

The Economic Outlook and Revenue Forecast through Fiscal Year 2028

Prepared for Review by the Governor's
Advisory Council on Revenue Estimates

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Section 1: The U.S. Economy

Introduction

This section reviews Fiscal Year 2024 economic outcomes compared with the Official Forecast and examines the outlook for the national economy for fiscal years 2025 through 2028. Table 1.1 on the next page compares the Official Forecast for Fiscal Year 2024 to the actual outcomes for key economic variables. Tables 1.3 and 1.4 at the end of this section compare three forecasts for consideration.

Review of Fiscal Year 2024

The Fiscal Year 2024 U.S. economic forecast was based on the continuation of post-pandemic trends leading to a mild recession from the second to fourth quarter of calendar year 2024. Namely, inflation expectations remained persistently high with an unfamiliarly high federal funds rate slowing economic growth. Consumer and business confidence was anticipated to decline from a federal government shutdown, as well as continued/escalating conflicts between Russia and Ukraine, Israel and Hamas/Hezbollah/Iran, and China and Taiwan. Lastly, five bank failures in 2023¹ led to concerns over systemic risk within the banking sector that could result in another financial crisis, or at least some form of economic downturn amidst all other concerns.

Moreover, when the Commonwealth's Fiscal Year 2024 economic outlook was developed in the fall of 2023, there was considerable uncertainty regarding near-term economic growth. According to the October 2023 Wall Street Journal Economic Forecasting Survey, roughly half of economists responded that a recession was more likely than not over the next twelve months. Other surveys of professional forecasters reflected similar uncertainty. The Blue Chip Economic Indicators consensus forecast predicted a sharp slowdown in GDP growth in the first and second quarter of calendar year 2024, resulting in modest overall growth of 1.1% in calendar year 2024. The Conference Board expected a short, shallow recession in early calendar year 2024 due to factors like persistently high inflation, elevated interest rates, and consumer debt.

Over the course of Fiscal Year 2024, economic data generally outperformed our forecast as consumers and employers remained buoyant. Labor market and consumer spending data showed an economy that remained relatively strong in the face of the Fed's rate increases. U.S. employment grew 1.9% year-over-year versus the 0.2% decline forecasted, and real consumer spending grew by a healthy 2.6% for the year.

Despite escalating wars around the world, many of the economic concerns expressed in the fall of 2023 did not materialize in a recessionary period. The "soft landing" the Federal Reserve System aimed to guide the economy toward appears to be coming to fruition, as inflation measures are falling from their pandemic height and unemployment sits at its "natural rate" of 4-5%. For the first time in four years, in September 2024 the Federal Reserve communicated a 0.5% cut to the federal funds rate with one additional 0.25% cut announced in November.

¹ [15 most recent bank failures | American Banker](#)

Table 1.1 – Fiscal Year 2024 U.S. Forecast Performance (% Change)

	Fiscal Year 2024 Forecast	Fiscal Year 2024 Actual*	Actual Less Forecast
<u>Output, Income, and Spending</u>			
Real GDP	1.5	3.1	1.6
Total Personal Income	3.7	5.6	2.0
Wages and Salaries	4.5	6.0	1.5
Average Wage	4.7	4.0	(0.7)
Real Consumer Spending	1.5	2.6	1.1
<u>Employment and Labor Markets</u>			
Total Nonagricultural Employment	(0.2)	1.9	2.1
Construction	(0.8)	3.0	3.8
Manufacturing	(1.4)	0.2	1.6
Trade, Transportation, and Utilities	(1.3)	0.5	1.8
Financial Activities	(1.0)	1.0	1.9
Professional and Business Services	(1.0)	0.7	1.7
Education and Health Services	1.2	4.2	3.0
Leisure and Hospitality	0.5	3.2	2.7
Government	1.7	2.8	1.1
Unemployment Rate (%)	5.0	3.8	(1.2)
<u>Interest Rates (%)</u>			
Effective Federal Funds	5.0	5.3	0.3
10-Year Treasury Bonds	3.2	4.3	1.1
<u>Prices (%)</u>			
CPI	3.1	3.3	0.2
*Actual data may include forecasted figures to cover recent periods where data is still unavailable.			

Recent Developments in the U.S. Economy

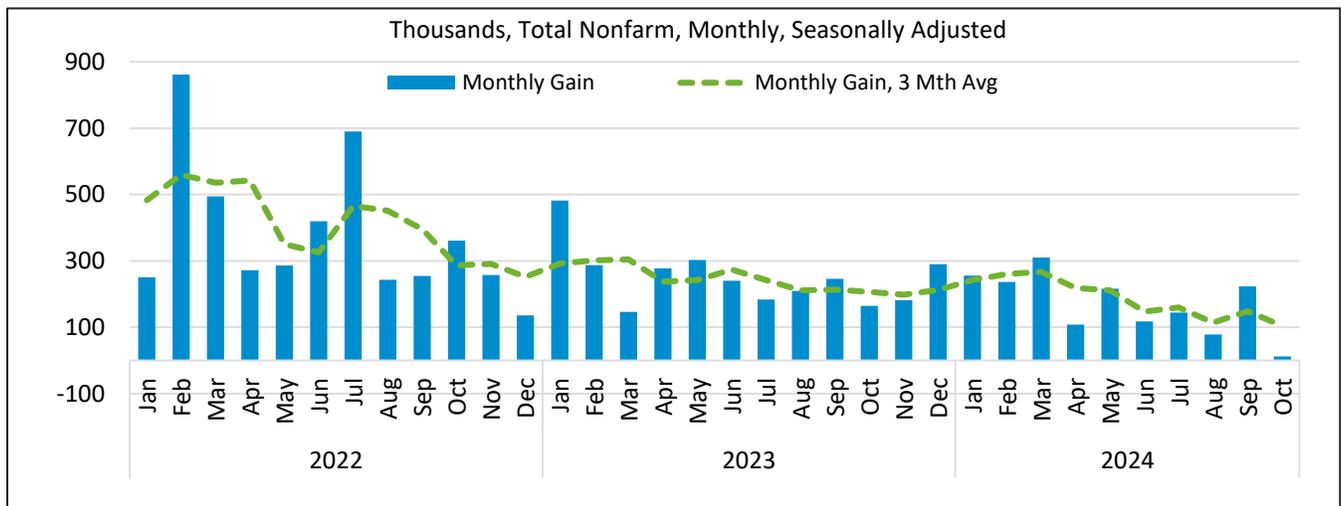
Compared to our forecast, the economy of the past year has performed better than anticipated. The Federal Reserve’s actions to fight inflation without risking a rise in unemployment have proven successful. Post-pandemic job growth continues with employment gains coming from not just service sector industries like tech, healthcare, hospitality, but also construction and skilled trades. Real GDP grew at a 2.8% annual rate in the third quarter. Much of this growth has come from consumer spending, but there is ample reason to believe this trend may not continue. Despite inflation returning to more moderate levels in the past year, increasingly households report living paycheck-to-paycheck after spending down savings during the recent inflationary period. Revolving credit has stagnated, and credit card delinquencies are rising. Consumer sentiment has fallen as the nation prepared for a contentious presidential election and global tensions are on the increase. A recession is no longer thought to be the most likely scenario, and a slower growth scenario is now regarded as most likely, with a non-zero chance of outright economic decline in the next year.

Labor Markets

Over the past year the U.S. labor market continued to exhibit growth, although at a moderating pace compared to the post-pandemic recovery years. Recent data from the Bureau of Labor Statistics (BLS) indicates that total nonfarm employment has grown by approximately 1.6% year-over-year for the past several months², adding 223,000 jobs this past September (Figure 1.1). Although still preliminary, the October job report came in at a lackluster 12,000 jobs, reflecting the impact of Hurricanes Milton and Helene and the now-ended Boeing strike.

Growth has been driven by gains across diverse sectors including healthcare, government, hospitality, and construction. As of October 2024, the healthcare sector saw a 4.0% (+691k jobs) year-over-year employment increase, while hospitality experienced a 1.3% (+224k) gain, government a 2.1% (+487k) gain, and construction a 2.8% (+223k) gain, reflecting sustained demand in these areas despite broader cooling in the overall labor market.³ Within each of these industries, the majority of job growth comes from ambulatory services (53% of new healthcare jobs), food service (55% of new leisure and hospitality jobs), local government (63% of new government jobs), and specialty trade contractors (61% of new construction jobs).

Figure 1.1 - U.S. Job Gains



Source: U.S. Bureau of Labor Statistics.

Wages also rose in response to continued competition for skilled labor, with average annual wages across the U.S. reaching \$73,486, marking a 3.9% increase from the previous year.⁴ This wage growth was prominent in occupations with acute labor shortages, particularly in skilled trades, such as automotive repair and manufacturing, housing contractors, and electronic/medical manufacturers.

Unemployment, while slightly up from recent lows, remained favorable nationally at 4.1%, with substantial variance across regions and industries. Some states, like Nevada and Alaska, reported higher rates at around 5.6%, partly due to seasonal and industry-specific factors. The labor force participation rate remains largely unchanged for several months now at 62.6%, indicating that almost no individuals are re-entering the workforce, an unpromising sign for addressing labor shortages in critical sectors.

² [All Employees, Total Nonfarm \(PAYEMS\) | FRED | St. Louis Fed \(stlouisfed.org\)](https://fred.stlouisfed.org/series/PAYEMS)

³ [Employment by industry, monthly changes \(bls.gov\)](https://www.bls.gov/bulletin/employment-by-industry-monthly-changes)

⁴ [Employment and Earnings Table B-3a \(bls.gov\)](https://www.bls.gov/bulletin/employment-and-earnings-table-b-3a)

These figures reflect the evolving nature of the labor market, as businesses adapt hiring strategies in response to high interest rates and cautious consumer spending. The U.S. Census Bureau also reported that workforce demographics are shifting, with increased participation from older workers and a slight rise in the number of self-employed individuals, who now constitute 10.4% of the labor force.⁵

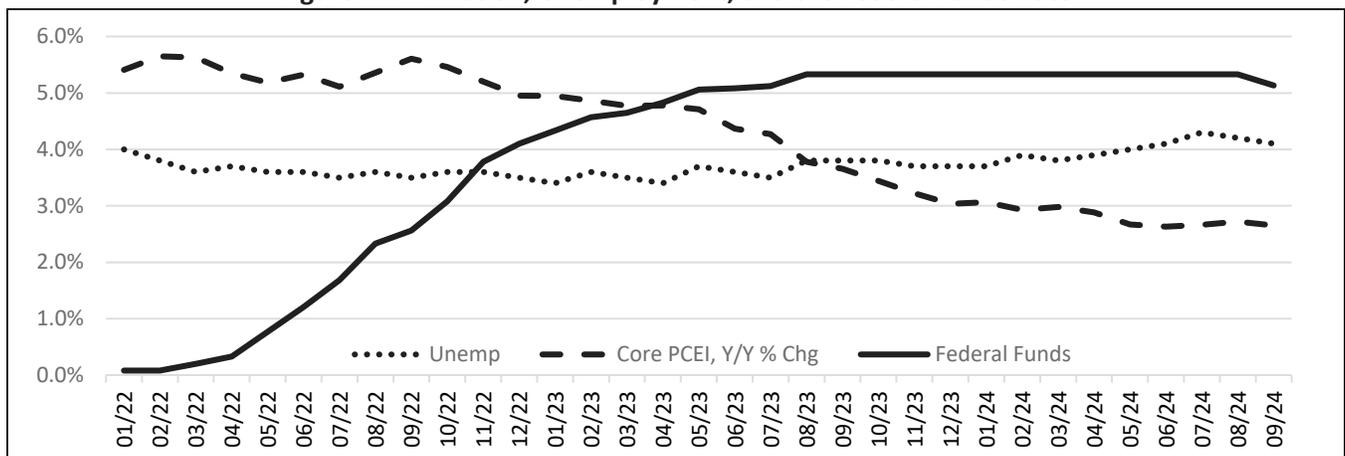
Despite growth beyond expectations in 2024, there is growing concern that the Federal Reserve's long delay in reducing short-term interest rates could be negatively impacting the labor market and the broader economy in the near future. As such, in our baseline forecast, total nonfarm employment growth is projected to decelerate from 1.9% in Fiscal Year 2024 to 0.8% in Fiscal Year 2025, followed by a small contraction in Fiscal Year 2026. Table 1.4 presents projected employment growth by industry for Fiscal Years 2025-2028. In Fiscal Year 2025, the strongest growth is expected in the Education and Health Services sector (2.2%), followed by Construction (1.2%). Together, these two sectors comprise approximately 22% of total employment. The Professional and Business Services sector, which holds about a 15% share of the total employment, is forecasted to grow by 0.2% in Fiscal Year 2025, followed by a 0.6% increase in Fiscal Year 2026.

Inflation and Monetary Policy

In response to inflationary pressures, the Federal Reserve undertook a series of interest rate hikes starting in March 2022, which brought the federal funds rate to a peak range of 5.25% to 5.5% by mid-2023—the highest level in over two decades. This aggressive monetary tightening aimed to curb demand and stabilize prices amid robust consumer spending and a tight labor market. Inflation, as measured by the Core Personal Consumer Expenditures Index (Figure 1.3), has steadily eased because of the heightened cost of financing. August 2024 saw a 2.7% increase in prices over last year, putting inflation much closer to the Fed Reserve’s 2% inflation target rate.

In September 2024 the Federal Reserve initiated its first interest rate cut, reducing the federal funds rate by 50 basis points, and at its November meeting, the Federal Reserve announced an additional 0.25% rate cut. If the current trend continues, the Federal Reserve is expected to return to an equilibrium rate by 2026.

Figure 1.2 - Inflation, Unemployment, and the Federal Funds Rate



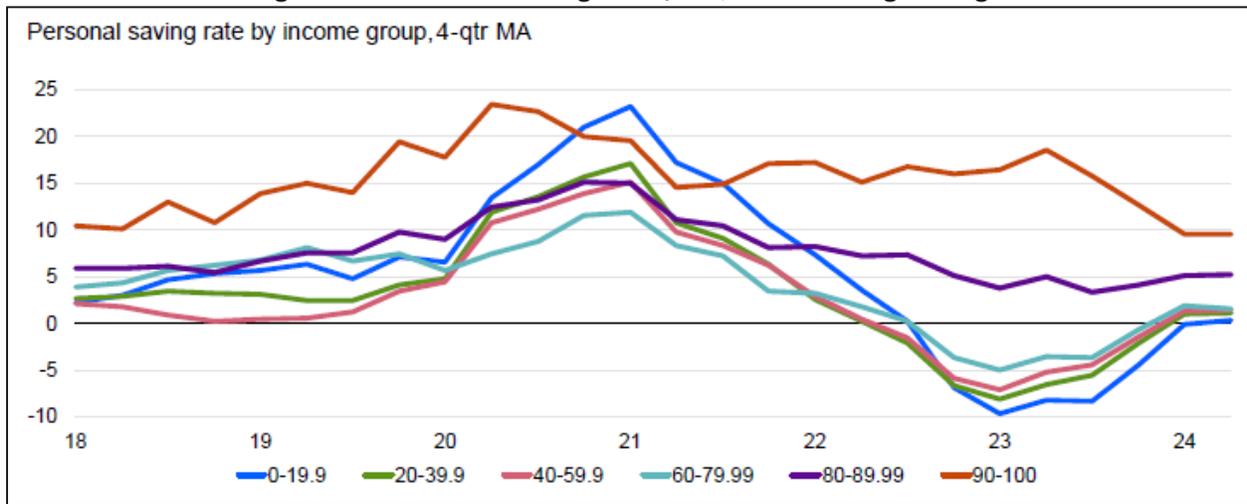
⁵ [Understanding the Self-Employed in the United States - Center for American Progress](#)

Consumer Spending

In line with pre-pandemic trends, real personal consumption expenditures have grown an average of roughly 2.8% year-over-year since early 2022.⁶ However, the pandemic and subsequent inflationary period has left consumers skeptical of a well-performing economy. Since the beginning of the calendar year to September 2024, consumer sentiment (as measured by the University of Michigan Consumer Sentiment Index) has fallen 11%.⁷ Aside from lingering inflation expectations, a major cause for declining consumer sentiment is the falling savings rate and drying up of cheap consumer credit.

The national personal saving rate, the share of after-tax income that consumers did not spend, was 4.8% in August 2024, well below the roughly 7.0% personal saving rate in the year prior to COVID.⁸ Any extra COVID savings have disappeared for many, especially for those at the bottom of the income distribution, who have been hit especially hard by inflation and rising rents. The top 80% of earners have been saving less and spurring much of the consumer spending, while the bottom 80% have been dipping into savings and borrowing since mid-2022. Revolving consumer credit has increased by over \$294.8 billion (16.7%) since 2022 but has tapered off in recent months.⁹ While consumer credit increased roughly 1% each month throughout 2022 and 2023, the past five months have experienced roughly 0.2% monthly increases.

Figure 1.3 – Personal Savings Rate, 4-Quarter Moving Average



Source: Federal Reserve and Mood's Analytics

In the high-interest rate environment, borrowing has become increasingly expensive. An optimistic view would hold that most consumers are no longer seeking to borrow following wage gains, but credit card delinquency data show otherwise. Since the start of 2023 the delinquency rate has risen by one third, constituting millions of consumers facing debt payments at interest rates over 20%.¹⁰

In summary, although inflation overall consistently eased from its 2022 peak, consumers are concerned about the job market slowing and renters continue to feel the pressure of rising housing costs. Based on our baseline

⁶ [Real Personal Consumption Expenditures \(PCEC96\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

⁷ [University of Michigan: Consumer Sentiment \(UMCSENT\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

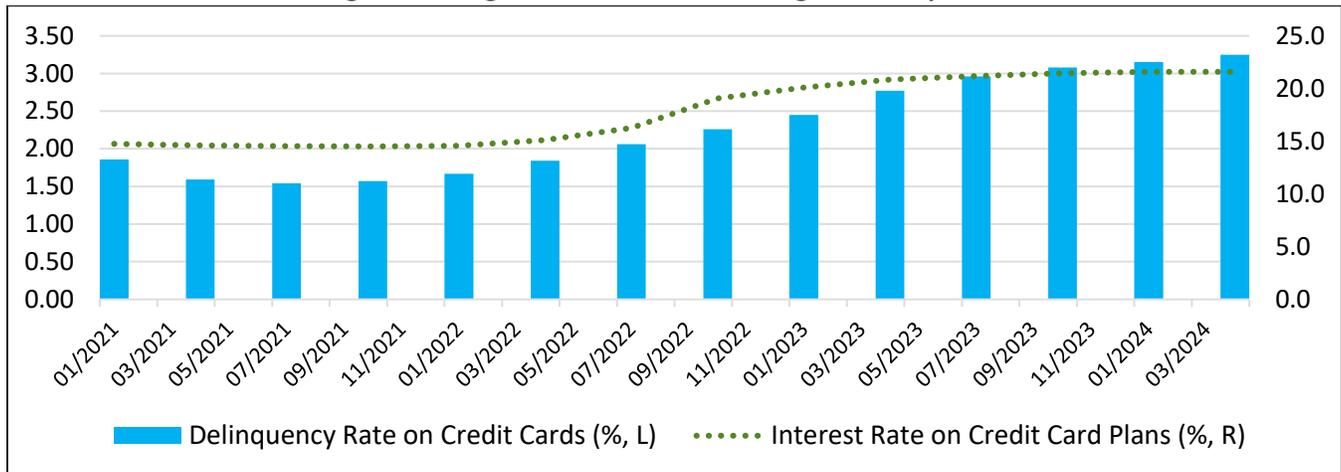
⁸ [Personal Saving Rate \(PSAVERT\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

⁹ [Revolving Consumer Credit Owned and Securitized \(REVOLSL\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

¹⁰ [Delinquency Rate on Credit Card Loans, All Commercial Banks \(DRCCCLACBS\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

forecast, we expect real consumer spending growth to be at 1.7% in Fiscal Year 2025, followed by 2.2% growth in Fiscal Year 2026.

Figure 1.4: Higher Credit Card Rates, Higher Delinquencies



Housing Market

Existing single-family home sales have gotten significant attention in the media over the past year for good reason. September 2023 to February 2024 saw a steady increase in sales as the number of homes sold rose by 12.8%. Prices adjusted, albeit at a delayed pace, with the median sale price of existing single-family homes reaching a height of \$432,900 in June of 2024 (an 8.9% increase from September 2023). Sales and prices have declined rapidly in recent months with the median price hitting \$409,000 as of September 2024 (a 2.9% increase from 12 months prior) and sales dropping 12.6% from February 2024 (a 2.3% decrease from 12 months prior). In terms of new inventory, new privately owned housing starts, have been gradually declining over the past year with a monthly average of approximately 1,300 new units. Nonetheless, the National Association of Realtors (NAR) reports, the recent decline in mortgage rates, combined with rising inventory, presents a favorable environment for potential growth in home sales in the coming months.

According to Freddie Mac, mortgage rates have continued to decline toward the 6% range, stimulating purchase demand among many consumers. Moreover, a decline in mortgage rates often encourages homeowners to refinance their existing mortgages to take advantage of lower interest rates. Lower mortgage rates can improve buyer sentiment by signaling more affordable financing conditions, encouraging future home purchases. Even if immediate sales don't spike, expectations for future demand may rise as buyers and investors anticipate better affordability.

While mortgage rates aren't directly tied to Federal Reserve actions, rate cuts are expected to influence the housing market. Our baseline forecast projects an 11.2% increase in existing single-family home sales for Fiscal Year 2025. Growth is expected to continue through fiscal years 2026 to 2028, with projected increases of 10.1%, 4.1% and 2.3% respectively.

Corporate Profits

Corporate profits have fluctuated in recent years. The 2020 pandemic-driven economic slowdown reduced earnings, driven by inflation and rising interest rates. Slower growth persisted, moderating corporate earnings through the third quarter of 2023. According to the revised estimate released by the Bureau of Economic

Analysis (BEA), corporate profits (before tax) with inventory valuation and capital consumption adjustments, increased by 3.6% quarter-over-quarter in the second quarter of 2024. This marks a recovery from the 1.7% decline in the previous quarter. The rebound was driven by a significant rise in undistributed profits and a recovery in net cash flow with inventory valuation adjustment. At an annualized rate, corporate profit increased 15.2% in the second quarter of 2024, following 6.8% annualized decrease in the first quarter.

According to our baseline slow-growth forecast, corporate profits before tax are projected to increase by 3.2% year-over-year in Fiscal Year 2025, followed by 0.1% growth in Fiscal Year 2026.

National Politics

The 2024 general election saw a Republican sweep with Donald Trump winning the executive branch and Republicans controlling both the House and Senate. Promises of tax cuts were an important part of Trump's reelection bid. He has promised to extend the individual tax cuts passed in his first term and proposed further cutting the corporate tax rate from its current 21% to as low as 15%. Extending the tax cuts passed in 2017 and lowering the corporate income tax rate are considered by some to be pro-growth policies. Companies that had postponed investments may be more likely to proceed with the outcome of the election determined, and the promise of continued lower personal income taxes may bolster consumer and business confidence leading to further economic growth in coming years.

U.S. Baseline Forecast

Our baseline economic outlook is for slow growth over the next two fiscal years, as the delayed effect of tight monetary policy and the depletion of excess household savings constrain growth in the near-term. U.S. real GDP growth accelerated in 2023 despite high interest rates, but the contractionary effects of Fed rate hikes had yet to fully play out, which is why we saw growth beyond our mild recession forecast last fiscal year. This and other headwinds should cause growth to slow in Fiscal Year 2025 and Fiscal Year 2026, before rebounding in the next biennium. In terms of annual growth rates, we expect real GDP to grow 1.4% in Fiscal Year 2025 and 1.7% in Fiscal Year 2026. In the next biennium, economic growth rebounds to 2.2% and 2.0% annually, as the impact of Fed rate cuts begin to stimulate further growth and investment.

This forecast was developed in mind with the economic resilience we saw over the past year, with U.S. GDP increasing by 3.0% and 2.8% in the second and third quarters of calendar year 2024. Employment growth has been slowing following the low-interest rate pandemic recovery, with U.S. employers continuing to add jobs but at a lower rate. The report from the BLS shows that nonfarm payroll employment in the U.S. increased by an average of 194,000 jobs in the 12 months ending in September. The economy has so far proven resilient in the face of higher interest rates, and a recession is now viewed as unlikely. However, the outlook remains cautious as economic activity slows.

Relative to other professional forecasters' outlooks, our baseline forecast is more conservative. Our forecast has GDP growth slowing to 2.5% in calendar year 2024, 1.2% in calendar year 2025, and 2.0% in calendar year 2026. As a basis of comparison, the Federal Reserve Bank of Philadelphia third quarter 2024 survey predicts annual GDP growth for 2024-2026 as 2.6%, 1.9%, and 2.3%. The September 2024 economic projections of Federal Reserve Board members and Federal Reserve Bank presidents have GDP growing at 2.0%, 2.0%, and 2.0% over 2024-2026. Likewise, our baseline outlook anticipates employment growth to slow over the next two fiscal years as employers add fewer jobs. In Fiscal Year 2025, average monthly payroll growth is projected to be around 99,000, and in Fiscal Year 2026, average monthly payroll is expected to decline slightly by an average of 900 jobs

per month, with rebound expected in fiscal years 2027 and 2028. Consumer spending will slow down in Fiscal Year 2025 as high prices, elevated interest rates, and rising delinquencies squeeze household budgets.

Table 1.2 – Real GDP Growth, Forecast Ranges (% Change)

Calendar Year	Baseline	Phila. Fed (Q3)	FOMC (Sep)		Blue Chip (Oct)	
	Forecast	Median	Median	Low - High	Mean	Low - High
2024	2.5	2.6	2.0	1.8 – 2.6	2.7	2.5 – 2.8
2025	1.2	1.9	2.0	1.3 – 2.5	2.0	1.2 – 2.7
2026	2.0	2.3	2.0	1.7 – 2.5	NA	NA

Key Assumptions in the ‘Baseline Scenario’

- The preliminary baseline economic outlook assumes slow growth over the next two fiscal years, as the delayed effect of tight monetary policy and the depletion of excess household savings constrain growth.
- In Fiscal Year 2025, average monthly payroll growth is projected to be around 99,000, and in Fiscal Year 2026, average monthly payroll is expected to decline slightly by 900 jobs per month, with a rebound expected in fiscal years 2027 and 2028.
- The Federal Reserve reduces the policy rate by 50 basis points in each of the third and fourth quarters of 2024.
- Rates will be further reduced by 50 basis points in each of the first and second quarters of 2025, followed by the cut of 25 basis points in quarter three and again in quarter four of 2025.

Key Risks

- The baseline forecast is susceptible to both upside and downside risks. Among the most likely downside risk is combination of both high inflation and improved job growth, prompting the Federal Reserve to pause rate cuts temporarily. This could cause confidence and credit-sensitive spending to fall sharply, and the economy could fall into recession.
- With hiring now weakening, a return to pre-pandemic levels of layoffs, although unlikely, would likely result in job losses, undermining consumer spending and growth.
- The war in the Middle East, an expansion of Russia’s invasion of Ukraine, disruptions to oil markets brought on by escalating conflict in the Middle East, or other shocks could cause global oil prices to increase more than anticipated, weakening business and consumer spending.
- Unanticipated financial system weaknesses could appear as the system remains stressed by an inverted yield curve, which could reduce access to credit for businesses and consumers more than expected and push the economy into recession.
- On the upside, if the labor force and productivity grow faster than anticipated, inflation could ease even with quicker-than-expected job and economic gains. The Federal Reserve could still reduce rates as inflation nears its target, leading to an outperformance of the economy.
- Geopolitical concerns, including tension with China, and the conflicts in Ukraine and the Middle East could resolve faster than expected.
- Similarly, upcoming fiscal disputes in Congress could resolve more easily than expected.

U.S. Alternative Forecasts

Alternative Recession Scenario

The recession scenario reflects the risk that the Federal Reserve’s tight monetary policy in response to inflation could trigger a recession. The primary assumption is that inflation persists, leading the Fed to hold the Fed Funds rate elevated starting at the end of calendar year 2024 through the second quarter of 2025. This results in a decline in business and household confidence. Furthermore, weakening bank balance sheets and rising delinquencies cause banks to tighten lending standards. Persistent inflation, an elevated Fed rate, and declining confidence dampen economic growth in early 2025, culminating in a recession by the end of calendar year 2025. The unemployment rate in this scenario would peak at 7.1% in the first quarter of calendar year 2026.

Key Assumptions in the ‘Recession Scenario’

- In Fiscal Year 2025 average monthly U.S. payroll growth is projected to be 44,000, and in Fiscal Year 2026 average monthly payroll is expected to decline by 316,000 jobs per month.
- The elevated cost of borrowing reduces credit-sensitive spending more than expected.
- Upcoming fiscal disputes in Congress are worse than expected, weakening business and consumer sentiment, driving down consumer spending.
- The combination of the persistent inflation, elevated fed funds rate, and declining confidence causes economic growth to decelerate in early 2025 and to fall into recession by the end of calendar year 2025. The rising unemployment rate causes the stock market to fall sharply.
- The unemployment rate peaks at 7.1% in the first quarter of 2026.
- To fight inflation, the Fed keeps the fed funds rate elevated from the end of 2024 through the first half of calendar year 2025.
- Once the economy starts to decline in the third quarter of 2025, the Fed lowers the fed funds rate to provide support to the economy. In this scenario, the Fed lowers the fed funds rate by 50 basis points at the end of Fiscal Year 2025 and continues to cut rates aggressively through the end of calendar year 2026.

Alternative Above-Baseline Scenario

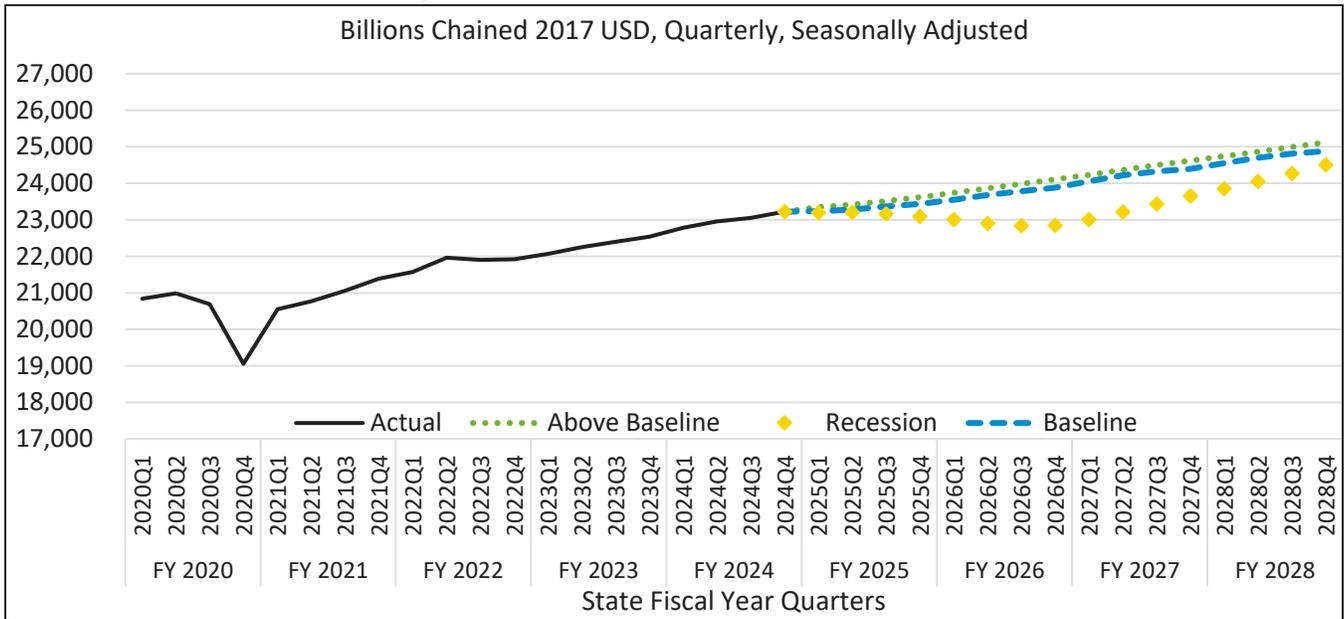
The above-baseline scenario is consistent with a “consensus” economic forecast and reflects the central tendency of a range of projections produced by various professional economists. This forecast incorporates projections published in the Philadelphia Federal Reserve Survey of Professional Forecasters and the FOMC members’ range of forecasts, as well as the projections of more than 40 major institutions, including banks and consulting firms, which are furnished by a private provider of consensus forecasts.

Key Assumptions in the ‘Above Baseline Scenario’

- The above-baseline scenario incorporates the central tendency of a range of forecasts produced by various institutions.
- In Fiscal Year 2025 average monthly U.S. payroll growth is projected to be 120,000 jobs and in Fiscal Year 2026 average monthly payroll growth is expected to slow to 44,000.

- This scenario assumes an aggressive series of Fed cuts starting in the fourth quarter of 2024. From there and over the course of calendar year 2025, the Fed cuts rates by around 160 basis points.

Figure 1.5 – U.S. Real Gross Domestic Product



Sources: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Moody's Analytics June 2024 U.S. Macroeconomic Outlook and Alternative Scenarios; and staff calculations.

Table 1.3 – U.S. Economic Forecasts - Income and Other Indicators

Fiscal Years 2025-2028 October U.S. Forecasts (% Change)

		<u>Fiscal Year</u> <u>2025</u>	<u>Fiscal Year</u> <u>2026</u>	<u>Fiscal Year</u> <u>2027</u>	<u>Fiscal Year</u> <u>2028</u>
<u>Output, Income, and Spending</u>					
Real GDP	Baseline	1.4	1.7	2.2	2.0
	Recession	0.7	(1.1)	1.9	3.6
	Above Baseline	2.1	1.9	2.1	2.0
Total Personal Income	Baseline	3.8	3.6	4.3	4.6
	Recession	3.9	2.0	1.5	4.0
	Above Baseline	4.7	4.1	4.2	4.3
Wages and Salaries	Baseline	3.5	2.8	4.3	4.9
	Recession	3.1	(0.1)	1.3	3.9
	Above Baseline	5.2	3.9	4.1	4.3
Average Wage	Baseline	2.7	2.8	3.8	4.6
	Recession	2.8	2.4	1.0	3.0
	Above Baseline	4.3	3.6	3.6	3.8
Real Consumer Spending	Baseline	1.7	2.2	2.4	1.7
	Recession	1.0	(1.0)	2.3	3.5
	Above Baseline	2.5	2.3	2.4	1.7
<u>Interest Rates (%)</u>					
Effective Federal Funds	Baseline	4.4	3.0	2.9	2.9
	Recession	4.9	3.9	2.9	2.9
	Above Baseline	4.2	3.0	2.9	2.9
10-Year Treasury Bonds	Baseline	3.8	3.8	3.7	3.5
	Recession	4.1	4.0	4.0	4.3
	Above Baseline	3.8	3.7	3.7	3.5
<u>Prices</u>					
CPI, All Items	Baseline	2.3	2.4	2.3	2.3
	Recession	2.5	1.9	1.5	1.7
	Above Baseline	2.4	2.5	2.4	2.5
Core PCE Price Index	Baseline	2.3	1.9	2.0	2.1
	Recession	2.4	1.7	1.4	1.6
	Above Baseline	2.4	2.0	2.1	2.3

The Baseline forecast is derived from staff's assumptions and estimations. The Recession forecast is Moody's October 2024 U.S. Next-Cycle Recession scenario and staff's assumptions. The Above Baseline forecast is Moody's October 2024 U.S. Consensus scenario.

Table 1.4 – U.S. Economic Forecasts - Employment and Labor Markets

Fiscal Years 2025-2028 October Forecasts (% Change)

		<u>Fiscal Year</u> <u>2025</u>	<u>Fiscal Year</u> <u>2026</u>	<u>Fiscal Year</u> <u>2027</u>	<u>Fiscal Year</u> <u>2028</u>
<u>Employment and Labor Markets</u>					
Total Nonagricultural Employment	Baseline	0.8	(0.0)	0.5	0.3
	Recession	0.3	(2.4)	0.3	0.9
	Above Baseline	0.9	0.3	0.5	0.5
Construction	Baseline	1.2	0.3	(0.3)	(0.2)
	Recession	1.1	(2.7)	(0.4)	(0.3)
	Above Baseline	1.8	0.4	(0.4)	0.0
Manufacturing	Baseline	(0.1)	(0.3)	(0.1)	(0.2)
	Recession	(0.5)	(2.5)	(0.3)	0.1
	Above Baseline	0.0	0.0	(0.1)	0.1
Trade, Transportation, and Utilities	Baseline	0.4	0.1	0.5	0.3
	Recession	0.0	(1.8)	0.5	0.5
	Above Baseline	0.5	0.4	0.6	0.6
Financial Activities	Baseline	0.2	(0.1)	0.7	0.8
	Recession	(0.0)	(1.7)	0.3	0.2
	Above Baseline	0.3	0.2	0.8	1.1
Professional and Business Services	Baseline	0.2	0.6	1.5	1.3
	Recession	(0.3)	(1.8)	1.4	1.9
	Above Baseline	0.3	1.0	1.5	1.5
Education and Health Services	Baseline	2.2	0.2	0.5	0.3
	Recession	1.8	(2.0)	0.5	0.7
	Above Baseline	2.4	0.5	0.5	0.5
Leisure and Hospitality	Baseline	0.7	(0.3)	0.5	(0.1)
	Recession	(0.1)	(4.5)	0.7	2.0
	Above Baseline	0.9	0.2	0.4	0.1
Government	Baseline	1.0	(0.3)	0.2	(0.1)
	Recession	0.8	(2.3)	(0.6)	1.1
	Above Baseline	1.2	(0.1)	0.1	(0.0)
Unemployment Rate (%)	Baseline	4.4	4.5	4.3	4.3
	Recession	4.9	6.8	6.3	5.6
	Above Baseline	4.3	4.1	3.9	3.8

The Baseline forecast is derived from staff's assumptions and estimations. The Recession forecast is Moody's October 2024 U.S. Next-Cycle Recession scenario and staff's assumptions. The Above Baseline forecast is Moody's October 2024 U.S. Consensus scenario.

Section 2: The Virginia Economy

Introduction

This section begins with a review of Fiscal Year 2024, comparing actual economic growth in Virginia to the Official Forecast for the year. The Official Forecast for Virginia was based on Moody's October 2023 U.S. Downside 75th Percentile Scenario, modified by staff for timing and severity taking input from both the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE) at their fall meetings. Tables 2.2 and 2.3 at the end of this section compare three forecasts, a baseline low growth scenario, an above baseline moderate growth scenario, and a mild recession scenario.

Review of Fiscal Year 2024

The forecasted mild three-quarter recession in the U.S. economy, expected to begin in the fourth quarter of State Fiscal Year 2024, has not materialized. Payroll employment has grown steadily in most sectors operating in Virginia, most notably Education and Health Services, Construction, and Leisure and Hospitality. Employment growth in these industries is continuing in the early months of FY 2025, with 3-5% gains in both manufacturing and Education and Health for the last 6 months. On the other side of this is slowing employment growth in Leisure and Hospitality with last year's 3% gain decelerating in recent months to 1% gains. Furthermore, and what could be a sign of falling profitability that results in an economic contraction, financial services have cut employment in each of the past four months.

Relative to the U.S. economy, Virginia employment growth has generally been on pace with the U.S. Figure 2.1 provides insight into what sectors Virginia is growing in faster relative to the entire nation. While Virginia is impacted by national trends causing growth in service-based industries like healthcare and hospitality, Virginia is outperforming national trends in goods-producing industries like manufacturing and construction.

Table 2.1 – Fiscal Year 2024 Virginia Forecast Performance (% Change)

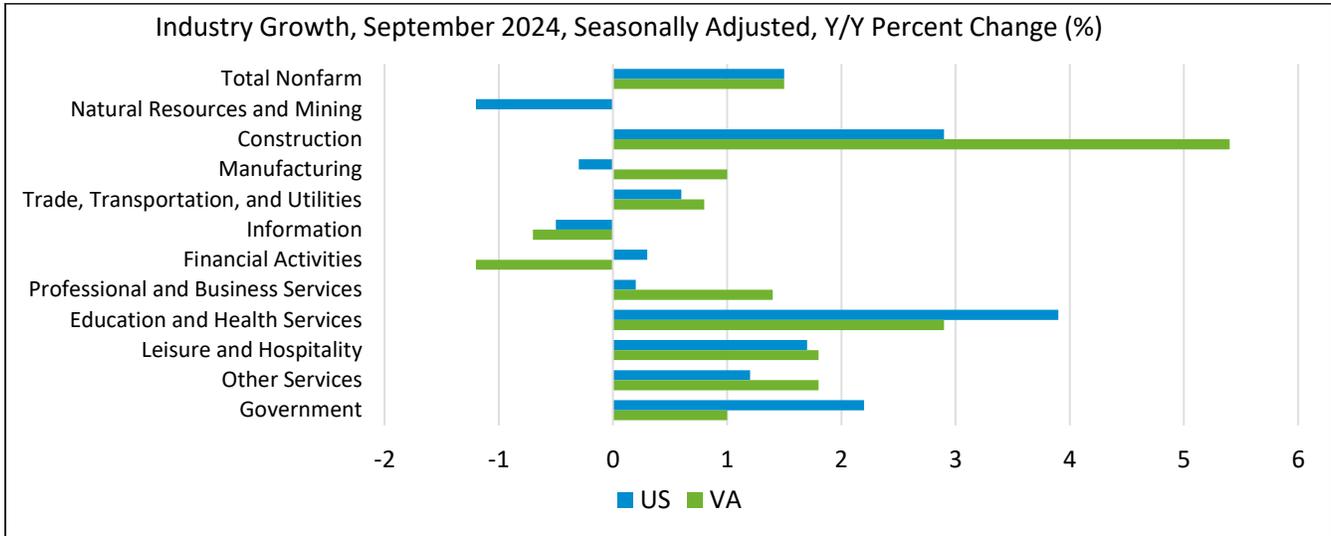
	<u>FY24</u> <u>Forecast</u>	<u>FY24</u> <u>Actual*</u>	<u>Actual</u> <u>Minus</u> <u>Forecast</u>
<u>Income</u>			
Real Gross State Product	1.4	3.1	1.7
Total Personal Income	3.9	6.0	2.1
Wages and Salaries	4.6	6.8	2.3
Average Wage	5.0	5.0	(0.1)
<u>Employment and Labor Markets</u>			
Total Nonagricultural Employment	0.1	1.8	1.7
Construction and Mining	(2.4)	2.7	5.1
Manufacturing	(1.5)	0.8	2.3
Trade, Transportation, and Utilities	(1.3)	0.5	1.8
Financial Activities	(1.3)	0.9	2.3
Professional and Business Services	1.3	0.1	(1.3)
Education and Health Services	0.6	4.6	4.0
Leisure and Hospitality	(0.3)	3.0	3.3
Government	2.1	2.3	0.2
Unemployment Rate	3.0	2.9	(0.1)
<i>*Actual data may include Moody's forecasted figures to cover recent periods where data is still unavailable.</i>			

Table 2.2 – Recent 12-month change in employment (% Change)

	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024
Total Nonagricultural Employment	1.9	2	1.9	1.8	1.7	1.5
Mining and Logging	0	0	0	0	-1.4	0
Construction	3.8	4.6	5.3	4.9	5.8	5.4
Manufacturing	1.8	1.7	1.5	1.5	1.4	1
Trade, Transportation, and Utilities	0.8	0.7	0.6	0.8	0.7	0.8
Financial Activities	0.2	0.4	-0.4	-0.9	-1.2	-1.2
Professional and Business Services	0.7	0.5	1.1	1.8	1.3	1.4
Education and Health Services	5	4.7	4.6	4.3	3.6	2.9
Leisure and Hospitality	1.4	1.2	0.8	1.0	1.4	1.8
Government	2.3	2.8	1.8	1.0	1.2	1.0

**September 2024 data still preliminary*

Figure 2.1 – Employment Growth by Industry, U.S. and Virginia



Sources: Bureau of Labor Statistics

After steadily increasing from its pandemic-induced low, labor force participation in Virginia steadily rose from 63.4 in February 2021 to 66.6 in January 2024. However, since January of this year labor force participation has steadily decreased to 66.0 as of September 2024. The labor force participation rate averaged around 66.0 in the years preceding the pandemic but has never returned to its pre-2008 financial crisis high of 69.9.

Virginia Baseline Forecast

The Virginia baseline forecast follows our national slow growth scenario. This slower growth is driven by national trends playing out within our state as hiring in key industries slows, consumer spending falls, and political tensions spillover to economic conditions. Virginia’s real GSP growth is expected to decline from 3.1% in Fiscal Year 2024 to 1.5% in Fiscal Year 2025, and with a slight increase of 1.8% in Fiscal Year 2026.

Total employment in Virginia is projected to grow by 0.5% in Fiscal Year 2025 and 0.4% in Fiscal Year 2026, down from 1.8% in Fiscal Year 2024. In Fiscal Year 2025, average monthly payroll growth is projected to be 1,800 jobs per month, and in Fiscal Year 2026, average monthly payroll growth is expected to be about 1,300 jobs per month. Construction and Mining employment is expected to grow by 2.9% in Fiscal Year 2025 (highest among all other sectors), before declining by 0.2% in 2026. The second largest growth in Fiscal Year 2025 is projected to be observed in Education and Health Services at 1.6%, before slowing to 0.5% in Fiscal Year 2026. The Professional and Business services industry, which holds the largest share (about 19%) of total employment in Virginia, is projected to increase by 0.8% in Fiscal Year 2025 and is expected to grow further by 1.1% in Fiscal Year 2026.

As inflation eases, so too will average wage rate growth, slowing from 5.0% in Fiscal Year 2024 to 2.8% in both fiscal years 2025 and 2026. Total wages and salaries are expected to grow by 3.4% and 3.2% in Fiscal Year 2025 and 2026, respectively, after reaching a 6.8% growth in Fiscal Year 2024. Our forecasts assume further rate cuts by the Fed, with the caveat that further rate cuts may be on hold if inflationary pressure is not eased and job hirings continue at a fairly rapid clip, indicating that the labor market is not slowing down significantly.

Potential Federal Job Cuts

Going into his next four years, the President-elect has appointed Elon Musk and Vivek Ramaswamy to the newly created Department of Government Efficiency. The body will be outside of the government but will partner with the White House and Office of Management and Budget to provide advice on saving taxpayer dollars. Both Musk and Ramaswamy have made promises to significantly cut federal agencies and reduce the federal workforce by up to 70%; however, some find the claims challenging to implement – citing the practical difficulty in simply eliminating agencies such as the Department of Education. As such, the extent of federal job or contracting cuts that will occur is uncertain, but with a large portion of federal employees residing in Virginia, we should anticipate some impact on Virginia employment.

Data from the Bureau of Labor Statistics shows that throughout 2024 Virginia has been home to some 190,000 federal employees. This figure is based on the employee's workplace location; however, the number of employees residing in Virginia is considerably higher. Approximately 90,000 of these employees are in Northern Virginia. While the nascent Department of Government Efficiency has also set government contractors in its sights, political alignment between both parties on escalating wars around the globe would possibly offset most of the federal job losses by replacing them with defense-related contractors and employees while private sector employment growth would likely offset the remaining lost federal government jobs. For Virginia, the Department of Government Efficiency could simply be a regional redistribution of its tax base from cities like Alexandria and Arlington to more military-based cities, such as Norfolk.

Virginia Alternative Forecasts

Alternative Recession Scenario

Consistent with the U.S. recession scenario, continued high inflation, elevated Fed funds rate, and declining confidence are expected to slow Virginia's economic growth throughout the rest of 2024 and into 2025, potentially leading to a recession by the end of calendar year 2025. Virginia's real GSP is projected to grow by 0.9% in Fiscal Year 2025, followed by a contraction of 0.5% in Fiscal Year 2026, and then a rebound to 1.8% growth in Fiscal Year 2027.

Virginia's employment growth is anticipated to decline by 0.2% decline in Fiscal Year 2025, down from 1.8% growth in Fiscal Year 2024, and decline further by 1.5% in Fiscal Year 2026. In Fiscal Year 2025, average monthly payroll is projected to decrease by about 770 jobs, and in Fiscal Year 2026, average monthly payroll is anticipated to decline by 5,400 jobs per month. The average wage growth rate in Fiscal Year 2025 is projected to be 2.6%.

Alternative Above Baseline Scenario

The Virginia 'above baseline' forecast follows our national forecast scenario of the same title. We assume here that the Fed is very aggressive with rate cuts thus driving consumer spending and job growth. This forecast predicts that Virginia's real GSP growth will decrease from 3.1 % in Fiscal Year 2024 to 2.1% in Fiscal Year 2025, with Fiscal Year 2026 growth being around 1.9%.

Total employment in Virginia is expected to increase by 1.1% in Fiscal Year 2025, down from 1.8% in Fiscal Year 2024, but then increases by 0.5% in Fiscal Year 2026. Average monthly payroll growth is projected to be about 3,700 jobs in Fiscal Year 2025, but slow to 1,700 jobs per month for 2026. The average wage rate growth is projected to be around 4.0% in Fiscal Year 2025, and then drop to 3.5% for the subsequent year.

