



COMMONWEALTH of VIRGINIA

Office of the Governor

Richard D. Brown
Secretary of Finance

PO Box 1475
Richmond, VA. 23218

May 13, 2010

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: April Revenue Data

This month's revenue report contains the official general fund revenue forecast included in House Bill 29 (Chapter 872), which was signed by the Governor on May 7, 2010. This forecast predicts a decline of 2.3 percent in general fund revenues in fiscal year 2010, compared with the February 17 mid session forecast of a 2.0 percent decline.

April is a significant month for revenue collections. In addition to regular collections of withholding and sales taxes, final payments for tax year 2009 and the first estimated payment for tax year 2010 are due from corporations on April 15. Also, a large portion of estimated and final payments from individuals, which are due May 1, are typically received in April.

Total general fund revenue collections rose 0.4 percent in April. As expected, withholding receipts declined in April, after increasing 18.2 percent in March. However, collections of sales and use tax experienced the highest monthly growth since May 2008 (excluding the December 2009 results which reflected tax amnesty payments). Several large one-time payments contributed to a surge in corporate income tax collections. On a year-to-date basis, total revenues fell 3.6 percent, trailing the revised annual forecast of a 2.3 percent decline.

National Economic Indicators

Most national indicators suggest the economy is in a sustained recovery, although growth is expected to remain sluggish in the coming months.

- According to the advance estimate, real GDP grew 3.2 percent at an annualized rate in the first quarter of 2010, its third consecutive increase. As expected, growth slowed from the strong 5.6 percent pace in the previous quarter.
- The labor market was a bright spot in April -- payroll employment grew by 290,000 jobs. Some of the April gain (66,000) was due to Census hiring, but gains were widespread across most major industries. In addition, the February loss of 14,000 was revised to a gain of 39,000 and the March gain of 162,000 jobs was revised to 230,000. The solid increase in April, along with the significant upward revisions to previous months, signifies a marked improvement in the labor market. Nationally, the unemployment rate rose by 0.2 to 9.9 percent, as the better job market encouraged more workers to enter the labor force.
- Initial claims for unemployment fell by 7,000 to 444,000 during the week ending May 1. The four-week moving average declined from 463,000 to 459,000. Initial claims remain well below the levels of about 600,000 experienced a year ago, but above the range of 350,000 to 400,000 consistent with a healthy labor market.
- The Conference Board's index of leading indicators rose 1.4 percent to 109.6 in March, and has increased for 12 consecutive months. The index was 11.9 percent higher than a year ago, the fastest year-over-year growth rate since the 1980s.
- The Conference Board's index of consumer confidence jumped 5.6 points in April, following a 5.9 gain in March. Both the expectations and current conditions components contributed positively to the index. Although the improvement is significant, the index remains at the very low level of 57.9.
- The manufacturing sector, which has been supporting the recovery, expanded more rapidly in April. The Institute of Supply Management index rose from 59.6 to 60.4, marking the ninth consecutive month above the expansionary threshold of 50.0, and the fastest growth since June 2004.
- Inflation remains low -- the CPI increased 0.1 percent in March from the previous month. Core inflation (excluding food and energy prices) was unchanged for the month and stands 1.1 percent above March of last year.
- At its April 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." It will, however, continue to withdraw the extraordinary support provided in response to the financial crisis.

Virginia Economy

In Virginia, year-over-year job losses continue, but are gradually declining. Payroll employment in the Commonwealth fell 1.4 percent from March of last year. Northern Virginia posted a decline of 0.6 percent, Hampton Roads fell 1.5 percent, and Richmond-Petersburg fell 2.5

percent from March of last year. The unemployment rate fell from 7.8 percent (the highest rate since February 1983) to 7.6 percent in March.

The Virginia Leading Index rose 0.1 percent in March. Two of the three components improved in March – initial claims for unemployment fell 0.7 percent and building permits rose 3.3 percent. Auto registrations fell 2.1 percent in March. The Leading Index rose in ten of the eleven Virginia metro areas in March, with the exception being the Bristol MSA.

April Revenue Collections

Total general fund revenue collections rose 0.4 percent in April. On a year-to-date basis, total revenues fell 3.6 percent, trailing the revised annual forecast of a 2.3 percent decline.

