Tax	129,100	3.95	0	0	-	129,102	132,286	(2.4)	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	166,900	5.11	14,745	14,035	5.1	105,914	104,275	1.6	(3.3)
State Sales and Use Tax	478,300	14.64	49,002	51,475	(4.8)	296,801	308,532	(3.8)	(4.2)
Motor Vehicle License Fees	21,200	0.65	1,451	1,529	(5.1)	11,350	11,808	(3.9)	(1.9)
Recordation Tax (2 cents)	22,300	0.68	1,612	1,717	(6.1)	14,289	13,164	8.5	(6.3)
Interest Earnings	23,900	0.73	100	8,088	(98.8)	6,294	18,909	(66.7)	(13.9)
Total State Taxes and Fees	\$974,900	29.83	\$80,207	\$89,358	(10.2)	\$634,433	\$660,675	(4.0)	(3.9)
Other Revenues:									
Federal Grants and Contracts	\$844,434	25.84	\$38,409	\$51,501	(25.4)	\$478,612	\$430,286	11.2	7.0
Receipts from Cities/Counties	96,900	2.97	13,849	8,986	54.1	32,526	29,296	11.0	107.0
Toll Revenues (Includes Route 28)	52,309	1.60	755	1,985	(62.0)	22,008	48,131	(54.3)	(32.9)
Miscellaneous Revenues	18,542	0.57	834	(338)	346.7	16,038	8,993	78.3	1.2
Total Other Revenues	\$1,012,185	30.98	\$53,847	\$62,134	(13.3)	\$549,184	\$516,706	6.3	8.6
Transfer (to) / from Highway Maintenance and Operating Fund	(\$500,188)	(15.31)	\$0	\$0	-	(\$200,000)	(\$345,000)	42.0	(37.1)
Total Transportation Trust Fund	\$1,486,897	45.50	\$134,054	\$151,492	(11.5)	\$983,617	\$832,381	18.2	(6.0)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,267,983	100.00	\$235,586	\$256,686	(8.2)	\$1,886,067	\$1,891,301	(0.3)	(0.3)

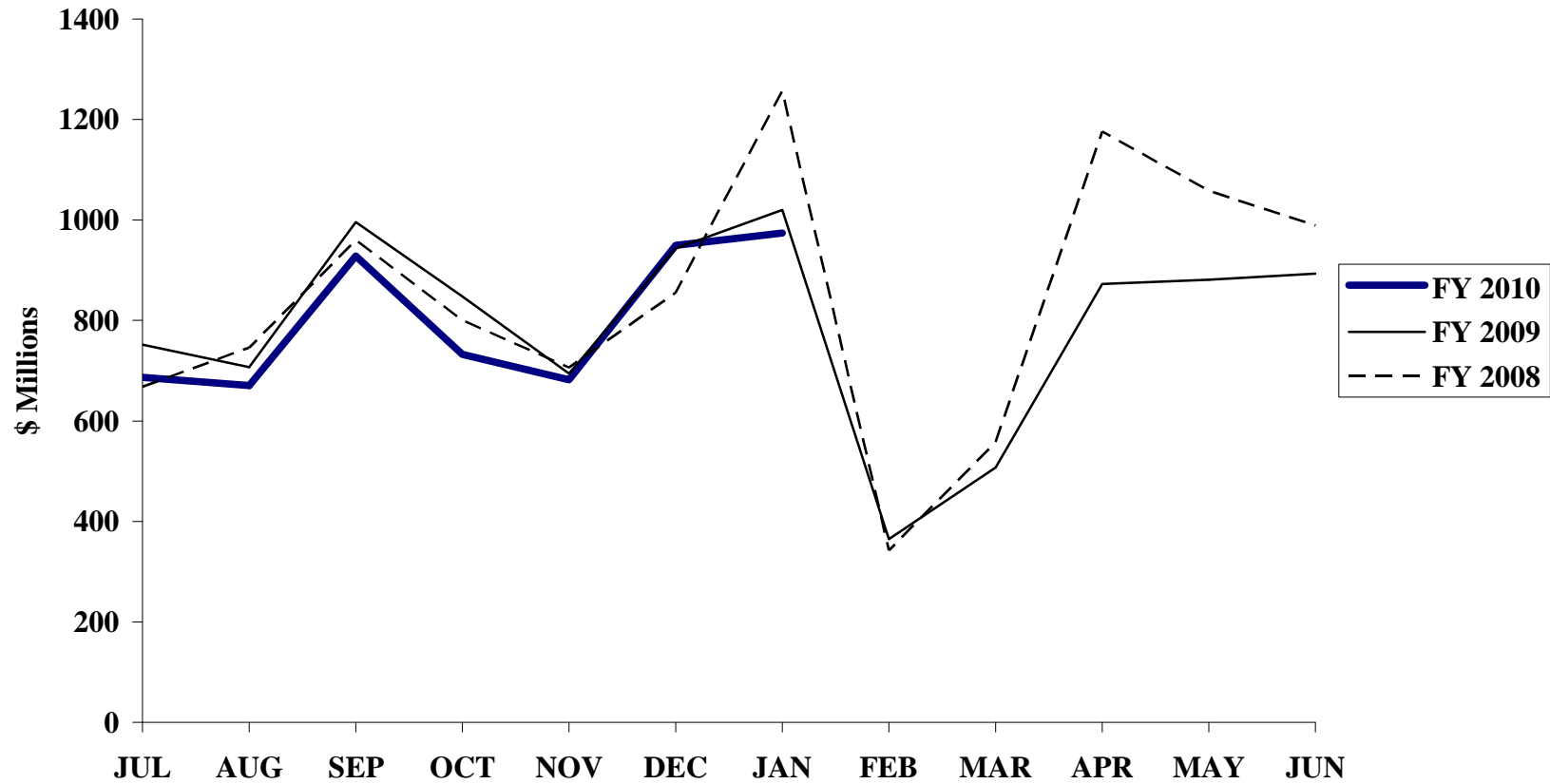
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