Table 2.3 – Virginia Economic Forecasts - Employment and Labor
Markets Fiscal Year 2025-2028 October Forecasts (% Change)

		<u>Fiscal Year</u> <u>2025</u>	<u>Fiscal Year</u> <u>2026</u>	<u>Fiscal Year</u> <u>2027</u>	<u>Fiscal Year</u> <u>2028</u>
Employment and Labor Markets					
Total Nonagricultural Employment	Baseline	0.5	0.4	0.5	0.3
	Recession	(0.2)	(1.5)	0.2	0.8
	Above Baseline	1.1	0.5	0.5	0.5
Construction and Mining	Baseline	2.9	(0.2)	(0.7)	(0.7)
	Recession	2.9	(3.3)	(0.7)	(0.9)
	Above Baseline	2.9	0.7	(0.7)	(0.4)
Manufacturing	Baseline	0.4	(0.1)	(0.4)	(0.4)
	Recession	(0.4)	(1.7)	(0.7)	(0.2)
	Above Baseline	1.0	(0.0)	(0.3)	(0.2)
Trade, Transportation, and Utilities	Baseline	0.1	0.5	0.4	0.2
	Recession	(0.7)	(0.8)	0.2	0.4
	Above Baseline	0.6	0.5	0.5	0.4
Financial Activities	Baseline	(1.3)	0.2	0.7	0.8
	Recession	(2.0)	(1.0)	0.1	0.1
	Above Baseline	(0.7)	0.4	0.9	1.1
Professional and Business Services	Baseline	0.8	1.1	1.4	1.3
	Recession	(0.0)	(0.9)	1.1	1.8
	Above Baseline	1.4	1.2	1.5	1.5
Education and Health Services	Baseline	1.6	0.5	0.5	0.3
	Recession	0.7	(1.3)	0.3	0.6
	Above Baseline	2.2	0.6	0.5	0.5
Leisure and Hospitality	Baseline	0.4	0.2	0.4	(0.1)
	Recession	(0.7)	(2.9)	0.4	1.6
	Above Baseline	1.0	0.3	0.4	0.1
Government	Baseline	(0.2)	(0.1)	0.2	(0.0)
	Recession	(0.4)	(1.8)	(0.4)	1.0
	Above Baseline	0.0	0.0	0.2	0.0
Unemployment Rate	Baseline	3.2	3.4	3.2	3.2
	Recession	3.6	5.1	4.8	4.3
	Above Baseline	3.1	3.1	3.1	3.1

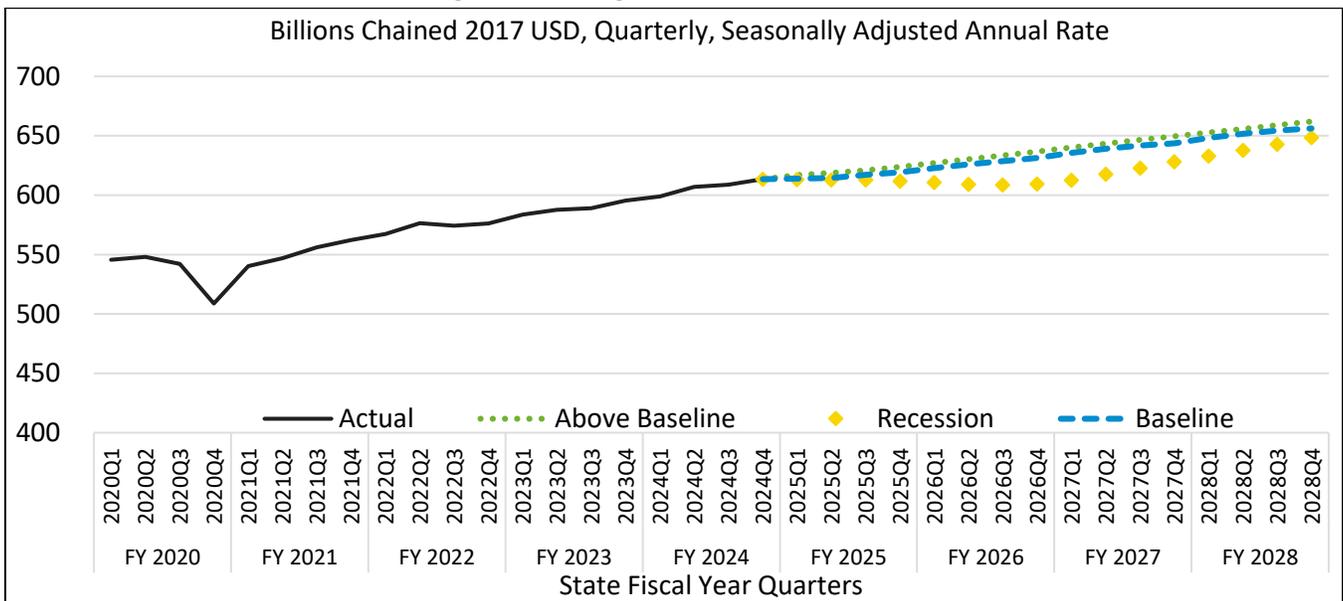
The Baseline forecast is derived from staff's assumptions and estimations. The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions. The Above Baseline forecast is Moody's October 2024 Virginia Consensus scenario.

Table 2.4 – Virginia Economic Forecasts - Income
Fiscal Years 2025-2028 October Forecasts (% Change)

		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Income					
Real Gross State Product	Baseline	1.5	1.8	2.1	2.0
	Recession	0.9	(0.5)	1.8	3.2
	Above Baseline	2.1	1.9	2.1	1.9
Total Personal Income	Baseline	3.7	4.0	5.2	4.0
	Recession	3.3	0.9	3.4	4.4
	Above Baseline	4.7	4.3	4.4	4.4
Wages and Salaries	Baseline	3.4	3.2	5.2	4.0
	Recession	2.4	(1.3)	3.6	4.3
	Above Baseline	5.1	4.0	4.1	4.3
Average Wage	Baseline	2.8	2.8	4.7	3.7
	Recession	2.6	0.3	3.4	3.4
	Above Baseline	4.0	3.5	3.6	3.8

The Baseline forecast is derived from staff's assumptions and estimations. The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions. The Above Baseline forecast is Moody's October 2024 Virginia Consensus scenario.

Figure 2.2 – Virginia Gross State Product



Sources: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Moody's Analytics (October 2024); and staff calculations.

Section 3: General Fund Revenues

Introduction

This section reviews General Fund revenue collections for Fiscal Year 2024. Table 3.1 shows results compared to the Official Forecast. The Official Forecast is the forecast of General Fund revenues included in Chapter 2 of the *2024 Acts of Assembly, Special Session I*. Table 3.2 shows recent policy changes impacting the Fiscal Years 2025 through 2028 forecast. Following this review, the baseline and alternative forecasts are presented. The baseline forecast is a slow growth scenario based on delayed impacts of monetary policy. The alternative forecasts explore a pessimistic persistent inflation recessionary scenario and a more optimistic above-baseline growth scenario in which the soft landing is achieved.

Fiscal Year 2024 in Review

In Fiscal Year 2024, total General Fund revenues grew 5.5% to \$29.4 billion, well ahead of the Official Forecast of 1.3% growth. Individual income tax drove the growth contributing \$1.2 billion in revenue over Fiscal Year 2023. Of the major sources, only corporate income tax and wills, suits, deeds, and contract fees saw declines in revenue.

Table 3.1 compares actual revenues for Fiscal Year 2024 with the Official Forecast. The Official Forecast was based on the forecast this body recommended during November of 2023. The 2024 Appropriations Act, Chapter 2, 2024 Acts of Assembly, Special Session added to that forecast approximately \$550 million as revenues were exceeding the Official Forecast.

Composition of General Fund Revenues

General Fund revenues totaled \$29.4 billion in Fiscal Year 2024, with more than two-thirds derived from individual income taxes. The General Fund portion of the state sales and use tax accounted for 16%, corporate income taxes accounted for 6%. Other major sources include the insurance premiums license tax (2%) and taxes on wills, suits, and deeds, predominantly recordation taxes (1%).

Figure 3.1 – Fiscal Year 2024 General Fund Revenues

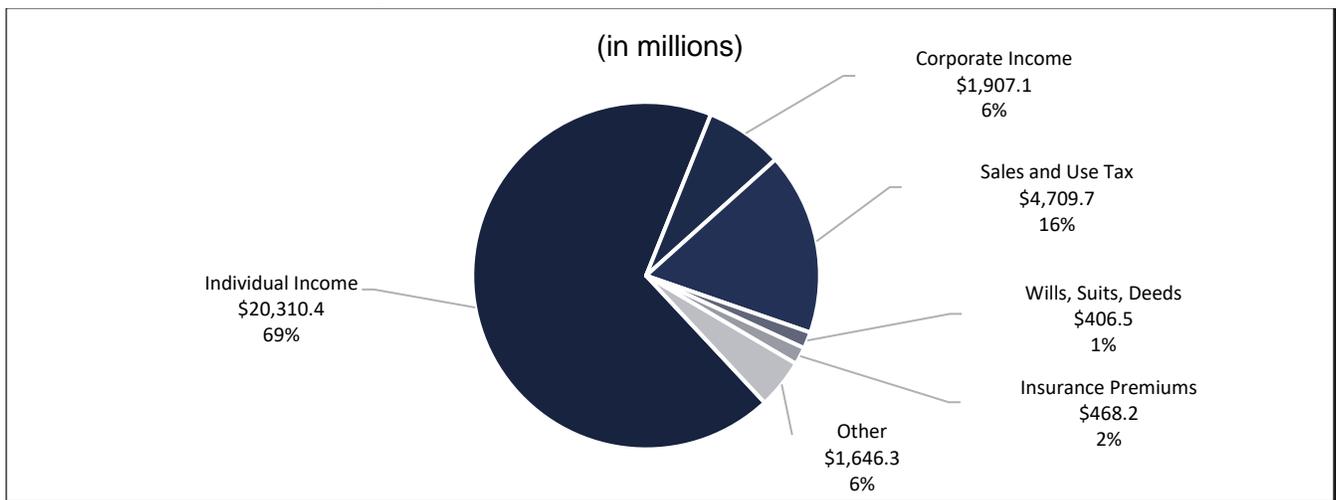
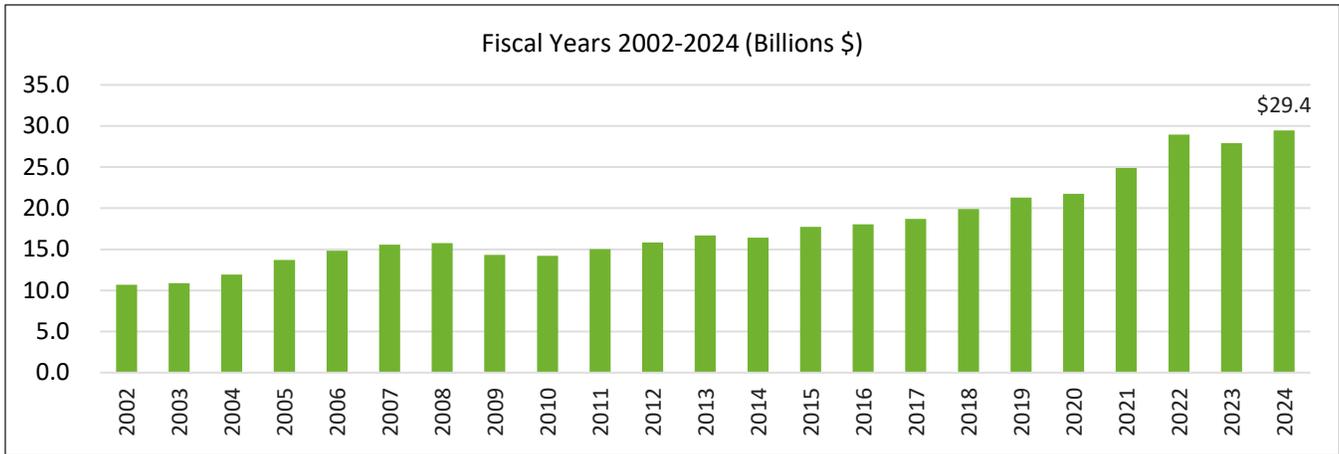


Figure 3.2 – General Fund Revenues



Individual Income Tax

The Virginia individual income tax applies to the entire income of Virginia residents and to income from Virginia sources received by nonresident individuals. Generally, all residents and nonresidents with Virginia taxable income are required to file a return. Individual income tax rates are as follows:

<u>Income</u>	<u>Tax Rate</u>
\$0 to \$3,000	2.00%
\$3,001 to \$5,000	3.00%
\$5,001 to \$17,000	5.00%
\$17,001 and over	5.75%

Withholding

In Fiscal Year 2024, withholding receipts (57% of GF revenues) increased 4.8% to \$16,718.2 million, exceeding the projected revenue figure of \$16,563.5 million by \$154.8 million. This includes a mid-year update to the forecast, which added \$525 million to the withholding forecast.

Non-withholding

Collections of individual non-withholding (22% of GF revenues) decreased by 1.0 % to \$6,563.7 million, significantly outperforming the projected estimate of \$5,813.8 million.

Refunds

Fiscal Year 2024 refunds amounted to \$2,971.5 million, compared to the \$3,314.4 million projected in the forecast. This represents a 17.5% decrease from Fiscal Year 2023.

Retail Sales and Use Tax

In general, all sales, leases, and rentals of tangible personal property in or for use in Virginia, as well as accommodations and certain taxable services, are subject to Virginia retail sales and use tax, unless an exemption or exception is established. The sales tax rate for most locations in Virginia is 5.3%, which includes both General Fund and Nongeneral Fund revenues, and the local option 1.0% tax. Several areas have an

additional regional or local tax. In all of Virginia, food for home consumption (e.g. grocery items) and certain essential personal hygiene items are exempt from the state sales tax, but are subject to the 1.0% local option sales tax.

Collections of retail sales and use taxes (16% of GF revenues) totaled \$4,709.7 million, \$193.9 million over the forecast. This represented a year-over-year decline of 0.5%.

Corporate Income Tax

Corporations that are subject to the state corporate income tax are required to pay an income tax equal to 6.0% of the corporation's Virginia taxable income. In Fiscal Year 2024, corporate income tax collections totaled \$1,907.1 million, \$306.4 million under the forecast. The variance to forecast in this source was not due to collections on corporate income taxes, which increased 3.1%. Instead, corporate refunds increased \$192.8 million after a processing backlog was cleared.

Other Revenue Sources

Wills, Suits, Deeds, and Contract Fees

Virginia imposes a state tax on the recordation of deeds, deeds of trusts, mortgages, leases, and contracts relating to real estate. This category is comprised predominantly of state recordation taxes. Revenues from wills, suits, deeds, and contract fees came in at \$406.5 million, a 5.6% year-over-year decline and \$19.1 million less than the forecast had predicted. High interest rates continued to dampen real estate demand. As interest rates fall over the coming years, this source should rebound from increased purchases and refinancing.

Insurance Income

Any insurance company with premiums allocated to Virginia on its annual statement is subject to an annual tax on its direct gross premiums income, which includes all premiums, assessments, dues, and fees collected, received, or derived, or obligations taken from business in the Commonwealth during the calendar year, decreased by returns for cancellation and all amounts returned to subscribers or credited to their accounts as savings.

One-third of the revenue from the Insurance Premiums License Tax from the prior year is deposited into the Priority Transportation Fund (a sub-fund of the Commonwealth Transportation Fund) and the remaining revenue from the Insurance Premiums License Tax goes to the General Fund. General Fund revenues from the Insurance Premiums License Tax were \$468.2 million, exceeding the forecast by \$21.9 million. Collections grew 3.8% year-over-year.

Table 3.1
Fiscal Year 2024 General Fund Collections: Actual and Official Forecast
(Revenues in Millions)

	Fiscal Year 2023				Fiscal Year 2024				
	Actual		Official Forecast		Forecast Variance		% Growth Over FY 23		
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Official	Actual	
MAJOR TAX SOURCES									
Corporate Income	\$ 2,031.1	2.6 %	\$ 2,213.5	\$ 1,907.1	\$ (306.4)	(13.8) %	9.0 %	(6.1) %	
Individual Income									
Gross	22,586.4	2.0	22,377.3	23,281.9	904.7	4.0	(0.9)	3.1	
Withholding	15,957.2	4.0	16,563.5	16,718.2	154.8	0.9	3.8	4.8	
Non-withholding	6,629.2	(2.7)	5,813.8	6,563.7	749.9	12.9	(12.3)	(1.0)	
Refunds	(3,602.8)	107.0	(3,314.4)	(2,971.5)	342.9	(10.3)	(8.0)	(17.5)	
Net	18,983.6	(7.0)	19,062.9	20,310.4	1,247.6	6.5	0.4	7.0	
Insurance Company Premiums	450.9	5.6	446.3	468.2	21.9	4.9	(1.0)	3.8	
State Sales & Use Tax	4,734.5	3.9	4,515.8	4,709.7	193.9	4.3	(4.6)	(0.5)	
Wills, Suits, Deeds, & Contract Fees	430.6	(34.2)	425.6	406.5	(19.1)	(4.5)	(1.2)	(5.6)	
Total Major Tax Sources	\$ 26,630.7	(5.0) %	\$ 26,664.0	\$ 27,801.8	\$ 1,137.8	4.3 %	0.1 %	4.4 %	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverage State Tax	\$ 268.9	3.3	\$ 284.0	\$ 276.1	\$ (7.9)	(2.8) %	5.6 %	2.7 %	
Bank Franchise Tax	31.4	(16.1)	30.4	26.0	(4.4)	(14.4)	(3.2)	(17.1)	
Beer & Beverage Excise Tax	38.6	(3.6)	40.0	38.0	(2.0)	(4.9)	3.7	(1.4)	
Corporate Franchise & Charter Fees	83.2	7.5	83.0	74.8	(8.2)	(9.9)	(0.2)	(10.1)	
Interest & Rents	365.3	375.7	672.9	699.9	27.0	4.0	84.2	91.6	
Miscellaneous Taxes and Penalties	261.5	4.3	244.4	244.6	0.2	0.1	(6.5)	(6.5)	
Other Miscellaneous Revenues	58.7	70.4	82.4	101.4	19.0	23.1	40.2	72.7	
Public Service GR / Consumption Tax	104.4	1.8	104.3	106.9	2.6	2.5	(0.1)	2.3	
Sports Betting Taxes	67.3	145.5	74.1	78.6	4.5	6.0	10.2	16.8	
Total Misc. Taxes and Other Revenues	1,279.2	41.1	1,615.5	1,646.3	30.8	1.9	26.3	28.7	
TOTAL GF REVENUES	\$ 27,909.9	(3.5) %	\$ 28,279.5	\$ 29,448.2	\$ 1,168.7	4.1 %	1.3 %	5.5 %	
TRANSFERS									
A.B.C. Profits	\$ 164.3	0.9 %	\$ 169.2	\$ 170.1	\$ 0.9	0.5 %	3.0 %	3.5 %	
Sales Tax (0.375%)	557.0	6.6	550.9	573.8	22.9	4.2	(1.1)	3.0	
Transfers Per Appropriations	94.3	(26.9)	(744.7)	(731.2)	13.5	(1.8)	(889.7)	(875.4)	
Total Transfers	\$ 815.6	0.1 %	\$ (24.6)	\$ 12.7	\$ 37.3	(151.6) %	(103.0) %	(98.4) %	
TOTAL GENERAL FUND	\$ 28,725.4	(3.4) %	\$ 28,254.9	\$ 29,460.9	\$ 1,206.0	4.3 %	(1.6) %	2.6 %	

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

Recent Policy Changes Affecting the Revenue Forecast

Recently enacted policy changes that effect the revenue forecast are described below.

Tax Year 2021 Retroactive Pass-Through Entity Tax (PTET). 2024 was the first-time entities could elect to retroactively utilize PTET for Tax Year 2021. These payments were required to be remitted by September 16, 2024, and can only be claimed on owners' Tax Year 2023 returns.

Standard Deduction Increase. For taxable years beginning on or after January 1, 2024, the standard deduction increased to from \$8,000/\$16,000 for single and married filers, to \$8,500 and \$17,000, respectively. This provision was triggered automatically upon meeting or exceeding withholding forecasts.

Restore the Land Preservation Tax Credit Cap. Beginning January 1, 2024, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, is limited to \$20,000.

Increased Tax Compliance Positions. Virginia Tax is authorized to add 16 full-time equivalent compliance positions. The examiners and auditors will improve compliance across corporate, sales, and individual income taxes.

Table 3.2 – Summary of Recent Legislation Affecting General Fund Revenues
(Revenues in Millions)

Source	FY 2025	FY 2026	FY 2027	FY 2028
Withholding	(\$101.7)	(\$102.6)	(\$104.2)	(\$105.8)
Standard deduction to \$8,500 /\$17,000	(101.7)	(102.6)	(104.2)	(105.8)
Nonwithholding	248.7	(3.0)	2.8	2.8
TY21 PTET Payments	238.4	(8.3)	-	-
Restore Land Preservation Cap (Ch 2, 3-5.22)	10.3	10.3	10.3	10.3
Historic Rehabilitation Tax Credit (SB 556)	-	(5.0)	(7.5)	-7.5
Refunds	(203.7)	(21.8)	12.4	12.4
TY21 PTET Refunds	(213.8)	(38.1)	-	-
Increased Tax Compliance Positions	6.3	12.6	12.6	12.6
Education Improvement Scholarship Tax Credit - Reflect Usage	4.0	4.0	-	-
Communities of Opportunities Tax Credit Increase (HB 1203)	(0.3)	(0.3)	(0.3)	(0.3)
Sales and Use Tax	4.8	9.6	9.6	9.6
Increased Tax Compliance Positions	4.8	9.6	9.6	9.6
Corporate Income Tax	1.7	3.4	3.4	0.3
Increased Tax Compliance Positions	1.7	3.4	3.4	0.3

Baseline Revenue Forecast

Table 3.3 at the end of this section provides a comparison of the November baseline forecast with the Official Forecast adopted in Chapter 2 of the General Assembly's 2024 special session. The Official Forecast predicted a 3.0% decline in General Fund revenues from Fiscal Year 2024, while the November forecast predicts growth of 3.6%. The models used to arrive at this forecast incorporate recommendations of the Joint Advisory Board of Economists. Because the lags in monetary policy impacts can be long and variable, and geopolitical headwinds are still present, we have chosen a conservative approach.

Individual Income Tax

Withholding

The withholding revenue model is based on a difference in log values of Virginia employment and average wages and incorporates historic tax rates, standard deductions, and quarterly cycles. Withholding collections are projected to grow 3.9% in Fiscal Year 2025, 2.7% in Fiscal Year 2026, before returning to long-run trend in fiscal years 2027 and 2028.

Non-withholding

Non-withholding revenue is extremely volatile. Simpler models proved more accurate than complex models. The revenue model uses difference in log values of non-withholding regressed on log values of the S&P 500. The model also adjusts for the rolling impact of overpaid PTET, as well as the recent influx of retroactive Tax Year 2021 PTET payments. Fiscal Year 2025 is expected to grow 1.9% before a decline of 4.6% in Fiscal Year 2026. The relatively steep decline in 2026 is in large part an artifact of the bump in non-withholding from retroactive PTET payments. In fiscal years 2027 and 2028, the model predicts more modest growth of 2.0 and 2.6% respectively. Fiscal Year-to-date collections in non-withholding are currently \$288.1 million higher than Fiscal Year 2024. The remaining months can decline \$163 million from last fiscal year and still meet the forecast.

Refunds

The forecasting methodology for refunds is based on historic refund volumes and policy changes. It is therefore, autoregressive and the vast majority of its movement is due to the rolling impact of PTET refunds. As taxpayers continue to adjust PTET payments, fewer refunds will need to be issued each year resulting in a steady decline in refunds made over the forecast period. Fiscal Years 2025 and 2026 are expected to decline 5.5 and 11.9% respectively. Fiscal Year-to-date refunds volumes are \$87.5 million lower than Fiscal Year 2024. The remaining months need to send out only \$67 million fewer refunds to meet the forecast.

Retail Sales and Use Tax

Retail sales and use tax was computed using a cross-sectional model of differences in log revenue against differences in log taxable sales and interactions with structural shifts including tax rates, tax base, and recessions. The result is a forecasted growth of 1.9% in Fiscal Year 2025 and 3.9% growth in Fiscal Year 2026.

Corporate Income Tax

Corporate income tax uses a new methodology which decomposes income by tax year of origin and forecasts those waves separately. Tax Years with significant history (at least four quarters) are extrapolated using their

existing histories and the remaining waveform implied. Contemporaneous and future tax years are scaled by estimates of national corporate profit growth. Finally, refunds are estimated on size and growth rate of the tax year in question and then added to the payments to arrive at a net corporate income tax forecast. The model predicts a net decline of 0.8% in Fiscal Year 2025 and a growth of 6.0% in Fiscal Year 2026.

Other Revenue Sources

Wills, Suits, Deeds, and Contract Fees

This revenue source is dominated by recordation tax on real estate transactions. Fiscal year 2024 ended at \$406.5 million, a 5.6% decline from Fiscal Year 2023's \$430.6 million. The forecast had predicted this source to remain nearly flat at \$425.6 million.

Until recently, the number of home sales in Virginia had been on a steady decline since the Fed began raising interest rates. This January was the first time since 2021 that year-over-year sales had turned positive. Despite low unit sales, high home prices have kept recordation tax revenues similar to pre-pandemic levels.

The forecast expects strong growth over the coming years as lower rates lead to increased mortgage refinancing. Fiscal Year 2025 is expected to grow 12.6% to \$457.6 million and Fiscal Year 2026 is expected to grow 21.7% to \$557.0 million.

Interest Income

Interest income has been a significant revenue source since the Federal Reserve began raising interest rates. The forecast is provided by the Treasury Department and uses implied interest rates from current markets. The nature of the forecast provided by Treasury results in a slightly more current vintage of interest rate estimates than the rest of the macroeconomic forecast. The estimates are for moderate declines in interest income for Fiscal Year 2025 and 2026 of 2.0% and 7.6% respectively.

All Other

All other revenues are forecasted to total \$1,436.6 million in Fiscal Year 2025 relative to \$1,414.8 million the year prior, which is a growth of 1.5% over Fiscal Year 2024. The majority of this growth is in a modest growth in tax on insurance company premiums which amounts to \$17.6 million.

Table 3.3 – The Official to November Baseline General Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

	Fiscal Year 2025				
	Official Forecast	November Forecast	Change	% Growth of FY 24	
				Official	November
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,891.5	\$ (174.0)	8.3 %	(0.8) %
Individual Income					
Gross	22,260.5	24,053.8	1,793.3	(4.4)	3.3
Withholding	16,629.4	17,364.9	735.5	(0.5)	3.9
Non-withholding	5,631.1	6,688.9	1,057.8	(14.2)	1.9
Refunds	(3,015.8)	(2,807.6)	208.2	1.5	(5.5)
Net	19,244.7	21,246.1	2,001.4	(5.2)	4.6
Insurance Company Premiums	439.3	485.7	46.4	(6.2)	3.7
State Sales & Use Tax	4,692.3	4,797.9	105.6	(0.4)	1.9
Wills, Suits, Deeds, & Contract Fees	456.7	457.6	0.9	12.4	12.6
Total Major Tax Sources	\$ 26,898.5	\$ 28,879.0	\$ 1,980.5	(3.2) %	3.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	685.9	(38.6)	3.5	(2.0)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,636.5	(28.8)	1.2	(0.6)
TOTAL GF REVENUES	\$ 28,563.8	\$ 30,515.5	\$ 1,951.7	(3.0) %	3.6 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %
Sales Tax (0.375%)	571.7	586.0	14.3	(0.4)	2.1
Transfers Per Appropriations	394.3	394.3	-	(153.9)	(153.9)
Total Transfers	\$ 1,128.1	\$ 1,141.4	\$ 13.3	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,656.8	\$ 1,965.0	0.8 %	7.5 %

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

Table 3.3 – The Official to November Baseline General Fund Forecast for Fiscal Year 2026
(Revenues in Millions)

	Fiscal Year 2026					2024-2026 Biennium		
	Official Forecast	November Forecast	Change	% Growth over FY 25		Official Forecast	November Forecast	Change
				Official	November			
MAJOR TAX SOURCES								
Corporate Income	\$ 2,164.7	\$ 2,005.4	\$ (159.3)	4.8 %	6.0 %	\$ 4,230.2	\$ 3,896.9	\$ (333.3)
Individual Income								
Gross	23,439.1	24,210.5	771.4	5.3	0.7	45,699.6	48,264.3	2,564.7
Withholding	17,739.9	17,828.9	89.0	6.7	2.7	34,369.3	35,193.8	824.5
Non-withholding	5,699.1	6,381.5	682.4	1.2	(4.6)	11,330.3	13,070.4	1,740.2
Refunds	(2,743.4)	(2,490.1)	253.2	(9.0)	(11.3)	(5,759.2)	(5,297.8)	461.4
Net	20,695.7	21,720.4	1,024.7	7.5	2.2	39,940.4	42,966.5	3,026.1
Insurance Company Premiums	452.3	503.7	51.3	3.0	3.7	891.6	989.4	97.8
State Sales & Use Tax	4,889.3	4,985.4	96.0	4.2	3.9	9,581.6	9,783.3	201.7
Wills, Suits, Deeds, & Contract Fees	457.2	557.0	99.8	0.1	21.7	913.9	1,014.6	100.7
Total Major Tax Sources	\$ 28,659.3	\$ 29,771.8	\$ 1,112.5	6.5 %	3.1 %	\$ 55,557.8	\$ 58,650.8	\$ 3,093.0
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)
Interest & Rents	652.2	633.6	(18.6)	(10.0)	(7.6)	1,376.7	1,319.5	(57.2)
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1
Total Misc. Taxes and Other Revenues	1,616.5	1,569.1	(47.4)	(2.9)	(4.1)	3,281.8	3,205.6	(76.2)
TOTAL GF REVENUES	\$ 30,275.8	\$ 31,340.9	\$ 1,065.1	6.0 %	2.7 %	\$ 58,839.6	\$ 61,856.4	\$ 3,016.8
TRANSFERS								
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)
Sales Tax (0.375%)	595.1	608.9	13.8	4.1	3.9	1,166.8	1,194.8	28.0
Transfers Per Appropriations	888.7	888.6	(0.1)	125.4	125.4	1,283.0	1,282.9	(0.1)
Total Transfers	\$ 1,714.8	\$ 1,653.6	\$ (61.2)	52.0 %	44.9 %	\$ 2,842.9	\$ 2,794.9	\$ (47.9)
								-
TOTAL GENERAL FUND	\$ 31,990.5	\$ 32,994.5	\$ 1,003.9	7.7 %	4.2 %	\$ 61,682.4	\$ 64,651.3	\$ 2,968.9

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

Table 3.3 – The Official to November Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Revenues in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	November Forecast	% Growth Over FY 26	November Forecast	% Growth Over FY 27	November Forecast	% Growth Over FY 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 2,105.1	5.0 %	\$ 2,232.5	6.1 %	\$ 4,337.6	11.3 %
Individual Income						
Gross	25,109.7	3.7	25,898.7	3.1	51,008.4	5.7
Withholding	18,599.3	4.3	19,217.7	3.3	37,817.0	7.5
Non-withholding	6,510.4	2.0	6,681.0	2.6	13,191.4	0.9
Refunds	(2,350.1)	(5.6)	(2,278.3)	(3.1)	(4,628.4)	(12.6)
Net	22,759.6	4.8	23,620.4	3.8	46,380.0	7.9
Insurance Company Premiums	527.3	4.7	539.6	2.3	1,066.8	7.8
State Sales & Use Tax	5,224.0	4.8	5,359.0	2.6	10,583.0	8.2
Wills, Suits, Deeds, & Contract Fees	657.0	17.9	753.3	14.7	1,410.3	39.0
Total Major Tax Sources	\$ 31,272.9	5.0 %	\$ 32,504.8	3.9 %	\$ 63,777.7	8.7 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	637.4	0.6	472.4	(25.9)	1,109.8	(15.9)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,590.2	1.3	1,450.4	(8.8)	3,040.6	(5.1)
TOTAL GF REVENUES	\$ 32,863.2	4.9 %	\$ 33,955.2	3.3 %	\$ 66,818.3	8.0 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	638.0	4.8	654.5	2.6	1,292.5	8.2
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 910.0	(45.0) %	\$ 928.4	2.0 %	\$ 1,838.4	(34.2) %
TOTAL GENERAL FUND	\$ 33,773.1	2.4 %	\$ 34,883.6	3.3 %	\$ 68,656.8	6.2 %

Alternative Revenue Forecasts

Tables 3.4 and 3.5 provide overviews of the alternative Above Baseline and Recession scenario forecasts. The optimistic alternative is based on the consensus scenario provided by Moody's Analytics, which sees a soft landing as the most likely outcome. This model results in a Fiscal Year 2025 General Fund forecast of \$30.8 billion, a 4.8% growth rate compared to the 3.6% growth in the baseline forecast. The pessimistic anticipates that inflation returns, and monetary policy is forced to stay restrictive. This model results in a Fiscal Year 2025 General Fund forecast of \$30.0 billion, a 1.8% growth rate compared to the 3.6% growth in the baseline forecast.

Table 3.4 – The Official to November Above-Baseline General Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

Fiscal Year 2025					
	Official Forecast	November Forecast	Change	% Growth over FY 2024	
				Official	November
MAJOR TAX SOURCES					
Corporate Income	\$ 2,065.5	\$ 1,899.8	\$ (165.7)	8.3 %	(0.4) %
Individual Income					
Gross	2,260.5	4,394.9	2,134.4	(4.4)	4.8
Withholding	6,629.4	7,606.9	977.5	(0.5)	5.3
Non-withholding	5,631.1	6,788.0	1,156.9	(14.2)	3.4
Refunds	3,015.8	2,807.6	208.2	1.5	(5.5)
Net	19,244.7	21,587.3	2,342.6	(5.2)	6.3
Insurance Company Premiums	439.3	493.0	53.7	(6.2)	5.3
State Sales & Use Tax	4,692.3	4,839.4	147.1	(0.4)	2.8
Wills, Suits, Deeds, & Contract Fees	456.7	462.0	5.3	12.4	13.7
Total Major Tax Sources	\$ 26,898.5	\$ 29,281.5	\$ 2,383.0	(3.2) %	5.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES					
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9
Interest & Rents	724.5	616.9	(107.6)	3.5	(11.9)
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0
Total Misc. Taxes and Other Revenues	1,665.3	1,567.5	(97.8)	1.2	(4.8)
TOTAL GF REVENUES	\$ 28,563.8	\$ 30,849.0	\$ 2,285.2	(3.0) %	4.8 %
TRANSFERS					
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %
Sales Tax (0.375%)	571.7	591.1	19.4	(0.4)	3.0
Transfers Per Appropriations	394.3	394.3	-	(153.9)	(153.9)
Total Transfers	\$ 1,128.1	\$ 1,146.5	\$ 18.4	*** %	*** %
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,995.5	\$ 2,303.7	0.8 %	8.6 %

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

Table 3.4 – The Official to November Above-Baseline General Fund Forecast for Fiscal Year 2026
(Revenues in Millions)

	Fiscal Year 2026			2024-2026 Biennium					
	Official Forecast	November Forecast	Change	% Growth over FY 2025			November Forecast	Change	
				Official	November	Official			
MAJOR TAX SOURCES									
Corporate Income	\$ 2,164.7	\$ 2,016.6	\$ (148.1)	4.8 %	6.1 %	\$ 4,230.2	\$ 3,916.4	\$ (313.8)	
Individual Income									
Gross	23,439.1	24,685.5	1,246.4	5.3	1.2	45,699.6	49,080.4	3,380.8	
Withholding	17,739.9	18,193.3	453.4	6.7	3.3	34,369.3	35,800.2	1,430.9	
Non-withholding	5,699.1	6,492.2	793.0	1.2	(4.4)	11,330.3	13,280.2	1,949.9	
Refunds	(2,743.4)	(2,490.4)	253.0	(9.0)	(11.3)	(5,759.2)	(5,297.9)	461.2	
Net	20,695.7	22,195.1	1,499.4	7.5	2.8	39,940.4	43,782.4	3,842.1	
Insurance Company Premiums	452.3	509.0	56.6	3.0	3.2	891.6	1,002.0	110.3	
State Sales & Use Tax	4,889.3	5,038.4	149.0	4.2	4.1	9,581.6	9,877.8	296.2	
Wills, Suits, Deeds, & Contract Fees	457.2	569.9	112.7	0.1	23.4	913.9	1,031.9	118.0	
Total Major Tax Sources	\$ 28,659.3	\$ 30,329.0	\$ 1,669.7	6.5 %	3.6 %	\$ 55,557.8	\$ 59,610.5	\$ 4,052.7	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)	
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)	
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)	
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.8	166.0	160.7	(5.3)	
Interest & Rents	652.2	501.9	(150.3)	(10.0)	(18.6)	1,376.7	1,118.8	(257.9)	
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)	
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5	
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4	
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1	
Total Misc. Taxes and Other Revenues	1,616.5	1,437.4	(179.1)	(2.9)	(8.3)	3,281.8	3,005.0	(276.8)	
TOTAL GF REVENUES	\$ 30,275.8	\$ 31,766.4	\$ 1,490.6	6.0 %	3.0 %	\$ 58,839.6	\$ 62,615.4	\$ 3,775.9	
TRANSFERS									
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)	
Sales Tax (0.375%)	595.1	615.4	20.3	4.1	4.1	1,166.8	1,206.5	39.7	
Transfers Per Appropriations	888.7	888.6	(0.1)	125.4	125.4	1,283.0	1,282.9	(0.1)	
Total Transfers	\$ 1,714.8	\$ 1,660.1	\$ (54.6)	52.0 %	44.8 %	\$ 2,842.9	\$ 2,806.6	\$ (36.2)	
TOTAL GENERAL FUND	\$ 31,990.5	\$ 33,426.5	\$ 1,436.0	7.7 %	4.5 %	\$ 61,682.4	\$ 65,422.1	\$ 3,939.7	

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

Table 3.4 – The Official to November Above-Baseline General Fund Forecast for Fiscal Years 2027 and 2028
(Revenues in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	November Forecast	% Growth Over FY 26	November Forecast	% Growth Over FY 27	November Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 2,105.9	4.4 %	\$ 2,248.5	6.8 %	\$ 4,354.4	11.2 %
Individual Income						
Gross	25,470.6	3.2	26,333.6	3.4	51,804.2	5.5
Withholding	18,823.4	3.5	19,499.6	3.6	38,323.1	7.0
Non-withholding	6,647.1	2.4	6,834.0	2.8	13,481.1	1.5
Refunds	(2,351.0)	(5.6)	(2,277.7)	(3.1)	(4,628.6)	(12.6)
Net	23,119.6	4.2	24,056.0	4.1	47,175.6	7.7
Insurance Company Premiums	527.7	3.7	547.3	3.7	1,075.1	7.3
State Sales & Use Tax	5,235.0	3.9	5,414.4	3.4	10,649.3	7.8
Wills, Suits, Deeds, & Contract Fees	669.4	17.5	765.4	14.3	1,434.8	39.0
Total Major Tax Sources	\$ 31,657.5	4.4 %	\$ 33,031.6	4.3 %	\$ 64,689.1	8.5 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	488.0	(2.8)	477.7	(2.1)	965.7	(13.7)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,440.9	0.2	1,455.7	1.0	2,896.6	(3.6)
TOTAL GF REVENUES	\$ 33,098.4	4.2 %	\$ 34,487.3	4.2 %	\$ 67,585.7	7.9 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	639.4	3.9	661.3	3.4	1,300.7	7.8
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 911.3	(45.1) %	\$ 935.3	2.6 %	\$ 1,846.6	(34.2) %
TOTAL GENERAL FUND	\$ 34,009.7	1.7 %	\$ 35,422.6	4.2 %	\$ 69,432.3	6.1 %

Table 3.5 – The Official to November Pessimistic General Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

	Fiscal Year 2025				% Growth of FY 2024	
	Official Forecast	November Forecast	Change	Official	November	
MAJOR TAX SOURCES						
Corporate Income	\$ 2,065.5	\$ 1,860.2	\$ (205.3)	8.3 %	(2.5) %	
Individual Income						
Gross	22,260.5	23,661.5	1,401.0	(4.4)	1.6	
Withholding	16,629.4	17,202.5	573.1	(0.5)	2.9	
Non-withholding	5,631.1	6,459.0	827.9	(14.2)	(1.6)	
Refunds	(3,015.8)	(2,807.4)	208.4	1.5	(5.5)	
Net	19,244.7	20,854.1	1,609.4	(5.2)	2.7	
Insurance Company Premiums	439.3	478.9	39.5	(6.2)	2.3	
State Sales & Use Tax	4,692.3	4,707.3	15.0	(0.4)	(0.1)	
Wills, Suits, Deeds, & Contract Fees	456.7	433.1	(23.6)	12.4	6.6	
Total Major Tax Sources	\$ 26,898.5	\$ 28,333.6	\$ 1,435.1	(3.2) %	1.9 %	
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 297.2	\$ 275.4	\$ (21.8)	7.6 %	(0.3) %	
Bank Franchise Tax	30.4	29.7	(0.7)	16.9	14.2	
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	5.2	2.8	
Corporate Franchise & Charter Fees	83.0	78.5	(4.5)	10.9	4.9	
Interest & Rents	724.5	694.5	(30.0)	3.5	(0.8)	
Miscellaneous Taxes and Penalties	254.0	247.8	(6.2)	3.9	1.3	
Other Miscellaneous Revenues	47.3	85.6	38.3	(53.4)	(15.6)	
Public Service GR / Consumption Tax	105.9	108.0	2.1	(0.9)	1.1	
Sports Betting Taxes	83.0	86.4	3.4	5.7	10.0	
Total Misc. Taxes and Other Revenues	1,665.3	1,645.1	(20.2)	1.2	(0.1)	
TOTAL GF REVENUES	\$ 28,563.8	\$ 29,978.6	\$ 1,414.9	(3.0) %	1.8 %	
TRANSFERS						
A.B.C. Profits	\$ 162.1	\$ 161.1	\$ (1.0)	(4.7) %	(5.3) %	
Sales Tax (0.375%)	571.7	574.7	3.0	(0.4)	0.2	
Transfers Per Appropriations	394.3	394.3	-	(153.9)	(153.9)	
Total Transfers	\$ 1,128.1	\$ 1,130.1	\$ 2.0	*** %	*** %	
TOTAL GENERAL FUND	\$ 29,691.9	\$ 31,108.8	\$ 1,416.9	0.8 %	5.6 %	

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

** Growth rate is greater or less than 1000%

Table 3.5 – The Official to November Pessimistic General Fund Forecast for Fiscal Year 2026
(Revenues in Millions)

	Fiscal Year 2026			2024-2026 Biennium				
	Official Forecast	November Forecast	Change	% Growth over FY 2025		Official Forecast	November Forecast	Change
				Official	November			
MAJOR TAX SOURCES								
Corporate Income	\$ 2,164.7	\$ 1,859.5	\$ (305.2)	4.8 %	(0.0) %	\$ 4,230.2	\$ 3,719.7	\$ (510.5)
Individual Income								
Gross	23,439.1	22,496.6	(942.5)	5.3	(4.9)	45,699.6	46,158.0	458.5
Withholding	17,739.9	16,963.2	(776.7)	6.7	(1.4)	34,369.3	34,165.7	(203.6)
Non-withholding	5,699.1	5,533.4	(165.8)	1.2	(14.3)	11,330.3	11,992.4	662.1
Refunds	(2,743.4)	(2,488.5)	254.8	(9.0)	(11.4)	(5,759.2)	(5,295.9)	463.2
Net	20,695.7	20,008.0	(687.7)	7.5	(4.1)	39,940.4	40,862.1	921.7
Insurance Company Premiums	452.3	459.0	6.7	3.0	(4.1)	891.6	937.9	46.3
State Sales & Use Tax	4,889.3	4,553.3	(336.0)	4.2	(3.3)	9,581.6	9,260.6	(321.1)
Wills, Suits, Deeds, & Contract Fees	457.2	456.5	(0.7)	0.1	5.4	913.9	889.6	(24.3)
Total Major Tax Sources	\$ 28,659.3	\$ 27,336.3	\$ (1,322.9)	6.5 %	(3.5) %	\$ 55,557.8	\$ 55,669.9	\$ 112.2
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 311.2	\$ 278.4	\$ (32.8)	4.7 %	1.1 %	\$ 608.4	\$ 553.8	\$ (54.6)
Bank Franchise Tax	30.4	29.7	(0.7)	-	-	60.8	59.4	(1.4)
Beer & Beverage Excise Tax	40.0	39.1	(0.9)	-	-	80.0	78.2	(1.8)
Corporate Franchise & Charter Fees	83.0	82.2	(0.8)	-	4.7	166.0	160.7	(5.3)
Interest & Rents	652.2	575.8	(76.4)	(10.0)	(17.1)	1,376.7	1,270.3	(106.4)
Miscellaneous Taxes and Penalties	260.3	257.6	(2.7)	2.5	3.9	514.3	505.4	(8.9)
Other Miscellaneous Revenues	48.7	48.9	0.2	3.0	(42.9)	96.0	134.5	38.5
Public Service GR / Consumption Tax	107.7	109.9	2.2	1.7	1.7	213.6	218.0	4.4
Sports Betting Taxes	83.0	89.7	6.7	-	3.8	166.0	176.1	10.1
Total Misc. Taxes and Other Revenues	1,616.5	1,511.3	(105.2)	(2.9)	(8.1)	3,281.8	3,156.4	(125.4)
TOTAL GF REVENUES	\$ 30,275.8	\$ 28,847.7	\$ (1,428.1)	6.0 %	(3.8) %	\$ 58,839.6	\$ 58,826.3	\$ (13.3)
TRANSFERS								
A.B.C. Profits	\$ 231.0	\$ 156.1	\$ (74.9)	42.5 %	(3.1) %	\$ 393.1	\$ 317.2	\$ (75.9)
Sales Tax (0.375%)	595.1	555.3	(39.8)	4.1	(3.4)	1,166.8	1,130.0	(36.8)
Transfers Per Appropriations	888.7	888.6	(0.1)	125.4	125.4	1,283.0	1,282.9	(0.1)
Total Transfers	\$ 1,714.8	\$ 1,600.0	\$ (114.8)	52.0 %	41.6 %	\$ 2,842.9	\$ 2,730.1	\$ (112.7)
TOTAL GENERAL FUND	\$ 31,990.5	\$ 30,447.6	\$ (1,542.9)	7.7 %	(2.1) %	\$ 61,682.4	\$ 61,556.4	\$ (126.0)

FY 2024: Includes \$549.8 million in additional general fund revenues assumed in the 2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act, Chapter 1, 2024 Acts of Assembly, Special Session I (HB 6002).

Table 3.5 – The Official to November Pessimistic General Fund Forecast for Fiscal Years 2027 and 2028
(Revenues in Millions)

	Fiscal Year 2027		Fiscal Year 2028		2026-2028 Biennium	
	November Forecast	% Growth Over FY 26	November Forecast	% Growth Over FY 27	November Forecast	% Growth Over 24-26
MAJOR TAX SOURCES						
Corporate Income	\$ 1,891.3	1.7 %	\$ 2,122.2	12.2 %	\$ 4,013.5	7.9 %
Individual Income						
Gross	23,438.5	4.2	24,603.1	5.0	48,041.6	4.1
Withholding	17,465.2	3.0	18,096.1	3.6	35,561.3	4.1
Non-withholding	5,973.3	8.0	6,507.0	8.9	12,480.3	4.1
Refunds	(2,346.1)	(5.7)	(2,274.2)	(3.1)	(4,620.2)	(12.8)
Net	21,092.4	5.4	22,328.9	5.9	43,421.3	6.3
Insurance Company Premiums	490.8	6.9	534.2	8.8	1,025.0	9.3
State Sales & Use Tax	4,791.0	5.2	5,062.0	5.7	9,852.9	6.4
Wills, Suits, Deeds, & Contract Fees	549.3	20.3	640.2	16.6	1,189.5	33.7
Total Major Tax Sources	\$ 28,814.7	5.4 %	\$ 30,687.6	6.5 %	\$ 59,502.2	6.9 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 283.2	1.7 %	\$ 288.1	1.7 %	\$ 571.3	3.2 %
Bank Franchise Tax	29.7	-	29.7	-	59.4	-
Beer & Beverage Excise Tax	39.1	-	39.1	-	78.2	-
Corporate Franchise & Charter Fees	86.0	4.6	89.8	4.4	175.8	9.4
Interest & Rents	490.7	(14.8)	503.2	2.5	993.9	(21.8)
Miscellaneous Taxes and Penalties	262.6	2.0	277.2	5.6	539.8	6.8
Other Miscellaneous Revenues	50.7	3.7	50.7	-	101.4	(24.6)
Public Service GR / Consumption Tax	111.8	1.7	113.7	1.7	225.5	3.4
Sports Betting Taxes	89.7	-	89.7	-	179.4	1.9
Total Misc. Taxes and Other Revenues	1,443.6	(4.5)	1,481.2	2.6	2,924.7	(7.3)
TOTAL GF REVENUES	\$ 30,258.2	4.9 %	\$ 32,168.7	6.3 %	\$ 62,427.0	6.1 %
TRANSFERS						
A.B.C. Profits	\$ 171.5	9.9 %	\$ 173.5	1.2 %	\$ 345.0	8.8 %
Sales Tax (0.375%)	584.3	5.2	617.7	5.7	1,202.0	6.4
Transfers Per Appropriations	100.5	(88.7)	100.5	-	200.9	(84.3)
Total Transfers	\$ 856.3	(46.5) %	\$ 891.6	4.1 %	\$ 1,747.9	(36.0) %
TOTAL GENERAL FUND	\$ 31,114.5	2.2 %	\$ 33,060.4	6.3 %	\$ 64,174.9	4.3 %

Section 4: Nongeneral Fund Revenues

Commonwealth Transportation Fund

Chapters 1230 and 1275 of the 2020 *Acts of Assembly* directed most transportation revenues to a new Commonwealth Transportation Fund. In addition to the structural financial changes made to the Commonwealth's transportation funding system, several changes were made to the funding mechanisms: the motor fuels tax was converted to a cents-per-gallon tax, the base registration fee was reduced, and a highway use fee for alternative fuel and fuel-efficient vehicles was implemented in Fiscal Year 2021.

Revenues used for the Commonwealth's transportation program are derived from the following taxes and fees:

- Motor Fuels and Road Use Taxes,
- A 4.15% Motor Vehicle Sales and Use Tax,
- Licensing fees,
- A portion of the state Retail Sales and Use Tax,
- 3.0 cents of the state Recordation Tax,
- One-third of the state Insurance Premiums License Tax,
- International Registration Plan Fees,
- Interest Earnings, and
- Other miscellaneous taxes and fees.

In addition, federal, local, and toll revenues are also used to finance transportation programs. These revenue sources, however, do not determine the fiscal capacity of the state's transportation program and, therefore, are not addressed here. Instead, the discussion focuses on revenues from state sources.

Review of Fiscal Year 2024

Table 4.1 on the following page compares actual collections in Fiscal Year 2024 to the Official Forecast for the Commonwealth Transportation Fund. Total transportation revenues totaled close to \$4.9 billion, an increase of \$54.7 million over last year. Revenue collections grew by 1.1%, slightly ahead of the Official Forecast of 0.7%, resulting in a forecast variance of 0.5%. The surplus in Commonwealth Transportation Fund collections in Fiscal Year 2024 can mainly be attributed to a surge in interest earnings.

**Table 4.1 – Commonwealth Transportation Fund
Actual Collections Compared to the Official Forecast for Fiscal Year 2024**
(Revenues in Millions)

Revenue Sources	FY 2023 Actual	FY 2024 Actual	FY 2024 Forecast	Percent Change		Forecast Variance	
				2023-2024 Actual	2023-2024 Forecast	Amount	Percent
Motor Fuels Tax	1,382.8	1,415.9	1,450.8	2.4	4.9	(34.9)	(2.4)
Road Use Tax	87.6	80.0	85.4	(8.7)	(2.5)	(5.4)	(6.3)
Vehicle Sales Tax	1,208.6	1,200.0	1,178.9	(0.7)	(2.5)	21.1	1.8
Vehicle Licenses	196.6	212.8	225.6	8.2	14.8	(12.8)	(5.7)
Highway User Fee	58.4	71.0	61.8	21.6	5.8	9.2	14.9
State Sales Tax	1,416.7	1,377.1	1,372.1	(2.8)	(3.1)	5.0	0.4
Recordation Tax	52.6	50.9	52.5	(3.2)	(0.2)	(1.6)	(3.0)
Insurance Premiums Tax	202.5	217.8	217.9	7.6	7.6	(0.1)	(0.0)
Int'l Registration Plan	115.1	113.8	114.1	(1.1)	(0.9)	(0.3)	(0.3)
Interest Earnings	21.2	54.2	14.2	155.7	(33.0)	40.0	281.7
Rental Tax	53.8	55.4	55.5	3.0	3.2	(0.1)	(0.2)
Aviation Fuels Tax	2.0	2.0	2.0	0.0	0.0	0.0	0.0
Miscellaneous	19.8	21.5	18.6	8.6	(6.1)	2.9	15.6
TOTAL	\$4,817.7	\$4,872.4	\$4,849.4	1.1	0.7	23.0	0.5

As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.

Outlook for Key Tax Base Variables

Motor Fuel Consumption

Table 4.2 on the next page shows that gasoline consumption marginally increased by 0.4% while diesel fuel consumption experienced a third consecutive annual decline in Fiscal Year 2024, falling by 0.9%. Total motor fuels consumption has yet to reach its pre-pandemic peak attained in Fiscal Year 2019.