Net Individual Income Tax (64% of general fund revenues): Through April, collections of net individual income tax fell 5.8 percent from the same period last year, close to the revised annual estimate of a 5.5 percent decline. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (65% of general fund revenues): Collections of payroll withholding taxes fell 4.5 percent in April. This was expected, as March was a record month with 18.2 percent growth. Some payments typically received in April arrived in March this year. Year-to-date withholding collections declined 0.4 percent compared with 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): April is a significant month for nonwithholding collections. Final payments for tax year 2009 and the first estimated payment for tax year 2010 are both due May 1.

April collections were \$472.5 million compared with \$581.0 million in April 2009, an 18.7 percent decrease. To date, about 76 percent of the nonwithholding forecast has been collected, and collections during this fiscal year are 18.6 percent below the same period last year, close to the revised annual estimate of a 21.5 percent decline.

Typically, a large portion of final payments due May 1 are received in April; however, the amount varies from year to year. Estimated and final payments will continue to be processed in May. Therefore, April and May collections must be analyzed together to accurately assess growth in this source. The final estimated payment for this fiscal year is due June 15.

Individual Income Tax Refunds: In April, TAX issued \$464.5 million in refunds compared with \$505.2 million in the same period last year, an 8.1 percent decline. Year-to-date, refunds are 5.9 percent ahead of last year, exceeding the revised annual estimate of a 2.0 percent increase.

For the filing season beginning January 1, TAX has issued 2.3 million refunds – about 7,000 fewer than during the same period last year. TAX can issue another \$261.7 million in refunds and meet the annual estimate. Last year, \$320.5 million in refunds was issued in the last two months.

Sales Tax (22% of general fund revenues): Collections of sales and use taxes, reflecting March sales, rose 7.3 percent in April – the largest monthly growth since May 2008 (excluding the December 2009 results which were affected by the tax amnesty program). Pent-up demand from the February storms and an early Easter contributed to the increase. On a year-to-date basis, collections have fallen 2.8 percent, slightly ahead of the policy-adjusted forecast of a 3.0 percent decline. (The remaining significant policy adjustment is the June accelerated sales tax program.)

Corporate Income Tax (5% of general fund revenues): In April, corporations made their first estimated payment for tax year 2010, and made either a final or extension payment for tax year 2009.

Corporate income tax collections were \$219.4 million in April compared with \$158.2 million in April of last year, a 38.7 percent increase. Several large one-time payments distorted monthly growth. Year-to-date collections are up 27.5 percent from the same period last year, ahead of the annual estimate of 12.8 percent growth.

The second estimated payment for tax year 2010 is due June 15. About \$102.6 million is needed to meet the annual forecast in this source. Last year, \$155.3 million was collected in May and June.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – fell 16.4 percent in April. On a year-to-date basis, collections are down 5.6 percent, close to the forecast of a 4.9 percent decline.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Insurance Premiums (2% GF revenues)	2.7%	- 4.9%
Interest Income (1% GF revenues)	3.1%	10.8%
ABC Taxes (1% GF revenues)	0.8%	0.9%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue grew 16.1 percent in April – \$29.4 million compared with \$25.3 million last April. For the fiscal year-to-date, collections of All Other Revenue fell 9.9 percent from the same period in fiscal year 2009, lagging the annual estimate of a 2.9 percent decline.

Summary

Total general fund revenue collections rose 0.4 percent in April. On a year-to-date basis, total revenues fell 3.6 percent, trailing the revised annual forecast of a 2.3 percent decline.

While total general fund revenue collections through April are lagging the annual estimate, May and June are also very important collections months. Individual estimated and final payments will continue to be processed in May and estimated payments for individuals, corporations, and insurance companies are due June 15.

Adjusted for projected accelerated sales tax payments to be received in June, collections in May and June must total about \$2.6 billion to meet the forecast for the fiscal year. For comparison purposes, receipts in the last two months of fiscal year 2009 were \$2.74 billion. In other words, adjusted for the June 2010 accelerated sales tax program, collections can fall 5.1 percent over the remainder of the fiscal year and still attain the annual estimate.

