



# **The Interim Economic Outlook and Revenue Forecast through Fiscal Year 2022**

Prepared by the Virginia Department of Taxation  
for Review by the  
Governor's Advisory Council on Revenue Estimates

August 3, 2020

Ralph S. Northam  
Governor

Aubrey L. Layne, Jr., MBA, CPA  
Secretary of Finance

Craig M. Burns  
Tax Commissioner

**GOVERNOR'S CONFIDENTIAL WORKING PAPERS**

---

## Preface

As stipulated by Virginia Code section 2.2-1503.3, *“within five business days after the preliminary close of the Commonwealth's accounts at the end of each fiscal year, the State Comptroller shall submit to the Governor a comparison of the total of individual income, corporate income, and sales taxes collected for the fiscal year, with the totals of such taxes included in the official budget estimate for the fiscal year. If the comparison indicates that the total collection of such taxes as shown in the preliminary close is 1.0 percent or more below the total amount of such taxes as included in the official budget estimate for the fiscal year, the Governor shall prepare a re-estimate of general fund revenues for the current biennium and the next biennium in accordance with the provisions”* of Virginia Code section 2.2-1503.

Projected fiscal year 2020 revenue collections fell short. The revenue shortfall exceeded the collections threshold stipulated in section 2.2-1503.3. One of the provisions of section 2.2-1503 is that the Governor's estimate of general fund revenues shall be based on a *“review by an advisory council of revenue estimates with respect to economic assumptions and the general economic climate of the Commonwealth”*.

The Joint Advisory Board of Economists (JABE) met on July 20, 2020 to consider and evaluate the IHS Markit's June standard and alternative pessimistic economic outlooks contained in the document. With 12 members participating, 5 members supported the standard outlook, 5 members supported a standard minus outlook for fiscal year 2021 and then the standard outlook for fiscal year 2022, and 2 supported the pessimistic outlook for both years of the biennium.

Section 1 of this book contains summaries of IHS Markit's June standard and alternative pessimistic national outlooks.

Section 2 contains a summary of the standard forecast developed by the Department of Taxation using the IHS Markit's June standard national forecast. The section closes with discussions of the alternative forecast for the Virginia economy, the IHS Markit's June pessimistic scenario.

Section 3 contains the revised interim and alternative pessimistic general fund revenue forecasts based on the economic outlooks in sections 2.

Section 4 contains the revised interim and alternative pessimistic Commonwealth Transportation Fund forecast based on the economic outlooks in section 2.

Historical and forecast economic and revenue data are contained in Appendix A and Appendix B.

**SECTION 1**  
**THE U.S. ECONOMY**

## Section 1 The U.S. Economy

### Introduction

This section examines the outlook for the national economy for fiscal years 2020 through 2022. Tables 1 and 2 compare the IHS Markit October 2019 standard forecast, on which Virginia's official economic and revenue forecasts are based, with the June 2020 standard and the alternative pessimistic forecasts.

At the time the June forecast was developed, real GDP contracted 5.0 percent in the first quarter, and IHS Markit predicted that GDP would contract 41.9 percent in the second quarter, with the trough of this recession occurring in April. IHS noted, however, that states are now re-opening their economies earlier than anticipated at the time of this estimate. Although this will slow curtailment of the pandemic, and thus recovery, they expect GDP to regain its previous peak in mid-2022, and they project growth of 11.7 percent in second-half GDP.

IHS considers the unanticipated 2.5 million job gain in May as encouraging, but notes some of the strength was likely due to using funds provided under the Payroll Protection program, and do not expect the economy to regain full employment until late 2023.

### The IHS Markit U.S. Standard Forecast

According to the third estimate, real GDP fell at an annualized rate of 5.0 percent in the first quarter of 2020, following 2.1 percent gains in each of the previous two quarters. In the June standard forecast, IHS expects real GDP to decline by 2.1 percent in fiscal year 2020, compared with 1.9 percent growth in the official forecast. It is expected to fall by 4.0 percent in fiscal year 2021, then bounce back with 6.7 percent growth in fiscal year 2022. IHS assigns a probability of 50 percent to the standard scenario.

The outlook for jobs in the June standard forecast calls for two years of declining growth. Payroll employment is expected to fall by 2.0 percent in fiscal year 2020 and 3.0 percent in fiscal year 2021, then increase 5.3 percent in fiscal year 2022. The June standard forecast expects the unemployment rate to rise to 6.1 percent in fiscal year 2020 then to 9.0 percent in fiscal year 2021. The unemployment rate is expected to fall to 5.9 percent in fiscal year 2022.

Total personal income is expected to rise by 3.9 percent in fiscal year 2020, below the official forecast of 4.5 percent. Income growth then slows to 0.3 percent in fiscal year 2021 and 3.8 percent in 2022, well below the official forecast of 4.3 and 4.4

percent. The June forecast for the largest component of personal income, wages and salaries, is much lower than the official estimate in fiscal years 2020-21, but rebounds in fiscal year 2022. IHS Markit expects wages and salaries to rise 0.9 percent in fiscal year 2020, 0.5 percent in fiscal year 2021, and 7.9 percent in fiscal year 2022.

Expectations for consumer spending in the June standard forecast are much lower than the official forecast. Real consumer spending is expected to decline by 2.5 percent in fiscal year 2020, compared with a 2.8 percent increase in the official forecast. Spending is then expected to fall further by 3.7 percent in fiscal year 2021, before rising by 5.5 percent in fiscal year 2022.

At its June meeting, the Federal Reserve left the federal funds target rate unchanged at 0.0 to 0.25 percent. In the June standard forecast, IHS assumes the Fed will keep the federal funds rate at this range until the first quarter of 2023, along with pursuing “aggressive quantitative easing and liquidity enhancement measures.”

### **IHS Markit Pessimistic Alternative Scenario**

The pessimistic scenario anticipates a steeper contraction in consumer spending and a slower recovery than the standard forecast. This scenario is based on two underlying assumptions. First, that the initial decline in consumer spending was deeper than the baseline forecast, leading to a lower level of economic activity in the second quarter. Second, that the pace of opening up is slower than assumed in the standard forecast. IHS Markit assigns a 25 percent probability to the pessimistic scenario.

In this forecast, real GDP declines by 2.6 percent in fiscal year 2020 and 9.2 percent in fiscal year 2021, then rebounds to 8.4 percent in fiscal year 2022. Total personal income increases by 3.6 percent in fiscal year 2020 before declining 4.0 percent in fiscal year 2021. In fiscal year 2022, growth is expected to pick up to a modest 2.7 percent.

This forecast expects employment to decline by 2.2 percent in fiscal year 2020, then 7.5 percent in 2021, followed by an increase of 5.0 percent in fiscal year 2022. Unemployment increases to 6.2 percent in fiscal year 2020 and 12.3 percent in fiscal year 2021, then falls to 9.2 percent in fiscal year 2022.

Wages and salaries remain below the standard forecast, growing 0.6 percent in fiscal year 2020, declining 5.2 percent in fiscal year 2021, then rising 6.6 percent in fiscal year 2022.