Corporate Average Fuel Economy (CAFE) standards

The National Highway Traffic Safety Administration (NHTSA), on behalf of the Department of Transportation, is finalizing new corporate average fuel economy (CAFE) standards for passenger cars and light trucks for model years 2027-2031, setting forth augural standards for Model Year (MY) 2032, and finalizing new fuel efficiency standards for heavy-duty pickup trucks and vans (HDPUVs) for model years 2030-2035. This final rule responds to NHTSA's statutory obligation to set CAFE and HDPUV standards at the maximum feasible level that the agency determines vehicle manufacturers can achieve in each MY to improve energy conservation. Improving energy conservation by raising CAFE and HDPUV standard stringency not only helps consumers save money on fuel, but also improves national energy security and reduces harmful emissions.

NHTSA estimates that relative to the reference baseline, this final rule will reduce gasoline consumption by 64 billion gallons relative to reference baseline levels for passenger cars and light trucks and will reduce fuel

consumption by approximately 5.6 billion gallons relative to reference baseline levels for HDPUVs through calendar year 2050. If compared to the alternative baseline, which has lower levels of electric vehicle penetration than the reference baseline, fuel savings will be greater at approximately 115 billion gallons.

Reducing gasoline consumption has multiple benefits—it improves our nation's energy security, it saves consumers money and reduces harmful pollutant emissions that lead to adverse human and environmental health outcomes and climate change. While consumers could pay more for new vehicles upfront, it is estimated that they would save money on fuel costs over the lifetimes of those new vehicles—in the reference baseline analysis lifetime fuel savings exceed modeled regulatory costs by roughly \$247, on average, for passenger car and light truck buyers of MY 2031 vehicles, and roughly \$491, on average, for HDPUV buyers of MY 2038 vehicles. By comparison, in the No ZEV alternative baseline analysis, lifetime fuel savings exceed modeled regulatory costs by roughly \$400, on average, for passenger car and light truck buyers of MY 2031 vehicles.

Table 4.2 – Motor Fuel Consumption, History and Forecast, Fiscal Years 2024 – 2028
(Percent Growth)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Taxable Gallons - Gasoline					
Baseline	0.4%	1.2%	-1.1%	-0.5%	0.6%
Recession		-2.5%	-2.2%	0.4%	0.8%
Above Baseline		1.8%	1.7%	-0.9%	0.0%
Taxable Gallons – Diesel					
Baseline	-0.9%	-1.2%	2.0%	0.1%	1.5%
Recession		2.4%	-2.6%	0.3%	0.6%
Above Baseline		2.4%	0.7%	0.4%	0.2%

Motor Fuels Prices

In its October 2024 Short-Term Energy Outlook, the Energy Information Agency’s (EIA) forecast for the Brent crude oil spot price through the end of next year is expected to average \$78 per barrel (b) in 2025. In our forecast, lower crude oil prices largely reflect a reduction for global oil demand growth in 2025. Although the crude oil price was reduced in this forecast, crude oil prices have risen in recent days because of escalating conflict in the Middle East, raising the possibility of oil supply disruptions and further crude oil price increases.

The EIA expects the U.S. average retail gasoline price will average \$3.20/gal next year.

Vehicle Miles Traveled (VMT)

Total VMT by all vehicle types is projected to grow at an average rate of 0.6% annually through 2040. Over the entire 31-year forecast period the average annual growth rate is projected to be slightly lower (0.5%), as VMT growth is anticipated to slow gradually during the latter half of the forecast period. This outlook represents a move towards more moderate growth rates and gradual convergence of VMT with population growth, compared to the higher growth experienced between 1989 and 2019, when total VMT grew at an average rate of 2.0% annually.

Vehicle Sales

New car sales increased by 4.1% and used car sales grew by 1.9% in Fiscal Year 2024. Table 4.3 on the following page shows the November 2024 forecasts for new and used vehicles. The discussion of the vehicle sales outlook is divided into two sections: new taxable titles and used taxable titles.

New Taxable Titles: In Fiscal Year 2024, 345,600 new vehicles were titled in Virginia, an increase of 13,700 units from Fiscal Year 2023. The upward surge in new car prices did, however, end in Fiscal Year 2024 declining by 1.3% after increasing by 6.9%, in Fiscal Year 2023 and 15.8% in Fiscal Year 2022.

U.S. new-vehicle sales face challenges in surpassing 16 million SAAR. Throughout the current year, sales have exceeded this threshold only once, in April, with figures for the remaining months fluctuating between 15 million and 16 million SAAR. Furthermore, a comparison with the previous year doesn't offer much optimism. From January to October, new-vehicle sales have averaged 15.6 million SAAR, a marginal increase of only 100,000 compared with the same time frame in 2023.

The sluggishness in overall vehicle sales is primarily because of the underperformance of the auto segment, which continues to lag significantly behind its pre-pandemic levels. Auto sales are struggling to consistently surpass the 3 million SAAR mark, starkly contrasting with the 2019 monthly average of 4.7 million SAAR. Conversely, light truck sales have shown resilience, having fully rebounded and now averaging higher figures compared with their 2019 performance.

Limited consumer demand partly drives the U.S. auto industry's inability to achieve the assumed market equilibrium of 17 million SAAR. To be sure, consumer appetite for new vehicles has been resilient in recent years. Buyers had spent record sums to procure new vehicles at a time when prices touched new heights almost monthly, and interest rates were painfully high. The insatiable consumer demand allowed vehicle sales to recover quickly from the depths of the pandemic. Still, record-high financing costs in a generally inflationary environment meant some prospective buyers remained on the sidelines. While interest rates are declining and average transaction prices are no longer at their previous highs, some consumers are still not ready to purchase a new vehicle, seeking better deals or waiting until prices are sufficiently low.

Consumer finances have also suffered under the weight of high financing costs. More than 80% of all retail new-vehicle sales in the U.S. are financed, and auto lenders are experiencing some challenges. The 12-month moving average of total delinquent balances has surged significantly over the past few years.

The sharp rise in delinquencies has prompted lenders to tighten credit standards, resulting in a 4% decrease in outstanding loans over the past 3½ years. This trend persists despite estimated population growth of more than 3% among individuals aged 25 and older during that period.

In 2024, the new car market is doing something it rarely does: holding steady. Although prices are stable, they remain close to record highs. This stability comes after several years of tumultuous changes in the automotive industry, from the pandemic-driven recession to the supply chain shortages that followed.

According to the most recent data from [Cox Automotive](#), the average transaction price for new cars is \$48,397. That's down 3% from the peak of \$49,929 in December 2022. New car prices increased slightly from August but were lower 0.4% year-over-year.

New-vehicle sales are expected to increase steadily in the near term. A key assumption is that the labor market remains relatively healthy, and the economy successfully achieves a slow landing. Another assumption is the

continued decline in interest rates over the next several quarters. New-vehicle sales should return to the assumed market equilibrium of 17 million SAAR by early 2026 when the Federal Reserve is also expected to conclude its easing cycle.

Several risks underpin our baseline outlook. First, uncertainty surrounding the presidential election can hurt the economy and labor market. Under such conditions, consumers may be less eager to make large purchases. The trajectory of energy prices is another risk. Elevated tensions in Europe and the Middle East can spike energy prices, which will reverberate on economic conditions at home. Higher energy prices could reignite inflation and push the Federal Reserve to stall further cuts in interest rates, thus keeping new-vehicle financing costs elevated.

Used Taxable Titles: 1,116,400 used cars were sold in Virginia in Fiscal Year 2024, about 1.9% up from Fiscal Year 2023. Used vehicle prices fell by 5.4% in Fiscal Year 2024. However, the average price of a used car purchased in Virginia increased by over 51% from Fiscal Year 2018 to 2022.

When it comes to used car prices, supply and demand drive the market. In 2023 and 2024, it's the reduced supply of used cars that ensures prices will remain elevated. There are several compelling reasons to expect that used car prices will remain high:

- **Supply drop:** The roots of the used car shortage can be traced back to the supply chain problems of 2021-2022. The production of new cars slowed, and sales dropped meaningfully. Fewer cars sold in 2021-2022 resulted in fewer trade-ins and subsequently, a tightened supply of used vehicles. With approximately 15 million new cars that were initially scheduled for production globally never seeing the light of day, the ripple effect has led to a sustained shortage of used cars. The scarcity of pre-owned vehicles is likely to extend through this decade.
- **Demand increase:** The Federal Reserve finally lowered interest rates in late September, and that should spur more used-car shoppers into the marketplace.
- **Hurricanes:** It has been a punishing hurricane season, in which [Carfax estimates](#) that as many as 347,000 vehicles were flooded. Many of those cars will be taken out of the fleet. This means those vehicles will need to be replaced, which will cause an unexpected bump in demand that stretches from Texas through Florida, and all the way up the East Coast of the U.S.

Table 4.3 – Virginia Vehicle Market, History and Forecast, Fiscal Years 2024 – 2028
(Percent Growth)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY2028</u>
New Taxable Titles					
Baseline	4.1%	2.3%	3.4%	4.3%	2.6%
Recession		-2.8%	0.6%	3.9%	1.4%
Above Baseline		4.2%	3.3%	3.6%	1.5%
Used Taxable Titles					
Baseline	1.9%	1.3%	2.6%	-1.1%	-0.8%
Recession		-1.7%	-2.2%	6.9%	-0.8%
Above Baseline		1.5%	2.4%	0.5%	-1.5%

Baseline Forecast

Table 4.4 on the following pages presents a comparison of the November 2024 baseline forecast to the Official Forecast. The November 2024 baseline forecast shows an increase of \$94.6 million in Fiscal Year 2025 and \$127.5 million in Fiscal Year 2026.

Table 4.4 – The Official and November Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in millions)

	Fiscal Year 2024			Fiscal Year 2025			November 1, 2024	
	Forecast	% Growth	Official Forecast	November Forecast	Change	% Growth over FY 24		
						Official	November	
Commonwealth Transportation Fund								
Motor Fuels Tax	\$ 1,415.9	2.4 %	\$ 1,504.3	\$ 1,511.8	\$ 7.5	6.2 %	6.8 %	
Road Tax	80.0	(8.7)	85.1	80.8	(4.3)	6.4	1.0	
Aviation Fuels Tax	2.0	0.0	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,200.0	(0.7)	1,193.5	1,220.5	27.0	(0.5)	1.7	
Motor Vehicle Rental Tax (1)	55.4	3.0	54.9	57.1	2.2	(0.9)	3.1	
Motor Vehicle License Fees	212.8	8.2	219.5	218.9	(0.6)	3.1	2.9	
Highway User Fee	71.0	21.6	65.4	90.9	25.5	(7.9)	28.0	
International Registration Plan	113.8	(1.1)	119.6	114.4	(5.2)	5.1	0.5	
Retail Sales and Use Tax	1,377.1	(2.8)	1,392.2	1,418.6	26.4	1.1	3.0	
Recordation Tax (3 cents)	50.9	(3.2)	55.9	52.5	(3.4)	9.8	3.1	
Insurance Premiums Tax (1/3)	217.8	7.6	228.7	228.7	0.0	5.0	5.0	
Interest Earnings	54.2	155.7	14.2	33.4	19.2	(73.8)	(38.4)	
Miscellaneous	21.5	8.6	18.6	18.9	0.3	(13.5)	(12.1)	
Total State Taxes and Fees	\$ 4,872.4	1.1 %	\$ 4,953.9	\$ 5,048.5	\$ 94.6	1.7 %	3.6 %	

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The November forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.4 – The Official and November Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2026

(Revenues in millions)

November 1, 2024

Fiscal Year 2026									
% Growth over FY 2025									
	Official Forecast	November Forecast	Change	Official	November				
Commonwealth Transportation Fund									
Motor Fuels Tax	\$ 1,554.6	\$ 1,555.9	\$ 1.3	3.3 %	2.9 %				
Road Tax	82.9	82.3	(0.6)	(2.6)	1.9				
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0				
Motor Vehicle Sales & Use Tax	1,220.6	1,240.2	19.6	2.3	1.6				
Motor Vehicle Rental Tax(1)	55.7	58.0	2.3	1.5	1.6				
Motor Vehicle License Fees	221.9	222.4	0.5	1.1	1.6				
Highway User Fee	67.9	104.7	36.8	3.8	15.2				
International Registration Plan	120.0	115.9	(4.1)	0.3	1.3				
Retail Sales and Use Tax	1,452.1	1,477.0	24.9	4.3	4.1				
Recordation Tax (3 cents)	56.0	63.6	7.6	0.2	21.1				
Insurance Premiums Tax (1/3)	220.2	240.4	20.2	(3.7)	5.1				
Interest Earnings	14.2	32.9	18.7	0.0	(1.5)				
Miscellaneous	18.6	18.9	0.3	0.0	0.0				
Total State Taxes and Fees	\$ 5,086.7	\$ 5,214.2	\$ 127.5	2.7 %	3.3 %				

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The November forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.4 – The Official and November Baseline Commonwealth Transportation Fund Forecast for Fiscal Years 2027-28
(Revenues in millions)

November 1, 2024

	Fiscal Year 2027			Fiscal Year 2028		
	November Forecast	% Growth Over FY 26		November Forecast	% Growth Over FY 27	
Commonwealth Transportation Fund						
Motor Fuels Tax	\$ 1,586.4	\$ 2.0 %		1,633.0	\$ 2.9 %	
Road Tax	83.0	0.9		84.3	1.6	
Aviation Fuels Tax	2.0	0.0		2.0	0.0	
Motor Vehicle Sales and Use Tax	1,256.4	1.3		1,271.8	1.2	
Motor Vehicle Rental Tax(1)	59.1	1.9		58.5	(1.0)	
Motor Vehicle License Fees	220.8	(0.7)		222.8	0.9	
Highway User Fee	119.0	13.7		133.9	12.5	
International Registration Plan	117.3	1.2		119.4	1.8	
Retail Sales and Use Tax	1,534.5	3.9		1,587.3	3.4	
Recordation Tax (3 cents)	74.8	17.6		85.4	14.2	
Insurance Premiums Tax (1/3)	249.4	3.7		258.7	3.7	
Interest Earnings	29.2	(11.2)		25.7	(12.0)	
Miscellaneous	18.9	0.0		18.9	0.0	
Total State Taxes and Fees	\$ 5,350.8	\$ 2.6 %		5,501.7	\$ 2.8 %	

The November forecast is consistent with the October 2024 staff Baseline economic scenario adapted for the recommendations of the Joint Advisory Board of Economists.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Alternative Forecast

Tables 4.5 and 4.6 on the following pages compares the November 2024 alternative forecasts and Official Commonwealth Transportation Fund forecasts.

Under the pessimistic, recession forecast, total transportation fund revenues are \$24.6 million lower in Fiscal Year 2025 and \$183.1 million lower in Fiscal Year 2026.

Under the above baseline forecast, total transportation fund revenues are \$140.5 million higher in Fiscal Year 2025 and \$208.1 million higher in Fiscal Year 2026.

Table 4.5 - The Official and November Pessimistic Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

November 1, 2024

	Fiscal Year 2024		Fiscal Year 2025		% Growth over FY 24		
	Forecast	% Growth	Official Forecast	November Forecast	Change	Official	November
	Commonwealth Transportation Fund						
Motor Fuels Tax	\$ 1,415.9	2.4 %	\$ 1,504.3	\$ 1,481.2	\$ (23.1)	6.2 %	4.6 %
Road Tax	80.0	(8.7)	85.1	80.8	(4.3)	6.4	1.0
Aviation Fuels Tax	2.0	0.0	2.0	2.0	0.0	0.0	0.0
Motor Vehicle Sales and Use Tax	1,200.0	(0.7)	1,193.5	1,172.7	(20.8)	(0.5)	(2.3)
Motor Vehicle Rental Tax(1)	55.4	3.0	54.9	57.1	2.2	(0.9)	3.1
Motor Vehicle License Fees	212.8	8.2	219.5	218.9	(0.6)	3.1	2.9
Highway User Fee	71.0	21.6	65.4	90.9	25.5	(7.9)	28.0
International Registration Plan	113.8	(1.1)	119.6	114.4	(5.2)	5.1	0.5
Retail Sales and Use Tax	1,377.1	(2.8)	1,392.2	1,379.4	(12.8)	1.1	0.2
Recordation Tax (3 cents)	50.9	(3.2)	55.9	50.9	(5.0)	9.8	0.0
Insurance Premiums Tax (1/3)	217.8	7.6	228.7	228.7	0.0	5.0	5.0
Interest Earnings	54.2	155.7	14.2	33.4	19.2	(73.8)	(38.4)
Miscellaneous	21.5	8.6	18.6	18.9	0.3	(13.5)	(12.1)
Total State Taxes and Fees	\$ 4,872.4	1.1 %	\$ 4,953.9	\$ 4,929.3	\$ (24.6)	1.7 %	1.2 %

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.5 - The Official and November Pessimistic Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

November 1, 2024

Fiscal Year 2026									
% Growth over FY 2025									
	Official Forecast	November Forecast	Change	Official	November				
Commonwealth Transportation Fund									
Motor Fuels Tax	\$ 1,554.6	\$ 1,495.9	\$ (58.7)	3.3 %	1.0 %				
Road Tax	82.9	82.3	(0.6)	(2.6)	1.9				
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0				
Motor Vehicle Sales and Use Tax	1,220.6	1,148.5	(72.1)	2.3	(2.1)				
Motor Vehicle Rental Tax(1)	55.7	58.0	2.3	1.5	1.6				
Motor Vehicle License Fees	221.9	222.4	0.5	1.1	1.6				
Highway User Fee	67.9	104.7	36.8	3.8	15.2				
International Registration Plan	120.0	115.9	(4.1)	0.3	1.3				
Retail Sales and Use Tax	1,452.1	1,332.7	(119.4)	4.3	(3.4)				
Recordation Tax (3 cents)	56.0	53.6	(2.4)	0.2	5.3				
Insurance Premiums Tax (1/3)	220.2	235.8	15.6	(3.7)	3.1				
Interest Earnings	14.2	32.9	18.7	0.0	(1.5)				
Miscellaneous	18.6	18.9	0.3	0.0	0.0				
Total State Taxes and Fees	\$ 5,086.7	\$ 4,903.6	\$ (183.1)	2.7 %	(0.5) %				

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.5 - The Official and November Pessimistic Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

November 1, 2024

	Fiscal Year 2027		Fiscal Year 2028	
	November Forecast	% Growth Over FY 26	November Forecast	% Growth over FY 27
Commonwealth Transportation Fund				
Motor Fuels Tax	\$ 1,536.8	\$ 2.7 %	1,581.2	\$ 2.9 %
Road Tax	83.0	0.9	84.3	1.6
Aviation Fuels Tax	2.0	0.0	2.0	0.0
Motor Vehicle Sales and Use Tax	1,205.0	4.9	1,211.7	0.6
Motor Vehicle Rental Tax(1)	59.1	1.9	58.5	(1.0)
Motor Vehicle License Fees	220.8	(0.7)	222.8	0.9
Highway User Fee	119.0	13.7	133.9	12.5
International Registration Plan	117.3	1.2	119.4	1.8
Retail Sales and Use Tax	1,402.3	5.2	1,482.4	5.7
Recordation Tax (3 cents)	64.5	20.3	75.2	16.6
Insurance Premiums Tax (1/3)	231.6	(1.8)	240.8	4.0
Interest Earnings	29.2	(11.2)	25.7	(12.0)
Miscellaneous	18.9	0.0	18.9	0.0
Total State Taxes and Fees	\$ 5,089.5	\$ 3.8 %	5,256.8	\$ 3.3 %

The Recession forecast is Moody's October 2024 Virginia Next-Cycle Recession scenario and staff's assumptions.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.6 - The Official and November Above Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

November 1, 2024

	Fiscal Year 2024			Fiscal Year 2025			% Growth over FY 2024	
	Forecast	% Growth	Official Forecast	November Forecast	Change	Official	November	
	Commonwealth Transportation Fund							
Motor Fuels Tax	\$ 1,415.9	2.4 %	\$ 1,504.3	\$ 1,531.3	\$ 27.0	6.2 %	8.2 %	
Road Tax	80.0	(8.7)	85.1	80.8	(4.3)	6.4	1.0	
Aviation Fuels Tax	2.0	0.0	2.0	2.0	0.0	0.0	0.0	
Motor Vehicle Sales and Use Tax	1,200.0	(0.7)	1,193.5	1,232.7	39.2	(0.5)	2.7	
Motor Vehicle Rental Tax(1)	55.4	3.0	54.9	57.1	2.2	(0.9)	3.1	
Motor Vehicle License Fees	212.8	8.2	219.5	218.9	(0.6)	3.1	2.9	
Highway User Fee	71.0	21.6	65.4	90.9	25.5	(7.9)	28.0	
International Registration Plan	113.8	(1.1)	119.6	114.4	(5.2)	5.1	0.5	
Retail Sales and Use Tax	1,377.1	(2.8)	1,392.2	1,431.0	38.8	1.1	3.9	
Recordation Tax (3 cents)	50.9	(3.2)	55.9	54.3	(1.6)	9.8	6.7	
Insurance Premiums Tax (1/3)	217.8	7.6	228.7	228.7	0.0	5.0	5.0	
Interest Earnings	54.2	155.7	14.2	33.4	19.2	(73.8)	(38.4)	
Miscellaneous	21.5	8.6	18.6	18.9	0.3	(13.5)	(12.1)	
Total State Taxes and Fees	\$ 4,872.4	1.1 %	\$ 4,953.9	\$ 5,094.4	\$ 140.5	1.7 %	4.6 %	

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The Above Baseline forecast is Moody's October 2024 Virginia Consensus scenario.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.6 - The Official and November Above Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2025
(Revenues in Millions)

November 1, 2024

	Fiscal Year 2026					% Growth over FY 2025	
	Official Forecast	November Forecast	Change	Official	November		
Commonwealth Transportation Fund							
Motor Fuels Tax	\$ 1,554.6	\$ 1,606.5	\$ 51.9	3.3 %	4.9 %		
Road Tax	82.9	82.3	(0.6)	(2.6)	1.9		
Aviation Fuels Tax	2.0	2.0	0.0	0.0	0.0		
Motor Vehicle Sales and Use Tax	1,220.6	1,251.0	30.4	2.3	1.5		
Motor Vehicle Rental Tax(1)	55.7	58.0	2.3	1.5	1.6		
Motor Vehicle License Fees	221.9	222.4	0.5	1.1	1.6		
Highway User Fee	67.9	104.7	36.8	3.8	15.2		
International Registration Plan	120.0	115.9	(4.1)	0.3	1.3		
Retail Sales and Use Tax	1,452.1	1,492.8	40.7	4.3	4.3		
Recordation Tax (3 cents)	56.0	66.9	10.9	0.2	23.2		
Insurance Premiums Tax (1/3)	220.2	240.5	20.3	(3.7)	5.2		
Interest Earnings	14.2	32.9	18.7	0.0	(1.5)		
Miscellaneous	18.6	18.9	0.3	0.0	0.0		
Total State Taxes and Fees	\$ 5,086.7	\$ 5,294.8	\$ 208.1	2.7 %	3.9 %		

The Official forecast is based on the October Moody's Analytics October 2023 mild recession scenario and adjusted for actions of the 2024 session of the General Assembly (Chapters 1 and 2).

The Above Baseline forecast is Moody's October 2024 Virginia Consensus scenario.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

Table 4.6 - The Official and November Above Baseline Commonwealth Transportation Fund Forecast for Fiscal Year 2025

(Revenues in Millions)

November 1, 2024

	Fiscal Year 2027			Fiscal Year 2028		
	November Forecast	% Growth Over FY 26		November Forecast	% Growth Over FY 27	
Commonwealth Transportation Fund						
Motor Fuels Tax	\$ 1,633.8	\$ 1.7 %		\$ 1,669.0	2.2 %	
Road Tax	83.0	0.9		84.3	1.6	
Aviation Fuels Tax	2.0	0.0		2.0	0.0	
Motor Vehicle Sales and Use Tax	1,273.1	1.8		1,277.3	0.3	
Motor Vehicle Rental Tax(1)	59.1	1.9		58.5	(1.0)	
Motor Vehicle License Fees	220.8	(0.7)		222.8	0.9	
Highway User Fee	119.0	13.7		133.9	12.5	
International Registration Plan	117.3	1.2		119.4	1.8	
Retail Sales and Use Tax	1,537.7	3.0		1,603.7	4.3	
Recordation Tax (3 cents)	78.6	17.5		89.9	14.4	
Insurance Premiums Tax (1/3)	249.8	3.9		259.2	3.8	
Interest Earnings	29.2	(11.2)		25.7	(12.0)	
Miscellaneous	18.9	0.0		18.9	0.0	
Total State Taxes and Fees	\$ 5,422.3	\$ 2.4 %		\$ 5,564.6	2.6 %	

The Above Baseline forecast is Moody's October 2024 Virginia Consensus scenario.

(1) Consistent with pages 4 and 5 of the monthly 10-page revenue report, includes distributions to Fund 04000 Commonwealth Transportation Fund and Fund 09830 WMATA Capital Fund.

ABC Revenues and Profits

Review of Fiscal Year 2024

The following was provided by Virginia ABC.

In Fiscal Year 2024, ABC’s total revenue, excluding state tax receipts, was \$1,256.2 million. Net sales of alcoholic beverages in the retail stores accounted for 97.2% of the revenue. The remaining 2.8% of revenue was generated largely through the Authority’s regulatory and licensing activities. Table 4.7 shows ABC’s revenues, costs, and profits for fiscal years 2021 through 2024. Along with the net ABC profits, Table 4.7 also shows transfers required by the Acts of the Assembly and net profits for distribution transferred to the General Fund.

**Table 4.7 – Alcoholic Beverage Control Authority Components of the Enterprise Fund
Revenues, Expenses, and Disbursements
Fiscal Years 2021-2024
(Revenues in millions)****

	<u>2021</u>	<u>2022***</u>	<u>2023</u>	<u>2024</u>
Total Revenue*	\$ 1,135.0	\$ 1,173.1	\$ 1,230.4	\$ 1,256.2
Cost of Goods & Total Operating Expenses	906.0	931.5	999.7	1,006.8
Net ABC Profit	233.0	253.0	226.6	243.1
Transfer to the General Fund:				
Reimbursement for Appropriations as provided by the Acts of the Assembly	69.4	69.4	69.4	69.4
Net Profits for Distribution	\$ 179.0	\$ 175.3	\$ 163.6	\$ 173.2

*These revenue figures exclude receipts collected under the state tax on alcoholic beverages and the general sales tax.

** VABC Annual Report is the principal source of data for this report.

*** Revenue and Profit includes the \$15.1M gain on the sale of the Hermitage Road facility.

ABC Revenues and Profit Forecast

Comparisons of ABC’s performance in Fiscal Year 2023, estimated performance for Fiscal Year 2024, and actual performance in Fiscal Year 2024, are included in Table 4.8. Fiscal Year 2024 actual compared to 2024 forecast shows a decrease in sales, a decrease in net ABC profits for distribution, and a decrease in state tax revenue. Table 4.9 contains Fiscal Year 2024 results for store sales, profits for distribution and state tax revenues along with the 2025 through 2027 forecasts. Profit forecasts in Table 4.9 are net of the \$69.4 million in transfers mandated by the Appropriation Act.

ABC's profit forecast is a factor of two elements: sales performance and trends in expenses. In both cases, forecasts beyond Fiscal Year 2025 are more prone to forecast variances given uncertainty with the economy and impacts on customer behavior.

In Fiscal Year 2025, ABC expects sales to be flat with the prior year in the retail segment driven by 3.5% volume growth, 0.25% net pricing increases, 1.25% increased premiumization fully offset by unfavorable mix of 5.0% due to customers trading down to smaller sizes. Conservative sales growth of 1.0% and 1.7% is anticipated in fiscal years 2026 through 2027, respectively. The factors impacting declining growth include the effects of rising inflation, reductions in discretionary spending, competing alcohol beverage products (beer, wine and ready to drink) and cannabis, and generational changes in alcohol consumption and buying habits. Lingering supply risks for imported spirits may exist due to the tentative nature of the dockworker's union labor contract. Additionally, premiumization was a major driver of profit growth in previous years and a slow-down of this trend will further challenge performance.

On the expense side, ABC is faced with salary, wage and benefit cost increases, automatic rent escalation, freight increases due to higher fuel costs and volume, telecommunication and technology costs and growth in credit card fees that are all very difficult to influence in the short run. One of the challenges that ABC faces is the change in marketplace demand for workers and the increased wages and personnel costs associated with the demand for employees. The Fiscal Year 2025 and 2026 forecasts represent the 3% pay increases for employees of the Commonwealth. Maintaining strong wage structures amid an increasingly competitive landscape is a priority to both retain and hire the talent to grow the Authority's revenues. Additional increases in salary expenses are driven by the recent Fair Labor Standards Act mandatory increases to minimum annual salaries for exempt employees. Personnel cost escalation in Fiscal Year 2027 forecast and beyond was tempered at a lower rate reflecting a leveling off in the upward trend. ABC's Fiscal Year 2027 forecast includes an ongoing annual cost reduction of \$12.0 million for anticipated credit card fee recoveries. Uncertainty in the acceptance of this proposed change could drive costs up and profits down by \$12.0 million annually in the fiscal years 2027 through 2030 presented. Credit card recovery project costs are also included in Fiscal Year 2025 through 2030 at approximately \$0.3 million per year.

Personnel costs account for 60% of ABC non-merchandise expenditures, 18% are for continuous charges such as rent, GASB 87 lease amortization and utilities, 16% are for contractual services such as credit card fees, shipping product to stores and telecommunications, and 6% are for miscellaneous expenses such as supplies and materials, equipment, and depreciation. In fiscal years 2025 through 2027, increases in expenditures are expected due to the need to make ongoing infrastructure improvements to improve our information technology infrastructure. Currently, several of ABC's systems are dated and have reached their end-of-life, needing to be upgraded to maintain viability and to keep up with ABC's growing needs. Changes in salary and benefit cost rates, impacts of recession, continuing inflation, and mandated Appropriations Act transfers, can also significantly impact the accuracy of ABC's expense forecasts.

Distribution of ABC Profits and ABC State Tax Revenues

During Fiscal Year 2024, ABC contributed \$243.4 million (accrual basis) of net profits to the Commonwealth, and collected \$322.3 million of taxes on store sales, wine and beer and an additional \$70.0 million of general sales tax totaling \$635.7 million.

Net ABC profits are generally earmarked for deposit in the General Fund; certain appropriations have been made by the General Assembly to recover alcohol-related program costs. The transfers for these programs and others were \$69.4 million in Fiscal Year 2024. These appropriations are charged against net ABC profits before

being transferred to the General Fund. The remaining ABC profits are transferred into the General Fund as ABC profits. ABC expects to be below current Chapter 2 bill transfer requirements by \$1.0 million for Fiscal Year 2025 given the projected decrease in gross sales from the previous forecast. Additionally, risks include the impact of recession, continuing inflation and supply chain impacts on inventory.

In any given time period, amounts transferred to the General Fund will not correspond to net ABC profit earned, due to a 50-day interval before the profits are transferred to the Fund. This timing issue is exacerbated at year-end when ABC must estimate fourth quarter profits and make the transfer in advance of the final year-end closing.

**Table 4.8 – A Comparison of Fiscal Year 2023 Results to
Fiscal Year 2024 Estimated and Actual Results**
(Revenues in millions)

	<u>FY23 Actual</u>	<u>FY24 Estimate</u>	<u>FY24 Actual</u>	<u>Variance</u>	
				<u>Amount</u>	<u>Percent</u>
Total Store Sales*	1,443.9	1,517.4	1,472.5	(44.9)	-3.0%
Net ABC Profit for Distribution	163.6	174.1	173.2	(0.9)	-0.5%
State Tax Revenue**	270.9	284.0	273.8	(10.2)	-3.6%

*These figures include state tax on alcoholic beverages and exclude the general sales tax collected at ABC stores

**State Tax Revenue does not include \$9.1m wine liter tax transferred to DBHDS

**Table 4.9 – Forecast of ABC Store Sales, ABC State Tax on Alcohol
and Net Profits for Distribution**
(Revenues in millions)

	Actual		Forecast				
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Total ABC Store Sales: (1)	1,472.5	1,472.3	1,487.0	1,512.3	1,538.0	1,568.7	1,601.6
Excess (Shortage) FY 2023 & 2024 Q4 profits (7)	(0.8)	3.0					
Adjusted Net Profits for							
Distribution: (2) (3) (5) (6)	174.0	158.1	156.1	171.5	173.5	178.0	184.5
Total Adjusted Net Profits for Distribution	173.2	161.1	156.1	171.5	173.5	178.0	184.5
ABC State Tax Revenues: (1)							
Spirits	243.3	244.3	246.7	250.9	255.2	260.3	265.7
Wine (4)	30.3	31.1	31.7	32.3	32.9	33.6	34.3
Total Tax Revenue:	273.6	275.4	278.4	283.2	288.1	293.9	300.0

(1) Excludes the general sales tax.

(2) Does not include appropriation transfers mandated by Virginia Acts of Assembly.

(3) ABC develops forecasts on an accrual basis. The transfer of profits occurs on a cash basis. Variances often occur at year end when ABC has to transfer profit on June 30th.

(4) Wine figure excludes statutory transfers.

(5) Forecasted decrease in FY 2025 Adjusted Net Profit is driven by flat sales growth, coupled with increases in personal services costs including the Commonwealth 3% pay increase and the 1/2 year impact of the Fair Labor Standards minimum wage act impacting full time exempt employees.

(6) Forecasted decrease in FY 2026 Adjusted Net Profit is driven by low sales growth of only 1% coupled with increases in personal services costs including the Commonwealth 3% pay increase and the full year impact of the Fair Labor Standards minimum wage act impacting full time exempt employees and normal cost inflation impacting rents and outbound freight.

(7) Reflects the accrual-based transfer of the excess FY 2023 and FY 2024 Q4 profits deposited into the general fund in Q1 of FY 2024 and FY 2025, respectively.

(8) FY 2027 through FY 2030 includes cost reductions for credit card recovery fees at approximately \$12.0 million each year. Credit card recovery project costs are also included in FY 2025 - FY 2030 at approximately \$0.3 million each year.

Lottery Proceeds Fund

Each fiscal year, the Lottery makes periodic transfers of net income (revenues from sales plus other income, minus expenses) to the Lottery Proceeds Fund, in accordance with the schedule included in the Appropriations Act. Expenses are comprised of prizes to players, commissions to retailers, ticket printing and distribution, contractual fees for gaming system operations, and administrative operating costs. The primary drivers of the net income transferred are sales of lottery products and prizes paid to players.

Review of Fiscal Year 2024

The Virginia Lottery transferred \$944.7 million to the Lottery Proceeds Fund during Fiscal Year 2024. The Lottery also transferred \$10.0 million for debt set-off to the Department of Taxation and \$20.5 million from unclaimed prizes to the Literary Fund.

Sales for Fiscal Year 2024 were \$5.5 billion, an increase of \$909 million (+19.7%) from Fiscal Year 2023. Net income was \$934.1 million, \$66.7 million (+7.7%) more than Fiscal Year 2023.

Total transfers to the Lottery Proceeds Fund during Fiscal Year 2024 were as follows: \$86.2 million in residual profits from Fiscal Year 2023, and \$858.5 million in estimated profits from Fiscal Year 2024. The \$75.6 million of residual Fiscal Year 2024 profits, transferred in August 2024 after the 2024 fiscal year results were certified by the Auditor of Public Accounts, will be included in the total Fiscal Year 2025 transfers.

Lottery Forecast

For Fiscal Year 2025, the Lottery is projecting sales of \$5.807 billion and net income (turnover to the Lottery Proceeds Fund) of \$868.2 million. Prize expense is estimated to be \$4.6 billion, or 78.5% of sales; retailer compensation is forecast to be \$144.9 million, or 5.8% of retail sales. This forecast takes into account current trends, the expansion of the competitive gaming environment, simulation models for jackpot progressions and sales, and statistically expected prize expense rates. The total estimated \$868.2 million (\$868,222,842) net income, plus the residual \$75.6 million (\$75,601,408) of FY24 profits that has been transferred during FY25, brings the total expected transfers to the Lottery Proceeds Fund for FY25 to \$943.8 million (\$943,824,250). This is an increase of \$40,898,049 from the figure in Chapter 2 for FY2025.

For Fiscal Year 2026, the Lottery expects that sales will sustain the growth anticipated in the current year, creating revenue for the Lottery Proceeds Fund of \$875.3 million (\$875,335,350) in FY26. This is an increase of \$22,409,149 from the figure in Chapter 2 for FY2026. The Lottery recommends holding this estimate steady for each year of the next biennium.

For the 2024-2026 biennium, the expected transfers to the Lottery Proceeds Fund total \$1.819 billion, an increase of \$63,307,198 from the total in Chapter 2.

Sales Projections

For each fiscal year forecast, the Lottery total forecast is the sum of sales forecasts developed by the Lottery for each of its products. The methodology for each estimate is dependent upon the nature of the product. The data used in our models include such factors as: experiences of other U.S. and Canadian lotteries, variability of prize percentage, economic variables such as predicted interest rates, seasonal factors, promotions, and product life cycles.

Traditional Games

Traditional-style lottery products include those available at approximately 5,300 retail sales partners across Virginia. These products include scratch-off tickets, draw-game tickets where players select numbers that may match future draw results for chances to win prizes, instant-win games printed at lottery terminals, and limited-offerings including raffle style games. Games include national and regional multi-state game offerings as well as Virginia-only style games.

iLottery Products

Effective starting July 1, 2020, registered adult players within the geographic boundaries of Virginia may purchase Instant games online, for chances to win prizes. In addition to the online-only category of Instant

games, several other traditional-style games are also available for purchase, including single or multiple future drawings to games including Powerball and Mega Millions.

Net Income Projections

The Lottery is forecasting net income of \$868.2 million for Fiscal Year 2025, and \$875.3 million for Fiscal Year 2026. The Lottery’s largest expense, prizes to players, is expected to increase over this period as sales increase and players buy more products designed with a higher portion of sales returned back in the form of prizes. Retailers should continue to earn commissions and incentives equal to about 6% of retail sales. Operating expenses are projected to remain low in proportion to sales, less than 5% of total sales – about half of the 10% statutory maximum.

For the 2026-2028 biennium, net income is projected at about \$875 million each year.

Table 4.10 – Forecast of Lottery Sales and Transfers to the Lottery Proceeds Fund

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Sales	\$5,806,587,183	\$6,181,913,815	\$6,181,913,815	\$6,181,913,815
- Prize Expense	\$4,556,495,834	\$4,902,229,180	\$4,902,229,180	\$4,902,229,180
- Retailer Compensation	\$144,938,694	\$147,770,262	\$147,770,262	\$147,770,262
- Operating Expenses	\$246,929,813	\$263,579,023	\$263,579,023	\$263,579,023
+ Other Income	\$10,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Net Income	\$868,222,842	\$875,335,350	\$875,335,350	\$875,335,350
Other Transfers	\$75,601,408	\$0	\$0	\$0
Total Available	\$943,824,250	\$875,335,350	\$875,335,350	\$875,335,350

Key Risks and Assumptions

Key Assumptions

The Virginia Lottery developed its sales and revenue forecasts based upon a variety of baseline assumptions, including:

- Continued traditional lottery gaming competition from neighboring jurisdictions, as well as the competition from sports betting and casino-style gaming in Virginia and neighboring jurisdictions;
- No legislatively mandated change in the overall compensation rate paid to retailers offering Lottery products, or other constraints on Lottery expenses including prizes;
- No additional legislatively mandated limitation on the administrative spending for the Lottery, other than the current statutory 10% spending cap in place since the Lottery’s inception; and
- No new constraints on the Lottery’s sales and marketing efforts, including the ability to advertise products, establish prizes paid to players, and offer licensed property and other lottery games of chance that appeal to consumers.

Key Risks

There are a number of ongoing risks associated with the Virginia Lottery's forecast that could significantly affect the Lottery's transfer to the Lottery Proceeds Fund:

- The first is luck. Since the basis of many of the Lottery's products is a random drawing, in the relatively short period of one year, a wide range of outcomes can occur. If the Lottery experiences unusually high payouts in its daily games in any given year, sales may be higher than projected, but profits lower simply due to players winning more money. Luck is also a primary driver of sales for Mega Millions and Powerball. If jackpots are won with more frequency than expected, then sales will be lower than expected due to smaller jackpots. A long period without a jackpot win can generate much higher sales due to the growth of the jackpot, exceeding \$1 billion. This type of sales activity is never anticipated as part of a forecast of expected results and can have longer-term negative impacts on game sales.
- A second risk is competition from other gaming opportunities available to consumers. Mobile sports wagering became available in Virginia starting in January 2021. Five Virginia localities approved local referenda to establish land-based casino gaming. There are currently three casinos operating in Virginia, all of which opened during FY23. There is also volatility in the presence of electronic gaming devices at retail and social establishments throughout Virginia, commonly referenced as skill games. The ebb and flow of these games' unregulated presence, often in the same or neighboring locations that offer lottery products, produce notable impacts on the retail sales of lottery products.
- Other risks include cybersecurity and associated threats to the lottery's continuous gaming operations, public health emergencies and the potential for additional retail and consumer purchase disruption, the overall economic impacts from changes in employment, inflation and consumer disposable income, as well as potential legislative action related to gaming in Virginia.

The current estimates of sales and profits also presume that the Lottery's appropriation authority is sufficient to support its operations for activities including investments in technology, sales equipment necessary to sustain and expand the Lottery retailer network, advertising, and contractual commitments to vendor partners that are primarily based on percentage of sales agreements. Estimates also do not anticipate any change in the distribution of lottery profits, or any change in the prize allocations or prize types available to players.

Regulated Gaming Revenues

The 2020 General Assembly passed legislation making mobile sports betting and land-based casino gaming legal in Virginia. Licensed operators began offering mobile sports betting in January 2021, and the first land-based casino opened to the public in July 2022.

Sports Betting Taxes

Mobile sports betting operators handled nearly \$6.3 billion in wagers during the 2023-2024 fiscal year. Operators file monthly tax reports with the Virginia Lottery, detailing their adjusted gross revenues calculated from wagers, wins, and allowable deductions that include federal excise taxes and limited deductions for promotional bonuses during an operator's first year of operations. Operators pay a 15% tax on their adjusted gross revenues, and \$80.6 million in taxes were paid by operators in FY24. Statute directs 97.5% of sports betting taxes (\$78.6M) to the General Fund, with the remaining 2.5% (\$2.0M) to the Problem Gambling Treatment and Support Fund.

Forecast Overview – Fiscal Years 2025 through 2028

Beginning on July 1, 2022, budget language restricted sports betting operators from deducting free bets, bonus offers, and promotional wagering from their tax filings, after the operator’s first full year of operations. This language continues in the budget for Fiscal Year 2025.

For Fiscal Year 2025, taxes from regulated sports betting activities are expected to total \$88.6 million, with \$86.4 million to the General Fund and \$2.2M to the Problem Gambling Treatment and Support Fund.

Table 4.11 – Projection of Sports Betting Taxes

	FY 2025	FY 2026	FY 2027	FY 2028
General Fund	\$86,412,479	\$89,700,000	\$89,700,000	\$89,700,000
Problem Gambling Treatment and Support Fund	\$2,215,705	\$2,300,000	\$2,300,000	\$2,300,000
Total Sports Betting Taxes	\$88,628,184	\$92,000,000	\$92,000,000	\$92,000,000

Risks and Considerations

Mobile sports betting is an emerging industry, currently in its fourth year of operation. Tax estimates are based on trends in wagering and tax submissions. A number of environmental factors could impact this activity and the associated tax collections, including:

- Cybersecurity risks, as experienced in the gaming industry and most online businesses
- The overall integrity of sporting events and its impact on sports betting wagers and outcomes
- Changes in tax calculations, and in particular, the calculation of operators’ adjusted gross revenues relative to allowed deductions for promotional and bonus wagers. If the budget language is removed or changed, or if statutory changes are passed, there could be an overall tax impact.

Casino Gaming Taxes

The first land-based casino operations began in Virginia with the opening of Hard Rock Bristol in July 2022. Later that same fiscal year, Rivers Portsmouth began operations in January 2023, and Caesars Virginia began operations in Danville in May 2023. Total tax collections from casino gaming were nearly \$124 million in Fiscal Year 2024. Distribution of casino gaming taxes is set out in the Code of Virginia: \$81.6 million available for the School Construction Fund; host localities (\$40.9 million); the Family & Children’s Trust Fund (\$0.25 million); and the Problem Gambling Treatment and Support Fund (\$1.0M).

Forecast Overview – Fiscal Years 2025 through 2028

For Fiscal Year 2025, taxes from regulated casino gaming are estimated based on the most recent trends in casino gaming activity, with anticipated growth as both the casinos in Danville and Bristol transition to their permanent facilities in late calendar year 2024. There are no estimates for any casino that is not yet operational.

Table 4.12 – Projection of Casino Gaming Taxes

	FY 2025	FY 2026	FY 2027	FY 2028
School Construction Fund	\$92,146,495	\$96,554,000	\$96,554,000	\$96,554,000
Host Locality	\$44,534,219	\$46,600,000	\$46,600,000	\$46,600,000
Family & Children's Trust Fund	\$276,123	\$289,200	\$289,200	\$289,200
Problem Gambling Treatment and Support Fund	\$1,104,491	\$1,156,800	\$1,156,800	\$1,156,800
Total Casino Taxes	\$138,061,328	\$144,600,000	\$144,600,000	\$144,600,000

Risks and Considerations

Casino gaming is still an emerging industry in Virginia. Tax estimates are based on limited historical activity at each casino location, and the statutory tax requirements. A number of environmental factors could impact this activity and the associated tax collections, including:

- The general overall economic health, in particular in the travel and hospitality industry.
- The timing of the casino opening in Norfolk, which is expected to be late 2025.
- The overall security and integrity of casino operations.
- Potential increased competition from neighboring states, and from other in-state gaming opportunities.

Section 5: The Tax Cuts and Jobs Act

Tax Cuts and Jobs Act of 2017

In 2017, Congress enacted the Tax Cuts and Jobs Act of 2017 (“TCJA”) that made a number of changes to income taxes for individuals and businesses. It is the most substantial federal tax legislation since 1986. Some of the more significant changes, including most of the individual income tax provisions, are scheduled to expire for taxable years beginning after December 31, 2025. Unless extended, these expiring provisions will revert to the law as it was prior to the TCJA.

While the TCJA was enacted to generally reduce taxpayers’ federal income tax burden, some of the TCJA’s provisions would have resulted in an aggregate state income tax increase for Virginia taxpayers absent legislative action. Since 2017, Virginia’s General Assembly has made several changes to ameliorate some of the impact of the TCJA on Virginia taxpayers at the state level. As with the TCJA, some of the post-2017 changes to Virginia tax law are also scheduled to expire after 2025.

Individual Income Tax Provisions of the TCJA

Individual Income Tax Rates and Brackets

The TCJA adjusted the individual income tax rates and brackets. The number of individual income tax brackets remains at seven. However, the income ranges of several brackets were adjusted, and the rates of most brackets were lowered. Additionally, the income ranges for the brackets are now adjusted for inflation using the Chained Consumer Price Index (C-CPI). The changes to the individual income tax rates and brackets’ income ranges have no impact on Virginia because Virginia does not conform to the federal income tax rates and instead uses its own graduated rate structure.

Increased Standard Deduction

The TCJA eliminated personal exemptions and nearly doubled the standard deduction from \$6,350 for single taxpayers and \$12,700 for married couples filing jointly to \$12,000 for single taxpayers and \$24,000 for married couples filing jointly. This increase took effect in Taxable Year 2019 with the standard deduction amounts indexed for inflation in subsequent years. Because Virginia taxpayers may only itemize on their Virginia return if they itemize on their federal return, the higher federal standard deduction incentivized certain taxpayers to claim the federal standard deduction and, therefore, the Virginia standard deduction. In response to the increase in the federal standard deduction, Virginia increased its standard deduction from \$3,000 for single taxpayers and \$6,000 for married couples filing jointly to \$4,500 for single taxpayers and \$9,000 for married couples filing jointly in Taxable Years 2019 through 2021, \$8,000 for single taxpayers and \$16,000 for married couples filing jointly in Taxable Years 2022 and 2023, and \$8,500 for single taxpayers and \$17,000 for married couples filing jointly in Taxable Years 2024 and 2025.

Unless this provision of the TCJA is extended, the federal standard deduction will revert to its pre-TCJA amounts after Taxable Year 2025. The Virginia standard deduction is also set to return to \$3,000 for single taxpayers and \$6,000 for married couples for Taxable Year 2026 and beyond. If the TCJA’s changes to the federal standard deduction are not extended and Virginia chooses to extend the modifications to Virginia’s standard deduction, there would be a substantial negative revenue impact.

Modification of Certain Deductions and Exclusions

The TCJA made changes to various deduction and exclusions, including limiting the moving expenses deduction and repealing the employer-provided bicycle commuter benefit exclusion. By modifying the amount of deductions and exclusions taxpayers may make, these provisions change the amount of federal adjusted gross income (“FAGI”) reported on taxpayers’ federal income tax returns. All of these provisions are set to expire after Taxable Year 2025. Because Virginia uses FAGI as the starting point for its individual income computation, if Congress does not extend these expiring provisions, the net result would be a negative impact on Virginia revenues.

Modification of Certain Itemized Deductions Including the State and Local Taxes Deduction (SALT)

The TCJA modified several types of itemized deductions. The federal deductions for non-disaster casualty losses, wagering, and certain miscellaneous deductions were repealed. The deduction for interest on home equity debt was also repealed and the limit on the mortgage interest deduction was reduced from \$1 million of home acquisition indebtedness to \$750,000. The TCJA also increased the limit on the amount of the charitable deduction that may be taken as an itemized deduction. However, one of the most significant changes made was to the treatment of state and local taxes that may deducted.

For the federal income tax, individuals can generally deduct the amount paid in state and local income taxes, sales taxes, real property taxes, and personal property taxes. The TCJA capped the SALT deduction at \$10,000. Because Virginia disallows the deduction for income taxes, taxpayers are impacted on the Virginia return to the extent they have real and personal property taxes (and sales taxes) in excess of the \$10,000 cap. In response to this provision, Virginia allows individual taxpayers to deduct the full amount of SALT taxes paid for Virginia income tax purposes. Furthermore, Virginia enacted an elective pass-through entity tax (“PTET”) with a corresponding credit for eligible pass-through entity owners, which allows business taxpayers a workaround to the \$10,000 SALT cap. All of these modifications to federal itemized deductions are scheduled to expire after Taxable Year 2025, and Virginia’s PTET is also set to expire at that time.

By generally reducing the amount of itemized deductions taxpayers may take, collectively these provisions increase the amount of FAGI reported on taxpayers’ federal income tax returns. As a result, if Congress does not extend these provisions, they would have a negative revenue impact on Virginia.

Individual Alternative Minimum Tax (AMT) Exemption Increase

The TCJA temporarily increased the Alternative Minimum Tax (“AMT”) exemption and phase-out thresholds for individuals. Under current law under the TCJA, the AMT exemption amounts for 2024 are \$133,300 for married couples filing jointly (with the phase-out threshold increased to \$1,218,700), \$66,650 for married individuals filing separately (with the phase-out threshold increased to \$609,350), and \$85,700 for all other individual taxpayers (with the phase-out threshold increased to \$609,350). Without legislative action, the AMT exemption amounts will return to pre-TCJA levels. Because Virginia does not conform to the federal AMT, this would not have a Virginia revenue impact.

Estate, Gift, and Generation-Skipping Transfer Tax Exemption

The TCJA temporarily doubled the Estate, Gift, and Generation-Skipping Transfer (“GST”) Tax exemption amount from \$5 million to \$10 million. It also indexed the exemption for inflation and is currently set at \$13.61 million per individual in 2024. This enhanced exclusion applies to estates of decedents, gifts made, and generation-skipping transfers. If the provision sunsets, the exemption will revert to the pre-TCJA amount of approximately

\$5 million per individual (as indexed for inflation), which is estimated to be around \$7 million by 2026. This provision has no impact on Virginia because Virginia has effectively repealed its estate tax.