FY 2010 Revised Estimate
Per Chapter 872

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			April			Year-To-Date			% Annual Growth
Revenue	FY 2010 Estimate	As a % of Gen Fund Rev	FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	Req By Est
Individual Income Tax:									
Withholding	\$9,153,400	65.43	\$761,317	\$797,056	(4.5)	\$7,631,325	\$7,663,663	(0.4)	0.2
Tax Dues/Estimated Payments	1,813,200	12.96	472,458	581,023	(18.7)	1,374,611	1,689,620	(18.6)	(21.5)
Gross Individual Income Tax	\$10,966,600	78.39	\$1,233,775	\$1,378,079	(10.5)	\$9,005,936	\$9,353,283	(3.7)	(4.2)
Individual and Fiduciary Income (Refunds)	(2,006,500)	(14.34)	(464,526)	(505,215)	(8.1)	(1,744,785)	(1,646,833)	5.9	2.0
Net Individual Income Tax	\$8,960,100	64.05	\$769,249	\$872,864	(11.9)	\$7,261,151	\$7,706,450	(5.8)	(5.5)
Sales and Use Tax	\$3,043,000	21.75	\$250,386	\$233,379	7.3	\$2,373,552	\$2,441,384	(2.8)	4.8
Corporations Income Tax	730,700	5.22	219,435	158,228	38.7	628,116	492,668	27.5	12.8
Wills, Suits, Deeds, Contracts	299,000	2.14	22,441	26,833	(16.4)	237,618	251,769	(5.6)	(4.9)
Insurance Premiums	242,500	1.73	103,964	99,203	4.8	158,784	154,585	2.7	(4.9)
Interest Income (a)	115,500	0.83	7,055	(19,414)	136.3	107,082	103,842	3.1	10.8
Alcoholic Beverage Sales (b)	174,800	1.25	3,528	3,380	4.4	105,587	104,782	0.8	0.9
All Other Revenues	423,000	3.03	29,389	25,303	16.1	286,051	317,377	(9.9)	(2.9)
Total General Fund Revenues	\$13,988,600	100.00	\$1,405,447	\$1,399,776	0.4	\$11,157,941	\$11,572,857	(3.6)	(2.3)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 872, 2010 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 2009 and 2010
(Dollars in Thousands)