**Table 1 - Fiscal Years 2017-2022 Official and June Forecasts**  
 U.S. Economic Forecasts - Income and Other Indicators (% Change)

|  |                    | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Output, Income, and Spending (% of Total)</u> |                    |             |             |             |             |             |             |
| Real GDP   | Official (Oct '19) | 2.0         | 2.8         | 2.6         | 1.9         | 2.1         | 1.8         |
|  | Jun Standard       | 2.0         | 2.8         | 2.6         | (2.1)       | (4.0)       | 6.7         |
|  | Jun Pessimistic    |             |             | 2.6         | (2.6)       | (9.2)       | 8.4         |
| Total Personal Income                            | Official (Oct '19) | 3.5         | 5.4         | 5.1         | 4.5         | 4.3         | 4.4         |
|  | Jun Standard       | 3.5         | 5.4         | 5.0         | 3.9         | 0.3         | 3.8         |
|  | Jun Pessimistic    |             |             | 5.0         | 3.6         | (4.0)       | 2.7         |
| Wages and Salaries (50%)                         | Official (Oct '19) | 3.6         | 5.3         | 4.9         | 5.2         | 4.8         | 4.6         |
|  | Jun Standard       | 3.6         | 5.3         | 4.8         | 0.9         | 0.5         | 7.9         |
|  | Jun Pessimistic    |             |             | 4.8         | 0.6         | (5.2)       | 6.6         |
| Average Wage                                     | Official (Oct '19) | 1.9         | 3.7         | 3.1         | 4.0         | 4.0         | 3.9         |
|  | Jun Standard       | 1.9         | 3.7         | 3.2         | 3.1         | 3.5         | 2.5         |
|  | Jun Pessimistic    |             |             | 3.2         | 3.0         | 2.4         | 1.5         |
| Real Consumer Spending                           | Official (Oct '19) | 2.6         | 2.8         | 2.8         | 2.8         | 2.6         | 2.5         |
|  | Jun Standard       | 2.6         | 2.8         | 2.8         | (2.5)       | (3.7)       | 5.5         |
|  | Jun Pessimistic    |             |             | 2.8         | (2.9)       | (11.2)      | 8.4         |
| <u>Interest Rates (%)</u>                        |                    |             |             |             |             |             |             |
| 3-Month Treasury Bills                           | Official (Oct '19) | 0.6         | 1.4         | 2.3         | 1.7         | 1.6         | 2.0         |
|  | Jun Standard       | 0.6         | 1.4         | 2.3         | 1.2         | 0.1         | 0.1         |
|  | Jun Pessimistic    |             |             | 2.3         | 1.2         | 0.1         | 0.1         |
| 30-Year Treasury Bonds                           | Official (Oct '19) | 2.8         | 2.9         | 3.0         | 2.3         | 2.9         | 3.3         |
|  | Jun Standard       | 2.8         | 2.9         | 3.0         | 2.0         | 1.8         | 1.9         |
|  | Jun Pessimistic    |             |             | 3.0         | 1.9         | 1.6         | 1.6         |
| <u>Prices (% of Total)</u>                       |                    |             |             |             |             |             |             |
| CPI  | Official (Oct '19) | 1.9         | 2.2         | 2.1         | 2.2         | 1.8         | 2.2         |
|  | Jun Standard       | 1.9         | 2.3         | 2.1         | 1.6         | 0.8         | 2.3         |
|  | Jun Pessimistic    |             |             | 2.1         | 1.5         | (0.2)       | 1.1         |
| GDP Deflator                                     | Official (Oct '19) | 1.5         | 2.2         | 2.1         | 2.2         | 2.4         | 2.4         |
|  | Jun Standard       | 1.5         | 2.2         | 2.1         | 2.3         | 2.6         | 2.5         |
|  | Jun Pessimistic    |             |             | 2.1         | 1.5         | 0.3         | (0.1)       |

The Official forecast is IHS Markit's October 2019 U.S. standard scenario.

The Jun Standard forecast is IHS Markit's June 2020 U.S. standard forecast.

The Jun Pessimistic forecast is IHS Markit's June 2020 U.S. pessimistic alternative scenario.

**Table 2 - Fiscal Years 2017-2022 Official and June Forecasts**  
 U.S. Economic Forecasts - Employment and Labor Markets (% Change)

|  |                    | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Employment and Labor Markets (% of Total)</u> |                    |             |             |             |             |             |             |
| Total Nonagricultural Employment                 | Official (Oct '19) | 1.7         | 1.5         | 1.7         | 1.2         | 0.8         | 0.7         |
|  | Jun Standard       | 1.7         | 1.5         | 1.5         | (2.0)       | (3.0)       | 5.3         |
|  | Jun Pessimistic    |             |             | 1.5         | (2.2)       | (7.5)       | 5.0         |
| Construction (5%)                                | Official (Oct '19) | 3.6         | 4.0         | 4.1         | 1.4         | (0.2)       | 0.9         |
|  | Jun Standard       | 3.6         | 4.0         | 4.1         | (0.3)       | (12.1)      | 4.7         |
|  | Jun Pessimistic    |             |             | 4.1         | (0.8)       | (16.3)      | 0.8         |
| Manufacturing (9%)                               | Official (Oct '19) | 0.1         | 1.5         | 1.9         | 0.3         | (2.0)       | (0.5)       |
|  | Jun Standard       | 0.2         | 1.4         | 1.9         | (1.9)       | (8.6)       | 2.9         |
|  | Jun Pessimistic    |             |             | 1.9         | (1.6)       | (11.8)      | 0.0         |
| Trade, Transportation, and Utilities (19%)       | Official (Oct '19) | 1.2         | 0.7         | 0.9         | 0.1         | (0.3)       | (0.5)       |
|  | Jun Standard       | 1.2         | 0.6         | 0.6         | (2.4)       | (1.5)       | 6.5         |
|  | Jun Pessimistic    |             |             | 0.6         | (2.7)       | (7.9)       | 8.4         |
| Financial Activities (6%)                        | Official (Oct '19) | 2.1         | 1.6         | 1.3         | 1.5         | 0.9         | 0.4         |
|  | Jun Standard       | 2.1         | 1.6         | 1.9         | 0.8         | (4.7)       | 2.9         |
|  | Jun Pessimistic    |             |             | 1.9         | 0.8         | (8.3)       | 4.1         |
| Professional and Business Services (14%)         | Official (Oct '19) | 1.9         | 2.1         | 2.5         | 2.4         | 4.2         | 2.8         |
|  | Jun Standard       | 1.9         | 2.1         | 2.0         | (1.0)       | (5.6)       | 10.7        |
|  | Jun Pessimistic    |             |             | 2.0         | (1.6)       | (16.5)      | 7.2         |
| Education and Health Services (16%)              | Official (Oct '19) | 2.7         | 2.1         | 2.2         | 2.1         | 0.9         | 0.9         |
|  | Jun Standard       | 2.7         | 2.1         | 1.9         | (0.2)       | 1.1         | 2.8         |
|  | Jun Pessimistic    |             |             | 1.9         | (0.4)       | (1.1)       | 4.1         |
| Leisure and Hospitality (11%)                    | Official (Oct '19) | 2.9         | 2.1         | 2.2         | 1.4         | 1.4         | 1.0         |
|  | Jun Standard       | 2.9         | 2.0         | 1.5         | (8.8)       | 2.2         | 10.4        |
|  | Jun Pessimistic    |             |             | 1.5         | (8.8)       | (1.1)       | 11.4        |
| Government (15%)                                 | Official (Oct '19) | 0.9         | 0.4         | 0.5         | 1.0         | 0.3         | 0.6         |
|  | Jun Standard       | 0.9         | 0.4         | 0.5         | (0.6)       | (1.3)       | 3.0         |
|  | Jun Pessimistic    |             |             | 0.5         | (0.6)       | (1.3)       | 3.0         |
| Unemployment Rate (%)                            | Official (Oct '19) | 4.7         | 4.1         | 3.8         | 3.6         | 3.5         | 3.7         |
|  | Jun Standard       | 4.7         | 4.1         | 3.8         | 6.1         | 9.0         | 5.9         |
|  | Jun Pessimistic    |             |             | 3.8         | 6.2         | 12.3        | 9.2         |

The Official forecast is IHS Markit's October 2019 U.S. standard scenario.

The Jun Standard forecast is IHS Markit's June 2020 U.S. standard forecast.

The Jun Pessimistic forecast is IHS Markit's June 2020 U.S. pessimistic alternative scenario.