Student Loan Forgiveness

Forgiven student debts are generally considered income for federal and state income tax purposes. Under the TCJA, student loans discharged due to the death or permanent total disability of the student are not included in gross income. The American Rescue Plan Act ("ARPA") expanded this student loan forgiveness exemption so that almost any discharged student loan would be eligible for the exemption. The TCJA exemption for student loan forgiveness and the ARPA expansion of the exemption both expire at the end of 2025. If Congress does not extend this provision, the increase in taxpayer's FAGI would result in a positive revenue impact on Virginia.

Business Provisions of the TCJA

Corporate Income Tax Rate

The TCJA reduced the corporate income tax rate from having a top rate of 35% to a flat rate of 21%. Unlike the adjustments to the individual income tax rates and brackets, the reduction of the corporate income tax rate is permanent. Because Virginia does not conform to the federal corporate tax rate, and instead has its own 6% flat tax rate, the federal corporate income tax rate reduction has no impact on Virginia.

Elimination of the Corporate Alternative Minimum Tax

The TCJA repealed the 20% Alternative Minimum Tax (AMT) on corporations. This provision is permanent. Because Virginia does not conform to the federal AMT, this would not have a Virginia revenue impact.

Increase to IRC Section 179 Expensing of Depreciable Assets

The TCJA increased the IRC section 179 expensing from \$500,000 to \$1 million, and with its phaseout range beginning at \$2.5 million instead of \$2 million as it did previously. The TCJA also expanded the definition of qualified property. These provisions have a negative revenue impact on Virginia because they decrease the amount of FAGI, or federal taxable income in the case of corporations, reported on federal return and then transferred to Virginia returns. These provisions are permanent and as a result are assumed in the forecast.

Increase to IRC Section 168(k) Bonus Depreciation

The TCJA significantly changed the rule for IRC Section 168(k) bonus depreciation by allowing businesses to immediately write off 100% of the cost of eligible property, whereas prior to the TCJA, it was 50% of such costs. This provision began phasing down in Taxable Year 2023. It has no impact on Virginia because Virginia does not conform to the federal rules on bonus depreciation.

Noncorporate Loss Limitation

The TCJA limits active pass-through losses to noncorporate taxpayers to \$500,000 for joint filers and \$250,000 for all others. Prior to the TCJA there was no limit. This provision has a positive revenue impact for Virginia because it increases the amount of FAGI reported on federal returns and transferred to Virginia returns. This provision is set to expire after Taxable Year 2028. If Congress does not extend this provision, it would have a negative revenue impact on Virginia.

Qualified Business Income (“QBI”) Deduction

The TCJA provided a new deduction for noncorporate taxpayers for qualified business income (“QBI”). The deduction is generally 20% of a taxpayer’s qualified business income from a partnership, S corporation, or sole proprietorship. Qualified business income is defined as the net amount of items of income, gain, deduction, and loss with respect to the trade or business. The QBI deduction is set to expire on December 31, 2025. This deduction provides tax relief for certain small business owners and self-employed individuals but has no impact on Virginia revenue because it is computed after FAGI is calculated on the federal return. As a result, it is not transferred to the Virginia return.

Limitation of Net Business Interest Deduction

The TCJA limited the net business interest deduction to 30% of a business’s adjusted income but allowed carryforward of any denied deduction. This provision is permanent and has a positive revenue impact for Virginia because it increases the amount of federal adjusted gross income, or federal taxable income in the case of corporations, reported on a federal return and then transferred to the Virginia return. In response to the limitation of the federal deduction, Virginia allows an individual and corporate income tax deduction for a percentage of the business interest disallowed as a deduction under the business interest limitation in the following amounts:

- For Taxable Years 2018 through 2021, the deduction was 20 percent,
- For Taxable Years 2022 through 2023, the deduction was 30 percent, and
- For Taxable Years 2024 and following, the deduction was 50 percent.

Both the federal and state provisions are permanent and as a result are assumed in the forecast.

International Provisions of the TCJA

The TCJA transitioned the United States from a worldwide international corporate income tax system to a territorial system with various anti-abuse and base erosion provisions. This included requiring repatriation of deferred income, taxing global intangible low-taxed income (“GILTI”), lowering the effective tax rate on foreign-derived intangible income (“FDII”), and disallowing deductions for certain base erosion payments through the base erosion and anti-abuse tax (“BEAT”). These provisions are permanent and as a result are assumed in the forecast to the extent that they impact Virginia.

Global Intangible Low-Taxed Income (GILTI)/ Foreign-Derived Intangible Income (FDII)

GILTI was introduced as part of the TCJA to prevent U.S. multinational companies from shifting profits to low-tax foreign jurisdictions. FDII is another provision introduced by the TCJA, designed to encourage U.S. corporations to export goods and services while retaining their intellectual property (“IP”) within the U.S.

Under current law (under the TCJA), domestic corporations are allowed a 50% deduction for GILTI amounts (resulting in a tax rate of 10.5%) and a 37.5% deduction for income deemed derived from FDII (resulting in a tax rate of 13.125%). After 2025, the GILTI rate goes up from 10.5% to 12.5% (the deduction amount for GILTI will be reduced from 50% of the corporate rate to 37.5%), and the FDII rate will go up, from 13.125% to 16.4% (the deduction amount for FDII goes down from 37.5% of the corporate rate to 21.87%).

Virginia’s existing subtraction for Subpart F income was expanded to allow a corporate income tax subtraction for Taxable Year 2018 and after for amounts included in federal taxable income by the operation of IRC § 951A

related to GILTI. This subtraction applies only to the extent included in and not otherwise subtracted from federal taxable income. Therefore, taxpayers may report a subtraction equal to the net inclusion of GILTI after taking into account the offset of any deduction under IRC § 250 or any other section of the Internal Revenue Code.

Base Erosion and Anti-Abuse Tax (BEAT)

The BEAT is a 10% minimum tax that aims to prevent large multinational corporations from reducing their U.S. tax liability by making deductible payments (“base erosion payments” such as interest, royalties, or service fees) to related foreign affiliates in low-tax jurisdictions. After 2025, the BEAT tax rate increases from 10% to 12.5% for applicable taxpayers with BEAT liability; the rate goes up from 11% to 13.5% for certain banks and securities dealers. Because Virginia does not conform to the federal BEAT, this would not have a Virginia revenue impact.

Virginia’s Forecast

Virginia’s Forecast is based on historical revenues adjusted for economic trends and certain policy changes. However, our forecast assumes that all expiring provisions will be extended because many exemptions, credits and other tax expenditures had sunset dates have been routinely extended in the past. Therefore, the forecasted revenues in Tables 3.3 and 3.4 do not reflect the impact of federal or Virginia provisions that are currently scheduled to expire after December 31, 2025.

Potential Impact of Expiring Provisions on the Forecast

If both Congress and the General Assembly extend the expiring provisions, then there would be no impact on forecasted Virginia tax revenues. While some of the expiring provisions may be extended, future actions by Congress or the General Assembly are unknown.

The table below shows the impact on forecasted income tax revenue assuming that:

- Congress does not extend any of the expiring provisions.
- The General Assembly acts to extend the expiring provisions for Virginia purposes.

Table 5.1 – Estimated Virginia Revenue Impact – Federal Provisions Expire & Virginia Provisions Extended

Provisions (revenues in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Standard Deduction Modification	(\$88.0)	(\$232.0)	(\$264.0)	(\$300.1)	(\$339.3)
Deduction for Moving Expenses	(\$1.6)	(\$4.0)	(\$4.2)	(\$4.4)	(\$4.7)
Exclusion for Employer-Provided Bicycle Commuter Benefits	-	\$0.1	\$0.1	\$0.1	\$0.1
Repeal/Limitation of Itemized Deductions	(\$127.5)	(\$326.0)	(\$344.5)	(\$363.6)	(\$383.4)
Limitation on Charitable Contributions	(\$0.3)	(\$0.8)	(\$0.8)	(\$0.9)	(\$1.0)
Exclusion for Student Loan Discharge	\$0.8	\$2.2	\$2.8	\$3.5	\$4.4
Noncorporate Loss Limitation	-	-	-	(\$23.5)	(\$60.3)
Total	(\$216.6)	(\$560.5)	(\$610.6)	(\$688.9)	(\$784.2)

President-Elect Trump’s Positions on the TCJA Provisions

As candidates, Vice President Harris and President-elect Trump made the following proposals.

	Harris	Trump
Tax Cuts and Jobs Act	Extend the expiring individual income tax cuts from TCJA for taxpayers making under \$400,000.	Make the expiring individual income tax cuts from the TCJA permanent.
Individual Income Tax Rate Cuts	Increase the top individual income tax rate to 39.6% for income above \$400,000 for single filers and \$450,000 for joint filers.	Retain current rates under TCJA.
State and Local Tax (SALT) Deduction Cap		Reinstate an unlimited itemized deduction for State and Local Taxes (SALT) paid or discontinue the cap as part of TCJA extension.
Corporate Income Tax Rate	Increase the corporate income tax rate from 21% to 28%.	Lower the corporate income tax rate from 21% to 20%; Lower the corporate income tax rate from 21% to 15% for companies that make their products in the US.
Global Intangible Low-Taxed Income (GILTI)	Increase the GILTI tax rate from 10.5% to 21%, calculate taxes by jurisdiction, and revise related rules.	
Foreign-Derived Intangible Income (FDII)	Eliminate the reduced tax rate on the FDII.	

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Appendix A: Economic Data

**Table A.1 – Quarterly National and Virginia Economic Variables
History**

	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4	2023.1	2023.2	2023.3	2023.4	2024.1	2024.2
U.S. Real Gross Domestic Product																
Billions Ch.2017\$, SAAR	20,548.8	20,771.7	21,058.4	21,389.0	21,571.4	21,960.4	21,903.9	21,919.2	22,066.8	22,249.5	22,403.4	22,539.4	22,780.9	22,960.6	23,053.5	23,223.9
Annualized % Change	35.2	4.4	5.6	6.4	3.5	7.4	(1.0)	0.3	2.7	3.4	2.8	2.5	4.4	3.2	1.6	3.0
% Change from Prior Year's Quarter	(1.4)	(1.0)	1.8	12.2	5.0	5.7	4.0	2.5	2.3	1.3	2.3	2.8	3.2	3.2	2.9	3.0
Virginia Real Gross State Product																
Billions Ch.2017\$, SAAR	540.1	547.1	556.0	562.3	567.3	576.3	574.2	576.2	583.7	587.7	589.0	595.5	598.8	607.1	608.7	613.5
Annualized % Change	27.0	5.2	6.7	4.6	3.6	6.5	(1.4)	1.4	5.3	2.7	0.9	4.4	2.3	5.6	1.1	3.2
% Change from Prior Year's Quarter	(1.0)	(0.2)	2.6	10.5	5.0	5.3	3.3	2.5	2.9	2.0	2.6	3.3	2.6	3.3	3.3	3.0
Real Consumer Spending,																
Billions Ch.2017\$, SAAR	13,813.0	14,008.1	14,328.6	14,809.1	14,924.3	15,086.9	15,123.4	15,219.9	15,277.6	15,324.0	15,510.2	15,548.5	15,646.7	15,781.4	15,856.9	15,967.3
Annualized % Change	41.2	5.8	9.5	14.1	3.1	4.4	1.0	2.6	1.5	1.2	5.0	1.0	2.5	3.5	1.9	2.8
% Change from Prior Year's Quarter	(1.6)	(0.8)	3.2	16.9	8.0	7.7	5.5	2.8	2.4	1.6	2.6	2.2	2.4	3.0	2.2	2.7
Before-Tax Corporate Profits																
Billions \$, SAAR	2,906.4	2,744.6	3,102.8	3,447.7	3,431.1	3,427.8	3,464.2	3,674.4	3,562.1	3,418.7	3,539.8	3,597.3	3,748.9	3,887.7	3,963.0	4,088.7
Annualized % Change	233.6	(20.5)	63.3	52.4	(1.9)	(0.4)	4.3	26.6	(11.7)	(15.2)	14.9	6.7	18.0	15.6	8.0	13.3
% Change from Prior Year's Quarter	22.0	12.6	35.4	60.3	18.1	24.9	11.6	6.6	3.8	(0.3)	2.2	(2.1)	5.2	13.7	12.0	13.7
CPI, All Urban																
1982-1984=1.0, SA	259.2	261.0	263.7	268.6	272.9	278.7	284.8	291.7	295.5	298.4	301.2	303.5	306.0	308.1	311.0	313.2
Annualized % Change	4.6	2.8	4.1	7.7	6.5	8.8	9.1	10.0	5.3	4.0	3.8	3.0	3.4	2.7	3.8	2.8
% Change from Prior Year's Quarter	1.2	1.2	1.9	4.8	5.3	6.8	8.0	8.6	8.3	7.1	5.7	4.0	3.6	3.2	3.2	3.2
Core PCE Price Index																
Index 2017=100, SA	105.2	105.7	106.5	108.1	109.4	110.8	112.5	113.8	115.2	116.6	117.9	119.1	119.7	120.3	121.5	122.3
Annualized % Change	3.1	1.8	3.4	5.9	4.9	5.3	6.1	4.8	5.2	4.7	4.7	3.8	2.4	2.0	3.7	2.8
% Change from Prior Year's Quarter	1.3	1.4	1.9	3.5	4.0	4.9	5.6	5.3	5.4	5.2	4.9	4.6	3.9	3.2	3.0	2.7
Federal Funds Rate																
% p.a., NSA	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8	2.2	3.6	4.5	5.0	5.3	5.3	5.3	5.3
Annualized % Change	521.7	(15.2)	(45.8)	(34.4)	197.8	(39.9)	497.9	138,363.5	6,986.7	656.1	135.7	48.0	24.0	5.2	0.0	0.0
% Change from Prior Year's Quarter	(95.8)	(94.6)	(93.8)	17.0	(2.6)	(10.7)	62.8	1,003.4	2,337.0	4,489.4	3,536.3	557.5	139.1	46.0	17.9	6.9
10-Year Treasury Constant Maturities																
% p.a., NSA	0.7	0.9	1.3	1.6	1.3	1.5	2.0	2.9	3.1	3.8	3.6	3.6	4.1	4.4	4.2	4.4
Annualized % Change	(19.8)	211.7	470.2	101.1	(51.9)	79.5	162.1	410.3	25.0	131.9	(17.6)	(5.4)	77.4	31.9	(23.7)	31.2
% Change from Prior Year's Quarter	(63.8)	(51.8)	(2.1)	131.3	103.6	77.4	46.1	84.3	134.1	149.6	86.9	22.6	33.8	16.2	14.0	23.7

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.1 – Quarterly National and Virginia Economic Variables
History**

	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4	2023.1	2023.2	2023.3	2023.4	2024.1	2024.2
U.S. Personal Income																
Billions \$, SAAR	19,834.3	19,682.7	22,155.5	21,034.8	21,148.8	21,338.9	21,557.4	21,853.0	22,299.8	22,645.5	22,981.2	23,288.8	23,532.4	23,807.8	24,344.2	24,659.9
Annualized % Change	(6.9)	(3.0)	60.5	(18.7)	2.2	3.6	4.2	5.6	8.4	6.3	6.1	5.5	4.2	4.8	9.3	5.3
% Change from Prior Year's Quarter	7.7	5.9	18.0	4.2	6.6	8.4	(2.7)	3.9	5.4	6.1	6.6	6.6	5.5	5.1	5.9	5.9
Virginia Personal Income																
Millions \$, SAAR	531,430.4	534,578.0	596,861.7	568,196.0	573,340.3	581,178.4	588,063.9	596,632.9	613,003.9	622,285.2	628,702.5	640,586.3	646,815.5	658,210.3	670,015.7	678,961.6
Annualized % Change	(8.4)	2.4	55.4	(17.9)	3.7	5.6	4.8	6.0	11.4	6.2	4.2	7.8	3.9	7.2	7.4	5.4
% Change from Prior Year's Quarter	5.4	5.3	16.5	4.6	7.9	8.7	(1.5)	5.0	6.9	7.1	6.9	7.4	5.5	5.8	6.6	6.0
U.S. Wages and Salaries																
Billions \$, SAAR	9,434.8	9,801.6	9,879.5	10,171.9	10,451.0	10,759.9	10,892.8	10,995.9	11,278.9	11,325.0	11,480.7	11,641.0	11,824.0	11,955.3	12,251.0	12,434.8
Annualized % Change	20.8	16.5	3.2	12.4	11.4	12.4	5.0	3.8	10.7	1.6	5.6	5.7	6.4	4.5	10.3	6.1
% Change from Prior Year's Quarter	1.1	3.4	2.6	13.0	10.8	9.8	10.3	8.1	7.9	5.3	5.4	5.9	4.8	5.6	6.7	6.8
Virginia Wages and Salaries																
Millions \$, SAAR	267,662.3	277,831.2	277,615.7	284,628.0	290,497.8	298,106.3	300,996.1	305,159.5	315,584.7	317,423.8	320,557.0	327,493.9	332,221.1	339,300.2	345,715.1	351,449.6
Annualized % Change	14.6	16.1	(0.3)	10.5	8.5	10.9	3.9	5.6	14.4	2.4	4.0	8.9	5.9	8.8	7.8	6.8
% Change from Prior Year's Quarter	1.7	4.4	2.5	10.0	8.5	7.3	8.4	7.2	8.6	6.5	6.5	7.3	5.3	6.9	7.8	7.3
Virginia Wages and Salaries Per Emp.																
Thousands \$, SAAR	70.1	71.6	71.1	72.5	73.1	74.4	74.8	75.1	76.9	77.2	77.3	78.6	79.5	81.0	82.0	82.8
Annualized % Change	(4.2)	8.6	(2.4)	8.1	3.5	7.3	2.0	1.6	10.1	1.1	0.5	7.3	4.4	8.0	5.1	3.7
% Change from Prior Year's Quarter	8.2	9.6	7.2	2.4	4.3	4.0	5.2	3.6	5.2	3.7	3.3	4.7	3.3	5.0	6.2	5.3
Virginia Dividends, Interest, and Rent																
Millions \$, SAAR	99,974.8	103,186.2	105,227.9	108,661.7	111,019.6	113,301.2	114,773.5	118,219.0	121,205.8	125,049.1	128,756.1	131,281.1	132,356.0	134,969.4	136,229.0	136,691.7
Annualized % Change	(0.2)	13.5	8.2	13.7	9.0	8.5	5.3	12.6	10.5	13.3	12.4	8.1	3.3	8.1	3.8	1.4
% Change from Prior Year's Quarter	(2.6)	0.7	3.4	8.6	11.0	9.8	9.1	8.8	9.2	10.4	12.2	11.0	9.2	7.9	5.8	4.1
Virginia Proprietor's Income																
Millions \$, SAAR	30,086.5	28,607.2	32,454.7	34,418.2	34,948.8	34,803.0	33,813.3	33,940.3	34,606.4	35,144.7	35,311.5	35,506.0	35,852.4	36,492.5	37,018.5	37,719.8
Annualized % Change	117.8	(18.3)	65.7	26.5	6.3	(1.7)	(10.9)	1.5	8.1	6.4	1.9	2.2	4.0	7.3	5.9	7.8
% Change from Prior Year's Quarter	5.6	(0.1)	19.1	39.0	16.2	21.7	4.2	(1.4)	(1.0)	1.0	4.4	4.6	3.6	3.8	4.8	6.2
S&P 500 Stock Market Index 1941-43=10, NSA																
Index 1941-43=10, NSA	3,321.6	3,554.3	3,862.6	4,182.5	4,421.2	4,601.0	4,467.0	4,110.2	3,973.6	3,852.0	4,003.0	4,204.3	4,458.2	4,471.5	4,995.7	5,254.3
Annualized % Change	65.5	31.1	39.5	37.5	24.9	17.3	(11.1)	(28.3)	(12.6)	(11.7)	16.6	21.7	26.4	1.2	55.8	22.4
% Change from Prior Year's Quarter	12.3	15.2	25.8	42.8	33.1	29.4	15.6	(1.7)	(10.1)	(16.3)	(10.4)	2.3	12.2	16.1	24.8	25.0

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.1 – Quarterly National and Virginia Economic Variables
History**

	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4	2023.1	2023.2	2023.3	2023.4	2024.1	2024.2
U.S. Total Nonag. Employment																
Millions #, SA	140.6	142.6	143.5	145.2	147.2	149.2	150.8	152.0	153.3	154.1	155.0	155.8	156.4	157.1	157.8	158.4
Annualized % Change	22.3	5.8	2.7	4.6	5.9	5.4	4.3	3.3	3.5	2.2	2.4	2.0	1.7	1.6	2.0	1.5
% Change from Prior Year's Quarter	(7.0)	(6.0)	(5.4)	8.6	4.7	4.6	5.0	4.7	4.1	3.3	2.8	2.5	2.1	1.9	1.8	1.7
Virginia Total Nonag. Employment																
Thousands #, SA	3,818.2	3,882.2	3,903.2	3,925.0	3,971.8	4,004.5	4,022.9	4,062.1	4,101.2	4,113.4	4,148.7	4,164.9	4,179.6	4,187.0	4,213.7	4,244.7
Annualized % Change	19.6	6.9	2.2	2.3	4.9	3.3	1.9	4.0	3.9	1.2	3.5	1.6	1.4	0.7	2.6	3.0
% Change from Prior Year's Quarter	(6.0)	(4.8)	(4.4)	7.5	4.0	3.2	3.1	3.5	3.3	2.7	3.1	2.5	1.9	1.8	1.6	1.9
Unemployment Rate																
%, SA	8.8	6.7	6.2	5.9	5.1	4.2	3.8	3.6	3.5	3.6	3.5	3.6	3.7	3.7	3.8	4.0
Annualized % Change	(79.0)	(65.7)	(26.6)	(17.9)	(46.8)	(54.3)	(30.8)	(16.4)	(10.6)	3.8	(7.3)	7.8	15.8	3.7	7.3	22.8
% Change from Prior Year's Quarter	144.4	87.0	62.6	(54.4)	(42.4)	(38.1)	(39.0)	(38.8)	(30.3)	(14.4)	(7.9)	(1.8)	4.7	4.7	8.6	12.1
U.S. Civilian Labor Force																
Millions #, SA	160.4	160.8	160.2	161.0	161.6	162.1	163.9	164.1	164.5	164.7	166.3	166.8	167.6	167.8	167.5	167.9
Annualized % Change	5.9	1.0	(1.5)	2.0	1.5	1.4	4.4	0.5	0.9	0.5	3.9	1.4	1.9	0.4	(0.6)	0.9
% Change from Prior Year's Quarter	(2.1)	(2.3)	(2.2)	1.8	0.7	0.8	2.3	1.9	1.8	1.6	1.5	1.7	1.9	1.9	0.8	0.6
Virginia Civilian Labor Force																
Thousands #, SA	4,308.0	4,297.6	4,292.3	4,310.4	4,316.9	4,341.3	4,388.3	4,413.4	4,431.9	4,480.4	4,531.8	4,548.1	4,557.8	4,576.8	4,589.5	4,579.4
Annualized % Change	1.8	(1.0)	(0.5)	1.7	0.6	2.3	4.4	2.3	1.7	4.5	4.7	1.4	0.9	1.7	1.1	(0.9)
% Change from Prior Year's Quarter	(2.5)	(3.2)	(3.2)	0.5	0.2	1.0	2.2	2.4	2.7	3.2	3.3	3.1	2.8	2.2	1.3	0.7
US Total Population																
Millions #, NSA	331.8	332.0	332.3	332.6	333.0	333.5	334.1	334.7	335.5	336.3	337.2	338.1	339.0	340.0	341.0	342.1
Annualized % Change	0.3	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.2
% Change from Prior Year's Quarter	0.3	0.3	0.3	0.3	0.4	0.5	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.2
Virginia Total Population																
Thousands #, NSA	8,645.2	8,653.6	8,662.4	8,671.6	8,681.1	8,691.4	8,703.0	8,716.7	8,732.8	8,751.6	8,773.3	8,798.1	8,824.3	8,851.5	8,879.7	8,908.1
Annualized % Change	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.7	0.9	1.0	1.1	1.2	1.2	1.3	1.3
% Change from Prior Year's Quarter	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3
U.S. Existing Home Sales																
Single-Family, Millions #, SAAR	5.5	5.8	5.5	5.2	5.4	5.6	5.3	4.7	4.3	3.8	3.9	3.8	3.6	3.5	3.8	3.7
Annualized % Change	228.4	25.5	(18.5)	(19.8)	13.1	16.6	(18.6)	(36.3)	(34.5)	(36.2)	7.2	(12.4)	(16.3)	(12.4)	42.8	(14.0)
% Change from Prior Year's Quarter	13.8	22.3	13.3	28.1	(1.9)	(3.7)	(3.7)	(9.1)	(20.7)	(31.8)	(26.9)	(20.9)	(15.9)	(8.9)	(2.1)	(2.6)

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.1 – Quarterly National and Virginia Economic Variables
History**

	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4	2023.1	2023.2	2023.3	2023.4	2024.1	2024.2
Virginia Existing Single-Family Home Sales																
Thousands #, SAAR	126.6	140.4	137.7	127.7	135.3	141.1	129.3	114.9	102.8	91.7	94.9	89.4	85.6	83.6	93.0	91.9
Annualized % Change	142.0	51.3	(7.5)	(26.0)	25.9	18.3	(29.4)	(37.7)	(35.8)	(36.9)	14.8	(21.0)	(16.0)	(9.0)	53.1	(4.7)
% Change from Prior Year's Quarter	11.2	24.6	20.0	25.8	6.8	0.5	(6.1)	(10.1)	(24.0)	(35.0)	(26.6)	(22.1)	(16.7)	(8.8)	(1.9)	2.8
PCE, Gasoline and Energy																
Millions \$, SAAR	7,129.1	7,016.4	8,522.7	9,772.3	10,677.1	11,775.1	12,684.4	14,388.9	13,072.0	12,412.7	11,969.6	11,711.9	12,117.1	11,787.8	11,234.8	11,537.5
Annualized % Change	196.0	(6.2)	117.7	72.9	42.5	47.9	34.7	65.6	(31.9)	(18.7)	(13.5)	(8.3)	14.6	(10.4)	(17.5)	11.2
% Change from Prior Year's Quarter	(25.4)	(27.6)	(2.2)	79.8	49.8	67.8	48.8	47.2	22.4	5.4	(5.6)	(18.6)	(7.3)	(5.0)	(6.1)	(1.5)
PCE, Motor Vehicles and Parts																
Millions \$, SAAR	15,645.6	15,847.2	17,167.6	18,878.4	16,890.1	17,927.9	18,346.4	18,032.1	18,004.6	18,062.4	19,137.5	19,059.3	18,563.7	18,203.0	17,663.1	17,694.4
Annualized % Change	124.9	5.3	37.7	46.2	(35.9)	26.9	9.7	(6.7)	(0.6)	1.3	26.0	(1.6)	(10.0)	(7.5)	(11.3)	0.7
% Change from Prior Year's Quarter	8.0	8.1	31.8	47.8	8.0	13.1	6.9	(4.5)	6.6	0.8	4.3	5.7	3.1	0.8	(7.7)	(7.2)
PCE, Goods																
Millions \$, SAAR	132,768.3	133,354.4	139,532.2	146,562.6	145,501.6	150,654.0	153,959.8	156,995.5	157,372.3	156,918.1	159,795.8	159,896.9	160,994.3	161,343.7	160,134.8	161,153.8
Annualized % Change	57.2	1.8	19.9	21.7	(2.9)	14.9	9.1	8.1	1.0	(1.1)	7.5	0.3	2.8	0.9	(3.0)	2.6
% Change from Prior Year's Quarter	8.8	8.2	13.7	23.6	9.6	13.0	10.3	7.1	8.2	4.2	3.8	1.8	2.3	2.8	0.2	0.8
PCE, Services																
Millions \$, SAAR	22,057.9	21,830.3	23,008.8	26,243.6	27,994.5	28,714.0	28,904.8	30,812.8	31,574.8	32,404.8	33,334.1	33,549.5	34,149.0	34,794.7	34,882.9	35,052.7
Annualized % Change	224.4	(4.1)	23.4	69.2	29.5	10.7	2.7	29.1	10.3	10.9	12.0	2.6	7.3	7.8	1.0	2.0
% Change from Prior Year's Quarter	(14.8)	(17.5)	(6.0)	59.7	26.9	31.5	25.6	17.4	12.8	12.9	15.3	8.9	8.2	7.4	4.6	4.5
PCE, Food and Beverages																
Millions \$, SAAR	32,149.5	32,067.6	33,145.6	33,897.8	34,431.8	35,277.2	35,926.4	36,667.9	37,387.4	37,905.4	38,084.5	38,078.8	38,325.8	38,518.8	38,587.6	38,682.5
Annualized % Change	2.0	(1.0)	14.1	9.4	6.5	10.2	7.6	8.5	8.1	5.7	1.9	(0.1)	2.6	2.0	0.7	1.0
% Change from Prior Year's Quarter	10.7	10.3	6.5	6.0	7.1	10.0	8.4	8.2	8.6	7.5	6.0	3.8	2.5	1.6	1.3	1.6
PCE, Financial Services and Insurance																
Millions \$, SAAR	25,605.1	26,269.9	26,991.3	27,464.3	27,837.0	28,225.4	28,300.6	28,312.2	28,742.3	29,266.0	29,819.0	30,808.1	31,223.0	31,189.0	32,308.3	32,684.1
Annualized % Change	11.6	10.8	11.4	7.2	5.5	5.7	1.1	0.2	6.2	7.5	7.8	13.9	5.5	(0.4)	15.1	4.7
% Change from Prior Year's Quarter	0.7	3.2	5.3	10.2	8.7	7.4	4.9	3.1	3.3	3.7	5.4	8.8	8.6	6.6	8.3	6.1
Mortgage Purchase Originations																
Billions \$, SAAR	50.0	57.3	61.5	59.8	59.6	63.3	59.2	52.4	43.7	41.5	39.5	37.4	37.6	37.8	46.5	39.1
Annualized % Change	37.3	72.8	33.3	(10.9)	(1.6)	27.5	(23.6)	(38.4)	(51.5)	(18.9)	(17.9)	(20.1)	2.9	1.9	129.2	(50.1)
% Change from Prior Year's Quarter	14.4	38.4	37.2	29.6	19.2	10.5	(3.9)	(12.3)	(26.5)	(34.4)	(33.2)	(28.7)	(14.0)	(9.0)	17.7	4.6
Mortgage Refinance Originations																
Billions \$, SAAR	122.7	140.0	145.2	107.0	84.1	56.4	33.0	17.2	7.5	4.9	4.3	6.2	6.1	5.1	11.2	12.1
Annualized % Change	55.8	69.7	15.6	(70.5)	(61.8)	(79.8)	(88.3)	(92.7)	(96.3)	(81.3)	(39.9)	314.7	(7.6)	(52.0)	2,261.8	36.9
% Change from Prior Year's Quarter	211.1	155.2	176.1	(2.5)	(31.4)	(59.7)	(77.3)	(84.0)	(91.1)	(91.3)	(86.8)	(63.8)	(19.0)	2.5	156.7	94.6

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.2-1 – Quarterly National and Virginia Economic Variables
Baseline Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Real Gross Domestic Product																
Billions Ch.2017\$, SAAR	23,235.7	23,279.7	23,364.2	23,435.5	23,550.2	23,676.3	23,781.9	23,877.5	24,057.1	24,218.1	24,321.1	24,390.2	24,555.5	24,700.4	24,812.3	24,881.0
Annualized % Change	0.2	0.8	1.5	1.2	2.0	2.2	1.8	1.6	3.0	2.7	1.7	1.1	2.7	2.4	1.8	1.1
% Change from Prior Year's Quarter	2.0	1.4	1.3	0.9	1.4	1.7	1.8	1.9	2.2	2.3	2.3	2.1	2.1	2.0	2.0	2.0
Virginia Real Gross State Product																
Billions Ch.2017\$, SAAR	614.0	614.6	617.1	619.2	622.7	625.9	628.7	631.3	635.6	639.2	641.7	643.8	648.1	651.6	654.4	656.2
Annualized % Change	0.3	0.4	1.7	1.3	2.3	2.1	1.8	1.7	2.8	2.2	1.6	1.3	2.8	2.1	1.7	1.1
% Change from Prior Year's Quarter	2.5	1.2	1.4	0.9	1.4	1.8	1.9	2.0	2.1	2.1	2.1	2.0	2.0	1.9	2.0	1.9
Real Consumer Spending																
Billions Ch.2017\$, SAAR	15,996.3	16,052.4	16,120.3	16,175.6	16,282.7	16,396.0	16,488.7	16,571.6	16,717.8	16,830.3	16,876.4	16,915.4	17,021.8	17,086.3	17,154.1	17,213.0
Annualized % Change	0.7	1.4	1.7	1.4	2.7	2.8	2.3	2.0	3.6	2.7	1.1	0.9	2.5	1.5	1.6	1.4
% Change from Prior Year's Quarter	2.2	1.7	1.7	1.3	1.8	2.1	2.3	2.4	2.7	2.6	2.4	2.1	1.8	1.5	1.6	1.8
Before-Tax Corporate Profits																
Billions \$, SAAR	4,035.5	3,995.0	4,004.4	4,013.4	4,045.7	4,065.4	4,074.9	4,102.0	4,152.2	4,171.5	4,163.7	4,147.8	4,202.8	4,255.1	4,298.7	4,321.6
Annualized % Change	(5.1)	(4.0)	0.9	0.9	3.2	2.0	0.9	2.7	5.0	1.9	(0.7)	(1.5)	5.4	5.1	4.2	2.2
% Change from Prior Year's Quarter	7.6	2.8	1.0	(1.8)	0.3	1.8	1.8	2.2	2.6	2.6	2.2	1.1	1.2	2.0	3.2	4.2
CPI, All Urban																
1982-1984=1.0, SA	314.0	315.8	317.8	319.7	321.6	323.4	325.2	327.1	328.9	330.8	332.7	334.5	336.4	338.3	340.3	342.3
Annualized % Change	1.1	2.3	2.5	2.5	2.4	2.2	2.3	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.4	2.3
% Change from Prior Year's Quarter	2.6	2.5	2.2	2.1	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Core PCE Price Index																
Index 2017=100, SA	122.9	123.4	124.1	124.7	125.3	125.8	126.4	127.0	127.7	128.3	129.0	129.6	130.3	131.0	131.7	132.5
Annualized % Change	1.9	1.9	2.2	1.9	1.9	1.7	1.9	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2
% Change from Prior Year's Quarter	2.6	2.6	2.2	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.1	2.2
Federal Funds Rate																
% p.a., NSA	5.3	4.6	4.1	3.6	3.2	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Annualized % Change	(4.6)	(44.3)	(37.2)	(41.0)	(33.1)	(27.7)	(10.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Change from Prior Year's Quarter	0.1	(14.6)	(24.0)	(33.4)	(39.1)	(34.9)	(28.9)	(18.9)	(10.3)	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0
10-Year Treasury Constant Maturities																
% p.a., NSA	4.0	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.7	3.6	3.5	3.5	3.5	3.5
Annualized % Change	(37.6)	(23.2)	12.4	2.6	(1.4)	(3.3)	(3.2)	(0.1)	(1.4)	(1.4)	(7.2)	(8.4)	(5.1)	(5.1)	(1.2)	(1.6)
% Change from Prior Year's Quarter	(4.7)	(16.7)	(8.3)	(13.8)	(3.3)	2.4	(1.4)	(2.0)	(2.0)	(1.5)	(2.5)	(4.7)	(5.6)	(6.5)	(5.0)	(3.3)

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.2-2 – Quarterly National and Virginia Economic Variables
Baseline Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Personal Income																
Billions \$, SAAR	24,656.0	24,865.2	25,096.9	25,365.6	25,576.7	25,759.9	26,009.3	26,273.1	26,502.7	26,821.2	27,201.1	27,566.6	27,820.1	28,078.7	28,431.5	28,762.8
Annualized % Change	(0.1)	3.4	3.8	4.4	3.4	2.9	3.9	4.1	3.5	4.9	5.8	5.5	3.7	3.8	5.1	4.7
% Change from Prior Year's Quarter	4.8	4.4	3.1	2.9	3.7	3.6	3.6	3.6	3.6	4.1	4.6	4.9	5.0	4.7	4.5	4.3
Virginia Personal Income																
Millions \$, SAAR	684,134.1	685,095.2	689,469.0	694,220.5	703,708.1	710,210.5	718,907.7	731,065.5	741,004.1	749,564.2	757,440.0	764,544.4	771,221.9	777,955.8	787,336.5	796,337.7
Annualized % Change	3.1	0.6	2.6	2.8	5.6	3.7	5.0	6.9	5.5	4.7	4.3	3.8	3.5	3.5	4.9	4.7
% Change from Prior Year's Quarter	5.8	4.1	2.9	2.2	2.9	3.7	4.3	5.3	5.3	5.5	5.4	4.6	4.1	3.8	3.9	4.2
U.S. Wages and Salaries																
Billions \$, SAAR	12,384.3	12,487.1	12,588.3	12,686.9	12,763.5	12,843.3	12,920.5	13,008.9	13,138.3	13,337.3	13,531.9	13,732.9	13,888.2	14,029.5	14,168.5	14,307.5
Annualized % Change	(1.6)	3.4	3.3	3.2	2.4	2.5	2.4	2.8	4.0	6.2	6.0	6.1	4.6	4.1	4.0	4.0
% Change from Prior Year's Quarter	4.7	4.4	2.8	2.0	3.1	2.9	2.6	2.5	2.9	3.8	4.7	5.6	5.7	5.2	4.7	4.2
Virginia Wages and Salaries																
Millions \$, SAAR	352,931.0	352,584.9	354,028.8	355,204.1	359,654.8	362,728.6	366,105.8	371,701.9	377,404.0	382,628.1	386,387.3	390,071.4	394,044.0	397,642.5	401,395.8	405,279.6
Annualized % Change	1.7	(0.4)	1.6	1.3	5.1	3.5	3.8	6.3	6.3	5.7	4.0	3.9	4.1	3.7	3.8	3.9
% Change from Prior Year's Quarter	6.2	3.9	2.4	1.1	1.9	2.9	3.4	4.6	4.9	5.5	5.5	4.9	4.4	3.9	3.9	3.9
Virginia Wages and Salaries Per Emp.																
Thousands \$, SAAR	83.3	83.2	83.9	84.2	84.9	85.6	86.3	87.4	88.6	89.8	90.6	91.4	92.2	93.0	93.8	94.7
Annualized % Change	2.4	(0.2)	3.4	1.2	3.3	3.3	3.3	5.4	5.5	5.5	3.6	3.6	3.6	3.7	3.6	3.6
% Change from Prior Year's Quarter	4.8	2.7	2.3	1.7	1.9	2.8	2.8	3.8	4.4	4.9	5.0	4.5	4.1	3.6	3.6	3.6
Virginia Dividends, Interest, and Rent																
Millions \$, SAAR	137,547.2	136,469.5	136,443.2	136,234.1	137,731.1	138,531.1	139,708.7	141,840.1	144,038.3	145,071.0	145,814.2	146,412.4	147,772.0	148,794.8	150,373.9	151,904.1
Annualized % Change	2.5	(3.1)	(0.1)	(0.6)	4.5	2.3	3.4	6.2	6.3	2.9	2.1	1.7	3.8	2.8	4.3	4.1
% Change from Prior Year's Quarter	3.9	1.1	0.2	(0.3)	0.1	1.5	2.4	4.1	4.6	4.7	4.4	3.2	2.6	2.6	3.1	3.8
Virginia Proprietor's Income																
Millions \$, SAAR	38,519.0	38,521.9	38,805.7	39,270.3	40,143.0	40,696.4	41,365.5	42,326.5	43,044.1	43,472.1	43,858.1	44,288.4	44,855.4	45,400.1	46,089.8	46,845.7
Annualized % Change	8.7	0.0	3.0	4.9	9.2	5.6	6.7	9.6	7.0	4.0	3.6	4.0	5.2	4.9	6.2	6.7
% Change from Prior Year's Quarter	7.4	5.6	4.8	4.1	4.2	5.6	6.6	7.8	7.2	6.8	6.0	4.6	4.2	4.4	5.1	5.8
S&P 500 Stock Market Index																
Index 1941-43=10, NSA	5,545.8	5,652.7	5,578.1	5,417.8	5,553.8	5,564.2	5,508.9	5,457.6	5,815.2	5,814.9	5,761.6	5,774.6	6,163.6	6,165.9	6,132.2	6,115.6
Annualized % Change	24.1	7.9	(5.2)	(11.0)	10.4	0.8	(3.9)	(3.7)	28.9	(0.0)	(3.6)	0.9	29.8	0.2	(2.2)	(1.1)
% Change from Prior Year's Quarter	24.4	26.4	11.7	3.1	0.1	(1.6)	(1.2)	0.7	4.7	4.5	4.6	5.8	6.0	6.0	6.4	5.9

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.2-3 – Quarterly National and Virginia Economic Variables
Baseline Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Total Nonag. Employment																
Millions #, SA	158.9	158.7	158.7	158.1	158.5	158.8	158.7	158.4	159.4	159.7	159.6	159.0	159.9	160.2	160.0	159.4
Annualized % Change	1.2	(0.4)	0.1	(1.6)	1.0	0.8	(0.3)	(0.9)	2.6	0.8	(0.3)	(1.4)	2.3	0.7	(0.5)	(1.4)
% Change from Prior Year's Quarter	1.6	1.1	0.6	(0.2)	(0.2)	0.1	(0.0)	0.1	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.3
Virginia Total Nonag. Employment																
Thousands #, SA	4,237.7	4,236.0	4,218.2	4,219.6	4,237.8	4,239.7	4,244.3	4,252.5	4,260.5	4,262.0	4,266.3	4,269.5	4,274.9	4,275.4	4,277.4	4,280.5
Annualized % Change	(0.7)	(0.2)	(1.7)	0.1	1.7	0.2	0.4	0.8	0.7	0.1	0.4	0.3	0.5	0.0	0.2	0.3
% Change from Prior Year's Quarter	1.4	1.2	0.1	(0.6)	0.0	0.1	0.6	0.8	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.3
Unemployment Rate																
%, SA	4.2	4.3	4.3	4.7	4.5	4.4	4.4	4.7	4.2	4.1	4.2	4.6	4.1	4.0	4.2	4.6
Annualized % Change	21.6	10.8	3.0	41.1	(15.2)	(13.6)	6.6	26.7	(37.4)	(8.2)	11.8	41.2	(35.4)	(7.8)	19.6	42.2
% Change from Prior Year's Quarter	13.5	15.4	14.2	18.3	8.1	1.6	2.5	(0.2)	(7.5)	(6.1)	(5.0)	(2.4)	(1.6)	(1.5)	0.1	0.3
U.S. Civilian Labor Force																
Millions #, SA	168.6	168.6	168.7	168.8	168.9	169.0	169.1	169.2	169.3	169.5	169.7	169.8	169.9	170.1	170.3	170.4
Annualized % Change	1.6	0.2	0.3	0.2	0.2	0.3	0.1	0.3	0.2	0.4	0.4	0.4	0.2	0.4	0.4	0.4
% Change from Prior Year's Quarter	0.6	0.5	0.7	0.5	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Virginia Civilian Labor Force																
Thousands #, SA	4,570.9	4,573.5	4,574.0	4,578.8	4,582.9	4,584.7	4,588.1	4,595.2	4,595.5	4,599.6	4,606.0	4,613.5	4,613.6	4,617.3	4,623.2	4,630.6
Annualized % Change	(0.7)	0.2	0.0	0.4	0.4	0.2	0.3	0.6	0.0	0.4	0.6	0.7	0.0	0.3	0.5	0.6
% Change from Prior Year's Quarter	0.3	(0.1)	(0.3)	(0.0)	0.3	0.2	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
US Total Population																
Millions #, NSA	342.9	343.6	344.2	344.7	345.1	345.5	345.9	346.3	346.7	347.1	347.4	347.8	348.2	348.5	348.9	349.2
Annualized % Change	1.0	0.8	0.7	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	1.1	1.0	0.9	0.8	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Virginia Total Population																
Thousands #, NSA	8,933.0	8,953.1	8,970.7	8,986.1	8,999.9	9,012.8	9,024.8	9,036.4	9,047.6	9,058.6	9,069.2	9,079.7	9,089.8	9,099.5	9,109.1	9,118.6
Annualized % Change	1.1	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	1.2	1.1	1.0	0.9	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
U.S. Existing Single-Family Home Sales																
Millions #, SAAR	3.7	3.9	4.2	4.3	4.4	4.4	4.5	4.5	4.6	4.6	4.7	4.7	4.8	4.9	4.9	4.9
Annualized % Change	(0.5)	29.2	39.6	10.9	2.9	4.2	3.3	2.7	10.2	4.6	3.7	1.1	10.2	5.1	1.6	(2.9)
% Change from Prior Year's Quarter	1.7	12.1	11.5	18.8	19.8	13.5	5.3	3.3	5.1	5.2	5.3	4.8	4.8	5.0	4.4	3.4

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.2-4 – Quarterly National and Virginia Economic Variables
Baseline Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
Virginia Existing Single-Family Home Sales																
Thousands #, SAAR	92.3	99.1	108.3	111.8	113.0	114.4	115.7	116.8	119.7	121.2	122.6	123.2	126.2	127.8	128.5	127.8
Annualized % Change	1.5	33.1	42.6	13.6	4.6	5.0	4.4	3.9	10.4	5.0	4.6	2.0	10.2	5.3	2.2	(2.2)
% Change from Prior Year's Quarter	7.8	18.5	16.4	21.6	22.5	15.5	6.8	4.5	5.9	5.9	5.9	5.5	5.4	5.5	4.9	3.8
Virginia Gasoline and Energy Consumption																
Millions \$, SAAR	11,253.3	11,325.7	11,226.7	11,224.5	11,385.8	11,491.4	11,550.0	11,629.9	11,844.9	11,918.0	11,889.0	11,812.2	11,952.4	12,016.3	12,122.7	12,185.4
Annualized % Change	(9.5)	2.6	(3.5)	(0.1)	5.9	3.8	2.1	2.8	7.6	2.5	(1.0)	(2.6)	4.8	2.2	3.6	2.1
% Change from Prior Year's Quarter	(7.1)	(3.9)	(0.1)	(2.7)	1.2	1.5	2.9	3.6	4.0	3.7	2.9	1.6	0.9	0.8	2.0	3.2
Virginia Motor Vehicles and Parts Consumption																
Millions \$, SAAR	18,098.7	17,833.5	17,956.9	17,466.4	17,797.6	17,989.0	18,110.3	18,140.9	19,087.0	19,330.1	19,080.3	18,749.5	19,560.7	19,717.7	19,384.2	18,911.9
Annualized % Change	9.5	(5.7)	2.8	(10.5)	7.8	4.4	2.7	0.7	22.6	5.2	(5.1)	(6.8)	18.5	3.2	(6.6)	(9.4)
% Change from Prior Year's Quarter	(2.5)	(2.0)	1.7	(1.3)	(1.7)	0.9	0.9	3.9	7.2	7.5	5.4	3.4	2.5	2.0	1.6	0.9
PCE, Goods																
Millions \$, SAAR	163,993.6	164,032.8	164,792.4	164,730.1	167,279.0	169,053.8	170,623.6	172,618.4	176,102.2	177,747.3	177,847.8	177,645.8	179,932.1	181,030.1	182,231.0	183,234.1
Annualized % Change	7.2	0.1	1.9	(0.2)	6.3	4.3	3.8	4.8	8.3	3.8	0.2	(0.5)	5.2	2.5	2.7	2.2
% Change from Prior Year's Quarter	1.9	1.7	2.9	2.2	2.0	3.1	3.5	4.8	5.3	5.1	4.2	2.9	2.2	1.8	2.5	3.1
PCE, Services																
Millions \$, SAAR	35,360.2	35,216.0	35,398.6	35,212.3	36,005.3	36,645.8	37,056.4	37,467.7	38,669.2	39,097.1	39,107.1	38,856.3	39,710.6	40,019.8	40,117.2	40,045.8
Annualized % Change	3.6	(1.6)	2.1	(2.1)	9.3	7.3	4.6	4.5	13.5	4.5	0.1	(2.5)	9.1	3.2	1.0	
% Change from Prior Year's Quarter	3.5	1.2	1.5	0.5	1.8	4.1	4.7	6.4	7.4	6.7	5.5	3.7	2.7	2.4	2.6	
PCE, Food and Beverages																
Millions \$, SAAR	39,362.0	39,464.1	39,717.8	40,043.0	40,630.1	41,093.6	41,626.0	42,376.3	42,915.7	43,312.3	43,474.8	43,674.6	43,863.9	44,141.5	44,798.7	45,510.8
Annualized % Change	7.2	1.0	2.6	3.3	6.0	4.6	5.3	7.4	5.2	3.7	1.5	1.9	1.7	2.6	6.1	6.5
% Change from Prior Year's Quarter	2.7	2.5	2.9	3.5	3.2	4.1	4.8	5.8	5.6	5.4	4.4	3.1	2.2	1.9	3.0	4.2
PCE, Financial Services and Insurance																
Millions \$, SAAR	33,095.5	33,308.5	33,531.5	33,720.4	34,117.3	34,466.9	34,833.9	35,364.6	35,809.4	36,213.2	36,348.9	36,532.9	36,770.5	37,134.8	37,483.3	37,860.9
Annualized % Change	5.1	2.6	2.7	2.3	4.8	4.2	4.3	6.2	5.1	4.6	1.5	2.0	2.6	4.0	3.8	4.1
% Change from Prior Year's Quarter	6.0	6.8	3.8	3.2	3.1	3.5	3.9	4.9	5.0	5.1	4.3	3.3	2.7	2.5	3.1	3.6
Mortgage Purchase Originations																
Billions \$, SAAR	47.1	52.4	58.3	61.6	62.9	64.3	65.7	66.8	68.9	70.3	70.8	71.1	72.2	72.9	72.8	72.0
Annualized % Change	111.2	52.3	53.8	24.4	8.6	9.8	8.8	6.7	13.0	8.6	2.8	1.7	6.4	3.9	(0.7)	(4.2)
% Change from Prior Year's Quarter	25.3	38.5	25.4	57.5	33.4	22.9	12.7	8.5	9.6	9.3	7.7	6.4	4.8	3.7	2.8	1.3
Mortgage Refinance Originations																
Billions \$, SAAR	12.0	18.8	22.8	25.6	28.6	31.8	34.6	36.2	39.2	41.5	43.1	46.3	51.3	56.0	59.7	61.6
Annualized % Change	(3.6)	507.3	116.3	59.9	55.7	53.2	39.1	20.0	37.2	26.3	15.8	34.0	49.6	42.9	29.1	13.3
% Change from Prior Year's Quarter	96.7	270.9	104.1	112.1	139.1	69.5	51.8	41.3	36.9	30.4	24.6	28.1	30.9	35.0	38.7	33.0

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.3-1 – Quarterly National and Virginia Economic Variables
Above Baseline Scenario**