Revenue	(1)	(2)	April		(5)	(6)	Year-To-Date		(9)
	FY 2010 Estimate	As a % of Total Gen Fund Rev	FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$9,153,400	65.43	\$761,317	\$797,056	(4.5)	\$7,631,325	\$7,663,663	(0.4)	0.2
Tax Dues/Estimated Payments	1,813,200	12.96	472,458	581,023	(18.7)	1,374,611	1,689,620	(18.6)	(21.5)
Gross Individual Income Tax	\$10,966,600	78.39	\$1,233,775	\$1,378,079	(10.5)	\$9,005,936	\$9,353,283	(3.7)	(4.2)
Individ and Fiduc Income (Refunds)	(2,006,500)	(14.34)	(464,526)	(505,215)	(8.1)	(1,744,785)	(1,646,833)	5.9	2.0
Net Individual Income Tax	\$8,960,100	64.05	\$769,249	\$872,864	(11.9)	\$7,261,151	\$7,706,450	(5.8)	(5.5)
Sales and Use Tax	3,043,000	21.75	250,386	233,379	7.3	2,373,552	2,441,384	(2.8)	4.8
Corporations Income	730,700	5.22	219,435	158,228	38.7	628,116	492,668	27.5	12.8
Public Service Corporations	94,600	0.68	9,603	4,215	127.8	73,516	71,228	3.2	3.6
Insurance Premiums	242,500	1.73	103,964	99,203	4.8	158,784	154,585	2.7	(4.9)
Alcoholic Beverage Excise	131,400	0.94	0	0	-	69,895	68,872	1.5	1.4
Beer and Beverage Excise	43,400	0.31	3,528	3,380	4.4	35,692	35,910	(0.6)	(0.5)
Wills, Suits, Deeds, Contracts	299,000	2.14	22,441	26,833	(16.4)	237,618	251,769	(5.6)	(4.9)
Inheritance, Gift, and Estate	3,600	0.03	51	(332)	115.4	3,722	5,212	(28.6)	(40.1)
Bank Franchise	20,000	0.14	74	24	208.3	(833)	4,212	(119.8)	(11.0)
Other Taxes	4,000	0.03	(174)	135	(228.9)	2,115	4,479	(52.8)	(30.7)
Total Taxes	\$13,572,300	97.02	\$1,378,557	\$1,397,929	(1.4)	\$10,843,328	\$11,236,769	(3.5)	(2.4)
Rights and Privileges:									
Licenses and Permits	\$4,200	0.03	\$212	\$193	9.8	\$3,331	\$3,358	(0.8)	(2.3)
Corp. Franchise and Charters	46,200	0.33	630	594	6.1	16,277	16,661	(2.3)	(6.5)
Fees for Misc. Privileges & Services	13,300	0.10	649	1,848	(64.9)	7,296	9,730	(25.0)	(3.0)
Total Rights and Privileges	\$63,700	0.46	\$1,491	\$2,635	(43.4)	\$26,904	\$29,749	(9.6)	(5.5)
Other Revenues:									
Sales of Property & Commodities	\$8,300	0.06	\$0	\$0	-	\$4	\$1	300.0	#
Assessmts & Rcpts for Support of Special Svcs	400	0.00	0	23	(100.0)	295	336	(12.2)	1.0
Institutional Revenue	5,900	0.05	621	616	0.8	5,042	5,674	(11.1)	(7.8)
Interest (a)	115,500	0.83	7,055	(19,414)	136.3	107,082	103,842	3.1	10.8
Dividends and Rent	300	0.00	12	11	9.1	304	298	2.0	(11.8)
Fines, Forfeitures & Fees	210,700	1.51	16,903	18,063	(6.4)	168,989	178,009	(5.1)	(2.1)
Other Revenue	6,100	0.04	445	544	(18.2)	6,372	23,579	(73.0)	(77.5)
Excess Fees	(6,500)	(0.05)	(620)	(1,558)	60.2	(8,494)	(13,875)	38.8	62.1
Private Donations, Gifts & Cont.	1,700	0.01	4	6	(33.3)	58	71	(18.3)	#
Cities, Counties, and Towns	10,200	0.07	979	921	6.3	8,057	8,404	(4.1)	(0.6)
Total Other Revenues	\$352,600	2.52	\$25,399	(\$788)	#	\$287,709	\$306,339	(6.1)	1.6
Total General Fund Revenues	\$13,988,600	100.00	\$1,405,447	\$1,399,776	0.4	\$11,157,941	\$11,572,857	(3.6)	(2.3)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 872, 2010 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)	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Lottery Collections									
Win for Life	\$34,900		\$1,881	\$2,787	(32.5)	\$24,369	\$27,008	(9.8)	8.6
Cash 5	29,000		2,233	2,459	(9.2)	23,621	24,332	(2.9)	(0.9)
Pick 4	191,400		16,738	15,268	9.6	162,588	154,984	4.9	3.2
Pick 3	277,200		21,157	20,101	5.3	205,177	208,458	(1.6)	10.6
Mega Millions / Powerball	137,500		22,536	17,288	30.4	175,264	135,108	29.7	(15.2)
Fast Play	10,900		564	345	63.5	5,797	5,168	12.2	60.9
Raffle	10,600		0	0	-	6,600	8,906	(25.9)	19.0
Scratch	699,800		60,490	58,345	3.7	588,479	573,154	2.7	1.4
Gross Lottery Revenue	<u>1,391,300</u>		<u>125,599</u>	<u>116,593</u>	<u>7.7</u>	<u>1,191,895</u>	<u>1,137,118</u>	<u>4.8</u>	<u>1.9</u>
Expenses (c)	<u>951,215</u>		<u>89,504</u> (d)	<u>79,284</u>	<u>12.9</u>	<u>830,775</u> (d)	<u>769,367</u>	<u>8.0</u>	<u>2.7</u>
Net Lottery Ticket Profits	<u>\$440,085</u>		<u>\$36,095</u> (d)	<u>\$37,309</u>	<u>(3.3)</u>	<u>\$361,120</u> (d)	<u>\$367,751</u>	<u>(1.8)</u>	<u>0.2</u>

(a) Estimate established in Chapter 872, 2010 Virginia Acts of Assembly, 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	April			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	\$58,551	\$63,429	(7.7)	\$616,210	\$629,113	(2.1)	(1.8)
Priority Transportation Fund (PTF)	149,100	4.56	2,000	2,000	0.0	145,102	148,286	(2.1)	(2.1)
Motor Vehicle Sales and Use Tax	420,100	12.86	45,371	35,416	28.1	385,467	364,675	5.7	(5.0)
State Sales and Use Tax	478,300	14.64	43,040	39,847	8.0	407,655	419,739	(2.9)	(4.2)
Motor Vehicle License Fees	239,900	7.34	22,251	22,371	(0.5)	188,898	197,462	(4.3)	(0.7)
International Registration Plan	58,600	1.79	3,090	2,696	14.6	47,104	44,735	5.3	(0.4)
Recordation Tax	33,500	1.02	2,637	3,224	(18.2)	28,560	28,944	(1.3)	(6.2)
Interest Earnings	23,900	0.73	28	7,460	(99.6)	6,429	26,620	(75.8)	(13.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	1,246	1,004	24.1	10,504	10,739	(2.2)	(1.8)
Total State Taxes and Fees	\$2,240,100	68.54	\$178,214	\$177,447	0.4	\$1,835,929	\$1,870,313	(1.8)	(3.0)