**SECTION 2**  
**THE VIRGINIA ECONOMY**



## Section 2 The Virginia Economy

This section examines the recent past and the outlook for the Virginia economy for fiscal years 2020 through 2022. According to the Virginia Employment Commission, the seasonally adjusted total nonfarm employment reached a trough in April 2020 – falling by 458.1 thousand or 10.7 percent from the previous peak level of 3,662.4 thousand in October 2010. After the large drop in employment in April, May also fell but by a slightly smaller amount as restrictions related to COVID-19 started to ease at the end of the month. The sectors that experienced the most significant declines were trade, transportation, and utilities; education and health services; leisure and hospitality; other business services; and state and local government. Table 3 depicts the percent change in Virginia employment by major sector for the trend prior to COVID-19 and the most recent months.

|  | FY 2020 Average<br>Through February | Percent Change From A Year<br>Ago |        |        |
|--|-------------------------------------|-----------------------------------|--------|--------|
|  |                                     | Mar-20                            | Apr-20 | May-20 |
| Total NonFarm Employment                 | 1.3%                                | 0.5%                              | -9.4%  | -9.0%  |
| Construction and Mining (5%)             | 0.5%                                | 0.1%                              | -2.5%  | -1.1%  |
| Manufacturing (6%)                       | 0.0%                                | -1.4%                             | -5.9%  | -6.5%  |
| Trade, Transportation & Utilities (16%)  | -0.3%                               | 0.1%                              | -8.8%  | -7.9%  |
| Information (2%)                         | 2.0%                                | 0.4%                              | 0.0%   | -2.9%  |
| Financial Activities (5%)                | 2.2%                                | 4.4%                              | 1.2%   | 0.2%   |
| Professional and Business Services (19%) | 2.2%                                | 1.6%                              | -4.4%  | -3.1%  |
| Education and Health Services (14%)      | 1.9%                                | 0.1%                              | -10.7% | -9.2%  |
| Leisure and Hospitality (10%)            | 0.9%                                | -1.9%                             | -41.6% | -36.6% |
| Other Services (5%)                      | 1.3%                                | 0.5%                              | -11.9% | -11.6% |
| Federal Government (4%)                  | 1.1%                                | 0.9%                              | 1.2%   | 0.8%   |
| State and Local Government (14%)         | 1.4%                                | 1.2%                              | -4.0%  | -7.6%  |

Tables 4 and 5 compare the official forecast, based on IHS Markit October 2019 standard U.S. forecast, with the June 2020 standard and pessimistic forecasts. The June 2020 Virginia forecasts are based on IHS Markit June 2020 standard and pessimistic U.S. forecasts and the Department of Taxation's Virginia regional econometric model. Table 6 provides an overview of regional employment in Virginia under the standard scenario, while Table 7 depicts the pessimistic scenario.

### The Virginia Standard Forecast

In the official forecast for fiscal year 2020, employment in Virginia was expected to grow at a slower pace than in fiscal year 2019 and to underperform the U.S. by 0.2 percentage points. Personal income was also expected to weaken slightly. The official forecast also expected Virginia employment and income growth to slow in fiscal years 2021 and 2022.

Table 4 shows the Virginia economic forecasts for employment and the labor markets. In the June standard forecast, employment is expected to decline 1.7 percent in fiscal year 2020, followed by a 2.0 percent fall in fiscal year 2021 and a gain of 1.2 percent in fiscal year 2022. In fiscal year 2022, the main employment drivers are in leisure and hospitality, professional and business services, and trade, transportation, and utilities.

Total personal income increased by 4.8 percent in fiscal year 2019 and is estimated to increase by 3.7 percent in fiscal year 2020. In fiscal year 2021, personal income is forecast to increase by 2.8 percent, followed by an increase of 2.5 percent in fiscal year 2022. In fiscal year 2020, Virginia's wages and salaries are forecast to increase just under 1.0 percent, which is in line with the U.S. and the weakest growth since fiscal year 2014.

### The Virginia Pessimistic Forecast

In the Virginia pessimistic alternative forecast, economic growth slows significantly, as confidence wanes and the pace of "opening up" and/or its success in promoting economic activity is less than assumed in the baseline forecast. Employment falls 1.9 percent in fiscal year 2020, followed by a 6.7 percent drop in fiscal year 2021. Employment increases slightly to 0.7 percent in fiscal year 2022. This performance is significantly below the growth rates forecast under the official forecast.

Total personal income grows by 3.5 percent in fiscal year 2020, falls by 1.5 percent in fiscal year 2021, and increases by 0.9 percent in fiscal year 2022. Wages and salaries grow by a scant 0.6 percent, followed by a 3.7 percent decline in fiscal year 2021 and then advance 2.7 percent in fiscal year 2022. These growth rates are significantly below the official forecast.

**Table 4 - Fiscal Years 2017-2022 Official and June Forecasts**  
Virginia Economic Forecasts - Employment and Labor Markets (% Change)

|  |                    | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Employment and Labor Markets (% of Total)</u> |                    |             |             |             |             |             |             |
| Total Nonagricultural Employment                 | Official (Oct '19) | 1.0         | 1.2         | 1.2         | 1.0         | 0.6         | 0.4         |
|  | Jun Standard       | 1.0         | 1.2         | 1.2         | (1.7)       | (2.0)       | 1.2         |
|  | Jun Pessimistic    |             |             | 1.2         | (1.9)       | (6.7)       | 0.7         |
| Construction and Mining (5%)                     | Official (Oct '19) | 1.7         | 2.3         | 2.0         | (0.1)       | 0.1         | 1.0         |
|  | Jun Standard       | 1.7         | 2.3         | 1.9         | (1.7)       | (13.2)      | 2.8         |
|  | Jun Pessimistic    |             |             | 1.9         | (2.2)       | (17.9)      | (1.8)       |
| Manufacturing (6%)                               | Official (Oct '19) | (0.1)       | 1.3         | 3.1         | 1.5         | (2.3)       | (0.4)       |
|  | Jun Standard       | (0.1)       | 1.3         | 3.1         | (1.6)       | (10.2)      | 2.8         |
|  | Jun Pessimistic    |             |             | 3.1         | (1.2)       | (13.9)      | (0.7)       |
| Trade, Transportation, and Utilities (17%)       | Official (Oct '19) | 0.3         | (0.0)       | (0.6)       | 0.1         | (0.5)       | (0.8)       |
|  | Jun Standard       | 0.3         | 0.0         | (0.6)       | (0.5)       | (0.1)       | 3.8         |
|  | Jun Pessimistic    |             |             | (0.6)       | (0.9)       | (8.2)       | 6.2         |
| Financial Activities (5%)                        | Official (Oct '19) | 1.8         | 1.9         | 0.1         | 0.6         | 1.3         | 0.4         |
|  | Jun Standard       | 1.8         | 1.9         | 0.1         | (0.6)       | (3.8)       | 0.8         |
|  | Jun Pessimistic    |             |             | 0.1         | (0.5)       | (8.4)       | 2.2         |
| Professional and Business Services (18%)         | Official (Oct '19) | 1.6         | 2.5         | 1.7         | 2.3         | 2.8         | 2.1         |
|  | Jun Standard       | 1.6         | 2.5         | 1.7         | (0.5)       | (2.8)       | 3.7         |
|  | Jun Pessimistic    |             |             | 1.7         | (1.0)       | (11.3)      | 0.4         |
| Education and Health Services (13%)              | Official (Oct '19) | 1.2         | 1.8         | 3.0         | 2.7         | 1.4         | 0.7         |
|  | Jun Standard       | 1.2         | 1.8         | 3.0         | 1.0         | 2.7         | 1.6         |
|  | Jun Pessimistic    |             |             | 3.0         | 0.7         | 0.2         | 3.0         |
| Leisure and Hospitality (10%)                    | Official (Oct '19) | 1.9         | 1.0         | 1.4         | 0.9         | 0.9         | 1.2         |
|  | Jun Standard       | 1.9         | 1.0         | 1.4         | (8.5)       | (6.1)       | 7.9         |
|  | Jun Pessimistic    |             |             | 1.4         | (8.5)       | (9.1)       | 8.9         |
| Government (19%)                                 | Official (Oct '19) | 0.4         | 0.5         | 0.7         | 0.2         | (0.0)       | (0.2)       |
|  | Jun Standard       | 0.4         | 0.5         | 0.7         | (0.8)       | 4.0         | (6.0)       |
|  | Jun Pessimistic    |             |             | 0.7         | (0.8)       | 4.0         | (6.5)       |
| Unemployment Rate (%)                            | Official (Oct '19) | 4.0         | 3.3         | 2.9         | 3.1         | 3.2         | 3.3         |
|  | Jun Standard       | 4.0         | 3.3         | 2.9         | 6.4         | 6.1         | 4.8         |
|  | Jun Pessimistic    |             |             | 2.9         | 6.5         | 8.4         | 7.1         |

The Official forecast is based on IHS Markit's October 2019 U.S. standard forecast with recommendations by JABE and GACRE.