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Real Gross Domestic Product																
Billions Ch.2017\$, SAAR	23,351.5	23,482.5	23,599.2	23,736.9	23,880.5	24,000.0	24,116.4	24,232.4	24,352.2	24,481.2	24,612.8	24,744.9	24,884.5	25,028.0	25,170.4	25,311.8
Annualized % Change	2.2	2.3	2.0	2.4	2.4	2.0	2.0	1.9	2.0	2.1	2.2	2.2	2.3	2.3	2.3	2.3
% Change from Prior Year's Quarter	2.5	2.3	2.4	2.2	2.3	2.2	2.2	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3
Virginia Real Gross State Product																
Billions Ch.2017\$, SAAR	616.8	620.1	623.1	626.7	630.4	633.6	636.8	639.9	643.1	646.4	649.8	653.1	656.6	660.2	663.7	667.2
Annualized % Change	2.2	2.1	2.0	2.3	2.4	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.1
% Change from Prior Year's Quarter	3.0	2.1	2.4	2.2	2.2	2.2	2.2	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.2
Real Consumer Spending																
Billions Ch.2017\$, SAAR	16,108.7	16,228.0	16,323.2	16,409.4	16,495.3	16,578.9	16,662.1	16,743.3	16,825.1	16,909.5	16,995.4	17,083.7	17,173.6	17,265.2	17,355.3	17,446.1
Annualized % Change	3.6	3.0	2.4	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1
% Change from Prior Year's Quarter	3.0	2.8	2.9	2.8	2.4	2.2	2.1	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1
Before-Tax Corporate Profits																
Billions \$, SAAR	4,049.0	4,053.0	4,041.5	4,044.2	4,057.3	4,060.4	4,044.3	4,049.9	4,067.9	4,095.4	4,122.8	4,155.7	4,199.9	4,250.3	4,295.1	4,334.8
Annualized % Change	(3.8)	0.4	(1.1)	0.3	1.3	0.3	(1.6)	0.6	1.8	2.7	2.7	3.2	4.3	4.9	4.3	3.7
% Change from Prior Year's Quarter	8.0	4.3	2.0	(1.1)	0.2	0.2	0.1	0.1	0.3	0.9	1.9	2.6	3.2	3.8	4.2	4.3
CPI All Urban																
1982-1984=1.0, SA	314.1	315.9	318.0	320.1	322.1	323.9	325.9	327.9	329.9	331.8	333.7	335.6	337.4	339.3	341.2	343.1
Annualized % Change	1.2	2.4	2.6	2.7	2.5	2.4	2.5	2.5	2.4	2.4	2.3	2.3	2.2	2.3	2.3	2.3
% Change from Prior Year's Quarter	2.6	2.5	2.2	2.2	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3
Core PCE Price Index																
Index 2017=100, SA	122.9	123.5	124.2	124.8	125.4	126.1	126.7	127.4	128.1	128.8	129.5	130.2	130.9	131.6	132.3	133.0
Annualized % Change	1.9	2.1	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.2	2.2	2.1	2.1	2.2	2.2	2.2
% Change from Prior Year's Quarter	2.6	2.6	2.2	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.2
Federal Funds Rate																
% p.a., NSA	5.3	4.6	4.3	4.0	3.8	3.5	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Annualized % Change	(4.6)	(41.8)	(24.4)	(21.1)	(22.9)	(25.4)	(23.8)	(30.8)	(5.1)	(0.5)	0.5	0.0	0.0	0.0	0.0	0.0
% Change from Prior Year's Quarter	0.1	(13.7)	(19.5)	(24.1)	(28.1)	(23.5)	(23.3)	(25.8)	(21.8)	(16.0)	(10.0)	(1.3)	(0.0)	0.1	0.0	0.0
10-Year Treasury Constant Maturities																
% p.a., NSA	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Annualized % Change	(37.6)	9.9	3.2	2.5	1.7	1.0	(0.3)	(0.6)	(0.1)	(0.0)	1.0	1.0	(0.0)	(0.0)	(0.5)	(0.5)
% Change from Prior Year's Quarter	(4.7)	(9.0)	(1.8)	(7.7)	4.3	2.1	1.2	0.5	0.0	(0.2)	0.1	0.5	0.5	0.5	0.1	(0.2)

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.3-2 – Quarterly National and Virginia Economic Variables
Above Baseline Scenario**

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Personal Income																
Billions \$, SAAR	24,873.6	25,156.6	25,429.0	25,717.9	26,011.4	26,300.7	26,581.9	26,859.4	27,142.2	27,426.6	27,716.5	28,010.7	28,310.1	28,620.4	28,928.6	29,251.2
Annualized % Change	3.5	4.6	4.4	4.6	4.6	4.5	4.3	4.2	4.3	4.3	4.3	4.3	4.3	4.5	4.4	4.5
% Change from Prior Year's Quarter	5.7	5.7	4.5	4.3	4.6	4.5	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.4	4.4	4.4
Virginia Personal Income																
Millions \$, SAAR	684,472.9	692,827.3	700,759.4	709,022.3	717,356.6	725,646.1	733,681.1	741,591.4	749,616.7	757,603.2	765,717.4	773,943.1	782,291.0	790,923.9	799,504.7	808,460.1
Annualized % Change	3.3	5.0	4.7	4.8	4.8	4.7	4.5	4.4	4.4	4.3	4.4	4.4	4.4	4.5	4.4	4.6
% Change from Prior Year's Quarter	5.8	5.3	4.6	4.4	4.8	4.7	4.7	4.6	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.5
U.S. Wages and Salaries																
Billions \$, SAAR	12,569.5	12,731.5	12,874.9	13,015.6	13,155.7	13,290.8	13,424.9	13,558.0	13,692.4	13,828.5	13,967.4	14,108.0	14,250.5	14,394.6	14,539.9	14,686.9
Annualized % Change	4.4	5.3	4.6	4.4	4.4	4.2	4.1	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1
% Change from Prior Year's Quarter	6.3	6.5	5.1	4.7	4.7	4.4	4.3	4.2	4.1	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Virginia Wages and Salaries																
Millions \$, SAAR	354,390.1	358,934.3	363,017.0	367,040.4	371,044.9	374,963.2	378,823.7	382,647.3	386,505.1	390,365.8	394,294.9	398,266.1	402,282.7	406,341.6	410,425.6	414,557.0
Annualized % Change	3.4	5.2	4.6	4.5	4.4	4.3	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
% Change from Prior Year's Quarter	6.7	5.8	5.0	4.4	4.7	4.5	4.4	4.3	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Virginia Wages and Salaries Per Emp.																
Thousands \$, SAAR	83.4	84.2	85.0	85.7	86.5	87.2	88.0	88.8	89.6	90.4	91.2	92.1	92.9	93.8	94.6	95.5
Annualized % Change	3.0	4.0	3.5	3.5	3.6	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.7
% Change from Prior Year's Quarter	4.9	4.0	3.6	3.5	3.7	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.7
Virginia Dividends, Interest, and Rent																
Millions \$, SAAR	136,702.0	137,628.4	138,570.9	139,742.4	140,954.3	142,221.8	143,402.5	144,500.0	145,668.4	146,826.5	148,010.0	149,251.8	150,551.0	152,060.8	153,716.2	155,456.1
Annualized % Change	0.0	2.7	2.8	3.4	3.5	3.6	3.4	3.1	3.3	3.2	3.3	3.4	3.5	4.1	4.4	4.6
% Change from Prior Year's Quarter	3.3	2.0	1.7	2.2	3.1	3.3	3.5	3.4	3.3	3.2	3.2	3.3	3.4	3.6	3.9	4.2
Virginia Proprietor's Income																
Millions \$, SAAR	38,241.5	38,722.9	39,193.2	39,753.0	40,348.7	40,906.3	41,427.5	41,953.9	42,496.8	43,063.8	43,674.6	44,293.6	44,957.8	45,620.9	46,269.0	46,924.2
Annualized % Change	5.6	5.1	4.9	5.8	6.1	5.6	5.2	5.2	5.3	5.4	5.8	5.8	6.1	6.0	5.8	5.8
% Change from Prior Year's Quarter	6.7	6.1	5.9	5.4	5.5	5.6	5.7	5.5	5.3	5.3	5.4	5.6	5.8	5.9	5.9	5.9
S&P 500 Stock Market Index																
Index 1941-43=10, NSA	5,545.8	5,673.2	5,593.0	5,555.2	5,556.3	5,567.8	5,585.8	5,589.2	5,662.6	5,744.4	5,838.3	5,934.7	6,026.6	6,114.9	6,203.9	6,289.1
Annualized % Change	24.1	9.5	(5.5)	(2.7)	0.1	0.8	1.3	0.2	5.4	5.9	6.7	6.8	6.3	6.0	6.0	5.6
% Change from Prior Year's Quarter	24.4	26.9	12.0	5.7	0.2	(1.9)	(0.1)	0.6	1.9	3.2	4.5	6.2	6.4	6.4	6.3	6.0

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.3-3 – Quarterly National and Virginia Economic Variables
Above Baseline Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
Virginia Existing Single-Family Home Sales																
Thousands #, SAAR	158.9	159.3	159.7	160.0	160.2	160.5	160.7	160.8	161.0	161.1	161.3	161.4	161.6	161.7	161.9	162.0
Annualized % Change	1.2	1.0	0.9	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4
% Change from Prior Year's Quarter	1.6	1.4	1.2	1.0	0.8	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3
Virginia Gasoline and Energy Consumption																
Millions \$, SAAR	4,248.5	4,260.7	4,272.0	4,281.9	4,290.7	4,298.4	4,304.4	4,309.4	4,314.0	4,318.2	4,322.3	4,326.4	4,330.1	4,333.7	4,337.4	4,341.2
Annualized % Change	0.4	1.2	1.1	0.9	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4
% Change from Prior Year's Quarter	1.6	1.8	1.4	0.9	1.0	0.9	0.8	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3
Virginia Motor Vehicles and Parts Consumption																
Millions \$, SAAR	4.2	4.2	4.2	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Annualized % Change	21.6	(2.7)	(1.2)	(4.6)	(0.8)	(2.0)	(5.1)	(0.7)	(0.7)	(0.6)	(0.8)	(0.7)	(0.9)	(0.7)	(0.7)	0.6
% Change from Prior Year's Quarter	13.5	11.7	9.4	2.8	(2.3)	(2.1)	(3.1)	(2.2)	(2.1)	(1.8)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.5)
PCE, Goods																
Millions \$, SAAR	168.6	168.6	168.8	168.8	169.0	169.1	169.2	169.3	169.5	169.6	169.8	169.9	170.1	170.2	170.4	170.5
Annualized % Change	1.6	0.2	0.3	0.2	0.3	0.3	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	0.6	0.5	0.7	0.5	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
PCE, Services																
Millions \$, SAAR	4,572.7	4,575.1	4,578.8	4,581.1	4,585.4	4,589.0	4,591.6	4,596.3	4,601.1	4,605.7	4,610.3	4,614.8	4,619.2	4,623.5	4,627.7	4,632.4
Annualized % Change	(0.6)	0.2	0.3	0.2	0.4	0.3	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	0.3	(0.0)	(0.2)	0.0	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
PCE, Food and Beverages																
Millions \$, SAAR	342.9	343.6	344.2	344.7	345.1	345.5	345.9	346.3	346.7	347.1	347.5	347.9	348.2	348.6	349.0	349.4
Annualized % Change	1.0	0.8	0.7	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	1.1	1.0	0.9	0.8	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
PCE, Financial Services and Insurance																
Millions \$, SAAR	8,933.0	8,953.1	8,970.7	8,986.1	8,999.9	9,012.9	9,025.0	9,036.7	9,048.1	9,059.3	9,070.4	9,081.2	9,091.7	9,102.0	9,112.2	9,122.2
Annualized % Change	1.1	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
% Change from Prior Year's Quarter	1.2	1.1	1.0	0.9	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mortgage Purchase Originations																
Billions \$, SAAR	3.7	3.9	4.2	4.3	4.4	4.4	4.5	4.5	4.6	4.6	4.6	4.7	4.7	4.7	4.7	4.8
Annualized % Change	0.0	32.8	33.1	13.2	3.6	2.8	3.8	4.9	5.1	3.8	3.0	2.4	1.9	2.0	2.3	1.7
% Change from Prior Year's Quarter	1.9	13.0	11.1	18.9	20.0	12.6	5.8	3.8	4.1	4.4	4.2	3.6	2.8	2.3	2.1	2.0
Billions \$, SAAR	158.9	159.3	159.7	160.0	160.2	160.5	160.7	160.8	161.0	161.1	161.3	161.4	161.6	161.7	161.9	162.0
Mortgage Refinance Originations	1.2	1.0	0.9	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4
Billions \$, SAAR	1.6	1.4	1.2	1.0	0.8	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3
Annualized % Change																
% Change from Prior Year's Quarter																

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.3-4 – Quarterly National and Virginia Economic Variables
Above Baseline Scenario**

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
Virginia Existing Single-Family Home Sales																
Thousands #, SAAR	92.5	100.0	108.1	112.1	113.4	114.5	115.8	117.3	119.0	120.3	121.4	122.2	122.9	123.6	124.4	125.1
Annualized % Change	2.5	36.9	36.7	15.3	4.9	3.9	4.6	5.5	5.8	4.5	3.6	2.9	2.3	2.4	2.6	2.0
% Change from Prior Year's Quarter	8.0	19.6	16.3	21.9	22.6	14.5	7.0	4.7	4.9	5.1	4.8	4.2	3.3	2.8	2.5	2.3
Virginia Gasoline and Energy Consumption																
Millions \$, SAAR	11,160.7	11,186.9	11,328.8	11,476.2	11,516.7	11,442.3	11,467.8	11,487.3	11,510.8	11,550.3	11,598.2	11,652.2	11,716.3	11,779.8	11,852.2	11,918.1
Annualized % Change	(12.4)	0.9	5.2	5.3	1.4	(2.6)	0.9	0.7	0.8	1.4	1.7	1.9	2.2	2.2	2.5	2.2
% Change from Prior Year's Quarter	(7.9)	(5.1)	0.8	(0.5)	3.2	2.3	1.2	0.1	(0.1)	0.9	1.1	1.4	1.8	2.0	2.2	2.3
Virginia Motor Vehicles and Parts Consumption																
Millions \$, SAAR	17,948.5	18,509.7	18,656.4	18,758.3	18,918.2	19,071.2	19,223.5	19,302.8	19,374.3	19,386.8	19,366.7	19,392.9	19,422.7	19,467.2	19,462.8	19,466.8
Annualized % Change	5.9	13.1	3.2	2.2	3.5	3.3	3.2	1.7	1.5	0.3	(0.4)	0.5	0.6	0.9	(0.1)	0.1
% Change from Prior Year's Quarter	(3.3)	1.7	5.6	6.0	5.4	3.0	3.0	2.9	2.4	1.7	0.7	0.5	0.3	0.4	0.5	0.4
PCE, Goods																
Millions \$, SAAR	162,866.8	164,657.2	166,060.2	167,417.8	168,693.1	169,838.5	171,015.9	172,134.2	173,242.1	174,332.8	175,441.1	176,595.8	177,781.0	179,007.8	180,214.5	181,440.9
Annualized % Change	4.3	4.5	3.5	3.3	3.1	2.7	2.8	2.6	2.6	2.5	2.6	2.7	2.7	2.8	2.7	2.7
% Change from Prior Year's Quarter	1.2	2.1	3.7	3.9	3.6	3.1	3.0	2.8	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.7
PCE, Services																
Millions \$, SAAR	35,416.1	35,838.3	36,235.1	36,633.5	37,029.8	37,451.7	37,895.5	38,343.5	38,764.5	39,167.9	39,597.7	40,038.0	40,498.2	40,957.4	41,425.6	41,898.9
Annualized % Change	4.2	4.9	4.5	4.5	4.4	4.6	4.8	4.8	4.5	4.2	4.5	4.5	4.7	4.6	4.7	
% Change from Prior Year's Quarter	3.7	3.0	3.9	4.5	4.6	4.5	4.6	4.7	4.7	4.6	4.5	4.4	4.5	4.6	4.6	
PCE, Food and Beverages																
Millions \$, SAAR	39,031.6	39,286.6	39,624.1	39,978.1	40,313.7	40,656.2	40,961.4	41,309.1	41,655.1	42,000.1	42,344.4	42,712.0	43,081.9	43,473.0	43,884.4	44,304.1
Annualized % Change	3.7	2.6	3.5	3.6	3.4	3.4	3.0	3.4	3.4	3.4	3.3	3.5	3.5	3.7	3.8	3.9
% Change from Prior Year's Quarter	1.8	2.0	2.7	3.3	3.3	3.5	3.4	3.3	3.3	3.3	3.4	3.4	3.4	3.5	3.6	3.7
PCE, Financial Services and Insurance																
Millions \$, SAAR	33,152.3	33,737.8	34,154.8	34,471.4	34,771.5	35,054.3	35,350.7	35,662.5	36,015.0	36,399.5	36,799.8	37,213.3	37,633.9	38,058.5	38,490.6	38,912.4
Annualized % Change	5.9	7.3	5.0	3.8	3.5	3.3	3.4	3.6	4.0	4.3	4.5	4.6	4.6	4.6	4.6	4.5
% Change from Prior Year's Quarter	6.2	8.2	5.7	5.5	4.9	3.9	3.5	3.5	3.6	3.8	4.1	4.3	4.5	4.6	4.6	4.6
Mortgage Purchase Originations																
Billions \$, SAAR	47.2	52.1	57.7	61.1	62.3	63.5	64.7	65.8	67.0	67.9	68.6	69.4	69.7	70.2	70.6	70.9
Annualized % Change	112.5	48.3	50.4	25.6	8.3	8.0	7.4	7.3	7.4	5.5	4.1	4.7	2.2	2.8	2.2	1.7
% Change from Prior Year's Quarter	25.5	37.8	24.0	56.2	32.0	21.9	12.1	7.8	7.5	6.9	6.1	5.4	4.1	3.4	3.0	2.2
Mortgage Refinance Originations																
Billions \$, SAAR	11.9	16.1	18.7	20.7	22.5	24.6	26.6	28.1	30.1	32.0	34.4	37.1	39.9	43.0	46.1	48.2
Annualized % Change	(4.6)	232.4	82.4	48.2	41.5	42.4	35.6	26.1	31.2	27.9	33.2	34.5	34.3	34.6	32.3	19.6
% Change from Prior Year's Quarter	96.1	218.2	67.7	71.1	88.9	52.8	41.9	36.3	33.7	30.2	29.6	31.7	32.4	34.2	34.0	30.1

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.4-1 Quarterly National and Virginia Economic Variables

Recession Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Real Gross Domestic Product																
Billions Ch.2017\$, SAAR	23,199.3	23,206.6	23,163.2	23,094.0	23,007.4	22,904.1	22,841.6	22,852.4	23,005.4	23,215.3	23,432.9	23,655.2	23,855.0	24,057.7	24,273.2	24,509.3
Annualized % Change	(0.4)	0.1	(0.7)	(1.2)	(1.5)	(1.8)	(1.1)	0.2	2.7	3.7	3.8	3.8	3.4	3.4	3.6	3.9
% Change from Prior Year's Quarter	1.8	1.1	0.5	(0.6)	(0.8)	(1.3)	(1.4)	(1.0)	(0.0)	1.4	2.6	3.5	3.7	3.6	3.6	3.6
Virginia Real Gross State Product																
Billions Ch.2017\$, SAAR	613.1	612.8	612.7	611.9	610.7	609.1	608.4	609.3	612.7	617.8	622.9	628.2	632.9	637.8	642.9	648.5
Annualized % Change	(0.3)	(0.2)	(0.0)	(0.6)	(0.8)	(1.1)	(0.5)	0.6	2.2	3.3	3.4	3.5	3.0	3.1	3.3	3.5
% Change from Prior Year's Quarter	2.4	0.9	0.7	(0.3)	(0.4)	(0.6)	(0.7)	(0.4)	0.3	1.4	2.4	3.1	3.3	3.2	3.2	3.2
Real Consumer Spending																
Billions Ch.2017\$, SAAR	15,961.0	15,991.6	15,987.5	15,946.2	15,872.2	15,807.0	15,753.8	15,800.6	15,948.9	16,094.1	16,241.1	16,397.7	16,536.0	16,671.7	16,802.0	16,936.5
Annualized % Change	(0.2)	0.8	(0.1)	(1.0)	(1.8)	(1.6)	(1.3)	1.2	3.8	3.7	3.7	3.9	3.4	3.3	3.2	3.2
% Change from Prior Year's Quarter	2.0	1.3	0.8	(0.1)	(0.6)	(1.2)	(1.5)	(0.9)	0.5	1.8	3.1	3.8	3.7	3.6	3.5	3.3
Before-Tax Corporate Profits																
Billions \$, SAAR	4,013.1	3,969.1	3,897.8	3,803.2	3,749.5	3,676.3	3,611.7	3,599.1	3,639.3	3,750.7	3,861.0	3,976.4	4,060.8	4,146.7	4,234.5	4,327.3
Annualized % Change	(7.2)	(4.3)	(7.0)	(9.4)	(5.5)	(7.6)	(6.8)	(1.4)	4.6	12.8	12.3	12.5	8.8	8.7	8.7	9.1
% Change from Prior Year's Quarter	7.0	2.1	(1.6)	(7.0)	(6.6)	(7.4)	(7.3)	(5.4)	(2.9)	2.0	6.9	10.5	11.6	10.6	9.7	8.8
CPI, All Urban																
1982-1984=1.0, SA	314.0	316.3	318.6	320.7	322.3	323.0	323.8	324.9	326.3	327.8	329.2	330.6	331.9	333.3	334.7	336.1
Annualized % Change	1.1	3.0	2.9	2.7	1.9	1.0	1.0	1.3	1.7	1.9	1.7	1.7	1.6	1.7	1.7	1.7
% Change from Prior Year's Quarter	2.6	2.7	2.5	2.4	2.6	2.1	1.6	1.3	1.2	1.5	1.7	1.8	1.7	1.7	1.7	1.7
Core PCE Price Index																
Index 2017=100, SA	122.9	123.6	124.3	124.9	125.5	125.8	126.2	126.5	127.0	127.5	128.0	128.5	129.0	129.5	130.1	130.6
Annualized % Change	1.9	2.5	2.2	2.0	1.8	1.2	1.1	1.1	1.4	1.6	1.7	1.6	1.6	1.6	1.6	1.6
% Change from Prior Year's Quarter	2.6	2.7	2.3	2.1	2.1	1.8	1.5	1.3	1.2	1.3	1.4	1.6	1.6	1.6	1.6	1.6
Federal Funds Rate																
% p.a., NSA	5.3	4.8	4.8	4.8	4.6	4.1	3.6	3.2	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Annualized % Change	(4.6)	(29.3)	0.0	0.0	(19.2)	(37.0)	(40.7)	(35.4)	(27.7)	(10.4)	0.0	0.0	0.0	0.0	0.0	0.0
% Change from Prior Year's Quarter	0.1	(9.4)	(9.4)	(9.4)	(13.1)	(15.5)	(25.9)	(33.5)	(35.4)	(29.4)	(19.6)	(10.3)	(2.7)	0.0	0.0	0.0
10-Year Treasury Constant Maturities																
% p.a., NSA	4.0	4.2	4.3	4.1	4.2	4.1	3.8	3.9	4.0	4.0	4.0	4.1	4.3	4.3	4.3	4.3
Annualized % Change	(37.6)	28.9	9.5	(18.6)	8.9	(9.6)	(22.0)	8.7	5.2	4.1	4.7	6.1	17.2	0.3	(0.2)	(0.2)
% Change from Prior Year's Quarter	(4.7)	(5.2)	3.7	(8.0)	5.8	(3.2)	(11.1)	(4.4)	(5.3)	(1.8)	5.7	5.0	7.9	6.9	5.6	4.0

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.4-2 Quarterly National and Virginia Economic Variables

Recession Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Personal Income																
Billions \$, SAAR	24,633.4	24,879.4	25,171.0	25,440.8	25,513.1	25,536.0	25,552.9	25,547.9	25,638.2	25,794.7	26,008.7	26,232.8	26,499.5	26,786.4	27,112.0	27,463.5
Annualized % Change	(0.4)	4.1	4.8	4.4	1.1	0.4	0.3	(0.1)	1.4	2.5	3.4	3.5	4.1	4.4	5.0	5.3
% Change from Prior Year's Quarter	4.7	4.5	3.4	3.2	3.6	2.6	1.5	0.4	0.5	1.0	1.8	2.7	3.4	3.8	4.2	4.7
Virginia Personal Income																
Millions \$, SAAR	683,465.9	680,637.2	686,072.2	690,909.3	691,102.5	689,766.6	688,503.1	697,524.6	703,769.7	711,738.0	718,693.4	726,400.0	733,496.4	741,485.8	750,520.6	760,339.9
Annualized % Change	2.7	(1.6)	3.2	2.9	0.1	(0.8)	(0.7)	5.3	3.6	4.6	4.0	4.4	4.0	4.4	5.0	5.3
% Change from Prior Year's Quarter	5.7	3.4	2.4	1.8	1.1	1.3	0.4	1.0	1.8	3.2	4.4	4.1	4.2	4.2	4.4	4.7
U.S. Wages and Salaries																
Billions \$, SAAR	12,370.7	12,457.9	12,538.1	12,620.0	12,567.1	12,509.4	12,456.0	12,404.3	12,494.5	12,591.8	12,695.3	12,797.3	12,930.4	13,061.9	13,205.7	13,359.1
Annualized % Change	(2.0)	2.9	2.6	2.6	(1.7)	(1.8)	(1.7)	(1.7)	2.9	3.2	3.3	3.3	4.2	4.1	4.5	4.7
% Change from Prior Year's Quarter	4.6	4.2	2.3	1.5	1.6	0.4	(0.7)	(1.7)	(0.6)	0.7	1.9	3.2	3.5	3.7	4.0	4.4
Virginia Wages and Salaries																
Millions \$, SAAR	352,513.6	348,800.1	349,477.3	350,240.0	347,906.6	345,255.2	342,839.4	347,118.5	351,753.2	356,653.9	360,202.1	364,012.8	367,528.8	371,230.8	375,273.9	379,644.4
Annualized % Change	1.2	(4.1)	0.8	0.9	(2.6)	(3.0)	(2.8)	5.1	5.4	5.7	4.0	4.3	3.9	4.1	4.4	4.7
% Change from Prior Year's Quarter	6.1	2.8	1.1	(0.3)	(1.3)	(1.0)	(1.9)	(0.9)	1.1	3.3	5.1	4.9	4.5	4.1	4.2	4.3
Virginia Wages and Salaries Per Emp.																
Thousands \$, SAAR	83.3	83.1	83.6	83.9	83.6	83.5	83.3	84.3	85.3	86.3	86.9	87.6	88.3	89.0	89.9	90.7
Annualized % Change	2.4	(1.0)	2.6	1.3	(1.2)	(0.5)	(0.8)	4.8	4.7	4.7	3.1	3.2	3.1	3.2	4.0	4.0
% Change from Prior Year's Quarter	4.8	2.5	1.9	1.3	0.4	0.5	(0.3)	0.5	2.0	3.3	4.3	3.9	3.5	3.1	3.4	3.6
Virginia Dividends, Interest, and Rent																
Millions \$, SAAR	137,460.7	135,704.8	135,996.7	136,047.9	135,324.6	133,846.2	132,015.2	133,729.1	134,288.6	135,472.2	136,613.3	138,419.8	140,376.4	142,802.1	145,665.8	148,708.6
Annualized % Change	2.3	(5.0)	0.9	0.2	(2.1)	(4.3)	(5.4)	5.3	1.7	3.6	3.4	5.4	5.8	7.1	8.3	8.6
% Change from Prior Year's Quarter	3.9	0.5	(0.2)	(0.5)	(1.6)	(1.4)	(2.9)	(1.7)	(0.8)	1.2	3.5	3.5	4.5	5.4	6.6	7.4
Virginia Proprietor's Income																
Millions \$, SAAR	38,455.8	38,069.6	38,359.9	38,703.8	39,117.6	39,434.3	39,684.2	40,666.8	41,308.6	42,163.1	42,935.5	43,769.1	44,409.7	45,051.8	45,717.2	46,430.3
Annualized % Change	8.0	(4.0)	3.1	3.6	4.3	3.3	2.6	10.3	6.5	8.5	7.5	8.0	6.0	5.9	6.0	6.4
% Change from Prior Year's Quarter	7.3	4.3	3.6	2.6	1.7	3.6	3.5	5.1	5.6	6.9	8.2	7.6	7.5	6.9	6.5	6.1
S&P 500 Stock Market Index																
Index 1941-43=10, NSA	5,545.8	5,460.7	5,182.6	5,032.0	4,635.7	4,271.9	3,970.8	4,054.1	4,201.8	4,355.7	4,565.2	4,839.2	5,075.1	5,300.2	5,574.0	5,805.1
Annualized % Change	24.1	(6.0)	(18.9)	(11.1)	(28.0)	(27.9)	(25.4)	8.7	15.4	15.5	20.7	26.3	21.0	19.0	22.3	17.6
% Change from Prior Year's Quarter	24.4	22.1	3.7	(4.2)	(16.4)	(21.8)	(23.4)	(19.4)	(9.4)	2.0	15.0	19.4	20.8	21.7	22.1	20.0

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.4-3 Quarterly National and Virginia Economic Variables

Recession Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
U.S. Total Nonag. Employment																
Millions #, SA	158.9	158.6	157.6	156.7	155.3	154.2	153.4	153.7	154.1	154.5	154.8	155.3	155.7	156.0	156.2	156.5
Annualized % Change	1.2	(0.7)	(2.5)	(2.3)	(3.4)	(2.8)	(2.1)	0.6	1.2	0.9	1.0	1.1	1.1	0.9	0.4	0.7
% Change from Prior Year's Quarter	1.6	1.0	(0.1)	(1.1)	(2.2)	(2.8)	(2.7)	(1.9)	(0.8)	0.1	0.9	1.0	1.0	1.0	0.9	0.8
Virginia Total Nonag. Employment																
Thousands #, SA	4,232.9	4,199.1	4,180.1	4,176.1	4,161.4	4,135.2	4,114.3	4,117.4	4,125.1	4,134.5	4,143.9	4,155.1	4,163.3	4,172.1	4,176.4	4,183.8
Annualized % Change	(1.1)	(3.1)	(1.8)	(0.4)	(1.4)	(2.5)	(2.0)	0.3	0.8	0.9	0.9	1.1	0.8	0.8	0.4	0.7
% Change from Prior Year's Quarter	1.3	0.3	(0.8)	(1.6)	(1.7)	(1.5)	(1.6)	(1.4)	(0.9)	(0.0)	0.7	0.9	0.9	0.9	0.8	0.7
Unemployment Rate																
%, SA	4.2	4.5	5.2	5.8	6.3	6.8	7.2	6.9	6.5	6.4	6.2	6.0	5.8	5.6	5.6	5.5
Annualized % Change	21.6	36.3	76.8	49.3	43.5	35.2	20.8	(12.8)	(20.5)	(10.5)	(9.1)	(13.7)	(12.4)	(10.5)	(4.0)	(6.4)
% Change from Prior Year's Quarter	13.5	21.6	37.7	44.6	50.7	50.4	36.8	19.6	3.2	(6.9)	(13.3)	(13.6)	(11.4)	(11.4)	(10.2)	(8.4)
U.S. Civilian Labor Force																
Millions #, SA	168.6	168.6	168.7	168.6	168.0	167.7	167.3	167.3	167.2	167.3	167.3	167.4	167.5	167.6	167.8	167.9
Annualized % Change	1.6	0.2	0.2	(0.1)	(1.5)	(0.8)	(1.0)	0.0	(0.1)	0.1	0.1	0.2	0.2	0.3	0.3	0.4
% Change from Prior Year's Quarter	0.6	0.5	0.7	0.4	(0.3)	(0.6)	(0.9)	(0.8)	(0.5)	(0.2)	0.0	0.1	0.2	0.2	0.3	0.3
Virginia Civilian Labor Force																
Thousands #, SA	4,570.2	4,568.0	4,571.5	4,573.6	4,559.6	4,551.5	4,540.9	4,541.4	4,540.5	4,542.0	4,544.0	4,546.4	4,549.0	4,552.3	4,555.9	4,560.2
Annualized % Change	(0.8)	(0.2)	0.3	0.2	(1.2)	(0.7)	(0.9)	0.0	(0.1)	0.1	0.2	0.2	0.2	0.3	0.3	0.4
% Change from Prior Year's Quarter	0.3	(0.2)	(0.4)	(0.1)	(0.2)	(0.4)	(0.7)	(0.7)	(0.4)	(0.2)	0.1	0.1	0.2	0.2	0.3	0.3
US Total Population																
Millions #, NSA	342.9	343.6	344.2	344.7	345.1	345.5	345.9	346.3	346.7	347.0	347.4	347.7	348.1	348.4	348.7	349.0
Annualized % Change	1.0	0.8	0.7	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
% Change from Prior Year's Quarter	1.1	1.0	0.9	0.8	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Virginia Total Population																
Thousands #, NSA	8,933.0	8,953.1	8,970.7	8,986.1	9,000.1	9,013.2	9,025.5	9,037.3	9,048.6	9,059.4	9,069.8	9,079.6	9,088.9	9,097.7	9,106.1	9,114.3
Annualized % Change	1.1	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
% Change from Prior Year's Quarter	1.2	1.1	1.0	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
U.S. Existing Single-Family Home Sales																
Millions #, SAAR	3.7	3.9	4.0	4.0	3.5	3.2	3.0	3.3	3.6	4.1	4.3	4.5	4.5	4.5	4.6	4.6
Annualized % Change	(0.6)	23.8	18.3	(0.7)	(38.8)	(34.7)	(26.7)	54.1	47.3	68.2	21.8	15.8	1.2	1.8	3.4	3.5
% Change from Prior Year's Quarter	1.7	10.9	5.8	9.7	(2.9)	(17.2)	(26.6)	(18.0)	2.1	29.3	46.8	36.7	24.5	9.8	5.4	2.5

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.4-4 Quarterly National and Virginia Economic Variables

Recession Scenario

	2024.3	2024.4	2025.1	2025.2	2025.3	2025.4	2026.1	2026.2	2026.3	2026.4	2027.1	2027.2	2027.3	2027.4	2028.1	2028.2
Virginia Existing Single-Family Home Sales																
Thousands #, SAAR	92.2	97.7	102.6	103.0	91.3	82.1	76.0	85.1	94.1	107.6	113.3	117.7	118.1	118.7	119.8	120.9
Annualized % Change	1.3	26.2	21.6	1.6	(38.3)	(34.5)	(26.5)	56.7	49.4	71.1	22.8	16.6	1.5	2.1	3.7	3.8
% Change from Prior Year's Quarter	7.7	16.9	10.3	12.1	(1.0)	(16.0)	(25.9)	(17.4)	3.0	31.0	48.9	38.3	25.6	10.4	5.8	2.8
Virginia Gasoline and Energy Consumption																
Millions \$, SAAR	11,252.6	11,155.2	11,229.7	11,243.9	10,988.5	10,606.6	10,355.9	10,587.3	10,804.6	11,036.5	11,143.2	11,250.2	11,322.8	11,385.5	11,431.9	11,477.8
Annualized % Change	(9.5)	(3.4)	2.7	0.5	(8.8)	(13.2)	(9.1)	9.2	8.5	8.9	3.9	3.9	2.6	2.2	1.6	1.6
% Change from Prior Year's Quarter	(7.1)	(5.4)	(0.0)	(2.5)	(2.3)	(4.9)	(7.8)	(5.8)	(1.7)	4.1	7.6	6.3	4.8	3.2	2.6	2.0
Virginia Motor Vehicles and Parts Consumption																
Millions \$, SAAR	18,095.2	17,612.3	16,781.3	16,184.3	15,670.5	15,175.2	14,899.0	15,615.7	16,334.1	16,880.6	17,276.2	17,800.2	18,141.3	18,401.1	18,467.9	18,571.1
Annualized % Change	9.4	(10.3)	(17.6)	(13.5)	(12.1)	(12.1)	(7.1)	20.7	19.7	14.1	9.7	12.7	7.9	5.9	1.5	2.3
% Change from Prior Year's Quarter	(2.5)	(3.2)	(5.0)	(8.5)	(13.4)	(13.8)	(11.2)	(3.5)	4.2	11.2	16.0	14.0	11.1	9.0	6.9	4.3
PCE, Goods																
Millions \$, SAAR	163,957.7	162,104.0	161,183.8	160,525.8	159,311.8	157,747.0	156,619.3	159,914.0	162,656.0	165,420.1	167,517.8	169,904.2	171,714.5	173,437.4	174,931.8	176,496.9
Annualized % Change	7.1	(4.4)	(2.3)	(1.6)	(3.0)	(3.9)	(2.8)	8.7	7.0	7.0	5.2	5.8	4.3	4.1	3.5	3.6
% Change from Prior Year's Quarter	1.8	0.5	0.7	(0.4)	(2.8)	(2.7)	(2.8)	(0.4)	2.1	4.9	7.0	6.2	5.6	4.8	4.4	3.9
PCE, Services																
Millions \$, SAAR	35,248.6	34,679.5	33,936.3	33,196.5	32,295.5	31,808.3	31,423.1	32,214.9	33,236.6	34,079.4	34,797.0	35,565.1	36,173.4	36,766.2	37,319.8	37,922.9
Annualized % Change	2.3	(6.3)	(8.3)	(8.4)	(10.4)	(5.9)	(4.8)	10.5	13.3	10.5	8.7	9.1	7.0	6.7	6.2	
% Change from Prior Year's Quarter	3.2	(0.3)	(2.7)	(5.3)	(8.4)	(8.3)	(7.4)	(3.0)	2.9	7.1	10.7	10.4	8.8	7.9	7.2	
PCE, Food and Beverages																
Millions \$, SAAR	39,357.5	39,088.8	39,306.3	39,477.8	39,623.0	39,788.3	39,902.6	40,684.5	41,217.1	41,849.2	42,302.0	42,750.9	43,084.9	43,445.3	43,835.3	44,219.4
Annualized % Change	7.2	(2.7)	2.2	1.8	1.5	1.7	1.2	8.1	5.3	6.3	4.4	4.3	3.2	3.4	3.6	3.6
% Change from Prior Year's Quarter	2.7	1.5	1.9	2.1	0.7	1.8	1.5	3.1	4.0	5.2	6.0	5.1	4.5	3.8	3.6	3.4
PCE, Financial Services and Insurance																
Millions \$, SAAR	32,988.9	33,027.9	33,208.7	33,141.1	32,930.1	32,526.8	32,144.8	32,402.0	32,864.9	33,465.4	34,070.4	34,750.8	35,329.0	35,927.0	36,560.7	37,172.6
Annualized % Change	3.8	0.5	2.2	(0.8)	(2.5)	(4.8)	(4.6)	3.2	5.8	7.5	7.4	8.2	6.8	6.9	7.2	6.9
% Change from Prior Year's Quarter	5.7	5.9	2.8	1.4	(0.2)	(1.5)	(3.2)	(2.2)	(0.2)	2.9	6.0	7.2	7.5	7.4	7.3	7.0
Mortgage Purchase Originations																
Billions \$, SAAR	47.1	51.0	54.9	56.4	51.1	46.6	43.5	46.7	51.2	56.9	59.8	62.0	62.8	63.6	64.7	65.6
Annualized % Change	110.9	37.2	34.7	10.8	(32.4)	(30.8)	(23.9)	32.4	44.0	53.3	22.2	15.5	4.8	5.1	7.3	5.6
% Change from Prior Year's Quarter	25.2	34.9	18.1	44.2	8.5	(8.6)	(20.8)	(17.1)	0.1	22.1	37.5	32.9	22.7	11.7	8.1	5.7
Mortgage Refinance Originations																
Billions \$, SAAR	12.0	15.0	16.0	17.8	17.9	21.1	26.6	31.1	36.9	40.7	42.2	44.2	44.4	46.0	48.6	49.8
Annualized % Change	(3.5)	145.3	30.1	52.8	3.4	91.6	151.2	87.4	99.9	47.4	15.6	19.8	2.2	14.9	25.3	9.8
% Change from Prior Year's Quarter	96.7	195.8	43.3	47.3	49.8	40.9	66.1	74.8	106.1	93.0	59.0	42.1	20.2	12.9	15.2	12.8

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

**Table A.5-1 Annual National and Virginia Economic Variables
History**

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. Real Gross Domestic Product	CY	16,380.5	16,540.1	16,948.8	17,293.2	17,537.7	18,002.7	18,545.4	18,922.2	19,333.6	19,952.0	20,330.3	21,117.4	20,728.8	22,008.6	22,309.4	22,989.0
Billions Ch.2017\$, SAAR	% Chg	(3.1)	1.0	2.5	2.0	1.4	2.7	3.0	2.0	2.2	3.2	1.9	3.9	(1.8)	6.2	1.4	3.0
	FY	16,971.9	16,268.8	16,794.3	17,045.6	17,464.6	17,729.7	18,289.5	18,814.0	19,095.8	19,547.7	20,197.8	20,692.6	19,165.0	21,430.6	21,960.6	22,607.1
	% Chg	1.4	(4.1)	3.2	1.5	2.5	1.5	3.2	2.9	1.5	2.4	3.3	2.5	(7.4)	11.8	2.5	2.9
Virginia Real Gross State Product	CY	456.9	467.7	479.6	482.8	485.8	487.3	491.7	500.8	513.2	522.3	530.7	550.4	547.4	577.1	587.8	608.5
Billions Ch.2017\$, SAAR	% Chg	(0.6)	2.4	2.5	0.7	0.6	0.3	0.9	1.9	2.5	1.8	1.6	3.7	(0.5)	5.4	1.9	3.5
	FY	465.4	459.4	476.9	479.9	483.5	486.7	489.6	501.0	503.8	514.0	528.4	539.6	511.1	563.1	578.5	596.7
	% Chg	1.8	(1.3)	3.8	0.6	0.8	0.7	0.6	2.3	0.6	2.0	2.8	2.1	(5.3)	10.2	2.7	3.1
Real Consumer Spending	CY	11,147.3	11,139.9	11,474.3	11,586.2	11,762.4	12,020.5	12,462.2	12,770.9	13,089.6	13,503.1	13,742.0	14,217.5	13,987.9	15,119.1	15,379.4	15,809.3
Billions Ch.2017\$, SAAR	% Chg	(1.6)	(0.1)	3.0	1.0	1.5	2.2	3.7	2.5	2.5	3.2	1.8	3.5	(1.6)	8.1	1.7	2.8
	FY	11,340.6	11,088.3	11,332.7	11,519.6	11,670.6	11,853.9	12,202.0	12,637.0	12,930.0	13,245.4	13,653.6	13,941.3	12,761.0	14,884.0	15,256.0	15,560.1
	% Chg	1.0	(2.2)	2.2	1.6	1.3	1.6	2.9	3.6	2.3	2.4	3.1	2.1	(8.5)	16.6	2.5	2.0
Before-Tax Corporate Profits	CY	931.9	1,779.7	1,889.7	2,077.1	2,182.0	2,268.7	2,347.8	2,104.0	2,315.2	2,149.3	2,326.9	2,447.4	2,729.3	3,420.9	3,435.6	3,910.3
Billions \$, SAAR	% Chg	(47.1)	91.0	6.2	9.9	5.0	4.0	3.5	(10.4)	10.0	(7.2)	8.3	5.2	11.5	25.3	0.4	13.8
	FY	1,693.1	1,417.6	1,839.0	1,880.8	2,177.9	2,182.6	2,410.8	2,319.4	2,246.1	2,343.4	2,357.0	2,363.2	2,359.8	3,471.7	3,697.8	3,627.0
	% Chg	(9.1)	(16.3)	29.7	2.3	15.8	0.2	10.5	(3.8)	(3.2)	4.3	0.6	0.3	(0.1)	47.1	6.5	(1.9)
CPI, All Urban	CY	212.3	217.3	220.4	227.5	231.9	234.5	236.2	237.6	242.8	248.0	252.9	258.7	261.5	280.7	299.4	308.9
1982-1984=1.0, SA	% Chg	0.4	2.4	1.4	3.2	1.9	1.1	0.7	0.6	2.2	2.1	2.0	2.3	1.1	7.3	6.7	3.2
	FY	217.2	214.0	217.3	225.3	229.0	232.3	237.2	237.6	240.1	244.3	251.0	255.7	256.5	270.1	293.5	304.3
	% Chg	4.9	(1.5)	1.6	3.6	1.7	1.4	2.1	0.2	1.1	1.7	2.8	1.9	0.3	5.3	8.7	3.7
Core PCE Price Index	CY	87.9	89.3	90.2	92.0	93.6	94.9	96.2	97.4	99.2	100.8	102.7	104.4	105.8	111.4	117.0	120.7
Index 2017=100, SA	% Chg	1.1	1.6	1.0	1.9	1.8	1.5	1.3	1.3	1.8	1.6	1.9	1.6	1.4	5.3	5.1	3.1
	FY	87.7	88.4	89.8	91.2	92.8	94.2	95.7	96.9	98.4	99.9	101.9	103.5	104.5	108.6	114.3	119.3
	% Chg	2.2	0.7	1.5	1.6	1.8	1.4	1.6	1.3	1.6	1.5	2.0	1.6	0.9	3.9	5.2	4.5
Federal Funds Rate	CY	0.2	0.1	0.2	0.1	0.2	0.1	0.1	0.2	0.5	1.2	2.3	1.6	0.1	0.1	4.0	5.3
% p.a., NSA	% Chg	(95.7)	(37.8)	67.6	(59.2)	112.0	(49.4)	32.2	103.6	130.6	144.8	85.9	(32.5)	(96.2)	6.4	6,324.9	32.4
	FY	2.1	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.4	1.0	1.8	2.4	(0.1)	0.1	1.1	5.1
	% Chg	(60.8)	(92.1)	22.2	(58.2)	89.3	(33.4)	(9.8)	42.8	171.9	183.2	73.8	32.4	(105.4)	(153.8)	1,553.1	344.7
10-Year Treasury Constant Maturities	CY	3.0	3.5	3.1	2.0	1.8	2.7	2.1	2.1	2.4	2.5	3.0	1.8	1.0	1.6	3.9	4.4
% p.a., NSA	% Chg	(26.5)	19.4	(12.3)	(34.2)	(11.0)	50.2	(21.3)	(1.1)	11.0	5.4	19.8	(40.5)	(44.2)	63.2	144.6	10.6
	FY	4.0	3.5	3.3	2.9	1.7	2.2	2.6	2.2	1.6	2.2	2.9	2.2	0.6	1.5	3.1	3.7
	% Chg	(18.2)	(11.7)	(7.3)	(9.4)	(41.0)	24.7	18.1	(13.2)	(25.9)	34.4	31.2	(25.7)	(73.2)	163.4	101.5	21.3

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.5-2 Annual National and Virginia Economic Variables

History

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. Personal Income	CY	12,261.4	12,181.3	12,899.1	13,510.2	14,263.2	14,277.9	15,164.6	15,657.8	16,190.5	17,074.4	17,945.7	18,533.8	20,480.8	21,362.5	22,752.0	23,959.0
Billions \$, SAAR	% Chg	1.0	(0.7)	5.9	4.7	5.6	0.1	6.2	3.3	3.4	5.5	5.1	3.3	10.5	4.3	6.5	5.3
	FY	12,626.4	12,085.2	12,577.0	13,288.1	13,791.2	14,118.5	14,758.6	15,474.8	15,827.9	16,609.0	17,489.3	18,308.9	20,457.7	20,693.9	21,986.4	23,382.7
	% Chg	5.8	(4.3)	4.1	5.7	3.8	2.4	4.5	4.9	2.3	4.9	5.3	4.7	11.7	1.2	6.2	6.4
Virginia Personal Income	CY	355,528.0	351,126.2	370,495.8	390,461.7	411,150.4	400,214.3	421,345.6	437,453.9	451,551.4	468,716.6	487,888.0	507,501.5	534,578.0	581,178.4	622,285.2	658,210.3
Millions \$, SAAR	% Chg	3.1	(1.2)	5.5	5.4	5.3	(2.7)	5.3	3.8	3.2	3.8	4.1	4.0	5.3	8.7	7.1	5.8
	FY	360,062.0	350,982.8	365,585.5	384,848.6	398,419.0	399,515.0	414,277.8	433,821.2	443,080.5	461,570.2	478,299.8	500,877.8	547,513.8	560,077.2	601,349.5	643,360.6
	% Chg	5.5	(2.5)	4.2	5.3	3.5	0.3	3.7	4.7	2.1	4.2	3.6	4.7	9.3	2.3	7.4	7.0
U.S. Wages and Salaries	CY	6,427.9	6,268.6	6,511.0	6,672.8	7,106.0	7,253.8	7,676.0	7,971.4	8,246.6	8,709.6	9,077.9	9,606.7	9,824.0	10,839.4	11,349.7	12,029.0
Billions \$, SAAR	% Chg	(1.2)	(2.5)	3.9	2.5	6.5	2.1	5.8	3.8	3.5	5.6	4.2	5.8	2.3	10.3	4.7	6.0
	FY	6,525.1	6,266.3	6,403.8	6,637.8	6,857.4	7,121.0	7,426.4	7,856.4	8,061.5	8,434.4	8,889.3	9,285.7	8,961.1	10,273.8	11,087.1	11,704.0
	% Chg	2.4	(4.0)	2.2	3.7	3.3	3.8	4.3	5.8	2.6	4.6	5.4	4.5	(3.5)	14.6	7.9	5.6
Virginia Wages and Salaries	CY	194,576.7	193,251.5	199,208.8	202,244.8	212,199.2	210,361.6	219,023.9	228,074.4	235,539.8	244,399.5	253,846.7	266,188.2	277,831.2	298,106.3	317,423.8	339,300.2
Millions \$, SAAR	% Chg	2.2	(0.7)	3.1	1.5	4.9	(0.9)	4.1	4.1	3.3	3.8	3.9	4.9	4.4	7.3	6.5	6.9
	FY	193,372.7	192,207.9	197,649.4	202,504.6	206,113.0	210,387.1	214,908.2	226,339.0	230,139.5	240,259.6	249,607.3	261,095.8	257,627.0	287,000.9	308,530.4	329,294.0
	% Chg	2.8	(0.6)	2.8	2.5	1.8	2.1	2.1	5.3	1.7	4.4	3.9	4.6	(1.3)	11.4	7.5	6.7
Virginia Wages and Salaries Per Emp.	CY	51.9	53.3	54.4	54.5	56.4	55.9	57.7	58.4	59.9	61.5	63.1	65.3	71.6	74.4	77.2	81.0
Thousands \$, SAAR	% Chg	3.0	2.6	2.0	0.2	3.6	(1.0)	3.2	1.3	2.5	2.7	2.6	3.5	9.6	4.0	3.7	5.0
	FY	51.1	52.7	54.0	54.9	55.3	56.0	56.7	58.7	58.8	60.7	62.2	64.2	71.2	72.9	75.6	79.0
	% Chg	2.5	3.1	2.3	1.8	0.8	1.2	1.2	3.6	0.1	3.2	2.5	3.3	10.9	2.4	3.7	4.4
Virginia Dividends, Interest, and Rent	CY	72,609.9	64,133.9	67,665.4	75,265.8	83,106.2	76,385.9	82,997.5	85,974.4	90,094.6	94,665.9	100,276.7	102,441.7	103,186.2	113,301.2	125,049.1	134,969.4
Millions \$, SAAR	% Chg	2.2	(11.7)	5.5	11.2	10.4	(8.1)	8.7	3.6	4.8	5.1	5.9	2.2	0.7	9.8	10.4	7.9
	FY	72,552.6	65,913.3	65,853.5	71,614.8	78,058.8	76,230.8	81,051.8	84,790.9	88,046.7	94,031.2	96,725.3	102,862.4	99,480.4	109,664.4	119,336.7	131,661.4
	% Chg	3.0	(9.2)	(0.1)	8.7	9.0	(2.3)	6.3	4.6	3.8	6.8	2.9	6.3	(3.3)	10.2	8.8	10.3
Virginia Proprietor's Income	CY	19,168.3	17,769.0	23,048.7	25,892.4	27,804.6	25,242.2	25,972.0	26,249.7	25,333.7	25,548.3	25,629.0	28,637.1	28,607.2	34,803.0	35,144.7	36,492.5
Millions \$, SAAR	% Chg	(8.4)	(7.3)	29.7	12.3	7.4	(9.2)	2.9	1.1	(3.5)	0.8	0.3	11.7	(0.1)	21.7	1.0	3.8
	FY	20,205.7	16,656.0	22,238.1	24,643.5	27,316.9	25,763.4	26,007.7	26,261.8	25,002.8	24,982.8	25,198.8	28,096.1	26,069.4	34,567.9	34,152.1	35,583.8
	% Chg	(8.0)	(17.6)	33.5	10.8	10.8	(5.7)	0.9	1.0	(4.8)	(0.1)	0.9	11.5	(7.2)	32.6	(1.2)	4.2
S&P 500 Stock Market Index	CY	825.8	1,105.8	1,248.6	1,265.0	1,435.3	1,797.9	2,021.8	2,026.9	2,219.7	2,669.2	2,647.3	3,126.8	3,627.2	4,617.2	3,864.4	4,585.3
Index 1941-43=10, NSA	% Chg	(43.3)	33.9	12.9	1.3	13.5	25.3	12.5	0.3	9.5	20.2	(0.8)	18.1	16.0	27.3	(16.3)	18.7
	FY	1,380.2	927.3	1,119.7	1,298.7	1,358.5	1,631.2	1,927.8	2,078.8	2,130.8	2,412.9	2,745.4	2,916.4	2,998.1	4,269.6	4,035.0	4,310.6
	% Chg	(8.1)	(32.8)	20.7	16.0	4.6	20.1	18.2	7.8	2.5	13.2	13.8	6.2	2.8	42.4	(5.5)	6.8