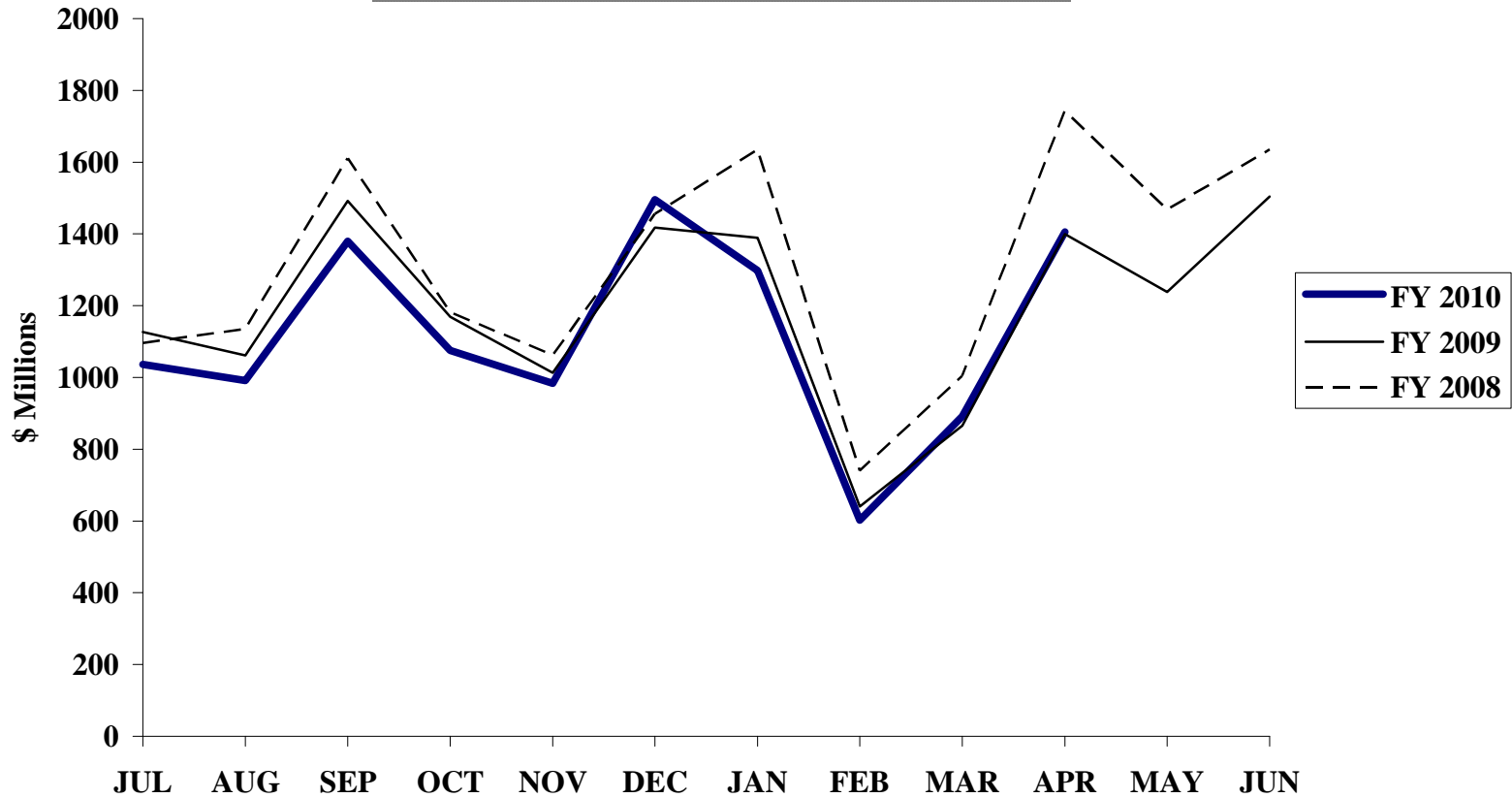
Percentage is greater than or equal to 1,000%.