The Jun Standard forecast is based on IHS Markit's June 2020 U.S. standard forecast.

The Jun Pessimistic forecast is based on IHS Markit's June 2020 U.S. pessimistic alternative scenario.

## Virginia Economy

**Table 5 - Fiscal Years 2017-2022 Official and June Forecasts**

Virginia Economic Forecasts - Income (% Change)

|   |                    | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Income (% of Total)</u>              |                    |             |             |             |             |             |             |
| Total Personal Income                   | Official (Oct '19) | 2.7         | 4.6         | 4.9         | 4.4         | 4.2         | 4.1         |
|   | Jun Standard       | 2.7         | 4.6         | 4.8         | 3.7         | 2.8         | 2.5         |
|   | Jun Pessimistic    |             |             | 4.8         | 3.5         | (1.5)       | 0.9         |
| Wages and Salaries (53%)                | Official (Oct '19) | 3.3         | 4.3         | 4.4         | 4.2         | 4.6         | 4.0         |
|   | Jun Standard       | 3.3         | 4.3         | 4.3         | 0.9         | 1.9         | 4.5         |
|   | Jun Pessimistic    |             |             | 4.3         | 0.6         | (3.7)       | 2.7         |
| Average Wage                            | Official (Oct '19) | 2.3         | 3.1         | 3.2         | 3.1         | 3.9         | 3.6         |
|   | Jun Standard       | 2.3         | 3.1         | 3.1         | 2.7         | 3.9         | 3.2         |
|   | Jun Pessimistic    |             |             | 3.1         | 2.7         | 3.2         | 1.9         |
| Dividends, Interest, and Rent (20%)     | Official (Oct '19) | 3.6         | 6.2         | 5.4         | 4.5         | 5.1         | 3.4         |
|   | Jun Standard       | 3.6         | 6.2         | 5.4         | 5.0         | 3.5         | (2.4)       |
|   | Jun Pessimistic    |             |             | 5.4         | 4.9         | (0.4)       | (4.3)       |
| Supplements to Wages and Salaries (12%) | Official (Oct '19) | 0.3         | 4.6         | 4.3         | 3.3         | 2.8         | 4.8         |
|   | Jun Standard       | 0.3         | 4.6         | 4.2         | 2.3         | (0.6)       | 5.3         |
|   | Jun Pessimistic    |             |             | 4.2         | 2.0         | (6.4)       | 3.7         |
| Proprietor's Income (7%)                | Official (Oct '19) | (1.8)       | 2.3         | 4.6         | 0.5         | (1.3)       | 1.1         |
|   | Jun Standard       | (1.8)       | 2.3         | 4.6         | 0.7         | (20.2)      | 10.2        |
|   | Jun Pessimistic    |             |             | 4.6         | (1.5)       | (23.5)      | 15.7        |
| Net Transfer Payments (6%)              | Official (Oct '19) | 3.8         | 6.1         | 9.9         | 6.3         | 4.5         | 7.3         |
|   | Jun Standard       | 3.8         | 6.1         | 9.8         | 28.4        | 26.9        | (4.6)       |
|   | Jun Pessimistic    |             |             | 9.8         | 30.7        | 31.0        | (6.4)       |

The Official forecast is based on IHS Markit's October 2019 U.S. standard forecast with recommendations by JABE and GACRE.

The Jun Standard forecast is based on IHS Markit's June 2020 U.S. standard forecast.

The Jun Pessimistic forecast is based on IHS Markit's June 2020 U.S. pessimistic alternative scenario.

**Table 6 - Fiscal Years 2017-2022 June Standard Forecast**  
Virginia Economic Forecast - Regional Employment (% Change)

|                                      |  | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|--------------------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Region by Sector (% of Total)</u> |  |             |             |             |             |             |             |
| Northern Virginia (37%) *            | Total Nonagricultural Employment           | 1.6         | 1.6         | 1.8         | (0.7)       | (0.8)       | 1.1         |
|                                      | Construction and Mining (5%) **            | 2.4         | 2.9         | 3.6         | (2.5)       | (15.4)      | 3.3         |
|                                      | Trade, Transportation, and Utilities (14%) | 0.6         | 0.6         | (0.8)       | (0.2)       | 0.0         | 4.6         |
|                                      | Financial Activities (5%)                  | 4.4         | 3.3         | 0.4         | 1.2         | (2.1)       | 0.8         |
|                                      | Professional and Business Services (28%)   | 1.9         | 2.5         | 2.8         | 0.9         | (2.4)       | 2.7         |
|                                      | Education and Health Services (12%)        | 2.8         | 3.0         | 2.8         | 1.3         | 5.7         | 1.9         |
|                                      | Leisure and Hospitality (10%)              | 2.0         | 1.0         | 2.9         | (7.5)       | (2.8)       | 9.7         |
|                                      | Government (16%)                           | 0.7         | 0.8         | 2.3         | 1.3         | 4.5         | (9.6)       |
| Hampton Roads (20%)                  | Total Nonagricultural Employment           | 0.9         | 1.4         | 0.4         | (1.9)       | (2.1)       | 1.0         |
|                                      | Construction and Mining (5%)               | 2.0         | 2.0         | 1.2         | 7.6         | (10.3)      | 2.1         |
|                                      | Trade, Transportation, and Utilities (16%) | 1.1         | (0.8)       | (2.9)       | (1.5)       | (0.7)       | 3.8         |
|                                      | Financial Activities (5%)                  | 0.0         | 1.9         | (0.1)       | (4.4)       | (9.3)       | 0.7         |
|                                      | Professional and Business Services (15%)   | 1.9         | 4.9         | 2.6         | (2.3)       | (4.0)       | 4.2         |
|                                      | Education and Health Services (15%)        | 0.9         | 1.8         | 2.0         | (1.3)       | 1.5         | 1.5         |
|                                      | Leisure and Hospitality (12%)              | 1.7         | 1.3         | 0.5         | (4.6)       | (9.7)       | 5.8         |
|                                      | Government (20%)                           | 0.2         | 0.2         | (1.1)       | (1.3)       | 6.4         | (4.8)       |
| Richmond (17%)                       | Total Nonagricultural Employment           | 1.1         | 1.2         | 1.3         | (1.5)       | (2.7)       | 1.2         |
|                                      | Construction and Mining (6%)               | 1.9         | 3.7         | 3.3         | (3.0)       | (11.5)      | 2.5         |
|                                      | Trade, Transportation, and Utilities (18%) | (0.3)       | 1.4         | 0.0         | (0.9)       | (0.5)       | 4.1         |
|                                      | Financial Activities (8%)                  | 0.7         | 1.7         | 3.3         | 0.8         | (2.7)       | 0.8         |
|                                      | Professional and Business Services (17%)   | 1.6         | 1.3         | 0.8         | (1.2)       | (4.5)       | 5.1         |
|                                      | Education and Health Services (15%)        | 1.3         | 1.3         | 2.0         | 1.1         | 1.9         | 1.9         |
|                                      | Leisure and Hospitality (10%)              | 2.8         | 1.7         | 0.4         | (9.4)       | (10.4)      | 8.9         |
|                                      | Government (17%)                           | 0.5         | 0.0         | 1.8         | 1.5         | 3.6         | (7.3)       |
| Balance (26%)                        | Total Nonagricultural Employment           | 0.2         | 0.3         | 0.8         | (3.2)       | (3.0)       | 1.8         |
|                                      | Construction and Mining (5%)               | 0.5         | 0.6         | (0.9)       | (6.3)       | (13.5)      | 2.8         |
|                                      | Trade, Transportation, and Utilities (18%) | (0.3)       | (1.0)       | 0.7         | 0.2         | 0.6         | 2.8         |
|                                      | Financial Activities (4%)                  | 0.3         | (0.7)       | (4.3)       | (2.1)       | (3.5)       | 1.0         |
|                                      | Professional and Business Services (10%)   | 0.2         | 1.5         | (2.4)       | (3.8)       | (1.3)       | 5.8         |
|                                      | Education and Health Services (16%)        | (0.2)       | 0.9         | 4.7         | 2.1         | 0.8         | 1.2         |
|                                      | Leisure and Hospitality (10%)              | 1.5         | 0.4         | 0.9         | (13.1)      | (4.7)       | 6.6         |
|                                      | Government (20%)                           | 0.3         | 0.7         | (0.3)       | (4.0)       | 1.9         | (1.9)       |