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.5-3 Annual National and Virginia Economic Variables

History

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. Total Nonag. Employment	CY	134.8	129.8	130.8	133.0	135.1	137.4	140.3	143.1	145.4	147.5	149.8	153.6	142.2	149.8	154.4	157.3
Millions #, SA	% Chg	(2.5)	(3.7)	0.8	1.6	1.6	1.7	2.1	1.9	1.6	1.5	1.6	2.5	(7.4)	5.3	3.1	1.9
	FY	137.7	131.0	130.5	131.9	134.0	136.2	138.8	141.7	144.2	146.6	148.9	151.1	132.1	145.7	152.4	156.0
	% Chg	(0.2)	(4.9)	(0.4)	1.1	1.6	1.6	1.9	2.1	1.8	1.6	1.6	1.5	(12.6)	10.3	4.6	2.3
Virginia Total Nonag. Employment	CY	3,728.3	3,618.6	3,671.1	3,717.6	3,766.8	3,762.0	3,800.6	3,902.8	3,937.0	3,980.1	4,029.6	4,125.9	3,877.8	4,010.1	4,122.3	4,191.5
Thousands #, SA	% Chg	(1.4)	(2.9)	1.5	1.3	1.3	(0.1)	1.0	2.7	0.9	1.1	1.2	2.4	(6.0)	3.4	2.8	1.7
	FY	3,782.4	3,645.2	3,663.1	3,687.7	3,724.8	3,756.8	3,792.0	3,856.3	3,915.9	3,959.4	4,014.3	4,063.5	3,612.7	3,936.3	4,078.8	4,169.4
	% Chg	0.3	(3.6)	0.5	0.7	1.0	0.9	0.9	1.7	1.5	1.1	1.4	1.2	(11.1)	9.0	3.6	2.2
Unemployment Rate	CY	7.3	10.0	9.4	8.5	7.8	6.9	5.6	5.0	4.7	4.1	3.9	2.7	6.7	4.0	3.6	3.7
%, SA	% Chg	49.9	37.0	(5.8)	(9.6)	(8.5)	(11.6)	(18.6)	(10.5)	(5.8)	(12.9)	(5.7)	(30.1)	148.4	(40.8)	(10.5)	5.1
	FY	5.5	9.5	9.5	9.1	8.2	7.4	6.1	5.3	4.9	4.3	3.9	3.5	13.7	5.8	3.6	3.6
	% Chg	21.8	71.7	0.8	(4.6)	(10.2)	(9.0)	(17.8)	(12.9)	(7.2)	(12.2)	(10.9)	(10.5)	295.2	(57.9)	(37.9)	1.0
U.S. Civilian Labor Force	CY	154.6	153.5	153.7	154.2	155.6	155.1	156.5	158.0	159.6	160.6	163.1	165.0	160.4	162.7	165.1	167.7
Millions #, SA	% Chg	0.5	(0.7)	0.1	0.4	0.9	(0.3)	0.9	1.0	1.1	0.6	1.5	1.2	(2.8)	1.4	1.5	1.6
	FY	154.2	154.7	154.1	153.6	154.8	155.7	155.6	157.2	159.1	160.4	161.9	163.1	157.7	161.3	164.2	167.0
	% Chg	1.0	0.3	(0.4)	(0.3)	0.8	0.6	(0.1)	1.0	1.2	0.8	0.9	0.7	(3.3)	2.3	1.8	1.7
Virginia Civilian Labor Force	CY	4,146.4	4,130.4	4,177.1	4,230.4	4,236.7	4,257.5	4,261.9	4,243.0	4,301.8	4,363.2	4,368.1	4,441.8	4,297.6	4,341.3	4,480.4	4,576.8
Thousands #, SA	% Chg	1.8	(0.4)	1.1	1.3	0.1	0.5	0.1	(0.4)	1.4	1.4	0.1	1.7	(3.2)	1.0	3.2	2.2
	FY	4,134.0	4,140.5	4,165.9	4,201.0	4,214.8	4,248.5	4,277.0	4,249.1	4,263.2	4,359.4	4,358.8	4,412.2	4,269.0	4,314.1	4,417.6	4,550.1
	% Chg	2.6	0.2	0.6	0.8	0.3	0.8	0.7	(0.7)	0.3	2.3	(0.0)	1.2	(3.2)	1.1	2.4	3.0
US Total Population	CY	305.7	308.3	310.9	313.5	316.3	319.0	321.6	324.1	326.3	328.3	329.9	331.1	332.1	333.7	336.6	340.4
Millions #, NSA	% Chg	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.8	0.7	0.6	0.5	0.4	0.3	0.5	0.9	1.1
	FY	304.3	307.0	309.5	312.2	314.9	317.6	320.3	322.9	325.2	327.4	329.2	330.6	331.6	332.7	334.9	338.4
	% Chg	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.4	0.3	0.3	0.7	1.0
Virginia Total Population	CY	7,878.2	7,976.5	8,062.0	8,132.6	8,208.1	8,282.0	8,354.0	8,422.3	8,485.1	8,540.5	8,587.4	8,622.4	8,653.6	8,691.4	8,751.6	8,851.5
Thousands #, NSA	% Chg	1.1	1.2	1.1	0.9	0.9	0.9	0.9	0.8	0.7	0.7	0.5	0.4	0.4	0.4	0.7	1.1
	FY	7840.79	7,934.3	8,031.2	8,102.0	8,176.9	8,251.3	8,324.5	8,394.4	8,459.8	8,518.4	8,569.0	8,609.5	8,639.8	8,674.7	8,721.7	8,806.8
	% Chg	1.1	1.2	1.2	0.9	0.9	0.9	0.9	0.8	0.8	0.7	0.6	0.5	0.4	0.4	0.5	1.0
U.S. Existing Single-Family Home Sales	CY	3.5	4.2	3.8	3.9	4.4	4.2	4.5	4.6	4.9	4.9	4.5	4.9	5.7	5.6	3.8	3.6
Millions #, SAAR	% Chg	(8.7)	21.1	(10.6)	4.4	10.8	(2.9)	6.0	1.3	8.5	(0.2)	(8.2)	7.8	16.8	(2.2)	(32.3)	(5.9)
	FY	3.7	3.6	4.0	3.7	4.1	4.6	4.3	4.7	4.8	4.9	4.8	4.9	4.3	5.2	4.6	3.7
	% Chg	(17.3)	(1.7)	10.7	(7.9)	9.4	12.5	(4.9)	9.1	1.8	1.0	(1.3)	1.1	(12.4)	21.9	(11.9)	(19.2)

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.5-4 Annual National and Virginia Economic Variables

History

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Virginia Existing Single-Family Home Sales	CY	85.5	98.4	79.9	83.3	89.7	85.8	90.4	99.8	108.0	108.8	101.4	112.7	140.4	141.1	91.7	83.6
Thousands #, SAAR	% Chg	(0.9)	15.1	(18.8)	4.2	7.6	(4.4)	5.4	10.4	8.2	0.8	(6.8)	11.1	24.6	0.5	(35.0)	(8.8)
	FY	91.6	86.2	87.8	78.6	85.3	91.7	86.2	91.7	105.0	110.2	106.8	114.0	104.5	127.4	111.0	87.5
	% Chg	6.1	(5.9)	1.8	(10.4)	8.5	7.5	(6.0)	6.5	14.4	5.0	(3.1)	6.7	(8.4)	21.9	(12.9)	(21.1)
Gasoline and Energy Consumption	CY	8,010.3	10,287.4	11,448.2	12,465.9	12,654.8	12,270.0	10,021.6	7,851.0	8,711.1	9,682.9	9,630.1	9,861.3	7,129.0	11,977.9	12,332.5	11,514.4
Millions \$, SAAR	% Chg	(33.2)	28.4	11.3	8.9	1.5	(3.0)	(18.3)	(21.7)	11.0	11.2	(0.5)	2.4	(27.7)	68.0	3.0	(6.6)
	FY	13,678.4	8,628.9	9,983.9	12,787.3	12,236.5	11,908.4	12,108.0	9,640.4	8,086.2	8,522.5	10,179.1	10,004.9	5,414.3	10,024.8	14,359.7	11,808.2
	% Chg	29.0	(36.9)	15.7	28.1	(4.3)	(2.7)	1.7	(20.4)	(16.1)	5.4	19.4	(1.7)	(45.9)	85.2	43.2	(17.8)
Motor Vehicles and Parts Consumption	CY	8,647.6	9,319.2	10,912.0	11,063.6	11,770.5	11,784.4	12,744.1	13,253.9	14,043.8	14,722.9	14,515.2	14,377.9	15,831.2	18,411.6	18,351.7	18,030.2
Millions \$, SAAR	% Chg	(25.8)	7.8	17.1	1.4	6.4	0.1	8.1	4.0	6.0	4.8	(1.4)	(0.9)	10.1	16.3	(0.3)	(1.8)
	FY	10,568.0	9,425.8	10,217.1	10,231.6	11,195.9	11,840.5	12,487.4	13,475.1	13,604.2	13,764.0	14,518.5	14,418.9	13,604.3	18,480.7	18,014.1	18,859.7
	% Chg	(9.2)	(10.8)	8.4	0.1	9.4	5.8	5.5	7.9	1.0	1.2	5.5	(0.7)	(5.6)	35.8	(2.5)	4.7
PCE, Goods	CY	87,759.3	91,801.9	97,155.6	101,321.4	103,885.4	104,557.3	106,642.7	107,259.3	110,714.4	116,860.8	118,247.8	124,141.5	133,392.8	152,380.6	157,665.5	160,994.5
Millions \$, SAAR	% Chg	(8.7)	4.6	5.8	4.3	2.5	0.6	2.0	0.6	3.2	5.6	1.2	5.0	7.5	14.2	3.5	2.1
	FY	97,805.1	89,390.7	93,421.0	99,706.9	101,882.7	103,613.3	106,847.7	108,158.8	109,021.8	112,238.6	117,979.2	121,417.8	121,733.5	146,658.0	157,717.1	159,939.5
	% Chg	4.4	(8.6)	4.5	6.7	2.2	1.7	3.1	1.2	0.8	3.0	5.1	2.9	0.3	20.5	7.5	1.4
PCE, Services	CY	17,733.9	17,719.7	18,565.8	19,425.6	20,250.8	20,652.2	21,994.9	22,940.5	23,638.0	24,406.8	24,985.3	26,920.4	21,328.7	28,681.5	32,791.0	34,893.0
Millions \$, SAAR	% Chg	1.3	(0.1)	4.8	4.6	4.2	2.0	6.5	4.3	3.0	3.3	2.4	7.7	(20.8)	34.5	14.3	6.4
	FY	17,768.4	17,558.9	18,300.8	19,089.7	19,908.5	20,173.7	21,264.2	22,473.9	23,191.5	23,852.6	24,934.0	25,609.6	16,649.4	27,071.6	31,315.6	33,650.9
	% Chg	4.6	(1.2)	4.2	4.3	4.3	1.3	5.4	5.7	3.2	2.9	4.5	2.7	(35.0)	62.6	15.7	7.5
PCE, Food and Beverages	CY	20,660.1	20,987.0	21,609.1	22,582.7	23,180.7	23,489.3	24,370.3	25,007.9	26,342.8	27,710.0	28,107.6	29,547.6	32,275.6	35,527.2	38,021.0	38,568.6
Millions \$, SAAR	% Chg	3.3	1.6	3.0	4.5	2.6	1.3	3.8	2.6	5.3	5.2	1.4	5.1	9.2	10.1	7.0	1.4
	FY	20,669.1	20,622.3	21,222.0	22,164.0	23,098.7	23,209.9	23,869.9	24,560.3	25,763.8	27,088.7	27,660.4	28,834.4	32,091.5	34,043.7	36,929.2	38,124.8
	% Chg	6.6	(0.2)	2.9	4.4	4.2	0.5	2.8	2.9	4.9	5.1	2.1	4.2	11.3	6.1	8.5	3.2
PCE, Financial Services and Insurance	CY	18,348.0	18,220.1	19,615.7	20,135.0	20,405.9	21,665.6	22,460.9	23,016.8	23,707.6	24,951.5	25,377.6	25,584.9	26,484.7	28,305.2	29,408.8	31,452.1
Millions \$, SAAR	% Chg	(4.0)	(0.7)	7.7	2.6	1.3	6.2	3.7	2.5	3.0	5.2	1.7	0.8	3.5	6.9	3.9	6.9
	FY	19,307.4	17,793.1	19,146.0	19,999.9	20,197.2	20,995.9	22,162.0	22,874.9	23,306.5	24,451.1	25,151.6	25,439.4	24,913.5	27,579.1	28,392.1	31,109.2
	% Chg	4.9	(7.8)	7.6	4.5	1.0	4.0	5.6	3.2	1.9	4.9	2.9	1.1	(2.1)	10.7	2.9	9.6
Mortgage Purchase Originations	CY	34.3	26.8	21.7	21.1	24.2	26.6	26.2	32.0	34.9	38.3	39.3	41.4	57.3	63.3	41.5	37.8
Billions \$, SAAR	% Chg	(3.1)	(21.7)	(19.0)	(3.1)	14.8	10.0	(1.4)	21.9	9.2	9.6	2.6	5.4	38.4	10.5	(34.4)	(9.0)
	FY	22.2	34.4	18.9	21.8	20.3	31.3	26.8	29.9	33.4	41.7	40.3	42.5	46.6	58.8	49.4	37.6
	% Chg	(42.3)	54.6	(44.9)	14.8	(6.8)	54.6	(14.4)	11.6	11.7	24.9	(3.4)	5.5	9.5	26.3	(16.1)	(24.0)
Mortgage Refinance Originations	CY	26.1	61.2	48.4	50.7	65.4	20.2	16.7	26.7	31.5	17.2	10.5	54.9	140.0	56.4	4.9	5.1
Billions \$, SAAR	% Chg	(25.6)	134.6	(20.9)	4.7	29.0	(69.1)	(17.5)	60.0	18.0	(45.3)	(39.0)	422.3	155.2	(59.7)	(91.3)	2.5
	FY	20.9	58.8	43.7	34.6	59.3	57.8	18.2	29.4	41.6	19.2	13.4	25.2	122.9	96.0	12.8	6.8
	% Chg	(47.4)	180.9	(25.8)	(20.9)	71.6	(2.6)	(68.5)	61.8	41.3	(53.9)	(30.4)	89.1	386.9	(21.9)	(86.6)	(46.9)

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted

Table A.6-1 Annual National and Virginia Economic Variables

		Baseline Forecast					Above Baseline Forecast					Recession Forecast				
		2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
U.S. Real Gross Domestic Product	CY	23,198.2	23,506.5	23,983.6	24,491.8	25,034.2	23,262.9	23,685.3	24,172.2	24,679.7	25,190.9	23,170.8	23,042.2	22,978.7	23,750.2	24,598.1
Billions Ch.2017\$, SAAR	% Chg	0.9	1.3	2.0	2.1	2.2	1.2	1.8	2.1	2.1	2.1	0.8	(0.6)	(0.3)	3.4	3.6
	FY	23,004.7	23,328.8	23,721.5	24,246.7	24,737.3	23,004.7	23,477.5	23,922.8	24,429.5	24,929.9	23,004.7	23,165.8	22,901.4	23,327.2	24,173.8
	% Chg	1.8	1.4	1.7	2.2	2.0	1.8	2.1	1.9	2.1	2.0	1.8	0.7	(1.1)	1.9	3.6
Virginia Real Gross State Product	CY	612.7	621.2	633.7	646.3	659.7	614.4	625.6	638.4	651.2	663.8	612.0	611.1	612.0	630.4	650.7
Billions Ch.2017\$, SAAR	% Chg	0.7	1.4	2.0	2.0	2.1	1.0	1.8	2.1	2.0	1.9	0.6	(0.2)	0.2	3.0	3.2
	FY	607.0	616.2	627.1	640.1	652.6	607.0	620.1	631.9	645.0	657.4	607.0	612.6	609.4	620.4	640.5
	% Chg	1.7	1.5	1.8	2.1	2.0	1.7	2.1	1.9	2.1	1.9	1.7	0.9	(0.5)	1.8	3.2
Real Consumer Spending	CY	16,040.2	16,451.7	16,785.0	17,129.5	17,492.7	16,026.7	16,382.8	16,795.8	17,116.3	17,430.4	15,944.2	15,903.2	15,899.4	16,461.6	16,986.2
Billions Ch.2017\$, SAAR	% Chg	1.5	2.6	2.0	2.1	2.1	1.4	2.2	2.5	1.9	1.8	0.9	(0.3)	(0.0)	3.5	3.2
	FY	15,813.0	16,267.3	16,619.9	16,953.4	17,310.1	15,813.0	16,213.8	16,585.6	16,976.3	17,260.9	15,813.0	15,971.6	15,808.4	16,170.4	16,736.6
	% Chg	1.6	2.9	2.2	2.0	2.1	1.6	2.5	2.3	2.4	1.7	1.6	1.0	(1.0)	2.3	3.5
Before-Tax Corporate Profits	CY	4,038.4	4,050.8	4,064.4	4,182.2	4,356.4	4,033.0	4,061.4	4,112.7	4,228.6	4,400.7	4,008.5	3,781.7	3,650.2	4,011.2	4,350.6
Billions \$, SAAR	% Chg	3.3	0.3	0.3	2.9	4.2	3.1	0.7	1.3	2.8	4.1	2.5	(5.7)	(3.5)	9.9	8.5
	FY	3,922.1	4,046.9	4,053.0	4,110.4	4,270.0	3,922.1	4,044.1	4,077.9	4,167.8	4,310.7	3,922.1	3,920.8	3,659.1	3,806.8	4,192.3
	% Chg	8.1	3.2	0.1	1.4	3.9	8.1	3.1	0.8	2.2	3.4	8.1	(0.0)	(6.7)	4.0	10.1
CPI, All Urban	CY	313.5	321.0	328.9	336.5	344.1	313.5	320.9	328.7	336.8	345.3	313.6	321.2	325.7	331.3	336.8
1982-1984=1.0, SA	% Chg	1.5	2.4	2.4	2.3	2.3	1.5	2.4	2.4	2.5	2.5	1.5	2.4	1.4	1.7	1.7
	FY	309.6	317.0	325.0	332.7	340.3	309.6	317.0	324.8	332.7	341.0	309.6	317.4	323.5	328.5	334.0
	% Chg	1.7	2.4	2.5	2.4	2.3	1.7	2.4	2.5	2.4	2.5	1.7	2.5	1.9	1.5	1.7
Core PCE Price Index	CY	122.5	125.1	127.8	130.5	133.3	122.5	125.1	127.6	130.4	133.5	122.6	125.1	126.8	128.8	130.8
Index 2017=100, SA	% Chg	1.6	2.1	2.1	2.2	2.2	1.5	2.1	2.0	2.2	2.4	1.6	2.1	1.3	1.6	1.6
	FY	121.0	123.8	126.4	129.2	131.9	121.0	123.8	126.3	129.0	132.0	121.0	123.9	126.0	127.7	129.8
	% Chg	1.4	2.4	2.1	2.2	2.2	1.4	2.4	2.0	2.1	2.3	1.4	2.4	1.7	1.4	1.6
Federal Funds Rate	CY	5.1	3.9	3.1	3.0	3.0	5.1	3.2	2.9	2.9	2.9	5.2	4.6	3.2	2.9	2.9
% p.a., NSA	% Chg	(67.0)	(72.6)	(57.0)	(27.5)	(31.7)	(67.0)	(59.8)	(41.6)	(27.9)	(30.3)	(67.0)	(86.5)	(124.9)	(41.1)	26.0
	FY	5.3	4.6	3.4	3.0	3.0	5.3	4.2	3.0	2.9	2.9	5.3	4.9	3.9	2.9	2.9
	% Chg	4.0	(14.3)	(25.3)	(12.9)	0.0	4.0	(20.9)	(29.7)	(0.7)	0.0	4.0	(7.0)	(21.8)	(24.9)	(0.7)
10-Year Treasury Constant Maturities	CY	4.2	4.1	4.1	4.1	4.1	4.1	3.7	3.7	3.6	3.4	4.2	4.2	3.9	4.2	4.3
% p.a., NSA	% Chg	(4.6)	(1.0)	0.4	0.4	(0.2)	(6.6)	(8.9)	0.8	(4.7)	(3.3)	(3.6)	(0.6)	(5.7)	6.4	2.2
	FY	4.3	4.0	4.1	4.1	4.1	4.3	3.8	3.7	3.7	3.5	4.3	4.1	4.0	4.0	4.3
	% Chg	15.6	(5.9)	2.0	0.1	0.2	15.6	(12.6)	(1.1)	(1.4)	(5.3)	15.6	(3.7)	(3.4)	0.7	6.1

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted; CY: Calendar Year; FY: Fiscal Year

Table A.6-2 Annual National and Virginia Economic Variables

		Baseline Forecast					Above Baseline Forecast					Recession Forecast				
		2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
U.S. Personal Income	CY	24,758.6	25,864.7	27,002.5	28,164.4	29,418.4	24,744.1	25,722.8	26,812.3	27,957.8	29,204.8	24,629.2	25,415.2	25,633.4	26,381.9	27,642.1
Billions \$, SAAR	% Chg	3.3	4.5	4.4	4.3	4.5	3.3	4.0	4.2	4.3	4.5	2.8	3.2	0.9	2.9	4.8
	FY	24,086.1	25,294.3	26,438.3	27,574.0	28,777.6	24,086.1	25,222.8	26,260.1	27,375.7	28,563.9	24,086.1	25,031.1	25,537.5	25,918.6	26,965.4
	% Chg	3.0	5.0	4.5	4.3	4.4	3.0	4.7	4.1	4.2	4.3	3.0	3.9	2.0	1.5	4.0
Virginia Personal Income	CY	679,551.7	699,402.0	735,135.4	767,790.5	801,215.6	681,182.5	709,285.2	740,332.4	772,539.7	807,266.1	678,270.1	689,462.6	700,383.8	730,018.9	767,818.1
Millions \$, SAAR	% Chg	3.2	2.9	5.1	4.4	4.4	3.5	4.1	4.4	4.4	4.5	3.0	1.7	1.6	4.2	5.2
	FY	663,500.8	688,229.7	715,972.9	753,138.2	783,213.0	663,500.8	694,797.6	724,669.8	756,203.9	789,463.7	663,500.8	685,271.1	691,724.2	715,150.3	746,460.6
	% Chg	3.1	3.7	4.0	5.2	4.0	3.1	4.7	4.3	4.4	4.4	3.1	3.3	0.9	3.4	4.4
U.S. Wages and Salaries	CY	12,496.7	13,084.2	13,626.0	14,180.1	14,761.2	12,487.4	12,996.3	13,514.7	14,094.8	14,702.1	12,378.6	12,558.7	12,486.7	12,871.2	13,434.3
Billions \$, SAAR	% Chg	3.9	4.7	4.1	4.1	4.1	3.8	4.1	4.0	4.3	4.3	2.9	1.5	(0.6)	3.1	4.4
	FY	12,116.3	12,797.9	13,357.3	13,899.1	14,468.0	12,116.3	12,750.9	13,252.3	13,797.8	14,392.7	12,116.3	12,496.7	12,484.2	12,644.7	13,139.3
	% Chg	3.5	5.6	4.4	4.1	4.1	3.5	5.2	3.9	4.1	4.3	3.5	3.1	(0.1)	1.3	3.9
Virginia Wages and Salaries	CY	350,670.2	357,904.1	374,460.0	392,036.3	408,919.5	352,378.8	366,661.8	381,551.8	397,891.6	414,945.5	349,619.6	348,219.8	349,591.2	365,743.6	383,324.5
Millions \$, SAAR	% Chg	3.4	2.1	4.6	4.7	4.3	3.9	4.1	4.1	4.3	4.3	3.0	(0.4)	0.4	4.6	4.8
	FY	342,171.5	353,687.2	365,047.8	384,122.7	399,590.5	342,171.5	359,589.5	374,048.0	389,546.0	406,270.6	342,171.5	350,257.7	345,779.9	358,155.5	373,419.5
	% Chg	3.9	3.4	3.2	5.2	4.0	3.9	5.1	4.0	4.1	4.3	3.9	2.4	(1.3)	3.6	4.3
Virginia Wages and Salaries Per Emp.	CY	82.8	84.6	88.0	91.8	95.1	83.1	86.1	89.1	92.4	96.0	82.8	83.6	84.8	87.9	91.2
Thousands \$, SAAR	% Chg	2.2	2.2	4.0	4.3	3.6	2.6	3.5	3.5	3.7	3.9	2.2	1.0	1.4	3.7	3.7
	FY	81.3	83.7	86.0	90.1	93.4	81.3	84.6	87.6	90.7	94.2	81.3	83.5	83.7	86.5	89.5
	% Chg	3.0	2.8	2.8	4.7	3.7	3.0	4.0	3.5	3.6	3.8	3.0	2.6	0.3	3.4	3.4
Virginia Dividends, Interest, and Rent	CY	136,734.3	137,234.9	142,664.5	147,198.3	153,471.3	136,670.1	138,492.2	142,710.7	147,669.8	153,803.2	136,521.6	135,303.8	133,876.3	139,552.9	150,823.4
Millions \$, SAAR	% Chg	1.3	0.4	4.0	3.2	4.3	1.3	1.3	3.0	3.5	4.2	1.1	(0.9)	(1.1)	4.2	8.1
	FY	135,061.5	136,673.5	139,452.8	145,334.0	149,711.2	135,061.5	137,303.7	140,375.7	145,139.2	150,547.9	135,061.5	136,302.5	133,728.8	136,198.5	144,388.2
	% Chg	2.6	1.2	2.0	4.2	3.0	2.6	1.7	2.2	3.4	3.7	2.6	0.9	(1.9)	1.8	6.0
Virginia Proprietor's Income	CY	37,971.8	39,375.0	42,162.6	44,234.9	46,847.3	37,920.2	40,061.5	42,194.1	44,503.9	47,145.0	37,815.9	38,903.9	40,955.7	44,041.5	46,960.2
Millions \$, SAAR	% Chg	4.1	3.7	7.1	4.9	5.9	3.9	5.6	5.3	5.5	5.9	3.6	2.9	5.3	7.5	6.6
	FY	36,938.5	38,571.7	40,744.4	43,285.4	45,438.5	36,770.8	38,980.4	41,141.3	43,301.3	45,811.0	36,770.8	38,397.3	39,725.8	42,544.1	45,402.2
	% Chg	3.8	4.4	5.6	6.2	5.0	3.3	6.0	5.5	5.3	5.8	3.3	4.4	3.5	7.1	6.7
S&P 500 Stock Market Index	CY	5,367.2	5,568.1	5,645.5	5,978.6	6,326.6	5,369.0	5,605.7	5,706.1	6,074.7	6,443.0	5,314.1	4,780.5	4,145.6	4,944.9	5,816.9
Index 1941-43=10, NSA	% Chg	17.1	3.7	1.4	5.9	5.8	17.1	4.4	1.8	6.5	6.1	15.9	(10.0)	(13.3)	19.3	17.6
	FY	4,794.9	5,591.8	5,574.8	5,795.0	6,158.6	4,794.9	5,606.4	5,629.4	5,868.8	6,269.4	4,794.9	5,305.3	4,233.1	4,490.5	5,438.6
	% Chg	11.2	16.6	(0.3)	4.0	6.3	11.2	16.9	0.4	4.3	6.8	11.2	10.6	(20.2)	6.1	21.1

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted; CY: Calendar Year; FY: Fiscal Year

Table A.6-3 Annual National and Virginia Economic Variables

		Baseline Forecast					Above Baseline Forecast					Recession Forecast				
		2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
U.S. Total Nonag. Employment	CY	158.6	160.1	160.9	161.5	162.1	158.5	159.0	159.7	160.6	161.3	158.4	156.0	153.9	155.4	156.5
Millions #, SA	% Chg	0.8	0.9	0.5	0.4	0.4	0.7	0.4	0.4	0.6	0.4	0.7	(1.6)	(1.3)	1.0	0.7
	FY	157.4	159.4	160.5	161.2	161.8	157.4	158.9	159.4	160.2	161.0	157.4	158.0	154.2	154.7	156.1
	% Chg	0.9	1.3	0.7	0.4	0.4	0.9	0.9	0.3	0.5	0.5	0.9	0.3	(2.4)	0.3	0.9
Virginia Total Nonag. Employment	CY	4,233.0	4,228.8	4,254.8	4,271.5	4,299.7	4,238.8	4,259.6	4,281.5	4,305.7	4,323.3	4,222.6	4,163.2	4,122.8	4,158.6	4,202.9
Thousands #, SA	% Chg	1.0	(0.1)	0.6	0.4	0.7	1.1	0.5	0.5	0.6	0.4	0.7	(1.4)	(1.0)	0.9	1.1
	FY	4,206.2	4,227.9	4,243.6	4,264.6	4,277.1	4,206.2	4,250.9	4,271.2	4,293.9	4,314.2	4,206.2	4,197.1	4,132.1	4,139.6	4,173.9
	% Chg	0.9	0.5	0.4	0.5	0.3	0.9	1.1	0.5	0.5	0.5	0.9	(0.2)	(1.5)	0.2	0.8
Unemployment Rate	CY	4.0	4.1	4.0	4.0	4.0	4.1	4.2	4.1	3.8	3.8	4.1	6.0	6.7	5.9	5.5
%, SA	% Chg	8.2	1.7	(2.3)	(0.7)	(0.3)	8.8	4.5	(4.3)	(5.5)	(1.6)	10.6	46.2	11.5	(12.5)	(7.5)
	FY	3.8	4.2	4.1	4.0	4.0	3.8	4.3	4.1	3.9	3.8	3.8	4.9	6.8	6.3	5.6
	% Chg	5.3	9.2	(2.4)	(1.3)	(0.7)	5.3	11.9	(2.8)	(4.7)	(3.5)	5.3	29.7	37.9	(7.9)	(10.4)
U.S. Civilian Labor Force	CY	168.2	168.9	169.4	170.0	170.6	168.2	168.9	169.4	170.1	170.8	168.2	168.3	167.3	167.5	168.0
Millions #, SA	% Chg	0.3	0.4	0.3	0.4	0.4	0.3	0.5	0.3	0.4	0.4	0.3	0.1	(0.6)	0.1	0.3
	FY	167.7	168.7	169.1	169.7	170.3	167.7	168.7	169.1	169.8	170.5	167.7	168.6	167.6	167.3	167.7
	% Chg	0.4	0.6	0.3	0.3	0.4	0.4	0.6	0.3	0.4	0.4	0.4	0.6	(0.6)	(0.1)	0.2
Virginia Civilian Labor Force	CY	4,578.3	4,580.1	4,594.6	4,612.6	4,630.3	4,579.2	4,584.0	4,599.7	4,619.5	4,639.2	4,576.8	4,564.0	4,541.2	4,547.9	4,565.0
Thousands #, SA	% Chg	0.0	0.0	0.3	0.4	0.4	0.1	0.1	0.3	0.4	0.4	(0.0)	(0.3)	(0.5)	0.1	0.4
	FY	4,575.9	4,574.3	4,587.7	4,603.7	4,621.2	4,575.9	4,577.1	4,591.2	4,609.5	4,629.3	4,575.9	4,570.8	4,548.3	4,543.2	4,554.3
	% Chg	0.6	(0.0)	0.3	0.3	0.4	0.6	0.0	0.3	0.4	0.4	0.6	(0.1)	(0.5)	(0.1)	0.2
US Total Population	CY	342.4	344.9	346.5	348.1	349.5	342.4	344.9	346.5	348.0	349.5	342.4	344.9	346.5	347.9	349.1
Millions #, NSA	% Chg	0.6	0.7	0.5	0.4	0.4	0.6	0.7	0.5	0.4	0.4	0.6	0.7	0.5	0.4	0.4
	FY	340.5	343.8	345.7	347.3	348.8	340.5	343.8	345.7	347.3	348.8	340.5	343.8	345.7	347.2	348.5
	% Chg	0.6	1.0	0.6	0.5	0.4	0.6	1.0	0.6	0.4	0.4	0.6	1.0	0.6	0.4	0.4
Virginia Total Population	CY	8,918.5	8,992.4	9,041.9	9,084.6	9,123.0	8,918.5	8,992.4	9,042.1	9,085.3	9,124.7	8,918.5	8,992.6	9,042.7	9,084.0	9,118.1
Thousands #, NSA	% Chg	0.8	0.8	0.6	0.5	0.4	0.8	0.8	0.6	0.5	0.4	0.8	0.8	0.6	0.5	0.4
	FY	340.5	343.8	345.7	347.3	348.8	8,865.9	8,960.7	9,018.6	9,064.2	9,105.4	8,865.9	8,960.7	9,019.0	9,064.3	9,101.7
	% Chg	(96.1)	1.0	0.6	0.5	0.4	0.7	1.1	0.6	0.5	0.5	0.7	1.1	0.7	0.5	0.4
U.S. Existing Single-Family Home Sales	CY	3.8	4.3	4.5	4.7	4.8	3.8	4.5	4.7	4.8	4.9	3.7	3.7	3.5	4.5	4.6
Millions #, SAAR	% Chg	5.7	15.5	4.5	3.2	1.9	5.6	18.6	4.5	4.2	1.6	5.2	(1.3)	(5.3)	27.8	3.5
	FY	3.6	4.0	4.4	4.6	4.7	3.6	4.1	4.6	4.7	4.9	3.6	3.9	3.2	4.1	4.6
	% Chg	(1.8)	11.2	10.1	4.1	2.3	(1.8)	12.3	12.3	3.8	3.4	(1.8)	7.0	(16.5)	27.7	9.9

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted; CY: Calendar Year; FY: Fiscal Year

Table A.6-4 Annual National and Virginia Economic Variables

		Baseline Forecast					Above Baseline Forecast					Recession Forecast				
		2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Virginia Existing Single-Family Home Sales	CY	94.1	111.9	118.3	124.9	129.6	94.3	115.0	121.2	126.9	129.4	93.7	94.8	90.7	117.0	121.5
Thousands #, SAAR	% Chg	12.5	18.9	5.8	5.6	3.8	12.7	22.0	5.4	4.7	1.9	12.1	1.1	(4.3)	28.9	3.9
	FY	88.5	102.9	115.0	121.7	127.6	88.5	104.2	118.8	124.0	128.8	88.5	98.9	83.6	108.2	119.4
	% Chg	1.1	16.2	11.8	5.8	4.9	1.1	17.7	14.0	4.4	3.8	1.1	11.7	(15.4)	29.3	10.4
Gasoline and Energy Consumption	CY	11,337.8	11,332.1	11,735.7	11,917.5	12,450.8	11,312.6	11,427.6	11,752.8	12,039.4	12,534.3	11,295.0	11,017.2	10,696.1	11,275.4	11,541.0
Millions \$, SAAR	% Chg	(1.5)	(0.1)	3.6	1.5	4.5	(1.8)	1.0	2.8	2.4	4.1	(1.9)	(2.5)	(2.9)	5.4	2.4
	FY	11,669.3	11,257.5	11,514.3	11,866.0	12,069.2	11,669.3	11,283.5	11,601.1	11,903.3	12,235.5	11,669.3	11,220.4	10,634.6	11,058.6	11,404.5
	% Chg	(1.2)	(3.5)	2.3	3.1	1.7	(1.2)	(3.3)	2.8	2.6	2.8	(1.2)	(3.8)	(5.2)	4.0	3.1
Motor Vehicles and Parts Consumption	CY	17,822.4	17,802.5	18,667.1	19,277.0	19,833.4	17,825.2	18,235.7	18,789.1	19,446.2	19,623.3	17,766.3	15,952.8	15,932.3	17,904.7	18,657.2
Millions \$, SAAR	% Chg	(1.2)	(0.1)	4.9	3.3	2.9	(1.1)	2.3	3.0	3.5	0.9	(1.5)	(10.2)	(0.1)	12.4	4.2
	FY	18,031.1	17,838.9	18,009.4	19,061.7	19,393.6	18,031.1	18,090.2	18,437.4	19,130.6	19,607.6	18,031.1	17,168.3	15,340.1	17,072.8	18,395.4
	% Chg	(4.4)	(1.1)	1.0	5.8	1.7	(4.4)	0.3	1.9	3.8	2.5	(4.4)	(4.8)	(10.6)	11.3	7.7
PCE, Goods	CY	162,328.7	166,463.8	174,272.9	179,114.0	186,381.4	162,154.8	168,012.4	173,959.9	179,469.5	186,106.2	161,837.6	159,692.1	161,152.4	170,643.5	177,746.1
Millions \$, SAAR	% Chg	0.8	2.5	4.7	2.8	4.1	0.7	3.6	3.5	3.2	3.7	0.5	(1.3)	0.9	5.9	4.2
	FY	160,906.6	164,387.2	169,893.7	177,335.8	181,606.8	160,906.6	165,114.3	170,962.6	176,844.2	182,417.4	160,906.6	161,942.8	158,398.0	166,374.5	174,145.1
	% Chg	0.6	2.2	3.3	4.4	2.4	0.6	2.6	3.5	3.4	3.2	0.6	0.6	(2.2)	5.0	4.7
PCE, Services	CY	35,127.9	35,815.5	38,072.6	39,423.4	41,183.8	35,237.2	36,529.8	38,454.4	40,151.6	41,652.8	34,965.9	32,809.1	32,738.5	35,825.5	38,259.3
Millions \$, SAAR	% Chg	0.7	2.0	6.3	3.5	4.5	1.0	3.7	5.3	4.4	3.7	0.2	(6.2)	(0.2)	9.4	6.8
	FY	34,719.8	35,296.8	36,793.8	38,932.4	39,973.4	34,719.8	35,792.8	37,486.5	39,364.2	40,863.7	34,719.8	34,265.2	31,935.5	34,419.5	37,045.6
	% Chg	3.2	1.7	4.2	5.8	2.7	3.2	3.1	4.7	5.0	3.8	3.2	(1.3)	(6.8)	7.8	7.6
PCE, Food and Beverages	CY	39,024.1	40,371.1	42,557.6	43,788.7	45,857.2	38,930.5	40,450.7	42,127.0	43,548.4	45,674.9	38,929.1	39,548.9	40,913.3	42,895.8	44,565.4
Millions \$, SAAR	% Chg	1.2	3.5	5.4	2.9	4.7	0.9	3.9	4.1	3.4	4.9	0.9	1.6	3.5	4.8	3.9
	FY	38,528.7	39,646.7	41,431.5	43,344.4	44,578.7	38,528.7	39,626.3	41,286.1	42,889.1	44,446.1	38,528.7	39,307.6	39,999.6	42,029.8	43,646.2
	% Chg	1.1	2.9	4.5	4.6	2.8	1.1	2.8	4.2	3.9	3.6	1.1	2.0	1.8	5.1	3.8
PCE, Financial Services and Insurance	CY	32,849.1	33,959.0	35,555.3	36,696.8	38,138.7	32,936.1	34,443.5	35,700.6	37,026.1	38,439.5	32,752.3	32,951.7	32,719.3	35,019.3	37,491.8
Millions \$, SAAR	% Chg	4.4	3.4	4.7	3.2	3.9	4.7	4.6	3.6	3.7	3.8	4.1	0.6	(0.7)	7.0	7.1
	FY	31,851.1	33,414.0	34,695.7	36,226.1	37,312.4	31,851.1	33,752.8	35,056.6	36,367.5	37,722.8	31,851.1	33,091.6	32,500.9	33,787.9	36,247.3
	% Chg	2.4	4.9	3.8	4.4	3.0	2.4	6.0	3.9	3.7	3.7	2.4	3.9	(1.8)	4.0	7.3
Mortgage Purchase Originations	CY	46.3	61.8	67.9	71.7	72.8	46.3	63.3	69.7	73.4	73.6	45.9	52.2	49.6	62.1	65.8
Billions \$, SAAR	% Chg	22.4	33.5	10.0	5.6	1.5	22.6	36.6	10.1	5.3	0.3	21.5	13.8	(5.1)	25.2	6.0
	FY	40.3	54.8	64.9	70.3	72.5	40.3	55.5	67.0	71.9	73.9	40.3	52.3	47.0	57.5	64.1
	% Chg	7.2	36.2	18.4	8.2	3.1	7.2	37.8	20.8	7.4	2.7	7.2	30.0	(10.3)	22.4	11.6
Mortgage Refinance Originations	CY	13.5	27.2	37.9	49.2	62.9	13.5	29.0	37.9	48.7	62.3	12.5	18.2	33.8	44.2	49.2
Billions \$, SAAR	% Chg	166.5	101.6	39.2	29.9	27.9	166.5	115.2	30.7	28.3	28.1	147.8	45.1	85.8	30.7	11.4
	FY	8.6	19.8	32.8	42.5	57.2	8.6	20.6	34.3	42.0	56.9	8.6	15.2	24.2	41.0	47.2
	% Chg	26.1	130.2	65.8	29.7	34.4	26.1	139.2	66.7	22.7	35.3	26.1	76.6	59.2	69.7	15.1

SAAR: Seasonally Adjusted Annual Rates; SA: Seasonally Adjusted; NSA: Not Seasonally Adjusted; CY: Calendar Year; FY: Fiscal Year

Appendix B: General Fund Data

Table B.1 – Quarterly General Fund Revenues

	2009 3	2009 4	2010 1	2010 2	2010 3	2010 4	2011 1	2011 2	2011 3	2011 4	2012 1	2012 2	2012 3	2012 4
Withholding	2,125.0	2,328.6	2,416.4	2,306.1	2,219.1	2,459.9	2,538.5	2,417.6	2,308.0	2,510.9	2,640.7	2,580.0	2,292.0	2,606.4
Annual % Change	(2.3)	(2.3)	4.8	1.5	4.4	5.6	5.1	4.8	4.0	2.1	4.0	6.7	(0.7)	3.8
Non-withholding	311.3	217.8	373.0	1,004.6	292.9	204.6	435.7	1,245.4	348.0	222.8	468.9	1,318.3	362.4	201.3
Annual % Change	(23.4)	(10.5)	(18.7)	(16.4)	(5.9)	(6.0)	16.8	24.0	18.8	8.9	7.6	5.9	4.1	(9.6)
Gross Individual Income Tax	2,436.3	2,546.4	2,789.4	3,310.7	2,512.0	2,664.5	2,974.2	3,663.0	2,655.9	2,733.7	3,109.6	3,898.3	2,654.4	2,807.7
Annual % Change	(5.6)	(3.1)	0.9	(4.7)	3.1	4.6	6.6	10.6	5.7	2.6	4.6	6.4	(0.1)	2.7
Individual Refunds	150.8	182.3	947.1	714.4	123.1	160.9	888.2	697.1	105.7	132.1	862.9	684.1	98.2	108.9
Annual % Change	18.6	29.1	8.5	(13.5)	(18.4)	(11.8)	(6.2)	(2.4)	(14.1)	(17.9)	(2.9)	(1.9)	(7.1)	(17.6)
Net Individual Income Tax	2,285.5	2,364.1	1,842.3	2,596.4	2,388.9	2,503.6	2,086.1	2,965.8	2,550.2	2,601.6	2,246.7	3,214.2	2,556.2	2,698.9
Annual % Change	(6.9)	(4.9)	(2.6)	(1.9)	4.5	5.9	13.2	14.2	6.8	3.9	7.7	8.4	0.2	3.7
Sales and Use Tax	724.7	724.0	674.5	959.4	577.9	746.3	719.7	968.5	620.4	772.0	768.1	961.0	684.7	777.1
Annual % Change	(5.9)	(0.7)	(4.8)	38.0	(20.3)	3.1	6.7	0.9	7.3	3.5	6.7	(0.8)	10.4	0.7
Corporate Income Tax	176.3	175.6	56.8	397.8	177.6	160.5	127.8	356.4	191.3	134.4	162.4	371.8	168.8	197.9
Annual % Change	(7.9)	144.4	(20.2)	26.8	0.7	(8.6)	125.1	(10.4)	7.7	(16.3)	27.1	4.3	(11.8)	47.2
Wills, Suits, Deeds, Contracts	80.5	74.6	60.1	75.0	75.7	77.7	63.3	74.7	78.9	79.8	73.5	89.8	90.7	92.2
Annual % Change	(10.9)	12.8	(12.2)	(16.0)	(5.9)	4.1	5.4	(0.4)	4.2	2.8	16.1	20.2	14.9	15.5
Insurance Premiums	0.0	75.1	(20.3)	207.1	0.0	80.5	(9.4)	210.4	0.0	56.4	(15.2)	211.7	0.0	79.9
Annual % Change	NA	(0.6)	0.4	3.7	NA	7.2	(53.7)	1.6	NA	(29.9)	62.4	0.6	NA	41.7
Interest Income	40.3	26.4	33.3	(5.7)	25.7	21.6	23.8	10.0	29.5	17.0	19.9	10.8	26.9	15.1
Annual % Change	(45.9)	3.9	42.8	(70.0)	(36.2)	(18.0)	(28.5)	(274.5)	14.5	(21.5)	(16.2)	8.0	(8.9)	(10.9)
Alcoholic Beverage Sales	12.3	42.2	47.5	73.0	12.8	43.2	48.7	74.3	13.8	45.0	50.6	77.0	15.7	46.1
Annual % Change	(4.0)	1.7	1.0	1.7	3.9	2.2	2.5	1.7	7.9	4.2	4.0	3.6	13.7	2.6
All Other Revenues	87.4	71.8	97.5	164.1	89.4	81.1	105.7	151.9	89.1	77.2	107.3	140.3	76.6	88.2
Annual % Change	1.9	(30.2)	(5.7)	14.2	2.4	12.9	8.4	(7.4)	(0.3)	(4.9)	1.6	(7.7)	(14.0)	14.3
Total General Fund Revenues	3,407.0	3,553.9	2,791.6	4,467.0	3,348.1	3,714.5	3,165.6	4,812.0	3,573.2	3,783.4	3,413.4	5,076.6	3,619.5	3,995.5
Annual % Change	(7.4)	(1.3)	(3.5)	7.8	(1.7)	4.5	13.4	7.7	6.7	1.9	7.8	5.5	1.3	5.6

Table B.1 – Quarterly General Fund Revenues

	2013 1	2013 2	2013 3	2013 4	2014 1	2014 2	2014 3	2014 4	2015 1	2015 2	2015 3	2015 4	2016 1	2016 2	2016 3
Withholding	2,761.1	2,591.9	2,403.1	2,659.9	2,803.7	2,617.5	2,554.4	2,820.0	2,875.3	2,794.7	2,666.5	2,829.2	3,029.1	2,781.5	2,777.0
Annual % Change	4.6	0.5	4.8	2.1	1.5	1.0	6.3	6.0	2.6	6.8	4.4	0.3	5.3	(0.5)	4.1
Non-withholding	575.7	1,668.3	372.8	260.6	496.7	1,394.8	427.7	327.6	602.1	1,684.2	472.0	316.8	652.9	1,628.4	470.8
Annual % Change	22.8	26.5	2.9	29.4	(13.7)	(16.4)	14.7	25.7	21.2	20.7	10.3	(3.3)	8.4	(3.3)	(0.2)
Gross Individual Income Tax	3,336.8	4,260.1	2,775.9	2,920.4	3,300.5	4,012.4	2,982.1	3,147.6	3,477.4	4,478.9	3,138.5	3,146.1	3,682.0	4,409.8	3,247.8
Annual % Change	7.3	9.3	4.6	4.0	(1.1)	(5.8)	7.4	7.8	5.4	11.6	5.2	(0.0)	5.9	(1.5)	3.5
Individual Refunds	827.8	684.2	118.6	156.9	820.2	660.1	123.5	156.8	790.5	686.5	122.9	165.8	844.6	687.4	114.9
Annual % Change	(4.1)	0.0	20.8	44.2	(0.9)	(3.5)	4.1	(0.1)	(3.6)	4.0	(0.5)	5.8	6.8	0.1	(6.5)
Net Individual Income Tax	2,509.1	3,575.9	2,657.3	2,763.5	2,480.3	3,352.3	2,858.6	2,990.8	2,686.9	3,792.3	3,015.6	2,980.2	2,837.4	3,722.4	3,132.9
Annual % Change	11.7	11.3	4.0	2.4	(1.1)	(6.3)	7.6	8.2	8.3	13.1	5.5	(0.4)	5.6	(1.8)	3.9
Sales and Use Tax	787.0	971.0	653.9	766.1	721.1	925.3	684.0	778.5	764.3	1,008.7	648.9	831.6	781.5	1,033.9	649.9
Annual % Change	2.5	1.0	(4.5)	(1.4)	(8.4)	(4.7)	4.6	1.6	6.0	9.0	(5.1)	6.8	2.2	2.5	0.2
Corporate Income Tax	84.5	345.6	201.5	102.2	124.0	329.8	226.6	140.2	144.6	320.6	188.0	101.7	164.3	311.0	197.5
Annual % Change	(48.0)	(7.0)	19.4	(48.4)	46.8	(4.6)	12.4	37.2	16.6	(2.8)	(17.0)	(27.5)	13.6	(3.0)	5.1
Wills, Suits, Deeds, Contracts	91.3	103.3	93.2	76.2	60.6	80.8	87.5	80.9	76.1	101.8	96.0	90.4	78.7	104.0	109.6
Annual % Change	24.1	15.1	2.8	(17.3)	(33.6)	(21.8)	(6.1)	6.1	25.7	26.1	9.7	11.8	3.4	2.1	14.2
Insurance Premiums	(21.0)	203.3	0.0	90.3	3.5	226.7	0.0	75.5	5.3	219.9	0.0	87.4	8.1	243.5	0.0
Annual % Change	37.7	(4.0)	NA	12.9	(116.5)	11.5	NA	(16.4)	52.6	(3.0)	NA	15.8	53.7	10.8	NA
Interest Income	21.8	3.7	18.3	22.8	23.4	9.6	18.0	14.5	12.7	3.6	18.2	14.6	15.7	3.5	25.0
Annual % Change	9.2	(65.4)	(31.7)	50.5	7.3	157.4	(2.0)	(36.6)	(45.9)	(62.4)	1.5	1.4	24.2	(1.9)	36.8
Alcoholic Beverage Sales	53.2	80.2	14.8	47.7	54.4	82.3	15.2	49.0	56.8	86.8	11.8	55.1	59.2	91.5	14.1
Annual % Change	5.1	4.1	(5.8)	3.4	2.3	2.7	2.8	2.7	4.3	5.5	(22.6)	12.5	4.3	5.3	20.3
All Other Revenues	101.3	159.6	83.3	79.5	105.0	161.8	82.9	88.0	104.8	160.5	87.9	90.6	97.6	169.7	82.2
Annual % Change	(5.6)	13.8	8.7	(9.8)	3.6	1.4	(0.5)	10.6	(0.2)	(0.8)	6.1	3.0	(6.9)	5.7	(6.5)
Total General Fund Revenues	3,627.1	5,442.5	3,722.3	3,948.3	3,572.3	5,168.5	3,972.6	4,217.2	3,851.4	5,694.3	4,066.3	4,251.8	4,042.5	5,679.5	4,211.3
Annual % Change	6.3	7.2	2.8	(1.2)	(1.5)	(5.0)	6.7	6.8	7.8	10.2	2.4	0.8	5.0	(0.3)	3.6