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	April			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	\$49,190	\$55,184	(10.9)	\$528,851	\$541,611	(2.4)	(1.6)
Motor Vehicle Sales and Use Tax	253,200	7.75	28,460	21,684	31.2	234,925	222,002	5.8	(6.1)
Motor Vehicle License Fees	218,700	6.69	20,279	20,390	(0.5)	171,880	179,762	(4.4)	(0.6)
International Registration Plan	58,600	1.79	3,090	2,696	14.6	47,104	44,735	5.3	(0.4)
Recordation Tax (1 cent)	11,200	0.34	879	1,075	(18.2)	9,520	9,648	(1.3)	(5.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	1,246	1,004	24.1	10,504	10,739	(2.2)	(1.8)
Total State Taxes and Fees	\$1,265,200	38.71	\$103,144	\$102,033	1.1	\$1,002,784	\$1,008,497	(0.6)	(2.4)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$445	\$1,101	(59.6)	\$15,674	\$16,485	(4.9)	(100.0)
Miscellaneous Revenues	15,698	0.48	1,524	412	269.9	13,357	12,401	7.7	13.4
Transfer (to) / from Transportation Trust Fund	500,188	15.31	0	0	-	300,000	364,831	(17.8)	37.1
Total Highway Maintenance and Operating Fund	\$1,781,086	54.50	\$105,113	\$103,546	1.5	\$1,331,815	\$1,402,214	(5.0)	5.1
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes)	\$113,200	3.46	\$9,361	\$8,245	13.5	\$87,359	\$87,502	(0.2)	(3.1)
PTF Motor Fuels	20,000	0.61	2,000	2,000	0.0	16,000	16,000	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	16,911	13,732	23.2	150,542	142,673	5.5	(3.3)
State Sales and Use Tax	478,300	14.64	43,040	39,847	8.0	407,655	419,739	(2.9)	(4.2)
Motor Vehicle License Fees	21,200	0.65	1,972	1,981	(0.5)	17,018	17,700	(3.9)	(1.9)
Recordation Tax (2 cents)	22,300	0.68	1,758	2,149	(18.2)	19,040	19,296	(1.3)	(6.3)
Interest Earnings	23,900	0.73	28	7,460	(99.6)	6,429	26,620	(75.8)	(13.9)
Total State Taxes and Fees	\$974,900	29.83	\$75,070	\$75,414	(0.5)	\$833,145	\$861,816	(3.3)	(3.9)
Other Revenues:									
Federal Grants and Contracts	\$844,434	25.84	\$64,454	\$50,548	27.5	\$695,047	\$665,443	4.4	7.0
Receipts from Cities/Counties	96,900	2.97	4,753	2,403	97.8	43,510	41,673	4.4	107.0
Toll Revenues (Includes Route 28)	52,309	1.60	7,154	10,858	(34.1)	33,293	66,831	(50.2)	(32.9)
Miscellaneous Revenues	18,542	0.57	1,590	2,449	(35.1)	23,815	14,456	64.7	1.2
Total Other Revenues	\$1,012,185	30.98	\$77,951	\$66,258	17.6	\$795,665	\$788,403	0.9	8.6
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$500,188)	(15.31)	\$0	\$0	-	(\$300,000)	(\$364,831)	17.8	(37.1)
Total Transportation Trust Fund	\$1,486,897	45.50	\$153,021	\$141,672	8.0	\$1,328,810	\$1,285,388	3.4	(6.0)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,267,983	100.00	\$258,134	\$245,218	5.3	\$2,660,625	\$2,687,602	(1.0)	(0.3)