The June Standard forecast from the Department of Taxation is based on IHS Markit June 2020 U.S. standard forecast.

\* Represents the percentage share of Virginia in fiscal year 2019.

\*\* Represents the percentage share of total employment within the region in fiscal year 2019.

## Virginia Economy

**Table 7 - Fiscal Years 2017-2022 June Pessimistic Scenario**  
Virginia Economic Forecast - Regional Employment (% Change)

|                                      |  | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
|--------------------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Region by Sector (% of Total)</u> |  |             |             |             |             |             |             |
| Northern Virginia (37%) *            | Total Nonagricultural Employment           | 1.6         | 1.6         | 1.8         | (0.9)       | (6.1)       | 0.3         |
|                                      | Construction and Mining (5%) **            | 2.4         | 2.9         | 3.6         | (3.0)       | (20.8)      | (2.1)       |
|                                      | Trade, Transportation, and Utilities (14%) | 0.6         | 0.6         | (0.8)       | (0.7)       | (9.7)       | 7.0         |
|                                      | Financial Activities (5%)                  | 4.4         | 3.3         | 0.4         | 1.2         | (6.5)       | 2.0         |
|                                      | Professional and Business Services (28%)   | 1.9         | 2.5         | 2.8         | 0.5         | (9.2)       | 0.0         |
|                                      | Education and Health Services (12%)        | 2.8         | 3.0         | 2.8         | 0.9         | 2.6         | 3.7         |
|                                      | Leisure and Hospitality (10%)              | 2.0         | 1.0         | 2.9         | (7.5)       | (6.1)       | 10.7        |
|                                      | Government (16%)                           | 0.7         | 0.8         | 2.3         | 1.3         | 4.4         | (10.3)      |
| Hampton Roads (20%)                  | Total Nonagricultural Employment           | 0.9         | 1.4         | 0.4         | (2.1)       | (6.5)       | 0.6         |
|                                      | Construction and Mining (5%)               | 2.0         | 2.0         | 1.2         | 7.2         | (14.3)      | (1.7)       |
|                                      | Trade, Transportation, and Utilities (16%) | 1.1         | (0.8)       | (2.9)       | (1.9)       | (9.0)       | 6.0         |
|                                      | Financial Activities (5%)                  | 0.0         | 1.9         | (0.1)       | (4.3)       | (13.4)      | 2.0         |
|                                      | Professional and Business Services (15%)   | 1.9         | 4.9         | 2.6         | (2.8)       | (14.2)      | 0.3         |
|                                      | Education and Health Services (15%)        | 0.9         | 1.8         | 2.0         | (1.6)       | (0.8)       | 2.8         |
|                                      | Leisure and Hospitality (12%)              | 1.7         | 1.3         | 0.5         | (4.6)       | (12.1)      | 6.6         |
|                                      | Government (20%)                           | 0.2         | 0.2         | (1.1)       | (1.3)       | 6.3         | (5.0)       |
| Richmond (17%)                       | Total Nonagricultural Employment           | 1.1         | 1.2         | 1.3         | (1.8)       | (7.7)       | 1.0         |
|                                      | Construction and Mining (6%)               | 1.9         | 3.7         | 3.3         | (3.4)       | (15.7)      | (1.5)       |
|                                      | Trade, Transportation, and Utilities (18%) | (0.3)       | 1.4         | 0.0         | (1.4)       | (9.2)       | 6.2         |
|                                      | Financial Activities (8%)                  | 0.7         | 1.7         | 3.3         | 0.9         | (7.1)       | 2.1         |
|                                      | Professional and Business Services (17%)   | 1.6         | 1.3         | 0.8         | (1.8)       | (14.9)      | 0.9         |
|                                      | Education and Health Services (15%)        | 1.3         | 1.3         | 2.0         | 0.8         | (0.9)       | 3.5         |
|                                      | Leisure and Hospitality (10%)              | 2.8         | 1.7         | 0.4         | (9.4)       | (14.0)      | 10.1        |
|                                      | Government (17%)                           | 0.5         | 0.0         | 1.8         | 1.5         | 3.5         | (7.7)       |
| Balance (26%)                        | Total Nonagricultural Employment           | 0.2         | 0.3         | 0.8         | (3.3)       | (7.1)       | 1.4         |
|                                      | Construction and Mining (5%)               | 0.5         | 0.6         | (0.9)       | (6.7)       | (18.2)      | (1.7)       |
|                                      | Trade, Transportation, and Utilities (18%) | (0.3)       | (1.0)       | 0.7         | (0.1)       | (5.2)       | 5.5         |
|                                      | Financial Activities (4%)                  | 0.3         | (0.7)       | (4.3)       | (2.0)       | (9.4)       | 2.8         |
|                                      | Professional and Business Services (10%)   | 0.2         | 1.5         | (2.4)       | (4.5)       | (12.9)      | 1.4         |
|                                      | Education and Health Services (16%)        | (0.2)       | 0.9         | 4.7         | 1.9         | (0.9)       | 2.2         |
|                                      | Leisure and Hospitality (10%)              | 1.5         | 0.4         | 0.9         | (13.1)      | (7.6)       | 7.5         |
|                                      | Government (20%)                           | 0.3         | 0.7         | (0.3)       | (4.0)       | 1.9         | (2.1)       |

The June Pessimistic scenario from the Department of Taxation is based on IHS Markit June 2020 U.S. pessimistic alternative scenario.

\* Represents the percentage share of Virginia in fiscal year 2019.

\*\* Represents the percentage share of total employment within the region in fiscal year 2019.

**SECTION 3**  
**GENERAL FUND REVENUES**

**Section 3**  
**General Fund Revenues**

**General Fund Revenues**

This section reviews the preliminary general fund revenue collections for fiscal year 2020, comparing actual collections with the official forecast for the year. Following this review, two revised general fund revenue forecasts are presented: the interim standard and alternative pessimistic forecasts. The interim standard forecast is based on the IHS Markit June standard economic outlook. The basis for the interim alternative forecast is the IHS June alternative pessimistic economic scenario. These updated forecasts are compared with the official forecast based on the IHS October 2019 outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which reflects actions of the 2020 General Assembly (Chapter 1289).

**Preliminary Fiscal Year 2020 in Review**

In fiscal year 2020, preliminary total general fund revenues rose 3.1 percent, with a shortfall of \$236.5 million – a 1.1 percent variance from the forecast. Most major revenue sources finished the year below their respective forecasts with individual withholding and sales taxes largely responsible for the shortfall. Individual nonwithholding met the forecast, while individual refunds were lower than expected, offsetting some of the deficit. Collectively, the five major sources ended the year \$243.2 million short of the forecast (1.1 percent variance). Collections of miscellaneous taxes and other revenues exceeded the forecast by \$6.8 million (0.8 percent variance).