FY 2008 Actual = \$15,766.9 Million
FY 2009 Actual = \$14,315.1 Million
FY 2010 Estimate = \$13,921.8 Million

Net Individual Income Tax

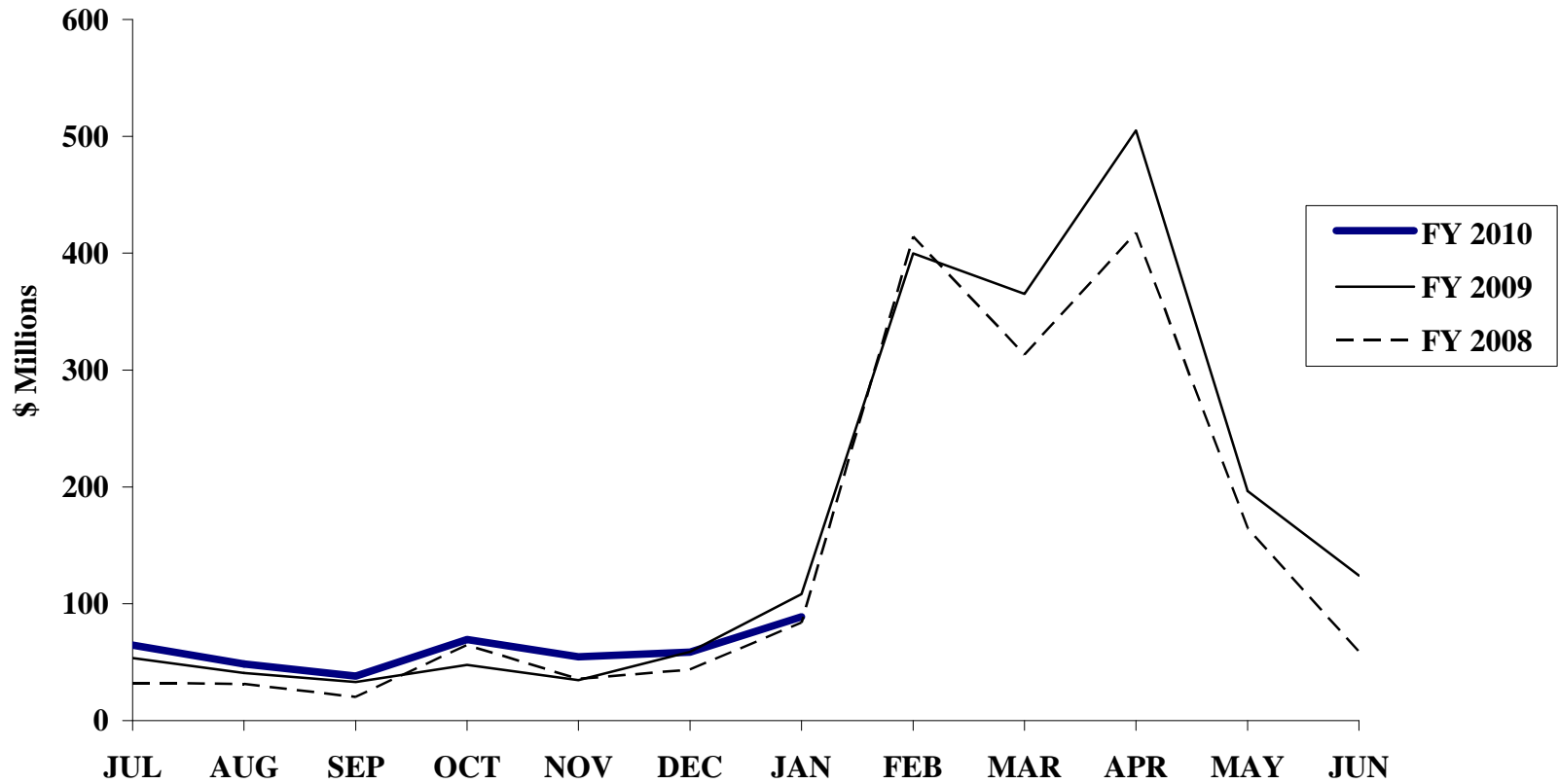


FY 2008 Actual = \$10,114.8 Million

FY 2009 Actual = \$9,481.1 Million

FY 2010 Estimate = \$8,947.3 Million

Individual and Fiduciary Income Tax Refunds



FY 2008 Actual = \$1,679.9 Million
FY 2009 Actual = \$1,967.4 Million
FY 2010 Estimate = \$2,019.3 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2010

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2009	\$2,788.6	1.50%	\$1,621.9 ¹	21.42%	\$4,410.5 ¹	8.83% ¹
August	\$2,359.4	1.81%	\$1,597.4	12.94%	\$3,956.8	6.30%
September	\$2,575.3	1.34%	\$1,568.6	11.71%	\$4,143.9	5.27%
October	\$2,577.4	1.25%	\$1,577.0	7.26%	\$4,154.4	3.53%
November	\$2,346.8	1.29%	\$1,543.4	12.81%	\$3,890.2	5.86%
December	\$2,348.3	-1.08% ²	\$1,465.0	-14.41%	\$3,813.3	-6.20% ²
January, 2010	\$2,732.2	1.01%	\$1,403.3	16.76%	\$4,135.5	6.35%
February						
March						
April						
May						
June						
Year-to-Date Average	\$2,532.6	1.04%	\$1,539.5	9.94%	\$4,072.1	4.40%

- 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.

¹ Revised July External Manager Average Balance, Composite Average Balance and Rate.

² The Primary Liquidity Yield of (1.08)% reflects a \$4,476,593.84 write down of AXON Financial Funding LLC in the securities lending portfolio. Without the write down, the Primary Liquidity Yield would have been 1.17% and the Composite Rate would have been (4.82)%.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2010**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$575,063,868	\$0	\$0	\$0	\$575,063,868
August	\$575,063,868	\$0	\$0	\$0	\$575,063,868
September	\$575,063,868	\$0	\$0	\$0	\$575,063,868
October	\$575,063,868	\$0	\$0	\$0	\$575,063,868
November	\$575,063,868	\$0	\$0	\$4,071,627	\$579,135,495
December	\$579,135,495	\$0	\$0	\$0	\$579,135,495
January	\$579,135,495	\$0	\$0	\$0	\$579,135,495
February					
March					
April					
May					
June					

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