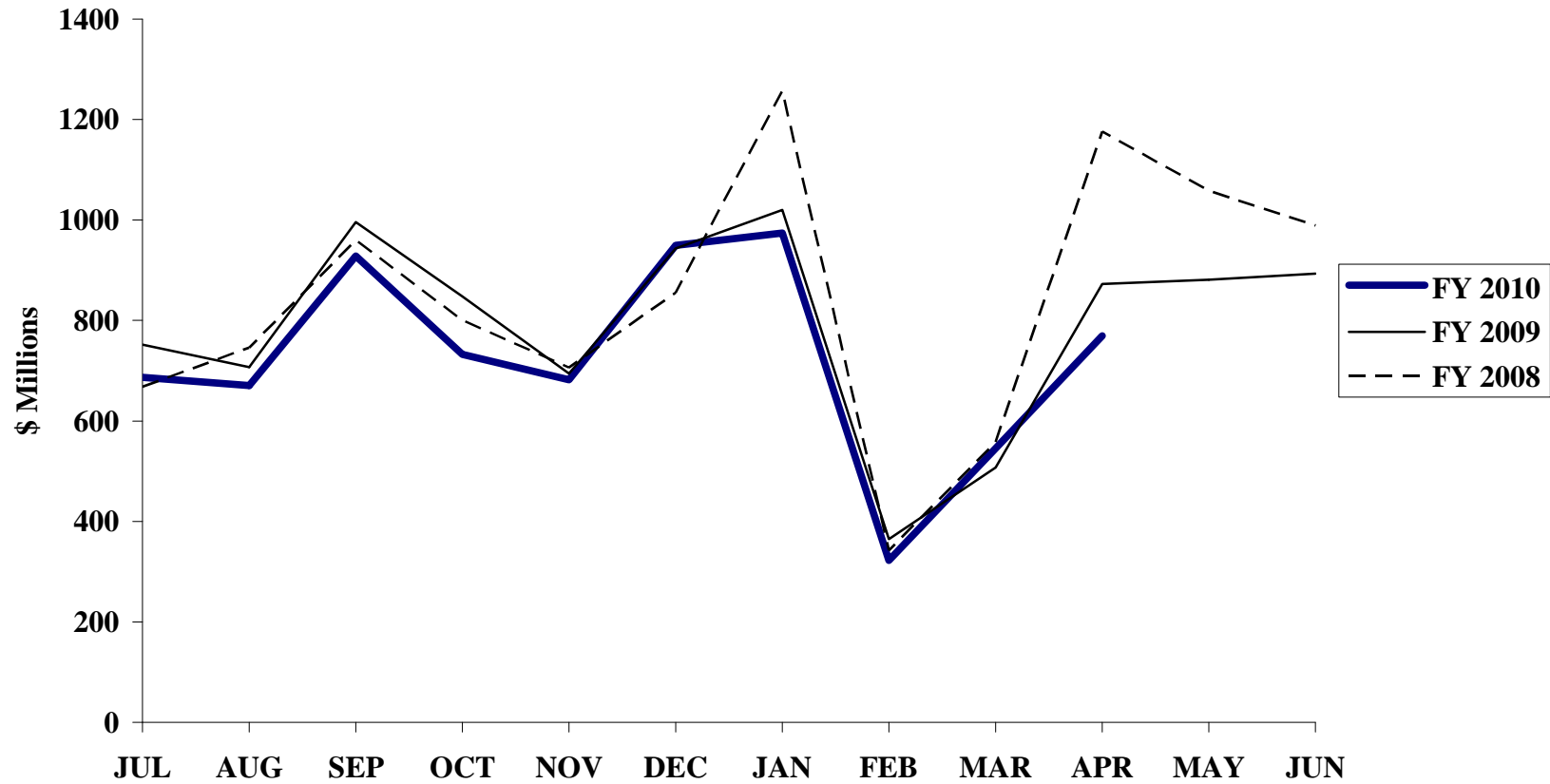
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



FY 2008 Actual = \$15,766.9 Million
FY 2009 Actual = \$14,315.1 Million
FY 2010 Estimate = \$13,988.6 Million