Table 3.1 on the next page compares preliminary actual revenues for fiscal year 2020 with the official forecast. The official revenue forecast was based on the October 2019 IHS Markit standard U.S. forecast, the corresponding Virginia economic forecast developed by the Department of Taxation with recommendations from GACRE, and includes actions of the 2020 General Assembly – Chapters 1283 and 1289.



# General Fund Revenues

Preliminary

Table 3.1

Fiscal Year 2020 General Fund Collections: Actual and Official Forecast  
(Dollars in Millions)

|   | Fiscal Year 2019   |              | Fiscal Year 2020   |                    |                   |                |                     |              |
|---|--------------------|--------------|--------------------|--------------------|-------------------|----------------|---------------------|--------------|
|   | Actual             | % Growth     | Official Forecast  | Actual             | Forecast Variance |                | % Growth Over FY 19 |              |
|   |                    |              |                    |                    | Dollars           | Percent        | Official            | Actual       |
| <b>MAJOR TAX SOURCES</b>                      |                    |              |                    |                    |                   |                |                     |              |
| Corporate Income                              | \$ 943.4           | 9.5 %        | \$ 1,031.5         | \$ 1,011.7         | \$ (19.9)         | (1.9) %        | 9.3 %               | 7.2 %        |
| Individual Income Tax:                        |                    |              |                    |                    |                   |                |                     |              |
| Gross   | 16,964.7           | 5.9          | 17,396.0           | 17,182.5           | (213.5)           | (1.2)          | 2.5                 | 1.3          |
| Withholding                                   | 12,987.8           | 3.6          | 13,591.9           | 13,378.1           | (213.8)           | (1.6)          | 4.7                 | 3.0          |
| Nonwithholding                                | 3,976.8            | 14.5         | 3,804.1            | 3,804.5            | 0.4               | 0.0            | (4.3)               | (4.3)        |
| Refunds                                       | <u>(1,738.2)</u>   | <u>(8.9)</u> | <u>(1,976.6)</u>   | <u>(1,830.3)</u>   | <u>146.3</u>      | <u>(7.4)</u>   | <u>13.7</u>         | <u>5.3</u>   |
| Net   | 15,226.5           | 7.9          | 15,419.4           | 15,352.3           | (67.1)            | (0.4)          | 1.3                 | 0.8          |
| Insurance Company Premiums                    | 382.0              | 13.0         | 394.1              | 360.6              | (33.5)            | (8.5)          | 3.2                 | (5.6)        |
| State Sales & Use Tax                         | 3,580.4            | 3.4          | 3,844.5            | 3,706.8            | (137.7)           | (3.6)          | 7.4                 | 3.5          |
| Wills, Suits, Deeds, & Contract Fees          | <u>386.5</u>       | <u>(2.1)</u> | <u>468.6</u>       | <u>483.5</u>       | <u>14.9</u>       | <u>3.2</u>     | <u>21.3</u>         | <u>25.1</u>  |
| Total Major Tax Sources                       | \$ 20,518.7        | 7.1 %        | \$ 21,158.1        | \$ 20,914.9        | \$ (243.2)        | (1.1) %        | 3.1 %               | 1.9 %        |
| <b>MISCELLANEOUS TAXES AND OTHER REVENUES</b> |                    |              |                    |                    |                   |                |                     |              |
| Alcoholic Beverage State Tax                  | \$ 200.1           | 4.8 %        | \$ 211.0           | \$ 226.4           | \$ 15.4           | 7.3 %          | 5.4 %               | 13.2 %       |
| Bank Franchise Tax                            | 29.7               | 24.0         | 22.0               | 26.7               | 4.7               | 21.5           | (25.9)              | (10.0)       |
| Beer & Beverage Excise Tax                    | 40.7               | (0.5)        | 40.7               | 40.8               | 0.1               | 0.2            | 0.1                 | 0.3          |
| Corporate Franchise & Charter Fees            | 58.2               | 8.6          | 52.3               | 59.2               | 6.9               | 13.1           | (10.2)              | 1.6          |
| Excess & Other Fees from Officers             | (6.9)              | 10.3         | (7.5)              | (8.6)              | (1.1)             | 15.3           | (9.2)               | (25.9)       |
| Estate & Gifts                                | 0.2                | na           | 0.0                | 0.1                | 0.1               | n/a            | n/a                 | n/a          |
| Institutional Revenues                        | 2.7                | (2.3)        | 2.6                | 2.6                | (0.0)             | (1.1)          | (3.5)               | (4.6)        |
| Interest & Rents                              | 87.3               | 41.4         | 129.3              | 110.4              | (18.9)            | (14.6)         | 48.1                | 26.4         |
| Licenses & Permits                            | 3.9                | (1.5)        | 4.0                | 3.6                | (0.4)             | (11.2)         | 1.4                 | (9.9)        |
| Miscellaneous Taxes and Penalties             | 245.9              | 7.3          | 236.8              | 228.9              | (7.9)             | (3.3)          | (3.7)               | (6.9)        |
| Other Miscellaneous Revenues                  | 28.1               | 44.4         | 23.8               | 33.7               | 9.9               | 41.6           | (15.2)              | 20.0         |
| Public Service GR / Consumption Tax           | <u>98.9</u>        | <u>0.2</u>   | <u>98.9</u>        | <u>97.0</u>        | <u>(1.9)</u>      | <u>(1.9)</u>   | <u>0.0</u>          | <u>(1.9)</u> |
| Total Misc. Taxes and Other Revenues          | \$ 788.8           | 9.8 %        | \$ 813.9           | \$ 820.7           | \$ 6.8            | 0.8 %          | 3.2 %               | 4.0 %        |
| <b>TOTAL GF REVENUES</b>                      | <b>\$ 21,307.5</b> | <b>7.2 %</b> | <b>\$ 21,972.0</b> | <b>\$ 21,735.5</b> | <b>\$ (236.5)</b> | <b>(1.1) %</b> | <b>3.1 %</b>        | <b>2.0 %</b> |

The Official forecast is based on the October 2019 IHS Markit US Standard outlook and the corresponding Virginia economic outlook developed by the Department of Taxation with recommendations from GACRE. It includes actions of the 2020 General Assembly - Chapters 1283 and 1289.

### **Individual Income Taxes**

**Withholding:** In fiscal year 2020, withholding receipts (62 percent of total revenues) increased 3.0 percent, trailing the forecast growth rate of 4.7 percent and \$213.8 million short of the forecast.

**Nonwithholding:** Collections of individual nonwithholding (17 percent of total revenues) fell 4.3 percent in fiscal year 2020, matching the forecast. These payments are historically tied to non-wage income sources – mainly the financial markets -- and are extremely volatile. The annual estimate included reducing the forecasted collections by \$216.8 million for the nonwithholding collar. The nonwithholding collar is the 10-year average of nonwithholding payments as a percent of total revenues (16.5%), limited to 1 percent of general fund revenues.

**Refunds:** Individual income tax refunds were \$146.3 million less than expected in fiscal year 2020. The amount of refunds issued rose 5.3 percent over last year, compared with the forecast of 13.7 percent growth. During the fiscal year 2020 filing season, which began in February, the Department of Taxation issued 2.5 million refunds, about 90,000 more than last year.

### **Sales Taxes**

Collections of sales and use taxes (18 percent of total revenues) were \$137.7 million below the forecast. Collections rose 3.5 percent for the year, trailing the forecast of 7.4 percent growth. Retail sales collections fell 4.5 percent and use tax collections increased 32.3 percent. Ninety percent of the increase in use tax collections were from new *Wayfair* related dealers.

### **Corporate Income Taxes**

Corporate income tax collections (5 percent of total revenues), historically the most volatile revenue source, also fell short of the forecast. Collections were \$19.9 million below expectations in fiscal year 2020. The fiscal year growth of 7.2 percent trailed the forecast of 9.3 percent.