Table B.1 – Quarterly General Fund Revenues

	2016 4	2017 1	2017 2	2017 3	2017 4	2018 1	2018 2	2018 3	2018 4	2019 1	2019 2	2019 3	2019 4	2020 1	2020 2
Withholding	2,966.4	3,231.3	2,920.7	2,888.1	3,026.9	3,441.1	3,184.5	2,920.9	3,259.3	3,481.2	3,326.4	3,091.4	3,449.9	3,580.9	3,255.9
Annual % Change	4.8	6.7	5.0	4.0	2.0	6.5	9.0	1.1	7.7	1.2	4.5	5.8	5.8	2.9	(2.1)
Non-withholding	329.5	683.1	1,535.1	463.8	581.7	688.5	1,738.9	530.3	297.9	727.0	2,421.6	617.6	359.0	801.7	2,026.2
Annual % Change	4.0	4.6	(5.7)	(1.5)	76.6	0.8	13.3	14.4	(48.8)	5.6	39.3	16.5	20.5	10.3	(16.3)
Gross Individual Income Tax	3,295.9	3,914.4	4,455.8	3,351.8	3,608.6	4,129.5	4,923.4	3,451.2	3,557.2	4,208.2	5,748.0	3,709.0	3,808.8	4,382.5	5,282.1
Annual % Change	4.8	6.3	1.0	3.2	9.5	5.5	10.5	3.0	(1.4)	1.9	16.7	7.5	7.1	4.1	(8.1)
Individual Refunds	143.0	871.4	731.6	126.7	162.3	876.1	742.5	137.9	167.3	739.2	693.7	158.5	191.9	838.8	641.7
Annual % Change	(13.7)	3.2	6.4	10.3	13.5	0.5	1.5	8.8	3.1	(15.6)	(6.6)	15.0	14.7	13.5	(7.5)
Net Individual Income Tax	3,152.8	3,043.0	3,724.2	3,225.1	3,446.3	3,253.5	4,180.9	3,313.3	3,389.9	3,469.0	5,054.2	3,550.5	3,616.9	3,543.7	4,640.5
Annual % Change	5.8	7.2	0.0	2.9	9.3	6.9	12.3	2.7	(1.6)	6.6	20.9	7.2	6.7	2.2	(8.2)
Sales and Use Tax	827.1	820.0	1,060.1	667.2	865.2	832.2	1,097.2	717.2	888.1	842.4	1,132.7	773.0	962.7	918.4	1,052.7
Annual % Change	(0.5)	4.9	2.5	2.7	4.6	1.5	3.5	7.5	2.6	1.2	3.2	7.8	8.4	9.0	(7.1)
Corporate Income Tax	119.8	147.8	361.8	252.7	134.9	104.5	369.9	227.4	164.7	101.4	449.8	246.8	220.7	116.3	427.9
Annual % Change	17.8	(10.0)	16.3	27.9	12.6	(29.3)	2.2	(10.0)	22.1	(2.9)	21.6	8.5	34.0	14.6	(4.9)
Wills, Suits, Deeds, Contracts	98.5	80.4	105.9	107.1	94.2	83.1	110.5	97.4	93.5	80.6	115.0	122.1	124.2	107.7	129.6
Annual % Change	8.9	2.1	1.8	(2.3)	(4.4)	3.4	4.3	(9.1)	(0.8)	(3.0)	4.1	25.4	32.9	33.6	12.7
Insurance Premiums	90.2	7.0	243.7	0.0	94.7	(11.0)	254.3	0.0	93.2	18.1	270.7	0.0	94.0	(12.0)	278.5
Annual % Change	3.2	(14.4)	0.1	NA	4.9	(257.7)	4.3	NA	(1.5)	(264.6)	6.5	NA	0.9	(166.3)	2.9
Interest Income	10.8	18.9	0.9	28.2	21.6	10.7	1.0	42.6	20.5	33.6	(9.7)	73.1	27.5	19.0	(9.2)
Annual % Change	(26.2)	20.3	(73.4)	12.8	100.1	(43.6)	2.2	51.2	(5.5)	214.9	(1,106.0)	71.7	34.5	(43.5)	(5.0)
Alcoholic Beverage Sales	53.8	60.6	93.9	15.3	55.4	61.9	99.3	14.0	57.5	64.8	104.5	17.4	61.1	71.1	117.6
Annual % Change	(2.5)	2.3	2.6	7.9	3.1	2.1	5.8	(8.0)	3.8	4.7	5.2	24.1	6.2	9.8	12.6
All Other Revenues	87.1	105.8	169.8	86.8	70.7	105.4	162.3	90.8	88.6	106.9	174.8	87.2	96.0	102.6	160.1
Annual % Change	(3.9)	8.4	0.1	5.6	(18.8)	(0.4)	(4.4)	4.6	25.3	1.5	7.7	(3.9)	8.4	(4.0)	(8.4)
Total General Fund Revenues	4,440.0	4,283.4	5,760.3	4,382.3	4,782.9	4,440.2	6,275.4	4,502.7	4,796.0	4,716.8	7,292.0	4,870.1	5,203.1	4,866.8	6,797.8
Annual % Change	4.4	6.0	1.4	4.1	7.7	3.7	8.9	2.7	0.3	6.2	16.2	8.2	8.5	3.2	(6.8)

Table B.1 – Quarterly General Fund Revenues

	2020 3	2020 4	2021 1	2021 2	2021 3	2021 4	2022 1	2022 2	2022.3	2022.1	2023.1	2023.2
Withholding	3,164.2	3,567.7	3,762.5	3,518.5	3,470.7	3,955.7	4,114.9	3,798.9	3,805.5	4,026.9	4,221.2	3,903.6
Annual % Change	2.4	3.4	5.1	8.1	9.7	10.9	9.4	8.0	9.6	1.8	2.6	2.8
Non-withholding	982.4	357.6	903.1	2,973.9	862.8	480.0	1,206.2	4,261.4	928.0	981.5	1,374.8	3,344.9
Annual % Change	59.1	(0.4)	12.7	46.8	(12.2)	34.3	33.6	43.3	7.6	104.5	14.0	(21.5)
Gross Individual Income Tax	4,146.6	3,925.3	4,665.6	6,492.3	4,333.5	4,435.7	5,321.2	8,060.3	4,733.5	5,008.4	5,596.0	7,248.4
Annual % Change	11.8	3.1	6.5	22.9	4.5	13.0	14.1	24.2	9.2	12.9	5.2	(10.1)
Individual Refunds	280.7	190.8	696.6	758.1	175.2	167.3	708.0	690.1	1,049.0	329.6	1,158.0	1,066.3
Annual % Change	77.1	(0.6)	(17.0)	18.1	(37.6)	(12.3)	1.6	(9.0)	498.8	97.0	63.6	54.5
Net Individual Income Tax	3,865.9	3,734.5	3,969.0	5,734.3	4,158.3	4,268.5	4,613.2	7,370.2	3,684.5	4,678.8	4,438.0	6,182.2
Annual % Change	8.9	3.3	12.0	23.6	7.6	14.3	16.2	28.5	(11.4)	9.6	(3.8)	(16.1)
Sales and Use Tax	830.8	1,020.5	984.7	1,330.1	969.2	1,155.7	1,141.4	1,291.7	1,166.5	1,238.0	1,140.8	1,189.3
Annual % Change	7.5	6.0	7.2	26.3	16.7	13.2	15.9	(2.9)	20.3	7.1	(0.1)	(7.9)
Corporate Income Tax	335.8	307.7	137.0	735.1	458.5	553.9	154.5	811.8	434.8	418.2	240.1	938.0
Annual % Change	36.1	39.4	17.8	71.8	36.5	80.0	12.8	10.4	(5.2)	(24.5)	55.4	15.6
Wills, Suits, Deeds, Contracts	165.8	176.2	155.4	182.2	180.8	168.5	138.6	166.2	135.5	102.3	81.3	111.5
Annual % Change	35.9	41.9	44.3	40.6	9.0	(4.4)	(10.8)	(8.8)	(25.1)	(39.3)	(41.3)	(32.9)
Insurance Premiums	0.0	102.2	(25.5)	286.3	0.0	119.6	6.9	300.4	0.0	117.1	28.8	305.0
Annual % Change	NA	8.7	112.3	2.8	NA	17.0	(127.1)	4.9	#DIV/0!	(2.0)	317.2	1.5
Interest Income	50.0	11.7	20.8	0.9	41.5	22.6	15.0	(2.5)	83.8	89.9	139.6	51.8
Annual % Change	(31.5)	(57.6)	9.3	(109.3)	(17.1)	94.3	(27.7)	(396.2)	101.9	296.8	829.2	(2,150.3)
Alcoholic Beverage Sales	15.8	71.0	79.1	130.3	14.3	73.8	80.5	131.6	11.1	73.8	86.3	136.2
Annual % Change	(9.6)	16.2	11.2	10.8	(9.3)	4.0	1.8	1.0	(22.1)	0.0	7.1	3.5
All Other Revenues	88.2	85.6	105.6	191.3	99.5	103.9	114.5	212.3	108.8	143.8	131.3	223.0
Annual % Change	1.1	(10.8)	2.9	19.5	12.8	21.4	8.4	11.0	9.4	38.3	14.6	5.0
Total General Fund Revenues	5,352.4	5,509.4	5,426.2	8,590.4	5,922.2	6,466.5	6,264.7	10,281.6	5,624.9	6,861.9	6,286.1	9,137.0
Annual % Change	9.9	5.9	11.5	26.4	10.6	17.4	15.5	19.7	(5.0)	6.1	0.3	(11.1)

Table B.2 – Annual General Fund Revenues

		2003	2004	2005	2006	2007	2008	2009	2010	2011
Withholding	Calendar Year	6,772.2	7,305.3	7,733.2	8,240.8	8,792.5	9,185.8	9,031.7	9,401.4	9,775.0
	% Change	4.0	7.9	5.9	6.6	6.7	4.5	(1.7)	4.1	4.0
	Fiscal Year	6,567.4	7,039.3	7,513.0	8,053.7	8,565.5	8,933.6	9,138.1	9,176.2	9,635.1
	% Change	2.3	7.2	6.7	7.2	6.4	4.3	2.3	0.4	5.0
Non-withholding	Calendar Year	1,423.7	1,658.4	2,151.8	2,540.3	2,815.0	2,856.7	2,189.8	1,875.2	2,251.8
	% Change	(2.2)	16.5	29.7	18.1	10.8	1.5	(23.3)	(14.4)	20.1
	Fiscal Year	1,402.7	1,562.8	2,073.5	2,493.8	2,782.0	2,861.2	2,310.4	1,906.8	2,178.6
	% Change	(3.9)	11.4	32.7	20.3	11.6	2.8	(19.2)	(17.5)	14.3
Gross Individual Income Tax	Calendar Year	8,195.9	8,963.7	9,884.9	10,781.0	11,607.5	12,042.5	11,221.4	11,276.6	12,026.8
	% Change	2.8	9.4	10.3	9.1	7.7	3.7	(6.8)	0.5	6.7
	Fiscal Year	7,970.1	8,602.1	9,586.6	10,547.5	11,347.4	11,794.7	11,448.5	11,082.9	11,813.7
	% Change	1.1	7.9	11.4	10.0	7.6	3.9	(2.9)	(3.2)	6.6
Individual Refunds	Calendar Year	1,167.3	1,227.3	1,178.3	1,389.6	1,567.4	1,720.8	2,032.1	1,945.5	1,823.1
	% Change	5.3	5.1	(4.0)	17.9	12.8	9.8	18.1	(4.3)	(6.3)
	Fiscal Year	1,194.4	1,217.2	1,234.2	1,282.6	1,559.8	1,679.9	1,967.4	1,994.7	1,869.3
	% Change	2.0	1.9	1.4	3.9	21.6	7.7	17.1	1.4	(6.3)
Net Individual Income Tax	Calendar Year	7,028.6	7,736.4	8,706.7	9,391.4	10,040.0	10,321.7	9,189.3	9,331.1	10,203.8
	% Change	2.4	10.1	12.5	7.9	6.9	2.8	(11.0)	1.5	9.4
	Fiscal Year	6,775.7	7,384.9	8,352.4	9,264.9	9,787.6	10,114.8	9,481.1	9,088.3	9,944.4
	% Change	1.0	9.0	13.1	10.9	5.6	3.3	(6.3)	(4.1)	9.4
Sales and Use Tax	Calendar Year	2,410.4	2,705.1	3,002.6	3,014.1	3,123.8	2,990.8	2,853.0	2,958.0	3,080.6
	% Change	4.4	12.2	11.0	0.4	3.6	(4.3)	(4.6)	3.7	4.1
	Fiscal Year	2,336.0	2,562.3	2,946.1	2,812.7	3,049.1	3,075.5	2,903.4	3,082.5	3,012.4
	% Change	(3.9)	9.7	15.0	(4.5)	8.4	0.9	(5.6)	6.2	(2.3)
Corporate Income Tax	Calendar Year	348.6	521.7	840.6	839.8	769.3	738.0	736.7	792.7	809.9
	% Change	8.8	49.7	61.1	(0.1)	(8.4)	(4.1)	(0.2)	7.6	2.2
	Fiscal Year	343.3	425.7	616.7	867.1	879.6	807.9	648.0	806.5	822.3
	% Change	18.3	24.0	44.9	40.6	1.4	(8.2)	(19.8)	24.4	2.0
Wills, Suits, Deeds, Contracts	Calendar Year	319.5	431.7	704.7	616.2	531.9	369.5	312.8	288.5	296.8
	% Change	29.3	35.1	63.2	(12.6)	(13.7)	(30.5)	(15.3)	(7.8)	2.9
	Fiscal Year	285.8	340.6	596.1	694.7	582.9	456.3	314.3	290.2	291.5
	% Change	33.3	19.1	75.0	16.6	(16.1)	(21.7)	(31.1)	(7.7)	0.4
Insurance Premiums	Calendar Year	339.4	365.4	372.8	366.9	398.8	309.2	254.5	267.3	257.4
	% Change	9.9	7.7	2.0	(1.6)	8.7	(22.5)	(17.7)	5.0	(3.7)
	Fiscal Year	333.0	351.3	373.6	373.8	384.9	396.9	255.0	261.9	281.6
	% Change	13.8	5.5	6.3	0.1	3.0	3.1	(35.7)	2.7	7.5
Interest Income	Calendar Year	59.5	69.7	105.4	180.2	213.1	117.6	71.0	75.0	80.2
	% Change	(31.5)	17.3	51.2	71.0	18.2	(44.8)	(39.6)	5.5	7.0

		2003	2004	2005	2006	2007	2008	2009	2010	2011
	Fiscal Year	81.7	61.4	83.9	116.5	175.9	189.3	104.2	94.3	81.1
	% Change	(18.6)	(24.8)	36.6	38.9	51.1	7.6	(44.9)	(9.5)	(14.0)
Alcoholic Beverage Sales	Calendar Year	131.5	139.6	147.0	155.2	163.1	169.8	173.4	176.5	181.8
	% Change	1.9	6.2	5.3	5.6	5.0	4.1	2.2	1.8	3.0
	Fiscal Year	128.7	138.0	144.5	153.0	161.8	168.9	173.2	175.1	178.9
	% Change	1.0	7.2	4.7	5.9	5.8	4.3	2.6	1.1	2.2
All Other Revenues	Calendar Year	596.8	673.1	518.9	567.4	563.1	488.5	406.3	432.1	423.9
	% Change	8.9	12.8	(22.9)	9.3	(0.8)	(13.3)	(16.8)	6.4	(1.9)
	Fiscal Year	582.9	653.6	574.1	551.6	543.9	557.4	435.7	420.7	428.1
	% Change	13.6	12.1	(12.2)	(3.9)	(1.4)	2.5	(21.8)	(3.4)	1.8
Total General Fund Revenues	Calendar Year	11,234.2	12,642.8	14,398.7	15,131.3	15,803.1	15,505.0	13,997.0	14,321.2	15,334.3
	% Change	3.9	12.5	13.9	5.1	4.4	(1.9)	(9.7)	2.3	7.1
	Fiscal Year	10,867.1	11,917.9	13,687.3	14,834.3	15,565.8	15,767.0	14,315.1	14,219.5	15,040.2
	% Change	1.8	9.7	14.8	8.4	4.9	1.3	(9.2)	(0.7)	5.8

Table B.2 – Annual General Fund Revenues

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Withholding	Calendar Year	10,119.1	10,415.9	10,795.6	11,165.7	11,554.0	12,066.9	12,805.8	13,348.9	13,568.7	14,707.4	15,746.2	
	% Change	3.5	2.9	3.6	3.4	3.5	4.4	6.1	4.2	1.6	8.4	7.1	
	Fiscal Year	10,039.7	10,251.3	10,484.2	11,044.3	11,306.3	11,895.4	12,540.5	12,987.8	13,378.1	14,012.9	15,340.3	15,957.2
	% Change	4.2	2.1	2.3	5.3	2.4	5.2	5.4	3.6	3.0	4.7	9.5	4.0
Non-withholding	Calendar Year	2,350.9	2,877.3	2,646.9	3,075.1	3,081.5	3,263.7	3,255.6	4,125.2	4,167.9	5,219.8	7,377.1	
	% Change	4.4	22.4	(8.0)	16.2	0.2	5.9	(0.2)	26.7	1.0	25.2	41.3	
	Fiscal Year	2,357.9	2,807.7	2,524.9	3,041.6	3,070.1	3,018.5	3,472.9	3,976.8	3,804.5	5,217.0	6,810.5	6,629.2
	% Change	8.2	19.1	(10.1)	20.5	0.9	(1.7)	15.1	14.5	(4.3)	37.1	30.5	(2.7)
Gross Individual Income Tax	Calendar Year	12,470.0	13,293.3	13,442.5	14,240.8	14,635.5	15,330.6	16,061.4	17,474.1	17,736.6	19,927.2	23,123.4	
	% Change	3.7	6.6	1.1	5.9	2.8	4.7	4.8	8.8	1.5	12.4	16.0	
	Fiscal Year	12,397.6	13,059.0	13,009.2	14,086.0	14,376.4	14,913.9	16,013.4	16,964.7	17,182.5	19,229.9	22,150.7	22,586.4
	% Change	4.9	5.3	(0.4)	8.3	2.1	3.7	7.4	5.9	1.3	11.9	15.2	2.0
Individual Refunds	Calendar Year	1,754.0	1,787.6	1,760.5	1,765.7	1,790.0	1,892.1	1,923.8	1,783.4	1,952.0	1,797.1	2,776.6	
	% Change	(3.8)	1.9	(1.5)	0.3	1.4	5.7	1.7	(7.3)	9.5	(7.9)	54.5	
	Fiscal Year	1,784.7	1,719.1	1,755.8	1,757.3	1,820.7	1,861.0	1,907.6	1,738.2	1,830.9	1,926.2	1,740.5	3,602.8
	% Change	(4.5)	(3.7)	2.1	0.1	3.6	2.2	2.5	(8.9)	5.3	5.2	(9.6)	107.0
Net Individual Income Tax	Calendar Year	10,716.0	11,505.7	11,682.0	12,475.1	12,845.5	13,438.5	14,137.7	15,690.6	15,784.6	18,130.0	20,346.7	
	% Change	5.0	7.4	1.5	6.8	3.0	4.6	5.2	11.0	0.6	14.9	12.2	
	Fiscal Year	10,612.8	11,340.0	11,253.3	12,328.7	12,555.6	13,052.9	14,105.8	15,226.5	15,351.6	17,303.7	20,410.2	18,983.6
	% Change	6.7	6.9	(0.8)	9.6	1.8	4.0	8.1	7.9	0.8	12.7	18.0	(7.0)
Sales and Use Tax	Calendar Year	3,190.9	3,178.0	3,108.9	3,253.5	3,292.3	3,412.5	3,534.7	3,710.8	3,822.5	4,439.7	4,837.6	
	% Change	3.6	(0.4)	(2.2)	4.7	1.2	3.6	3.6	5.0	3.0	16.1	9.0	
	Fiscal Year	3,121.5	3,219.8	3,066.5	3,235.4	3,295.9	3,357.1	3,461.8	3,580.4	3,706.8	4,166.2	4,558.1	4,734.5
	% Change	3.6	3.1	(4.8)	5.5	1.9	1.9	3.1	3.4	3.5	12.4	9.4	3.9
Corporate Income Tax	Calendar Year	900.9	733.7	820.6	754.8	792.6	897.2	866.5	1,018.7	1,187.7	1,884.6	1,819.3	
	% Change	11.2	(18.6)	11.8	(8.0)	5.0	13.2	(3.4)	17.6	16.6	58.7	(3.5)	
	Fiscal Year	859.9	796.7	757.5	831.9	764.9	827.0	861.9	943.4	1,011.7	1,515.7	1,978.7	2,031.1
	% Change	4.6	(7.3)	(4.9)	9.8	(8.0)	8.1	4.2	9.5	7.2	49.8	30.5	2.6
Wills, Suits, Deeds, Contracts	Calendar Year	346.2	364.0	309.7	364.4	390.8	387.6	384.4	441.9	579.3	686.9	542.5	
	% Change	16.6	5.1	(14.9)	17.7	7.2	(0.8)	(0.8)	14.9	31.1	18.6	(21.0)	
	Fiscal Year	322.1	377.5	310.8	346.3	369.1	394.4	394.9	386.5	483.5	679.7	654.1	430.6
	% Change	10.5	17.2	(17.7)	11.4	6.6	6.9	0.1	(2.1)	25.1	40.6	(3.8)	(34.2)
Insurance Premiums	Calendar Year	276.4	272.6	305.6	312.6	341.9	345.4	336.5	382.8	368.8	380.4	424.4	
	% Change	7.4	(1.4)	12.1	2.3	9.4	1.0	(2.6)	13.8	(3.7)	3.2	11.6	
	Fiscal Year	252.9	262.2	320.4	300.6	339.1	340.9	337.9	382.0	360.6	363.1	426.8	450.9
	% Change	(10.2)	3.7	22.2	(6.2)	12.8	0.5	(0.9)	13.0	(5.6)	0.7	17.6	5.6
Interest Income	Calendar Year	72.7	66.6	65.4	49.2	55.0	69.6	74.7	124.5	71.5	85.8	186.2	
	% Change	(9.4)	(8.3)	(1.8)	(24.8)	11.9	26.6	7.2	66.8	(42.6)	19.9	117.1	

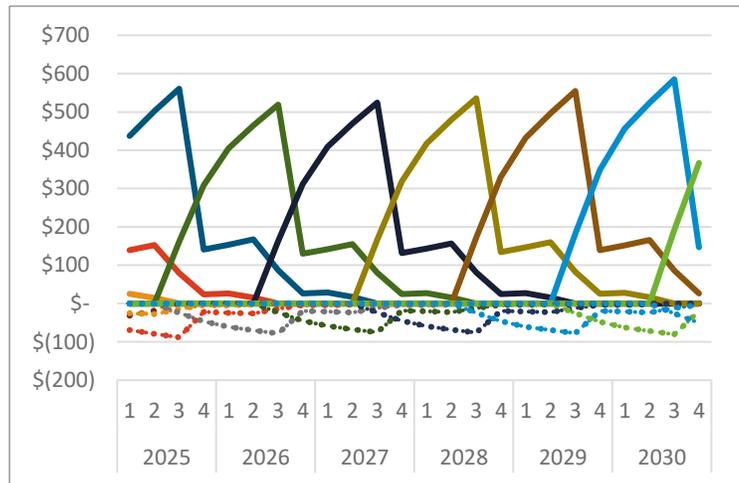
	Fiscal Year	77.2	67.5	74.1	48.7	52.2	55.6	61.4	87.0	110.4	83.3	76.6	365.1
	% Change	(4.9)	(12.5)	9.8	(34.3)	7.1	6.7	10.4	41.6	26.9	(24.5)	(8.0)	376.4
Alcoholic Beverage Sales	Calendar Year	189.4	195.9	200.9	210.5	218.6	225.1	232.7	247.7	275.4	297.4	297.0	
	% Change	4.2	3.4	2.6	4.8	3.8	3.0	3.4	6.5	11.2	8.0	(0.1)	
	Fiscal Year	186.4	195.2	199.2	207.8	217.6	222.4	231.8	240.8	267.2	296.1	300.2	307.4
	% Change	4.2	4.7	2.1	4.3	4.7	2.2	4.3	3.9	11.0	10.8	1.4	2.4
All Other Revenues	Calendar Year	412.4	423.7	437.7	443.8	436.6	433.2	447.1	465.0	436.5	500.4	579.3	
	% Change	(2.7)	2.7	3.3	1.4	(1.6)	(0.8)	3.2	4.0	(6.1)	14.6	15.8	
	Fiscal Year	413.9	425.7	429.6	436.2	445.8	444.9	425.2	461.1	446.0	470.8	530.2	606.8
	% Change	(3.3)	2.9	0.9	1.5	2.2	(0.2)	(4.4)	8.4	(3.3)	5.6	12.6	14.4
Total General Fund Revenues	Calendar Year	16,105.0	16,740.2	16,930.7	17,863.9	18,373.3	19,209.0	20,014.2	22,082.0	22,526.4	26,405.3	29,033.1	
	% Change	5.0	3.9	1.1	5.5	2.9	4.5	4.2	10.3	2.0	17.2	10.0	
	Fiscal Year	15,846.7	16,684.6	16,411.4	17,735.6	18,040.1	18,695.1	19,880.8	21,307.5	21,737.8	24,878.5	28,934.9	27,909.9
	% Change	5.4	5.3	(1.6)	8.1	1.7	3.6	6.3	7.2	2.0	14.4	16.3	(3.5)

Appendix C: Models and Methodologies

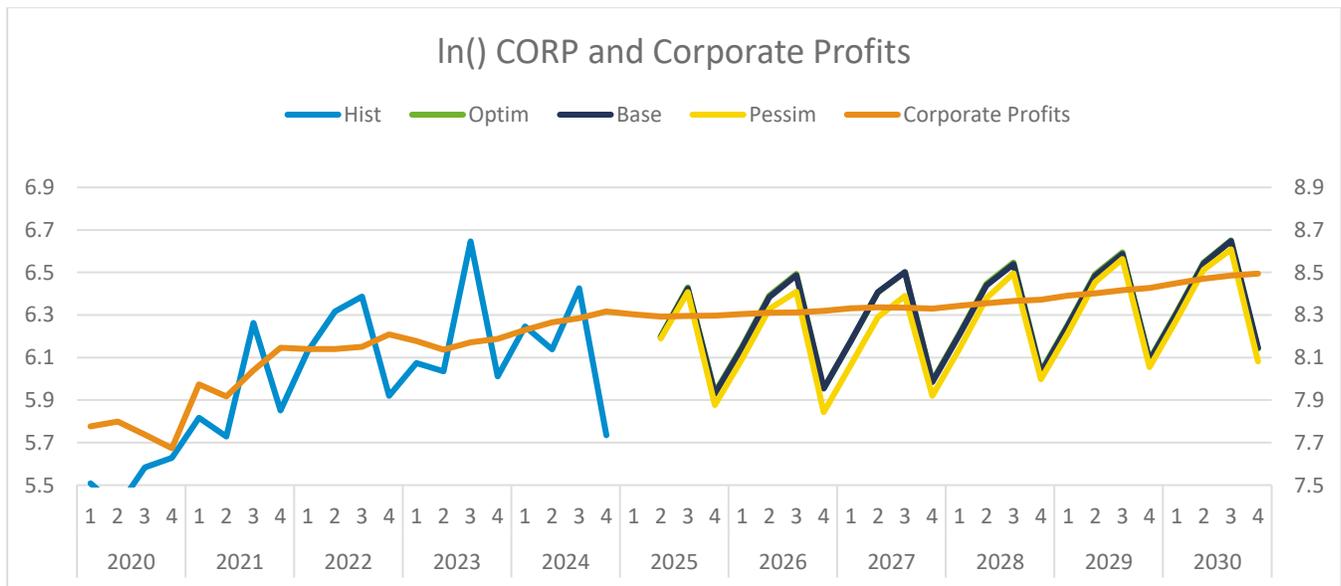
Corporate Income Tax

Corporate income tax was approached using a novel method:

1. Corporate income tax payments are disaggregated by tax year of origin.
2. Each payment series is trimmed to the timeframe of significance. 12 quarters was chosen.
3. Averaging these individual waveforms gives the average path of payment for a generic tax year.
4. A quarterly error constant is calculated to account for tax years greater than 12 quarters past.
5. Tax year waves which are already at least 4 quarters complete, are finished by scaling to the generic wave.
6. Tax year waves which are new, less than 4 quarters complete, are scaled relative to the estimated total prior tax year wave and the corporate profits growth forecast.
7. An identical procedure is performed on refunds.



The result is a series of individual waves (payments above the axis, and refunds below) all adding together to arrive at the net corporate income tax forecast:



Individual Income Tax – Withholding

Source	SS	df	MS	Number of obs	=	88
Model	5469.09583	3	1823.03194	F(3, 85)	>	99999.00
Residual	.039485263	85	.000464533	Prob > F	=	0.0000
				R-squared	=	1.0000
				Adj R-squared	=	1.0000
Total	5469.13531	88	62.1492649	Root MSE	=	.02155

ln_WH	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
ln_WH L4.	1.002497	.0005651	1774.12	0.000	1.001373	1.00362
S4_ln_expTaxTotal	.852031	.1202895	7.08	0.000	.6128632	1.091199
1.shock	-.0261505	.0121367	-2.15	0.034	-.0502816	-.0020194

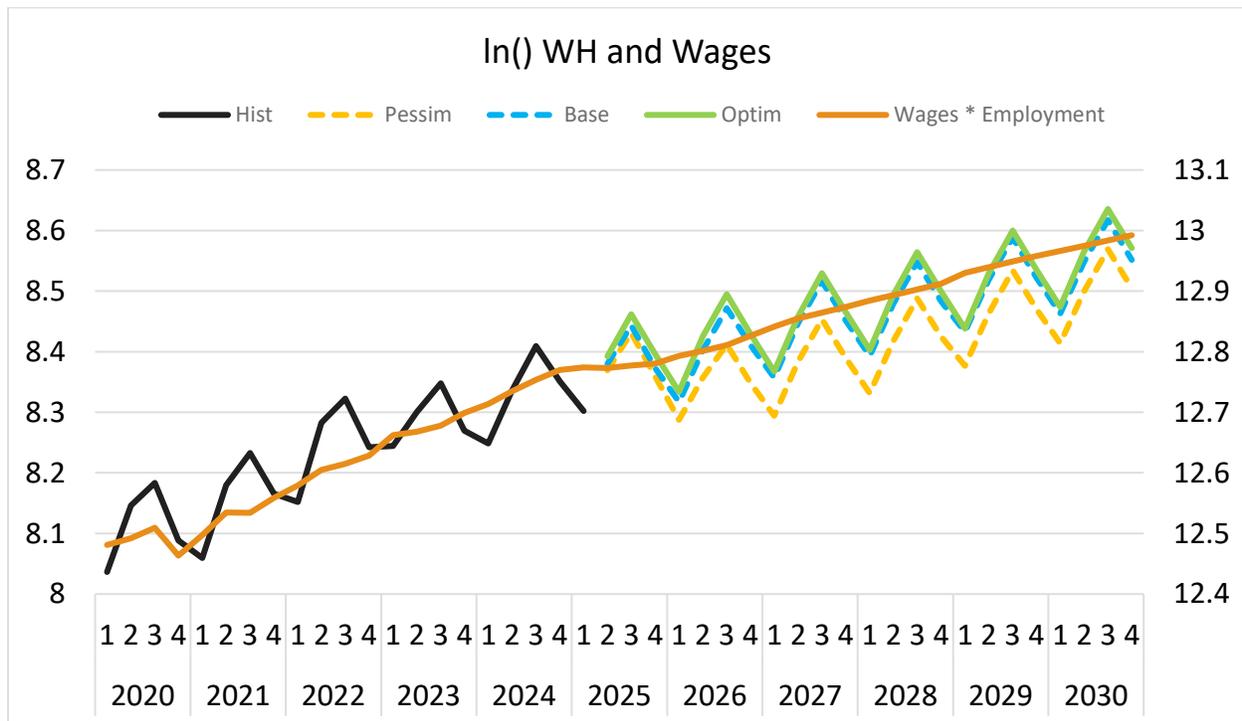
Variables:

ln_WH: log of quarterly withholding revenue

Shock: 2008 recession (categorical variable)

L4.ln_WH: 4 quarter lag ln_WH

S4_ln_expTaxTotal: 4 quarter difference in the log of [(average wage * non-agricultural employment) – (standard deduction * non-agricultural employment)]



Individual Income Tax – Non-withholding

Linear regression

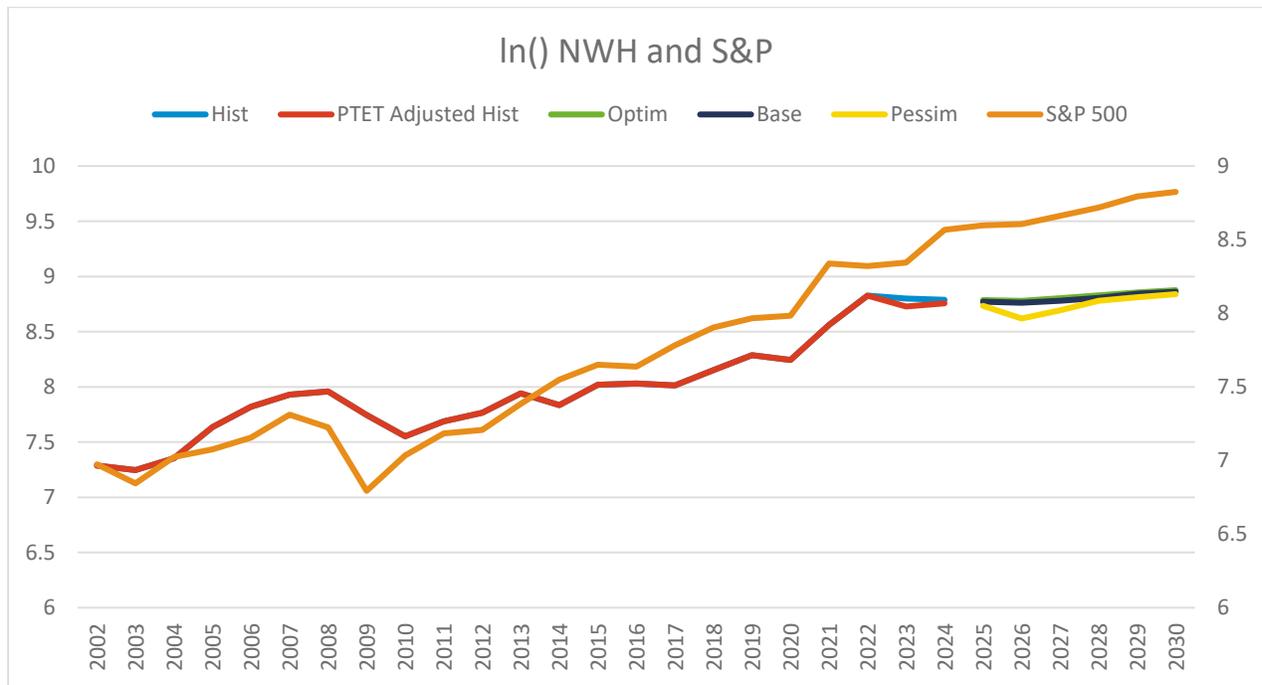
Number of obs = 22
 F(1, 21) = 8.14
 Prob > F = 0.0095
 R-squared = 0.2612
 Root MSE = .13845

D.ln_NWH	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]
ln_sp500					
D1.	.4708953	.1650863	2.85	0.010	.1275795 .8142112

Variables:

D.ln_NWH: Difference in annual non-withholding revenue

D1.ln_sp500: difference in annual S&P 500 index.



Retail Sales and Use Tax

Source	SS	df	MS	Number of obs	=	92
Model	2699729.43	10	269972.943	F(10, 81)	=	679.74
Residual	32170.6855	81	397.168957	Prob > F	=	0.0000
				R-squared	=	0.9882
				Adj R-squared	=	0.9868
Total	2731900.12	91	30020.8804	Root MSE	=	19.929

	SUT	Coefficient	Std. err.	t	P> t	[95% conf. interval]
wayfair#CQ#c.taxableSales#c.tr						
	0 1	0.2961	0.0098	30.36	0.000	0.2767 0.3156
	0 2	0.3160	0.0097	32.68	0.000	0.2967 0.3352
	0 3	0.3167	0.0099	32.08	0.000	0.2971 0.3363
	0 4	0.3079	0.0099	31.20	0.000	0.2883 0.3275
	1 1	0.3034	0.0076	40.11	0.000	0.2884 0.3185
	1 2	0.3195	0.0075	42.72	0.000	0.3046 0.3344
	1 3	0.3211	0.0075	42.89	0.000	0.3062 0.3360
	1 4	0.3153	0.0074	42.71	0.000	0.3006 0.3300
c.grocery#c.tr_groc		0.2607	0.0286	9.10	0.000	0.2037 0.3177
pre_2008		48.4324	6.8103	7.11	0.000	34.8821 61.9827
_cons		-26.6264	27.6137	-0.96	0.338	-81.5691 28.3162

Variables:

SUT: Sales and use tax revenues, quarterly.

wayfair: Pre or post Wayfair decision on internet shopping (dummy variable)

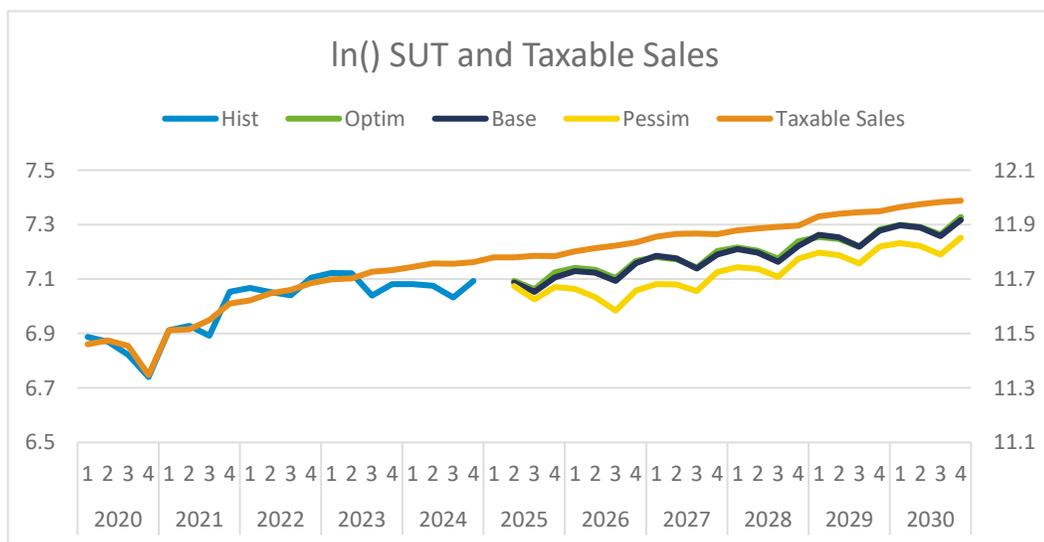
CQ: calendar quarter, (categorical variable)

taxableSales: Virginia taxable sales consisting of goods less motor vehicles and fuel, plus accommodation and food services

tr: State sales tax rate on non grocery purchases

groc: Virginia grocery consumption

tr_groc: State sales tax rate on groceries



Recordation Taxes

Sample: 2010q1 thru 2024q2
 Log likelihood = 55.77992
 FPE = .0101683
 Det(Sigma_m1) = .0085543

Number of obs = 58
 AIC = -1.751032
 HQIC = -1.681843
 SBIC = -1.573407

Equation	Parms	RMSE	R-sq	chi2	P>chi2
ln_REC	5	.096754	0.9996	123360.6	0.0000

ln_REC		Coefficient	Std. err.	z	P> z	[95% conf. interval]	
ln_REC	ln_REC						
	L1.	0.214	0.094	2.29	0.022	0.031	0.397
	L2.	-0.219	0.088	-2.50	0.012	-0.391	-0.047
	L4.	0.521	0.066	7.89	0.000	0.391	0.650
ln_Purch_potential		0.365	0.073	5.01	0.000	0.223	0.508
ln_Refi_potential		0.140	0.017	8.29	0.000	0.107	0.173

Variables:

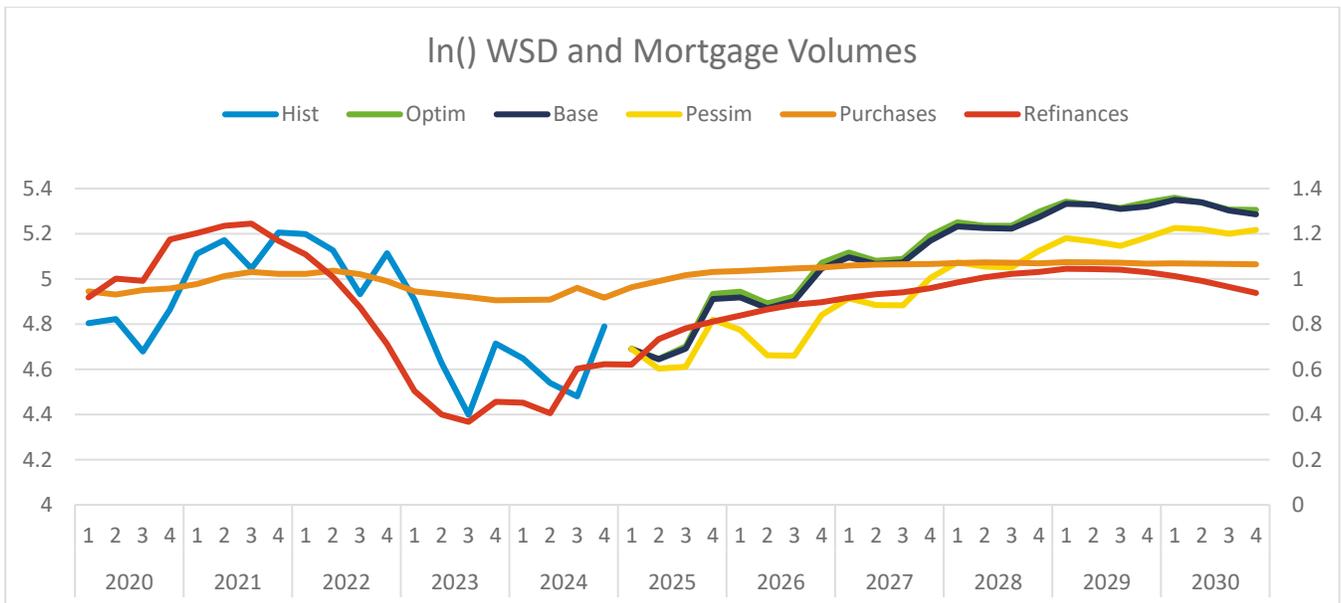
ln_REC: log of quarterly recordation tax

L1-L4.ln_REC: 1st, 2nd, 4th lags of ln_REC

Quarter of year (Categorical variable)

ln_Purch_potential: log of tax rate * forecasted mortgages for purchasing homes

ln_Refi_potential: log of tax rate * forecasted mortgages for refinancing homes



Motor Fuels Tax

Gasoline Consumption (Taxable Gallons)

Model: Ordinary Least Squares Regression

Independent Variables: Virginia Real Personal Income; Virginia Non-Agricultural Employment; Chained Price index-Total personal consumption expenditures, Chained Price index-Consumer Gasoline and other energy goods, Seasonality Factors

Diesel Highway Use (Taxable Gallons)

Model: Ordinary Least Squares

Independent Variables: Virginia Real Personal Income; Virginia Non-Agricultural Employment; Chained Price index- Consumer Gasoline and other energy goods, Seasonality Factors

Motor Vehicle Sales and Use Tax

Total Motor Vehicle Sales (Total Taxable Titles)

Model: Log-log Regression

Independent Variables: Logged year-over-year difference Chained Price index- Consumer Motor vehicles and parts; Moving Average of Logged year-over-year difference Virginia Non-Agricultural Employment; Year-over-year difference Virginia Real Personal Income; Seasonality Factors

New Vehicle Sales (New Taxable Titles)

Model: Ordinary Least Squares Regression

Independent Variables: New Car Sales in the US,, Seasonality Factors

Used Vehicle Sales (Used Taxable Titles)

Difference between Total Taxable Vehicle Sales and New Taxable Title Sales

ABC Revenue Estimating Methodology

Distilled spirit sales revenues are a function of the price of product and quantity sold. Both are forecasted using separate models with quarterly data from 1981 through the present. The price of distilled spirits is a function of the cost of product and the appropriate state and federal taxes and mark-ups. Sales estimates serve as the basis for the development of pro forma profit and loss statements. Sales performance can be significantly influenced by changes in consumer behavior (primarily during the holiday period) and severe weather that are both impossible to accurately forecast. Expenses are estimated based on anticipated budget requirements during the forecasting period. Variations in anticipated expenses are often the source of forecasting error, particularly in the later years of the forecast.

Average Price of Distilled Spirits

The average sales price per gallon of distilled spirits sold was calculated for each quarter. This was adjusted to account for changes in mark-up, state taxes, and the Federal Excise Tax on distilled spirits. The resulting base price was forecasted using an ARIMA model that was found to fit the data better than previous regression-based forecasting methods.

Statistical Results:

Mean Squared Error = .04

$R^2 = 98.1\%$

Quantity of Liquor Demanded

Again, a variety of modeling techniques and data were evaluated to forecast the demand for distilled spirits. The Winter's Multiplicative exponential smoothing method provided the best fit for the data.

Statistical Results:

Mean Squared Error = .001

$R^2 = 98.7\%$

Appendix D: About the Governor’s Advisory Council on Revenue Estimates

About the Governor’s Advisory Council on Revenue Estimates

Va. Code § 2.2-1503 requires the Governor of Virginia, by December 15 each year, to prepare and submit to the members of the General Assembly an estimate of anticipated General Fund revenue, an estimate of anticipated transportation fund revenues, and estimates of anticipated revenues for each of the remaining major Nongeneral funds, for a prospective period of six years. Code requires that the Governor's revenue estimates be based on (i) forecasts of economic activity in the Commonwealth, (ii) review by an advisory board of economists with respect to economic assumptions and technical econometric methodology, and (iii) review by an advisory council of revenue estimates with respect to economic assumptions and the general economic climate of the Commonwealth.

The Governor’s Advisory Council on Revenue Estimates (the Council) is established as an advisory council in the executive branch of state government for reviewing revenue estimates with respect to economic assumptions and the general economic climate of the Commonwealth. The Council is chaired by the Governor and consists of the Speaker and Majority Leader of the House of Delegates; the President pro tempore and Majority Leader of the Senate; the Chairmen of the House Committee on Appropriations, the House Committee on Finance, and the Senate Committee on Finance and Appropriations or their designees; two members of the House of Delegates appointed by the Speaker of the House, two members of the Senate appointed by the Chair of the Senate Committee on Finance and Appropriations; and 15 to 20 nonlegislative citizen members representing the private sector appointed by the Governor.

Meetings of the Council are typically held at least once annually, upon the call of the chairman or whenever a majority of the members so request.

Staff Support

Staff support for the Governor’s Advisory Council on Revenue Estimates is provided by the Office of the Secretary of Finance and the Virginia Department of Taxation.

Members and Staff Bios



The Honorable Glenn Youngkin
Governor of Virginia

Born in Richmond and raised in Virginia Beach, Governor Glenn Youngkin is a homegrown Virginian from humble beginnings. From washing dishes to support his family to being named co-CEO of one of the world's top investment firms, Governor Youngkin knows what it's like to work hard. Governor Youngkin's determination to succeed earned him various awards on the basketball court and a full athletic scholarship to college.

After earning an engineering degree at Rice University and his MBA at Harvard Business School, Governor Youngkin and his wife Suzanne moved to Northern Virginia. For 25 years Governor Youngkin was instrumental in growing the Carlyle Group's stature globally while helping fund the retirements of teachers, police officers, firefighters, and other frontline public servants.

And today, Governor Youngkin continues to deliver for all Virginians. As a newcomer to politics, he ran, won, and now shapes policy on commonsense solutions to kitchen table concerns. So far, he's passed the largest education budget in Virginia's history, facilitated waves of economic investments and business expansions to reinvigorate job growth and opportunity and has totally transformed the way government works for its citizens. He signed a comprehensive package of laws delivering for veterans in his first six months as well as enacting historic tax cuts and funding for public safety.

Governor Youngkin has been married for over 29 years to Suzanne S. Youngkin, a devoted leader in non-profits and charitable causes. Together, they are dedicated to their four wonderful children. Their family journey has been and continues to be guided by their faith, walking hand in hand as humble followers of Christ.



**The Honorable Winsome Earle-Sears
Lieutenant Governor of Virginia**

Winsome Earle-Sears, a native of Kingston, Jamaica, immigrated to the United States at the age of six. She is proud to have served in the United States Marine Corps. In addition to her various appointments, she has served as the Vice President of the Virginia State Board of Education; and as a presidential appointee to the US Census Bureau, as co-chair of the African American Committee; and the Advisory Committee on Women Veterans to the Secretary of Veterans Affairs.

Winsome was first elected in 2002 to a majority Black House of Delegates district, a first for a Republican in Virginia since 1865. She is the first female Lieutenant Governor of the Commonwealth of Virginia, the first Black female elected statewide, and the first naturalized female elected to statewide office. She is also the first female Veteran to be elected to statewide office.

As Lieutenant Governor, Winsome Earle-Sears presides over the Senate when they are in a legislative session and casts the tie-breaking vote. Additionally, the Lieutenant Governor serves on various state boards and commissions: Virginia Tourism Authority, Virginia Military Advisory Council, Jamestown-Yorktown Foundation, The Center for Rural Virginia, Secure and Resilient Commonwealth Panel, as well as serving as the national Secretary of the Aerospace States Association (ASA), and as the Chair of the Virginia chapter of ASA (2023). Her office has been represented on the Virginia Advanced Air Mobility Alliance (VAAMA) since 2022. The Lieutenant Governor is also a Fellow at the Hunt Kean Leadership Institute. Education has been and continues to be a focus of the Lieutenant Governor.

In her efforts to hear from as many Virginians as possible, the Lieutenant Governor has traveled over 28,000 miles across the Commonwealth since coming into office. An often-requested speaker, the Lieutenant Governor has headlined numerous events across the Commonwealth and across the nation.

A former program manager for the Hampton Roads Chamber of Commerce and VISTA volunteer, Winsome is a trained electrician and successful businesswoman. However, Winsome is most proud of her community work leading a men's prison ministry and as director of a women's homeless shelter. She holds a B.A. in English with a minor in Economics, and an M.A. in Organizational Leadership, with a concentration in Government. Winsome and her husband, Terence, have two daughters Katia and Janel, in addition to DeJon, and granddaughters Victoria and Faith, who are now looking into the face of God.