Net Individual Income Tax

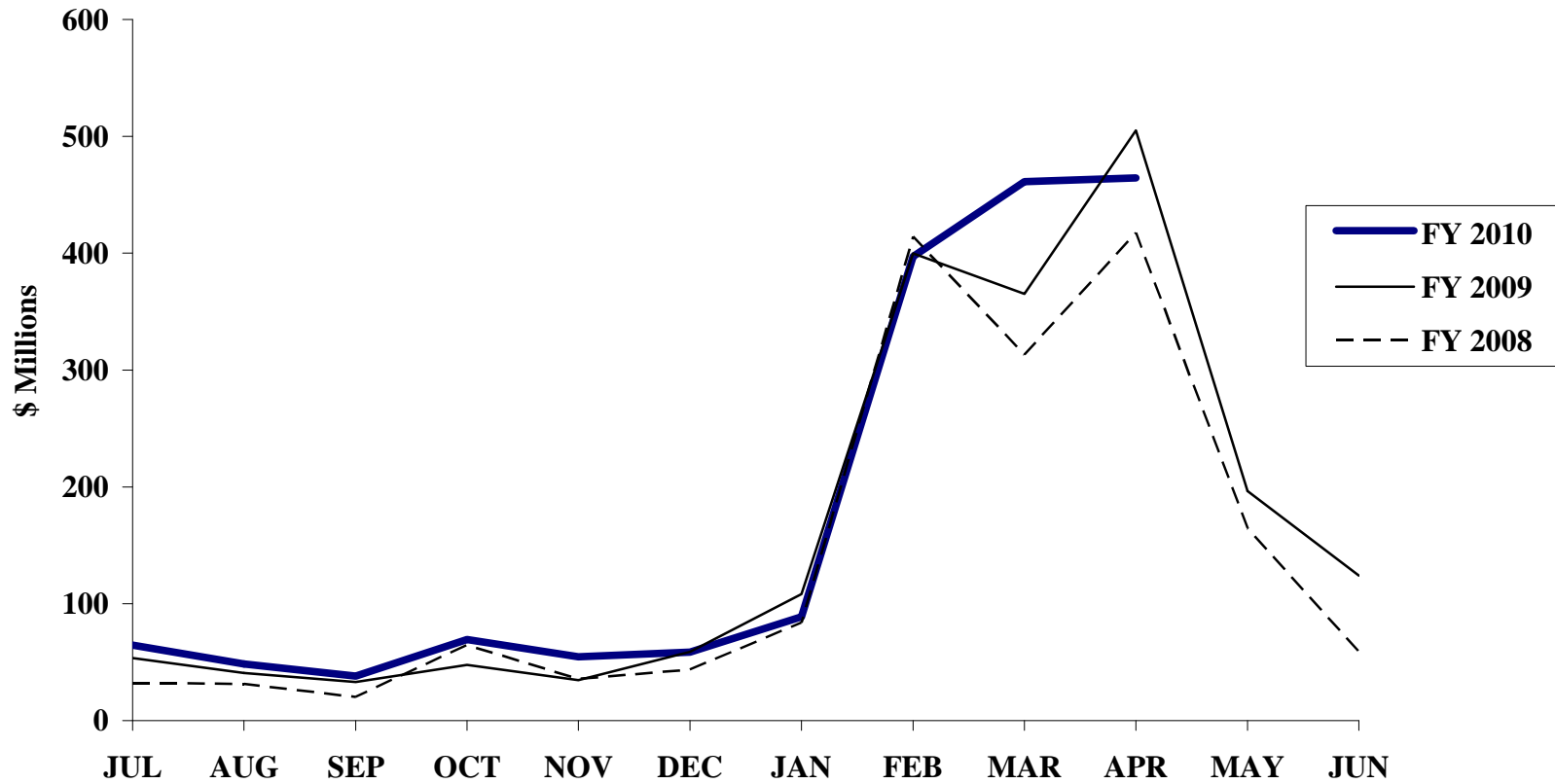


FY 2008 Actual = \$10,114.8 Million

FY 2009 Actual = \$9,481.1 Million

FY 2010 Estimate = \$8,960.1 Million

Individual and Fiduciary Income Tax Refunds



FY 2008 Actual = \$1,679.9 Million
FY 2009 Actual = \$1,967.4 Million
FY 2010 Estimate = \$2,006.5 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	\$2,839.7	0.54% ³	\$1,272.5	3.99%	\$4,112.2	1.61% ³
March	\$2,484.9	0.77%	\$1,181.4	-0.07%	\$3,666.3	0.50%
April	\$2,338.9	0.82%	\$1,202.8	10.50%	\$3,541.7	4.11%
May						
June						
Year-to-Date Average	\$2,539.2	0.94%	\$1,443.3	8.68%	\$3,982.5	3.74%

▪ 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)%.

³ The Primary Liquidity Yield of 0.54% reflects a \$1,032,000 write down of Morgan Stanley ABS Capital I in the securities lending portfolio.

Without the write down, the Primary Liquidity Yield would have been 1.02% and the Composite Rate would have been 1.94%.

**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	\$579,135,495	\$0	\$0	\$3,614,706	\$582,750,201
March	\$582,750,201	\$0	\$0	\$0	\$582,750,201
April	\$582,750,201	\$0	\$0	\$0	\$582,750,201
May					
June					

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