### **Wills, Suits, Deeds, and Contract Fees**

Wills, Suits, Deeds, and Contract Fees (2 percent of total revenues), of which the primary component is the recordation tax, exceeded the forecast in fiscal year 2020 with a surplus of \$14.9 million. Collections finished the year with growth of 25.1 percent from fiscal year 2019 compared with the official forecast of a 21.3 percent increase.

### **Insurance Premiums Taxes**

Another major source to see a shortfall, collections of taxes on the premiums of insurance companies (2 percent of total revenues) were \$33.5 million below the annual

## **General Fund Revenues**

---

estimate. Collections declined 5.6 percent for the year compared with the forecast of 3.2 percent growth.

### **The Interim General Fund Revenue Forecasts for Fiscal Years 2021-2022**

This section presents two interim general fund revenue forecasts. The standard forecast is based on the IHS Markit June 2020 standard economic outlook and the corresponding state forecast developed by TAX. The basis for the alternative forecast is the IHS Markit alternative pessimistic economic scenario. These updated forecasts are compared with the official forecast based on the IHS Markit October 2019 standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which reflects actions of the 2020 General Assembly (Chapter 1289).

### **Interim Standard General Fund Revenue Forecast**

Table 3.2 at the end of this section provides a comparison of the official revenue forecast with the interim standard general fund forecast. This forecast also includes policy adjustments contained in Chapters 1283 and 1289.

In the interim standard forecast, total general fund revenues have been lowered by \$1.3 billion in fiscal year 2021. The decrease from the official forecast comes mainly from downward revisions to individual income and sales and use taxes. Revenues are now expected to fall by 1.8 percent in fiscal year 2021 and increase 3.9 percent in fiscal year 2022. Over the fiscal year 2021-2022 biennium, general fund revenues are revised down by \$2.7 billion.

## **Net Individual Income Taxes**

### **Withholding**

The withholding revenue model is based on a direct relationship with wages and salaries (51 percent of total personal income) and net transfer payments (6 percent of total personal income) in Virginia. The historical data series in the withholding revenue model has been shortened to eliminate the strong growth due to high levels of defense spending prior to 2006.

### **Nonwithholding**

The revenue model for nonwithholding considers estimated and final payments independently. Estimated payments are modeled as a function of total proprietor's income, dividends, interest, and rental income, and the S&P 500 index, while final payments are driven solely by growth in the S&P 500 index. The estimate includes the current collar contained in the official forecast.

### Refunds

The forecast methodology for individual refunds relies on the revised outlook for withholding and nonwithholding, comparing taxable year individual income tax with taxable year refunds for the first and second half of a taxable year.

### Sales

The sales tax revenue model is based on a direct relationship with total personal income in Virginia.

### Corporate

The corporate revenue model considers gross payments and refunds separately. Gross payments are modeled as a function of Virginia specific pre-tax corporate profits and the S&P 500 index.

### Wills, Suits, Deeds, and Contracts (Recordation)

The revenue model for wills, suits, deeds and contracts is based on mortgage originations, mortgage refinancing and home prices in Virginia, along with the yield on 30-year treasury bonds. The outlook for recordation taxes drives the other components of this source.

### The Interim Pessimistic Alternative Forecast for Fiscal Years 2021 - 2022

Table 3.3 at the end of this section compares the official forecast and the interim alternative pessimistic general fund forecast. The main difference from the interim forecast is the deeper initial contraction and a slower recovery affects wage and non-wage income.

The prolonged slowdown essentially doubles the hit to individual income tax collections, with a \$1.7 billion reduction to individual income tax collections in fiscal year 2021, compared with \$710.9 million in the standard interim forecast. The interim alternative scenario reduces the official total general fund revenue forecast by \$2.4 billion in fiscal year 2021. For the 2020-2022 biennium, total revenues are revised down by \$5.2 billion compared with \$2.6 billion in the standard interim forecast.

# General Fund Revenues

\*\*\*Governor's Confidential Working Papers\*\*\*

Table 3.2

The Official to Interim General Fund Forecast for Fiscal Year 2021  
(Dollars in Millions)

August 3, 2020

|   | Fiscal Year 2021   |                    |                     |                             |                |
|---|--------------------|--------------------|---------------------|-----------------------------|----------------|
|   | Official Forecast  | Interim Forecast   | Change              | % Growth Over FY20 Official | Interim        |
| <b>MAJOR TAX SOURCES</b>                      |                    |                    |                     |                             |                |
| Corporate Income                              | \$ 1,019.2         | \$ 1,041.7         | \$ 22.5             | (1.2) %                     | 3.0 %          |
| Individual Income Tax:                        |                    |                    |                     |                             |                |
| Gross   | 18,219.0           | 17,373.1           | (845.9)             | 4.7                         | 1.1            |
| Withholding                                   | 14,118.0           | 13,704.2           | (413.8)             | 3.9                         | 2.4            |
| Nonwithholding                                | 4,101.0            | 3,668.9            | (432.1)             | 7.8                         | (3.6)          |
| Refunds                                       | <u>(2,059.9)</u>   | <u>(1,924.9)</u>   | <u>135.0</u>        | <u>4.2</u>                  | <u>5.2</u>     |
| Net   | 16,159.1           | 15,448.2           | (710.9)             | 4.8                         | 0.6            |
| Insurance Company Premiums                    | 420.1              | 337.4              | (82.7)              | 6.6                         | (6.4)          |
| State Sales & Use Tax                         | 3,893.0            | 3,346.5            | (546.5)             | 1.3                         | (9.7)          |
| Wills, Suits, Deeds, & Contract Fees          | <u>388.1</u>       | <u>422.4</u>       | <u>34.3</u>         | <u>(17.2)</u>               | <u>(12.6)</u>  |
| Total Major Tax Sources                       | \$ 21,879.5        | \$ 20,596.2        | \$ (1,283.3)        | 3.4 %                       | (1.5) %        |
| <b>MISCELLANEOUS TAXES AND OTHER REVENUES</b> |                    |                    |                     |                             |                |
| Alcoholic Beverage State Tax                  | \$ 219.7           | \$ 219.7           | \$ 0.0              | 4.1 %                       | (3.0) %        |
| Bank Franchise Tax                            | 22.0               | 22.0               | 0.0                 | 0.0                         | (17.7)         |
| Beer & Beverage Excise Tax                    | 40.7               | 40.7               | 0.0                 | 0.0                         | (0.2)          |
| Corporate Franchise & Charter Fees            | 52.3               | 52.3               | 0.0                 | 0.0                         | (11.6)         |
| Excess & Other Fees from Officers             | (7.5)              | (7.5)              | 0.0                 | 0.0                         | (13.3)         |
| Estate & Gifts                                | 0.0                | 0.0                | 0.0                 | n/a                         | n/a            |
| Institutional Revenues                        | 2.6                | 2.6                | 0.0                 | 0.0                         | 1.1            |
| Interest & Rents                              | 111.7              | 80.3               | (31.4)              | (13.6) %                    | (27.2)         |
| Licenses & Permits                            | 4.0                | 4.0                | 0.0                 | 0.0 %                       | 12.6           |
| Miscellaneous Taxes and Penalties             | 240.6              | 220.6              | (20.0)              | 1.6 %                       | (3.6)          |
| Other Miscellaneous Revenues                  | 23.3               | 23.3               | 0.0                 | (2.1) %                     | (30.9)         |
| Public Service GR / Consumption Tax           | <u>98.9</u>        | <u>98.9</u>        | <u>0.0</u>          | <u>0.0 %</u>                | <u>1.9</u>     |
| Total Misc. Taxes and Other Revenues          | \$ 808.3           | \$ 756.9           | \$ (51.4)           | (0.7) %                     | (7.8) %        |
| <b>TOTAL GF REVENUES</b>                      | <b>\$ 22,687.8</b> | <b>\$ 21,353.1</b> | <b>\$ (1,334.7)</b> | <b>3.3 %</b>                | <b>(1.8) %</b> |
| <b>TRANSFERS</b>                              |                    |                    |                     |                             |                |
| A.B.C. Profits                                | \$ 125.1           | \$ 125.1           | \$ 0.0              | 0.2 %                       | 0.2 %          |
| Sales Tax (0.375%)                            | 426.9              | 365.7              | (61.2)              | 1.3                         | (5.4)          |
| Transfers Per Appropriations Act              | <u>103.8</u>       | <u>103.8</u>       | <u>0.0</u>          | <u>(33.2)</u>               | <u>(27.2)</u>  |
| Total Transfers                               | \$ 655.8           | \$ 594.6           | \$ (61.2)           | (6.5) %                     | (9.1) %        |
| <b>TOTAL GENERAL FUND</b>                     | <b>\$ 23,343.6</b> | <b>\$ 21,947.7</b> | <b>\$ (1,395.9)</b> | <b>3.0 %</b>                | <b>(2.0) %</b> |