Citizen Members



Nancy Howell Agee
President and Chief Executive Officer
Carilion Clinic

NANCY HOWELL AGEE is President and Chief Executive Officer of Carilion Clinic, a \$2.4B not-for-profit integrated health system headquartered in Roanoke, Virginia, serving more than one million people in Virginia and West Virginia.

Before becoming CEO in 2011, Ms. Agee served as Executive Vice President and Chief Operating Officer. During her tenure as COO, she co-led Carilion's reorganization from a collection of hospitals to a fully integrated, physician-led clinic. The reorganization resulted in a partnership with Virginia Tech to create an allopathic medical school and research institute.

Ms. Agee is a nationally recognized health care leader and past Chair of the American Hospital Association. She was recently named one of *Modern Healthcare's* 50 Most Influential Clinical Executives. *Modern Healthcare* also named her one of 2021's Women Leaders Luminaries that recognizes executives whose careers have been defined by reshaping the industry. She was first named to *Modern Healthcare's* biennial list of Top 25 Women Leaders in 2017 and is perennially among its 100 Most Influential People in Healthcare. She is a former member of The Joint Commission's Board of Commissioners and past Chair of the Virginia Hospital & Healthcare Association and the Virginia Center for Health Innovation.

Ms. Agee was named Virginia Business Person of the Year in 2017 by *Virginia Business* and has been on the list of most influential persons in Virginia for the past ten years. She was also named among *Virginia Business Magazine's* Virginia 500 – the 2020 Power List. Ms. Agee serves on several boards including American National Bank & Trust, (NASDAQ:AMNB), RGC Resources, Inc., (NASDAQ:RGCO) and Healthcare Realty: (NYSE:HR). She is a member of The Wall Street Journal Council of CEOs, Virginia Foundation for Independent Colleges, Virginia Business Council, Virginia Business Higher Education Council and on the Governor's Advisory Council on Revenue Estimates. She is a Fellow in the National Association of Corporate Directors. In January 2022, Ms. Agee was selected by newly inaugurated Governor Glenn Youngkin to serve on his Medical Advisory Team.

Ms. Agee has received many awards over her career including the 2022 Virginia Business Magazine's "Women in Leadership" award, the Total Action for Progress (TAP) 2021 Cabell Brand Hope Award, 2020 University of Virginia Maxine Platzer Lynn Women's Center Distinguished Alumna Award, Emory School of Nursing's Nurses Alumni Association Distinguished Nursing Achievement Award, Multiple Sclerosis Silver Hope Award, the Carilion Paladin Award for Quality, and the National Center for Healthcare Leadership's Gail L. Warden Leadership Excellence Award.

Ms. Agee holds degrees with Honors from the University of Virginia (Bachelor of Science in Nursing) and Emory University (Master of Science in Nursing) and attended the Kellogg School of Business, Northwestern University. She's received honorary Doctorate of Humane Letters from Roanoke College, the Jefferson College of Health Sciences and Virginia College of Osteopathic Medicine.

* * *

CARILION CLINIC is a nationally ranked, \$2.4B not-for-profit integrated health system headquartered in Roanoke, Virginia, serving more than 1 million people in Virginia and West Virginia. Carilion Clinic includes seven hospitals ranging from a large, tertiary/quaternary medical center, Level 1 Trauma Center and teaching hospital to a Children's Hospital to midsized community hospitals to small rural or critical access hospitals. Carilion also

operates complementary business lines, including home health, imaging services, pharmacies, urgent care and free-standing surgical clinics and has a large physician group with more than 1,000 employed physicians.



Neil Amin
Chief Executive Officer
Shamin Hotels

Mr. Amin started his career at Goldman, Sachs & Co., where he advised public and private technology companies on merger and acquisition transactions and capital markets activities. He currently has overall responsibility for over 66 hotels owned and operated by Shamin Hotels, the largest hotel owner and operator in the Commonwealth of Virginia.

Additionally, Mr. Amin oversees the operations of Shamin’s Assisted Living and Dementia facilities in Virginia. During his tenure at Shamin Hotels, the company has received numerous awards and recognitions including the Developer of the Year from Intercontinental Hotels Group and the Multi-Brand Developer of the Year, New Build/Adaptive Reuse of the Year, and the Lifetime Achievement Award from Hilton Hotels.

Mr. Amin has also been repeatedly recognized as one of the Fifty Most Influential Virginians by Virginia Business. Mr. Amin graduated summa cum laude from The Wharton Business School at the University of Pennsylvania, completing his B.S. in Economics and MBA. He is passionate about assisting the communities where the associates of Shamin Hotels live and work and currently serves as the past chairman of the board of Richmond Region Tourism and serves on the boards of the Community Foundation, the Virginia Museum of History and Culture, the Virginia Community Development Corporation, Sports Backers, Venture Richmond, the Virginia Council on Economic Education, and is chairman of the Virginia Cannabis Control Authority.

Additionally, Mr. Amin serves on the Treasury Board of the Commonwealth of Virginia and the Governor’s Advisory Council on Revenue Estimates at the pleasure of the Governor of Virginia.



Tom Barkin
President and Chief Executive Officer
Federal Reserve Bank of Richmond

Tom Barkin is the President and CEO of the Federal Reserve Bank of Richmond. He has held this position since 2018.

Tom serves on the Fed’s chief monetary policy body, the Federal Open Market Committee, and is also responsible for bank supervision and the Federal Reserve’s technology organization. He is “on the ground” continually in the Fed’s Fifth District, which covers South Carolina, North Carolina, Virginia, D.C., West Virginia, and Maryland. His engagement in the region has brought real attention to areas facing economic challenges.

Prior to joining the Richmond Fed, Tom was a senior partner and CFO at McKinsey & Company, a worldwide management consulting firm, where he also oversaw McKinsey’s offices in the southern United States.

Tom earned his bachelor’s, MBA and law degrees from Harvard University.



William G. Crutchfield, Jr.
Founder and Chief Executive Officer
Crutchfield Corporation

In 1974, with only \$1,000 in capital, Bill Crutchfield founded Crutchfield Corporation in his mother's basement. Since then, Crutchfield Corporation has grown into one of the nation's largest and most respected *specialty* direct retailers. *Virginia Business* ranks it as one of Virginia's largest private companies.

In October 2007, Bill Crutchfield was inducted into the Consumer Electronics Association's Hall of Fame. At the invitation of Samsung, he carried the Beijing 2008 Olympic Torch in Hangzhou, China, in 2008. In 2011, *Virginia Business* listed him as one of Virginia's 25 most notable entrepreneurs over the past 25 years. In 2021, 2022 and 2023, *Virginia Business* named him as one of the 500 most influential Virginians. During its 2024 session, the Virginia Senate and House of Delegates passed a Joint Resolution recognizing Bill Crutchfield for the 50th anniversary of his business and for his contributions to the Commonwealth of Virginia.

Bill Crutchfield has served five Virginia governors of both parties on various commissions, councils and boards including two terms on the University of Virginia's senior board, the Board of Visitors. He has been an executive lecturer at UVA's Darden School of Business for the past 45 years.

During the Vietnam War, Bill Crutchfield served in the United States Air Force as a commander of a Titan II missile crew and as a Strategic Air Command senior instructor. For his distinguished service, he was twice awarded the Air Force Commendation Medal. Bill Crutchfield separated from the service in 1970 holding the rank of Captain.



Chad Eisele
Senior Vice President and Chief Financial Officer
Card Business
Capital One

Chad has been with Capital One since 1999. He worked in a variety of Card Finance leadership positions until 2008. From 2008-2011, Chad led the Corporate Planning team where he was responsible for the consolidated Corporate P&L, Resource Allocation Committee, and Management Accounting and Planning processes and infrastructure.

Currently, Chad is Senior Vice President and Chief Financial Officer for the Card Business at Capital One, which includes the US Branded and Partnership, UK, and Canada card businesses.

Chad served on the March of Dimes Virginia State Board and was Chair of the Central Virginia Board from 2010-2014. He also served on the founding Board of Directors for Full Circle Grief Center from 2010-2012

and the Advisory Board for Virginia Local Initiatives Support Corporation (LISC) from 2017-2020. He is currently on the Board of Directors for Peter Paul and a member of the Central Virginia Market Presidents Network at Capital One.

Chad attended University of Richmond where he received a B.S. in Business Administration and minored in Spanish. He also received his MBA from Duke University. Chad lives in Mechanicsville, Virginia with his wife and three children and enjoys triathlon training, reading, and spending time at ‘the river’.



Robey W. Estes, Jr.
President and Chief Executive Officer
Estes Express

Robey W. Estes, Jr. graduated from the College of William & Mary in 1974 with a degree in accounting. After graduation, Mr. Estes began his career at Estes, working in various progressive positions over the years. He began as a salesman in the Richmond area in 1975 and is currently President & CEO of the company.

Mr. Estes is active in the community and trucking industry, serving on various boards – Southern Motor Carriers, American Trucking Association, Needles Eye Ministries, Science Museum of Virginia and National Association of Christian Recovery. He is a former board member of Richmond Goodwill and Virginia State Chamber of Commerce as well as past Chairman for the Board of Deacons of Bon Air Baptist Church.

Mr. Estes is married to Jean Berger Estes. They have two children Carrie, 42, UNC graduate; and Webb, 38, William & Mary graduate. Both are active in the company. He enjoys softball, bridge, spending time with his grandchildren and talking transportation.



Bryan H. Fairbanks
President and Chief Executive Officer
Trex Company

Bryan Fairbanks has served as President and Chief Executive Officer of the Trex Company since April 2020. He previously served as Executive Vice President and Chief Financial Officer of the Trex Company between July 2018 and April 2020, and as Vice President and Chief Financial Officer of the Trex Company between August 2015 and July 2018. Between March 2006 and August 2015, he served as Senior Director, Supply Chain, and between September 2012 and August 2015, he concurrently served as Executive Director, International Business Development, with the Trex Company. He served as Director, Financial Planning and Analysis of the Company between May 2004 and March 2006.

Prior to his Trex experience, he served in numerous senior finance roles with the Ford Motor Company, a manufacturer of cars and trucks, between August 1994 and May 2004.

He received a B.S. degree in accounting from the University of Dayton and a M.B.A. degree from the University of Pittsburgh. In addition to his Trex responsibilities, Bryan serves on the Frederick County, Virginia Economic

Development Authority and was recently appointed to the Virginia Governor's Advisory Council on Revenue Estimates.



William I. Foster III
President & Chief Executive Officer
TowneBank

Billy Foster is the President and Chief Executive Officer of TowneBank. In that role, Mr. Foster oversees the growth and profitability of the bank. He joined the Towne family in 2004 as Regional President to lead the Bank's expansion into the Norfolk community. Since that time he has served in several executive roles, including his most recent role as President of the Bank's markets in Central Virginia and North Carolina. Prior to joining Towne, he served as the Eastern Region President of Central Fidelity Bank. Mr. Foster has over 35 years of experience in the banking industry. He attended Old Dominion University, earning a BS in Business Administration with a major in Accounting and also earned an MBA from the College of William and Mary.

B.K. Fulton
Chairman and Chief Executive Officer
Soulidify Productions



BK is the chairman of 7 companies and an award-winning filmmaker and author. In 2017 BK founded Soulidify Productions – a film, stage and TV investment company designed to promote a more inclusive narrative in media. The company has produced 13 feature films, 15 books and a #1 show on Broadway since its inception. Soulidify is the creator of the *Blueprint Script & Media Prize* and owns SoulVision Magazine, SoulVision.TV and Body Snatchers Productions. The company retains ownership interests in MoviePass 2.0 (films, gaming, and B2B), *Iconic Events Releasing* (over 8,000 screens), and MediaU.com (the first online film school with transcripts) among other ventures. BK is also a principal with Ralph Sampson, and Jim Franklin in *Winner's Circle Ventures* – a \$100 million-dollar strategic investment company targeting *all* entrepreneurs, especially women and minorities.

Prior to becoming a full-time author and entrepreneur, BK was Vice President of the Mid-Atlantic Region for Verizon Communications, Inc. and President of Verizon Virginia and West Virginia. He has held senior leadership, media, technology, and policy development posts with the U.S. Department of Commerce, AOL, Time Warner, Verizon, and the National Urban League.

BK is considered one of the most influential African Americans in technology. His board service includes: Norfolk State University, Towne Bank, the Library of Virginia Foundation, Media Mentors, The Jamestown-Yorktown Foundation and MediaU.com. He was most recently inducted into the JA Business Hall of Fame (2022).

BK holds a Bachelor's degree from Virginia Tech, a Master of Science degree and Sloan Fellowship from Harvard and the New School, and a Juris Doctorate from New York Law School. He is married to Mrs. Jacquelyn E. Stone, a Harvard Law graduate and prominent Richmond attorney at the McGuireWoods Law firm. Jackie and BK are co-parents to three young men – Joshua, Terrell, and Sam.



Thomas "Tom" Gayner
Chief Executive Officer
Markel Group

Thomas "Tom" Gayner has served as Chief Executive Officer of Markel Group since the start of 2023 and was co-Chief Executive Officer prior to that since 2016. Markel Group is a holding company with operations in insurance, services, and industrial operations. Markel Group is listed on the Fortune 500 and is headquartered in Richmond, Virginia, with more than 70 offices in 16 countries.

Tom joined Markel Group in 1990 and oversees all investing activities. He is also responsible for Markel Ventures, a wholly owned subsidiary which acquires controlling interests in manufacturing, technology, and service companies.

Prior to joining Markel Group, Tom served as Vice President of Davenport & Company LLC of Virginia and as a certified public accountant with PricewaterhouseCoopers LLP.

Tom serves as Chairman of the Board of the Davis Series Mutual Funds and on the boards of Graham Holdings, The Coca-Cola Company, and Markel Group. He is a member of the Investment Advisory Committee of the Virginia Retirement System.

Tom is a graduate of the University of Virginia and The Lawrenceville School.



Jason Greene
President and CEO
Delta Star, Inc.

Jason Greene began his career at Delta Star, Inc. in 2003 as Controller at Delta Star East located in Lynchburg, Virginia. The following year he assumed the position of Chief Financial Officer with the company and in 2005 was appointed Vice President.

He took a brief stint away from Delta Star in 2010, where he traveled abroad, serving as CFO and COO for a multi-state ministry.

He returned shortly thereafter to lead Delta Star's Field Service Business Division as Director. In 2012, Mr. Greene became General Manager of the Lynchburg manufacturing facility, Delta Star East. In May 2013, he was promoted to Director of Operations, with responsibility over the manufacturing facilities and Field Service Division. In 2014, he became COO which included oversight of all operations, administration, and strategic development.

In 2016, Mr. Greene was promoted to his current position of President and Chief Executive Officer where he is responsible for the creation and implementation of the strategic direction for Delta Star, while ensuring that the organization maintains a constant awareness of the external competitive landscape, customer base, new industry developments and standards.

Mr. Greene graduated from Virginia Tech with a degree in accounting and from Harvard Business School in the Program for Leadership Development. He is a Virginia Certified Public Accountant (CPA).

He currently serves on the Board of Directors for Freedom Word Church in Spout Spring, Virginia; Central Virginia Community College Foundation; Liberty University School of Engineering and as an advisor to Hill City Crash based in Lynchburg, Virginia.

He currently resides in Spout Spring, Virginia with his wife and five children.



Mark Hourigan
Founder and Chief Executive Officer
Hourigan

Mark is the founder and CEO of Hourigan, a fully integrated construction and development company, based in Richmond. In his nearly 40 years of experience in the construction industry, Mark has shepherded some of the Commonwealth's most innovative and skyline-defining projects including Richmond's Dominion Tower, Charlottesville's Apex Plaza, and the Chesapeake Bay Foundation's Brock Environmental Center.

Mark's commitment to building uniquely remarkable relationships and buildings is a culture instilled from the top-down at Hourigan, fostering service and connection to local communities across Virginia.

Mark's lifetime resume of service on numerous nonprofit, industry, and institutional boards including GoVirginia, Virginia Chamber of Commerce, and the Community Foundation of Richmond is earnestly focused on the development of others and the enrichment of the local community.



J.W. (Bill) Kirk, III
Chairman
Associated Asphalt

Mr. Kirk serves as Chairman of Associated Asphalt headquartered in Roanoke, VA. He has more than 50 years of energy and transportation-related experience. After graduating from Hampden-Sydney College, he worked with Shell Oil Company in Philadelphia.

Mr. Kirk then joined Associated Asphalt in 1976 and was named President in 1988 and Chief Executive Officer in 1999. He was appointed Chairman in 2020.

Bill has been very involved with the Asphalt Institute throughout his career, serving as Chairman in 2004 and 2011. He has also been active on several community and civic boards and is a long-time Trustee of Hampden-Sydney. He currently serves on the Board of Commissioners for the Virginia Port Authority.



Dennis Matheis
President & Chief Executive Officer
Sentara Healthcare

Dennis has spent the past 30 years in senior leadership roles within the healthcare industry. He previously served as Executive Vice President of Sentara Healthcare and President of Sentara Health Plans. Prior to joining Sentara, he spent 13 years in leadership roles at Anthem, Inc. He also served in senior leadership roles at Anthem Blue Cross and Blue Shield of Missouri, CIGNA Healthcare and Humana Health Plan, as well as Advocate Health Care in Chicago.

Matheis is on the Executive Committee of the Virginia Association of Health Plans (VAHP). He serves on the Board of Directors of the Virginia Chamber of Commerce – Team Virginia and DarioHealth and serves on the Board of Directors and Executive Committee of America's Health Insurance Plans (AHIP).

Matheis earned his B.S. in Accounting from the University of Kentucky and practiced as a Certified Public Accountant before entering the healthcare industry.



Shane McCullar
CEO and Operating Principal
KW Metro Center

Shane McCullar is a highly accomplished real estate professional with a distinguished career and unwavering commitment to the industry. A graduate of the University of Mississippi (Ole Miss), Shane holds a degree in business with a minor in economics. His passion for the world of finance led him to acquire a Series 7 license, establishing himself as an investment broker, where he provided valuable advice to brokers on portfolio positioning for over six years.

Shane's journey into the world of real estate began on a high note when he was named Rookie of the Year at a multinational firm located in the prestigious Gold Coast area of Chicago, Illinois. His talent and dedication propelled him to the position of Director of Development for a luxury builder in downtown Chicago. However, the true turning point in Shane's career came when he joined Keller Williams Realty International, where he has been a stalwart for over two decades.

In his role as CEO and Operating Principal of KW Metro Center, Shane oversees a formidable team of over 1,000 agents, collectively serving the Alexandria Old Town, Arlington, Midlothian, Tyson, and Vienna, Virginia areas. Under his leadership, KW Metro Center has thrived, achieving revenues of \$2.4 billion. This has solidified KW Metro Center's position as one of the largest real estate companies in the Washington D.C. area, as recognized by the Washington Business Journal and industry experts at Real Trends. Furthermore, he has ventured into joint ownership in two title companies and delved into the insurance sector.

Shane's dedication extends beyond his professional life. He has actively contributed to the real estate industry's governance by serving as a former member of the Northern Virginia Association of Realtors (NVAR) Board of Directors and the Virginia Association of Realtors (VAR) Board of Directors for over eight years. He has also been

a driving force as the past Co-Chairman of RPAC for the Commonwealth of Virginia and has received the distinguished honor of being inducted into the Hall of Fame for the National Association of Realtors.

In addition to his remarkable career, Shane McCullar cherishes a strong and enduring partnership with his wife, Nicole McCullar, who is a Mega Agent in KW Metro Center. Together, they have been married for 25 years and are residents of Alexandria Old Town.

Shane McCullar's journey in the world of real estate is a testament to his exceptional leadership, unparalleled industry expertise, and unwavering commitment to excellence, both professionally and personally. His impact and legacy in the real estate industry are sure to endure for many years to come.



Thomas L. Ransom
President, Virginia Region
Truist Financial

Thomas L. Ransom currently serves as the President of the Virginia Region at Truist Financial where he integrates and brings the full set of Truist Financial solutions to the market. Before this role, Thomas served as the first Head of Sales and Client Experience Strategy for Truist Financial and he is an inaugural member of the banks' Operating Council and the Executive Response Operations team. He is a twenty plus year veteran of Truist and has led high performing banking teams throughout the Mid-Atlantic.

Of note, Thomas led and directed the strategic development, deployment and reinforcement of the enterprise sales and client experience strategy. He led the development of the Truist Performance Awards, the "Truist Difference" and the Truist Integrated Relationship Management strategy.

Mr. Ransom is a passionate client advocate and that showed through his leadership of the Client Experience and Client First Solutions teams. Thomas has led, chaired and been a member of over a dozen high performing boards of directors and currently serves on the national board of INROADS, Grandbridge Real Estate Capital, Truist Leadership Institute, the N.C. Bankers Association D&I Council, Virginia Chamber, Virginia Business Council, Virginia Foundation for Independent Colleges and the Virginia Bankers Association.

Recently, Mr. Ransom was tapped to Chair the Corporate Advisory Council for the U.S. Black Chambers. Mr. Ransom also serves as Chair of Truist Financials' corporate business resource group for Black teammates and allies and he sits on the Diversity, Equity and Inclusion committee. In that role, he works to produce strategies that help the bank retain, advance and recruit diverse associates and clients. Mr. Ransom built the Truist HBCU strategy which is a groundbreaking collaboration effort to help ensure the success of those students and schools. Representing Truist, Mr. Ransom has launched a groundbreaking partnership with the United States Black Chambers, Inc. to address the urgent crisis facing black owned businesses in America. He served on the Professional Advisory Council for the University of Phoenix School of Business and helped develop entrepreneurship curriculum to support increased access to capital for minority owned businesses.

As a Virginia native, Mr. Ransom attended Middlesex High School where he won the Virginia state championship in football. He went on to earn a Bachelor of Arts in Economics at Hampden Sydney College where he was a four-year letterman on the football team. He was also selected to complete a fellowship in

Public Policy and International Affairs at Princeton University. He subsequently earned a Masters in Business Administration at the University of Baltimore and a Graduate Degree in Banking from Stonier held at the University of Pennsylvania.



Steven C. Smith
President/Chief Executive Officer
K-VA-T Food Stores, Inc.
d/b/a Food City

Raised in Grundy, VA, Smith earned a bachelor’s in business administration from James Madison University. Throughout his 43 years of employment with Food City, he has served in numerous key positions, before assuming his current position of president and chief executive officer.

Headquartered in Abingdon, Virginia, K-VA-T Food Stores, Inc. operates 139 retail supermarkets, trading under the Food City, Super Dollar, and Curt’s Ace Hardware banners, including 114 pharmacies, 115 fuel/convenience stores and 4 wine & spirits stores throughout Southeast Kentucky, Southwest Virginia, East Tennessee, North Georgia, and Alabama.

Smith has served on the boards of Wellmont Health Care Systems, Bristol Chamber of Commerce, Weis Supermarkets, GO Virginia, and James Madison University’s Board of Visitors. He served as campaign chair for United Way of Southwest Virginia from 2000-2002 and 2006-2007, as well as board chair for Topco Associates, LLC, and FMI – The Food Industry Association. He is a member of National Grocers Association and currently serves on several committees for FMI – The Food Industry Association, as well as the board of directors for Mountain Mission School.



Holly Sullivan
Vice President, World Wide Economic Development
Amazon

Holly Sullivan is the Vice President of World Wide Economic Development at Amazon. She leads a team at Amazon focused on global investment projects. When Amazon decided in 2017 to create a \$5 billion second corporate headquarters with 50,000 jobs, Holly was the person entrusted with leading the team that shaped Amazon’s evaluation of the 238 bids received from cities, counties, and states across North America.

She has more than 20 years of experience in economic development, most recently as President and CEO of the Montgomery Business Development Corporation in Maryland. She also formerly led economic development organizations in the Nashville region. Holly received a Bachelor of Arts and a Master of Science in Urban and Regional Planning from the University of Tennessee.

She was recently named one of Washington DC’s Most Powerful Real Estate Players in 2020 by the Commercial Observer, Bethesda Magazine “Women Who Influence” in 2021, and Honorable Scout Award in 2021 by the Scouts of America. She serves on the Board of Directors for the Tennessee Chamber of Commerce & Industry,

the Middle Tennessee Community Foundation and Advisory Board member for the University of Tennessee Haslam School of Business.



Warren Thompson
President and Chairman
Thompson Hospitality Corporation

President and Chairman of Thompson Hospitality Corporation, the largest minority owned food service and facilities management company in the U.S. With 6,000 associates and 2019 revenue in excess of \$800 million, Thompson Hospitality operates in 45 states and six foreign countries, providing a wide range of services. Thompson Hospitality was founded in 1992, when Thompson completed a leveraged buyout of 31 Bob's Big Boy restaurants from his previous employer Marriott Corporation. He proceeded to convert the stores to Shoney's restaurants and several other proprietary restaurant concepts.

Warren also expanded the company's interests into the contract food service arena, and in 1997 created Thompson Hospitality Services, LLC by forging a strategic partnership with Compass Group, the world's largest food service company. Through this alliance, Thompson Hospitality currently serves more than 65 Fortune 100 companies, large universities, and hospitals.

Additionally, Thompson Hospitality has developed a specialty niche in providing food service to many of the Nation's Historically Black Colleges and Universities ("HBCUs"), becoming the largest player in that segment. In addition to contract food service, Thompson Hospitality has continued its retail expansion through the years with the purchase of the Austin Grill restaurant chain (2006) and Big Buns Burgers (2018), as well as the creation of The American Tap Room, brb ("Be Right Burger"), Willie T's Lobster Shack, The Delegate, Maker's Union, and Milk n Honey in 2008, 2011, 2014, 2020, and 2021, respectively. The Company also completed the purchase of the Matchbox Bistro in 2020 and developed The Ridley in Charlottesville in 2021 and Ralph Sampson's American Tap Room in 2022.

Warren has had the honor of serving on the Board of Directors for several major corporations and universities, including the Darden School of Business Foundation Board, University of Virginia's Board of Visitors, Hilb Rogal & Hobbs, Pepsi-Cola's African American Advisory Board and Federal Realty Investment Trust. He currently serves on several Board of Directors to include Compass Group NA, Duke Realty, Performance Food Group, Sizzle (SPAC), and he is a Trustee with his alma mater Hampden-Sydney College. Warren received his Bachelor of Arts degree in Managerial Economics from Hampden-Sydney College and holds an MBA from the University of Virginia's Darden School of Business.



Kathy Warden
Chair, Chief Executive Officer and President
Northrop Grumman Corporation.

Kathy Warden is chair, chief executive officer and president of Northrop Grumman Corporation. She was elected chairman of the Northrop Grumman Board of Directors in 2019 and has served as CEO and president since

January 1, 2019. She was elected to the company's Board of Directors in 2018. Prior to becoming CEO and president, Warden served as president and chief operating officer, responsible for the operational management of the company's four sectors as well as its enterprise services organization. She also led the integration of Northrop Grumman's Orbital ATK acquisition. Previously, she served as corporate vice president and president of Northrop Grumman's Mission Systems and Information Systems sectors.

Warden has extensive experience in operational leadership and business development in government and commercial markets. Prior to joining Northrop Grumman in 2008, Warden held leadership roles at General Dynamics and the Veridian Corporation, she was a principal in a venture internet firm, and she spent nearly a decade with the General Electric Company working in commercial industries.

Warden earned a bachelor's degree from James Madison University and a master's degree in business administration from George Washington University. She currently serves on the Board of Directors of Merck & Co., Inc. and Catalyst. She serves as vice chair of the Greater Washington Partnership as well as the Aspen Cyber Security Group.

Warden is an active member of both the Aerospace Industries Association and the Business Roundtable. Northrop Grumman is a technology company, focused on global security and human discovery. Our pioneering solutions equip our customers with capabilities they need to connect, advance, and protect the U.S. and its allies. Driven by a shared purpose to solve our customers' toughest problems, our 90,000 employees define possible every day.

General Assembly Members



The Honorable Terry Austin
Virginia House of Delegates

Delegate Terry Austin represents the 37th District in the Virginia House of Delegates.

Currently serving a sixth term in the House, he is on the committees of Appropriations, Transportation, Rules, and General Laws. He also serves as Chairman of the VA250 Commission, Chairman of the I-81 Advisory Committee, and is a member of the MEI Project Approval Commission, the Joint Subcommittee to Study the Feasibility of Establishing a Virginia Gaming Commission, and the Governor's Advisory Council on Revenue Estimates.

Delegate Austin is a native of Buchanan, Virginia and President of Austin Electrical Construction Inc., a small business that specializes in airfield construction improvement projects which he founded forty-seven years ago. He serves on the boards of Bank of Botetourt and Carilion Clinic.

Terry and his wife, Kathy have four children and eleven grandchildren. They reside in Buchanan.



The Honorable Creigh Deeds
Senate of Virginia

Senator Creigh Deeds represents the 11th Senate District, which includes the counties of Albemarle, Nelson, Amherst, part of Loudoun and the city of Charlottesville. He is the Chair of the Commerce and Labor Committee and Chairs the Behavioral Health Commission and the Health and Human Resources Subcommittee. He also serves on the following standing committees: Courts of Justice, Finance and Appropriations, Privileges and Elections, and Rules.

Senator Deeds' public service career began in 1987 when he was elected to serve as the Commonwealth's Attorney of Bath County. In 1991 he ran against an incumbent and won in the 18th District in the House of Delegates. After serving 10 years in the House, Sen. Deeds was elected to the Senate in a special election in 2001. Senator Deeds was the Democratic nominee for Attorney General in 2005 and for Governor in 2009.

Senator Deeds is also a member of the Joint Commission on Administrative Rules, the Committee on District Courts, the Joint Subcommittee for Health and Human Resources Oversight, the Intercollegiate Athletics Review Commission, the Interstate 81 Committee, the Joint Subcommittee on Tax Policy, and the Virginia Indigent Defense Commission.

The National Alliance on Mental Illness honored Sen. Deeds with the Richard T. Greer Advocacy Award for his efforts to reform mental health, and the American Psychological Association Practice Organization named him the 2015 State Legislator of the Year Award. His advocacy work has also been acknowledged by NAMI – Virginia, the Psychiatric Society of Virginia, and the American Foundation for Suicide Prevention. For his work on behalf of crime victims, he was awarded the Warren Stambaugh Award from Virginians United Against Crime. He also has received the Leadership in Public Policy Award from The Nature Conservancy, the Preservation Alliance of Virginia Delegate of the Year, and the Virginia Association for Parks Legislator of the Year. His legislative work and accomplishments have also been recognized by the Fairfax Coalition of Police, the Virginia Conference of the American Association of University Professors, Virginia Education Association, BikeWalk Virginia, the Virginia Professional Fire Fighters, and the Virginia Community Healthcare Association.

Senator Deeds attended Virginia's public schools and graduated from Bath County High School in 1976. After completing undergraduate work at Concord College, he received his law degree from Wake Forest University in 1984. Senator Deeds is a lawyer in private practice and lives in the City of Charlottesville. He is married to Siobhan Deeds and has four children.



The Honorable Charniele Herring
Majority Leader, Virginia House of Delegates

Charniele Herring was elected to the General Assembly in 2009 and chosen as Majority Leader of the House of Delegates in 2020. She was the first woman and the first African American to serve as Majority Leader of the House of Delegates and as Chair of Courts of Justice. Delegate Herring also previously served as Chair of the Virginia State Crime Commission and on the Committee on District Courts. She currently serves as Chair of the House Democratic Caucus.



The Honorable Mamie Locke
Senate of Virginia

Senator Mamie Locke is a member of the Virginia State Senate, representing District 23.

Senator Locke received a bachelor's degree at Tougaloo College and a master's and Ph.D. at Atlanta University. Additionally, Locke obtained a certificate in management development from Harvard University and a certificate in archives administration from Emory University/Georgia Department of Archives and History. Locke's professional experience includes working as dean of the School of Liberal Arts at Hampton University

Emory University/Georgia Department of Archives and History. Locke's professional experience includes working as dean of the School of Liberal Arts at Hampton University



The Honorable L. Louise Lucas
President Pro Tempore, Senate of Virginia
Chair, Senate Finance and Appropriations Committee

The Honorable L. Louise Lucas is a Portsmouth native and a product of the Portsmouth Public School System. She is President / Chief Executive Officer for Lucas Lodge, Lucas Transportation and Southside Direct Care Provider organizations operating in The Lucas Professional Center located in the city of Portsmouth, Virginia.

Senator Lucas began her federal career as an Apprentice Shipfitter at the Norfolk Naval Shipyard (July 1967) and became the first Woman Shipfitter (July 1971), Engineering Draftsman (1975), Naval Architect Technician (1976), Command Federal Women's Program Manager (1979) and finalizing her federal career as Equal Employment Manager from 1981 to 1985. Senator Lucas began a different career path as Interim Executive Director of The Southeastern Tidewater Opportunity Project (STOP) (1985 – 1986). She was appointed by the STOP Board of Directors as Executive Director in 1986 where she was the first woman to hold the position until 1992.

Senator Lucas obtained her Bachelor of Science degree in Vocational-Industrial Education (1971) from Norfolk State University and her Master of Arts Degree in Urban Affairs with a concentration in Human Resources Planning and Administration (1982) also from Norfolk State University. Senator Lucas held the position of Congressional Liaison for Sponsored Programs with Old Dominion University from July 1992 – June 1994 and

Assistant Professor with Norfolk State University, Department of Academic Affairs from July 1994 – April 1998 and Special Assistant to the Vice President for University Advancement with Norfolk State University April 1998 to December 1998.

Senator Lucas was elected to the Virginia General Assembly in November 1991 and has served on a majority of the Senate's Standing Committees. Currently, she serves on the following Senate Committees: Finance and Appropriations (Chair) Commerce and Labor, Education and Health and various subcommittees. Following the 2019 election, Senator Lucas has been elected as Senate Pro-Tempore Designate. This makes her the first woman and the first African-American to be elected into this position. Senator Lucas also served on the Commission on State Funding for Public School Construction and the Governor's Commission on Information Technology. She remains an active member of the Senate Democratic Caucus, Virginia Legislative Black Caucus and Democratic Party of Virginia, Vice Chair for Community Outreach. Senator Lucas was previously elected in June 1984 to serve the citizens of Portsmouth on the City Council where she was the top vote getter for that election, and the first African American woman to be elected to serve as Councilwoman. She has been involved in social, civic and political activities most of her adult life and has served in elective office for more than 35 years.

Senator Lucas has served on various community boards, commissions, civic and service organizations such as: President and Life Member, NAACP; Charter Member, Martin Luther King, Jr. Leadership Steering Committee; Member Norfolk State University Alumni Association; Golden Life Member, Delta Sigma Theta Sorority, Incorporated; and Member, Brighton Light Chapter Number 118 Order of Eastern Star, Prince Hall Affiliation of Virginia. Senator Lucas has received countless awards and honors within her community, the state and nationally.

Senator Lucas is the mother of one son, Jeffery Lee Lucas (deceased 04-05-05) and two daughters, Lisa L. Lucas-Burke and Theresa L. Lucas, who partner with her in various business entities operating in the Lucas Professional Center. She is blessed to have 6 grandchildren and 9 great grandchildren and 1 great, great grandchild.



The Honorable Ryan T. McDougle
Minority Leader, Senate of Virginia

As a lifelong resident of Hanover County, Ryan understands the interests of the local community while seeking to maximize individual freedoms and conservative principles.

Ryan's commitment to public service is influenced by a grounded and humble upbringing. He quickly learned the value of hard work through his Mother's small business, Sandy's Plants, at a young age. He went on to attend James Madison University before attaining his Juris Doctor degree at the Marshall-Wythe School of Law and The College of William and Mary.

Upon graduation, Ryan worked as a prosecutor for the Hanover County Commonwealth Attorney's Office, where he specialized in prosecuting domestic violence and family abuse offenders. His professional work on behalf of children grew into a personal commitment that resulted in the creation of the Hanover County Child Advocate Response Team.

Ryan began his legislative service in the House of Delegates in 2002 and went on to win a special election in 2006 for a vacant 4th Senate District Seat. After 2020 redistricting, Ryan now represents the 26th Senatorial District, and serves as the Senate Republican Leader.



The Honorable Don Scott
Speaker of the House
Virginia House of Delegates

Don Scott has built a reputation for being a steadfast ally to his clients in the courtroom, and has brought that same spirit to the House of Delegates where he is known for being an advocate for working Virginia families.

He was born in Houston, Texas, where he and his siblings were raised by a single mother. A product of public schools, Don attended Texas A&M University. Upon graduation, he joined the Navy and served as a Surface Warfare Officer. This ignited his interest in pursuing law, and upon completion of his service, he earned his law degree from LSU Law School in 1994. After delivering the commencement address to Norfolk State University in 2024, he was awarded an honorary Doctorate of Humane Letters.

In 2002, Don took an entry-level job at a workforce development company, where he quickly moved up the ranks to Senior Vice President. However, his position required constant travel, and after the birth of his daughter, he decided to return to his original dream of practicing law to stay closer to home. In 2015 he opened his own law practice. Today, he is a partner at Breit Biniazan P.C. and serves his clients primarily as a personal injury attorney.

He entered public life in 2019 when he decided to run for the House of Delegates representing Portsmouth. Since that first election, he has had a meteoric rise from freshman to Minority Leader by his second term. After winning the majority in 2023, Don was unanimously selected by his colleagues as the first Black Speaker of the House of Delegates in its 405-year history. Don has made his mark running a tight ship. He is known for being efficient and tough but fair to his colleagues on both sides of the aisle.

He is a proud lifetime member of many civic and community boards and associations. He and his wife, Dr. Mellanda Colson Scott, reside in Portsmouth with their teenage daughter.

As Speaker of the House of Delegates, he is Chair of the Rules Committee, and he serves on the Governor’s Advisory Council on Revenue Estimates; Virginia Growth and Opportunity Board; Commemorative Commission to Honor the Contributions of the Women of Virginia; Virginia State Crime Commission; and Commission on Electric Utility Regulation.

In the community, Don is a member of many boards and commissions and has spent his time outside the courtroom giving back.

Don is a member of the Portsmouth Bar Association, the Old Dominion Bar Association, the Virginia State Bar Association, the Virginia Association of Criminal Defense Attorneys, and the Virginia Trial Lawyers Association. He is also the former Chair of the Portsmouth Economic Development Authority and former President of the Southeastern Employment and Training Association. He is also a member of the Eureka Club and holds lifetime memberships in the NAACP, Veterans of Foreign Wars Post 993, and American Legion Post 190.

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Awards:

Climate Champion Action Fund
Sigma Pi Phi Fraternity, Inc. Foundation, WEB Du Bois Legacy Award
VACAPAF Award of Appreciation – 81st Convention
Alpha Phi Alpha Fraternity, Inc. Hugo A. Owens Humanitarian Award
Church and Community in Action Award – Political Leadership Award
Gloucester Institute, Robert Russa Moton Legacy Award
Norfolk State University Doctorate of Humane Letters
UNOS, Living It Forward Award
Virginia Union University MLK Award for Civic Leadership
Virginia Union University Living the Dream Legacy Award
VALCV Conservation Political Voice Award
Virginia Education Association 2024 Legislator of the Year Award.



The Honorable Mark D. Sickles
Virginia House of Delegates

Now serving in his twentieth year in Virginia’s House, Delegate Mark Sickles (D-43) continues to focus on affordable health care coverage for all, expanded voting access, sensible gun safety measures, equality for all people, and transportation solutions for Northern Virginia. As the ranking member of the Health, Welfare and Institutions Committee, and a member of the Appropriations Subcommittee on Health and Human Resources, he is working with a great team to expand access and to improve Virginia’s mental health, substance abuse, and disability services.



The Honorable Scott A. Surovell
Majority Leader, Senate of Virginia

Leader Scott Surovell has represented Eastern Fairfax County since 2010. He previously served six years in the House of Delegates. Surovell lives in Mount Vernon with his wife and four children. He practices law and has dedicated his legislative career to fighting for Northern Virginia’s fair share, protecting consumers, and preserving our environment for future generations.

Leader Surovell serves as the Chair of the Senate Courts of Justice Committee, and also serves on the Finance & Appropriations, Commerce & Labor, Rules, and Rehabilitation & Social Services committees. He serves as Chair of the State Water Commission, the Chair of the Commission to Examine Electric Utility Regulation, and Co-Chairs the Joint Subcommittee on Pandemic Response and Preparedness. Surovell also serves on the Joint Rules Committee, the Virginia-North Carolina High Speed Rail Compact Commission, the Health Insurance Reform Commission, the Joint Subcommittee to Evaluate Tax Preferences, the Virginia State Crime Commission (as Vice Chair), the Child Support Guidelines Review Panel, the Board of Trustees Frontier Culture Museum of Virginia,

the Legislative Support Commission, the Commission on Virginia Alcohol Safety Action Program, and the Booker T. Washington Commemorative Commission.

As a legislator, Scott has dedicated his time and energy to improving fairness, economic growth and opportunity for all Virginians. In 2020, Scott repealed Virginia's death penalty and led the 2020 Special Session on criminal justice reform. Scott significantly expanded local firearm authority and negotiated Virginia's "Red Flag Law." He was a lead negotiator on cannabis decriminalization, modernized Virginia's criminal conviction sealing law, and negotiated Virginia's minimum wage. He has also passed legislation to expand Virginia's Court of Appeals, ban texting while driving, expand access to solar energy, require a multi-billion dollar coal ash cleanup, and authorize driving privileges to Virginia's 300,000 undocumented immigrants.

Scott is a 12th-generation Virginian. He graduated magna cum laude from James Madison University and received his law degree from University of Virginia School of Law. Scott is a co-founding partner and owner of Surovell Isaacs & Levy PLC, a 12-attorney law firm in Fairfax and has been recognized as a Leader in the Law by Virginia Lawyers Weekly and has received the highest ratings in numerous peer reviewed publications for over two decades including Best Lawyers in America, Superlawyers, Virginia Business, and Martindale-Hubble.



**The Honorable Luke Torian
Chair, House Appropriations Committee
Virginia House of Delegates**

Delegate Luke Torian was elected to the Virginia House of Delegates in 2009. He serves a constituency of approximately 80,000 Virginians in Prince William County.

Delegate Torian is Chairman of the House Appropriations Committee and previously served as its Chair from 2020-2022. He also serves on the General Laws and Rule Committees in the House of Delegates. He has been a Minister for over 35 years and served as Pastor of First Mount Zion Baptist Church (FMZBC) in Dumfries from 1995 to 2024. Delegate Torian lives in Woodbridge with his wife, Clarice, and are the proud

parents of their daughter, Constance.

Delegate Torian chairs Virginia's Minority Business Commission and is currently Vice Chair of the Major Employment and Investment Project Approval Commission. He is a member of the Virginia Growth and Opportunity Board, the Joint Legislative Audit and Review Commission, the Governor's Advisory Commission on Revenue Estimates, the Northern Virginia Transportation Authority, the Public Private Partnership Advisory Commission, and the Intercollegiate Athletics Review Commission.

Since being elected to the General Assembly, Delegate Torian has not just passed over 50 bills and resolutions, but has significantly improved the lives of Virginians. His legislation has enhanced education, housing, and criminal justice policies, put an end to surprise medical "balance billing," ensured security in retirement, and benefited veterans, their dependents, and those living in assisted living facilities. His work has made a tangible difference in our community.

Delegate Torian is a community leader in Prince William County. He has played a role in organizations including the Dumfries Creative and Performing Arts Center, Project Mend-A-House, the Boys and Girls Clubs, and Action in Community Through Service (ACTS), an organization designed to alleviate hunger, homelessness, and domestic violence in the community. He is a founder of Virginians Organized for Interfaith Community

Engagement (VOICE), an organization dedicated to bringing people together to make positive change. While serving as Pastor of FMZBC, Delegate Torian also supports the many outreach ministries of the Church, such as SHARE – a program providing reduced-cost groceries and meals to community families – the Mary Elizabeth Ministry, which serves teen parents, and the Juvenile Detention Ministry, to name a few. He also led national and international mission trips to Haiti, the Dominican Republic, Jamaica, Cameroon, and Bermuda.

Delegate Torian earned his Bachelor of Arts in Political Science from Winston-Salem State University. He continued his education by pursuing graduate studies at the Southeastern Baptist Theological Seminary, and then earning a Master of Divinity from the School of Theology at Virginia Union University. In 1987, Delegate Torian earned a Doctor of Ministry degree from Howard University School of Divinity. He also has been awarded two honorary doctorate degrees from Virginia State University and Virginia Union University.

Delegate Torian is a Lifetime member of Omega Psi Phi Fraternity, Inc., Pi Lamda Lamda Chapter, and Sigma Pi Phi Fraternity, Epsilon Sigma Boule.

Delegate Torian is proud to continue serving the Commonwealth of Virginia and the people of the 24th district with proven values and proven leadership.



The Honorable Vivian E. Watts
Chair, House Finance Committee
Virginia House of Delegates

Delegate Watts represents the 14th House district and serves as the chair of the House Finance Committee. She has served in the House of Delegates since 1996. Delegate Watts also served from 1982 to 1983 before leaving the House to become Virginia Secretary of Transportation and Public Safety.

Office of the Secretary of Finance



The Honorable Stephen Emery Cummings
Secretary of Finance

Stephen E. Cummings took the oath of office to serve as Secretary of Finance on January 15, 2022. He oversees the four main Finance agencies in the Commonwealth of Virginia: *Department of Accounts*, *Department of Planning and Budget*, *Department of Taxation*; and *Department of the Treasury* – along with the Virginia Resources Authority and Virginia Board of Accountancy.

Mr. Cummings is a leader in the domestic and international financial services industry – most recently serving as President and Chief Executive Officer of Mitsubishi UFJ Financial Group (MUFG) in the Americas, one of the five largest banks in the world and the largest foreign bank operating in the United States. Prior to his role at MUFG, he served as Chairman of UBS’s Investment Banking division in the Americas; Global Head of Corporate and

Investment Banking at Wachovia Bank; and as Chairman and Chief Executive Officer at Bowles Hollowell Conner & Co.

Mr. Cummings has an MBA from Columbia University Graduate School of Business and a Bachelor of Arts degree from Colby College. He and his wife, Karen, have six children and thirteen grandchildren.



John Markowitz
Deputy Secretary of Finance

John currently serves as Deputy Secretary of Finance for the Commonwealth of Virginia.

A Richmond native, John started his career as a public finance investment banker at Stifel financing infrastructure for municipalities and real estate developers across the US to stimulate economic development and redevelopment. His primary focus was value capture bonds.

After that he went to work for MassDevelopment, the Commonwealth of Massachusetts' development and finance agency, managing infrastructure bond programs for the state's conduit issuer. He then became Treasurer at the Massachusetts Bay Transportation Authority, the oldest and fifth-largest mass transit agency in the country where he managed the Authority's debt portfolio, cash and investments to support an \$8 billion capital investment plan and \$2 billion operating budget. As Treasurer, John also focused on business process improvements, sustainability, innovation, climate resiliency and risk management helping to overhaul the Authority's insurance portfolio.

Most recently John served as Assistant Treasurer at Transurban, North America, raising debt and equity for large-scale transportation infrastructure developments and dynamically priced toll road assets developed under public-private partnerships.

John is a frequent speaker on finance, infrastructure, and transportation. He holds a BA in Political Science from the University of Virginia.



Jason Powell
Deputy Secretary of Finance

Jason currently serves as Deputy Secretary of Finance for the Commonwealth of Virginia.

Since joining Governor Youngkin's administration in January 2023 he has served in a variety of rolls within the Transportation, Education, and Finance Secretariats. Prior to the joining the Administration he had over twenty years of nonpartisan service in Virginia's legislative branch, including multiple staff roles with the Virginia Senate Finance and Appropriations Committee.

Prior to joining the SFAC staff, he worked for the Virginia Joint Legislative Audit and Review Commission. Throughout his career, he served on various staff committees for both the Southern Legislative Conference of the Council of State Governments as well as the National Conference of State Legislatures.

A native Virginian, he holds a BA in Political Science and a Master of Public Administration from the Virginia Polytechnic Institute and State University. Jason has completed both the Commonwealth Management Institute and Virginia Executive Institute of the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University.

Virginia Tax



James J. Alex
Tax Commissioner

James J. “Jim” Alex was appointed Virginia’s Tax Commissioner on April 1, 2024. Prior to his appointment, Jim worked in the private sector as RSM’s North America Tax Practice Growth Leader and U.S. Tax Policy Leader. He has also worked for EY and KPMG.

Jim’s public service experience includes federal work as Senior Advisor to the Assistant Secretary for Tax Policy at the U.S. Department of the Treasury, and state work as the Deputy Secretary of the West Virginia Department of Tax and Revenue as well as Assistant Attorney General in the West Virginia Office of the Attorney General.

He earned a B.A. from Virginia Tech (History major/English minor) and a J.D. from the University of Virginia School of Law. He also has two LL.M.s from Georgetown University Law Center: one in Taxation and one in Securities Law and Financial Regulation.

Born in upstate New York, Jim grew up in Fairfax County. He and his wife Sarah have 2 daughters (ages 13 and 10).



Kristin Collins
Deputy Commissioner, Tax Policy

Kristin is the Deputy Commissioner for legislative affairs, tax policy, and regulatory matters at the Virginia Department of Taxation. She joined the agency in 2010 as a Tax Policy Analyst and worked her way to Senior Policy Analyst and then Lead Tax Policy Analyst before becoming the Policy Development Director in 2017. Kristin was promoted to Deputy Commissioner in 2024.

She earned a B.S. in Economics from Longwood University, as well as a dual J.D./M.B.A. from the University of Richmond and an LL.M. in Taxation from Georgetown University.

A native of Northern Virginia, Kristin and her husband Steven now live in the Short Pump area with their 2 young sons and cat.



Charles Kennington
Assistant Commissioner, Tax Legislation and Economic Analysis

Mr. Kennington oversees development of the Commonwealth’s official revenue forecast and is responsible for organizing and facilitating meetings of the Commonwealth’s Joint Advisory Board of Economists and the Governor’s Advisory Council on Revenue Estimates. In addition, he supports the Secretary of Finance with presentations on current economic and revenue conditions and advises the Secretary on a variety of budget matters, including state and local tax issues.

Charles has over 15 years of experience with the Commonwealth of Virginia, including two years as Deputy Secretary of Finance in the Office of Governor Glenn Youngkin and six years with the Senate Finance and Appropriations Committee staff. He earned a master’s degree in economics from Virginia Commonwealth University in 2009 and holds a bachelor’s degree in finance from the University of South Carolina.



Peter Elverson
Lead Forecaster

Mr. Elverson serves as the Lead Forecaster for Virginia Tax. With a robust background in economic analysis, he is the primary forecaster for General Fund revenues, playing a crucial role in ensuring accurate and reliable financial projections for the state.

Peter holds a master’s degree in economics from Virginia Commonwealth University, with expertise in econometrics, economic theory, and quantitative methods. He has a longstanding interest in data-driven public policy and has focused on land economics as well as municipal level tax assessment in his research.



Fergus Johnson
Virginia Management Fellow

Mr. Johnson is serving an 8-month rotation with Virginia Tax as part of a 2-year management succession pipeline program. His responsibilities include data entry and review, proof-reading, and editing, conducting research, and record keeping.

Fergus is approaching the end of his first year in service to the Commonwealth of Virginia, having served one prior 8-month rotation with the Virginia Board of Accountancy as their acting information and policy officer. Prior to his work with the state and after his five years of service in the U.S. Marine Corps, Mr. Johnson received both his bachelor’s and master’s degrees in economics from Virginia Commonwealth University in 2021 and 2023 respectively.

Contact Information

This document was prepared by the staff of Virginia Tax. For questions, please contact:

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