The Official forecast is based on the October 2019 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations of GACRE. It includes actions of the 2020 General Assembly Session, Chapter 1283 and 1289. The Interim forecast is based on the June 2020 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

# General Fund Revenues

\*\*\*Governor's Confidential Working Papers\*\*\*

Table 3.2  
The Official to Interim General Fund Forecast for Fiscal Year 2022  
(Dollars in Millions)

August 3, 2020

|   | Fiscal Year 2022   |                    |                     |                    |              | 2020-2022 Biennium |                    |                     |
|---|--------------------|--------------------|---------------------|--------------------|--------------|--------------------|--------------------|---------------------|
|   | Official Forecast  | Interim Forecast   | Change              | % Growth Over FY21 |              | Official Forecast  | Interim Forecast   | Change              |
| <b>MAJOR TAX SOURCES</b>                      |                    |                    |                     |                    |              |                    |                    |                     |
| Corporate Income                              | \$ 1,132.6         | \$ 1,143.0         | \$ 10.4             | 11.1 %             | 9.7 %        | \$ 2,151.8         | \$ 2,184.7         | \$ 32.9             |
| Individual Income Tax                         |                    |                    |                     |                    |              |                    |                    |                     |
| Gross   | 18,982.9           | 18,125.9           | (857.0)             | 4.2                | 4.3          | 37,201.9           | 35,499.0           | (1,702.9)           |
| Withholding                                   | 14,676.4           | 14,341.0           | (335.4)             | 4.0                | 4.6          | 28,794.4           | 28,045.2           | (749.2)             |
| Nonwithholding                                | 4,306.5            | 3,784.9            | (521.6)             | 5.0                | 3.2          | 8,407.5            | 7,453.8            | (953.7)             |
| Refunds                                       | <u>(2,137.4)</u>   | <u>(2,062.4)</u>   | <u>75.0</u>         | <u>3.8</u>         | <u>7.1</u>   | <u>(4,197.3)</u>   | <u>(3,987.3)</u>   | <u>210.0</u>        |
| Net   | 16,845.5           | 16,063.5           | (782.0)             | 4.2                | 4.0          | 33,004.6           | 31,511.7           | (1,492.9)           |
| Insurance Company Premiums                    | 437.1              | 359.5              | (77.6)              | 4.0                | 6.6          | 857.2              | 696.9              | (160.3)             |
| State Sales & Use Tax                         | 3,955.6            | 3,438.7            | (516.9)             | 1.6                | 2.8          | 7,848.6            | 6,785.2            | (1,063.4)           |
| Wills, Suits, Deeds, & Contract Fees          | <u>357.0</u>       | <u>393.0</u>       | <u>36.0</u>         | <u>(8.0)</u>       | <u>(7.0)</u> | <u>745.1</u>       | <u>815.4</u>       | <u>70.3</u>         |
| Total Major Tax Sources                       | \$ 22,727.8        | \$ 21,397.7        | \$ (1,330.1)        | 3.9 %              | 3.9 %        | \$ 44,607.3        | \$ 41,993.9        | \$ (2,613.4)        |
| <b>MISCELLANEOUS TAXES AND OTHER REVENUES</b> |                    |                    |                     |                    |              |                    |                    |                     |
| Alcoholic Beverage State Tax                  | \$ 228.8           | \$ 228.8           | \$ 0.0              | 4.1 %              | 4.1 %        | \$ 448.5           | \$ 448.5           | \$ 0.0              |
| Bank Franchise Tax                            | 22.0               | 22.0               | 0.0                 | 0.0                | 0.0          | 44.0               | 44.0               | 0.0                 |
| Beer & Beverage Excise Tax                    | 40.7               | 40.7               | 0.0                 | 0.0                | 0.0          | 81.4               | 81.4               | 0.0                 |
| Corporate Franchise & Charter Fees            | 52.3               | 52.3               | 0.0                 | 0.0                | 0.0          | 104.6              | 104.6              | 0.0                 |
| Excess & Other Fees from Officers             | (7.5)              | (7.5)              | 0.0                 | 0.0                | 0.0          | (15.0)             | (15.0)             | 0.0                 |
| Estate & Gifts                                | 0.0                | 0.0                | 0.0                 | n/a                | n/a          | 0.0                | 0.0                | n/a                 |
| Institutional Revenues                        | 2.6                | 2.6                | 0.0                 | 0.0                | 0.0          | 5.2                | 5.2                | 0.0                 |
| Interest & Rents                              | 104.9              | 92.2               | (12.7)              | (6.1)              | 14.8         | 216.6              | 172.5              | (44.1)              |
| Licenses & Permits                            | 4.0                | 4.0                | 0.0                 | 0.0                | 0.0          | 8.0                | 8.0                | 0.0                 |
| Miscellaneous Taxes and Penalties             | 240.5              | 230.5              | (10.0)              | (0.0)              | 4.5          | 481.1              | 451.1              | (30.0)              |
| Other Miscellaneous Revenues                  | 23.3               | 23.3               | 0.0                 | 0.0                | 0.0          | 46.6               | 46.6               | 0.0                 |
| Public Service GR / Consumption Tax           | <u>98.9</u>        | <u>98.9</u>        | <u>0.0</u>          | <u>0.0</u>         | <u>0.0</u>   | <u>197.8</u>       | <u>197.8</u>       | <u>0.0</u>          |
| Total Misc. Taxes and Other Revenues          | \$ 810.5           | \$ 787.8           | \$ (22.7)           | 0.3 %              | 4.1 %        | \$ 1,618.8         | \$ 1,544.7         | \$ (74.1)           |
| <b>TOTAL GF REVENUES</b>                      | <b>\$ 23,538.3</b> | <b>\$ 22,185.5</b> | <b>\$ (1,352.8)</b> | <b>3.7 %</b>       | <b>3.9 %</b> | <b>\$ 46,226.1</b> | <b>\$ 43,538.6</b> | <b>\$ (2,687.5)</b> |
| <b>TRANSFERS</b>                              |                    |                    |                     |                    |              |                    |                    |                     |
| A.B.C. Profits                                | \$ 128.7           | \$ 128.7           | \$ 0.0              | 2.9 %              | 2.9 %        | \$ 253.8           | \$ 253.8           | \$ 0.0              |
| Sales Tax (0.375%)                            | 433.7              | 375.9              | (57.8)              | 1.6                | 2.8          | 860.6              | 741.6              | (119.0)             |
| Transfers Per Appropriations Act              | <u>103.8</u>       | <u>103.8</u>       | <u>0.0</u>          | <u>0.0</u>         | <u>0.0</u>   | <u>207.6</u>       | <u>207.6</u>       | <u>0.0</u>          |
| Total Transfers                               | \$ 666.2           | \$ 608.4           | \$ (57.8)           | 1.6 %              | 2.3 %        | \$ 1,322.0         | \$ 1,203.0         | \$ (119.0)          |
| <b>TOTAL GENERAL FUND</b>                     | <b>\$ 24,204.5</b> | <b>\$ 22,793.9</b> | <b>\$ (1,410.6)</b> | <b>3.7 %</b>       | <b>3.9 %</b> | <b>\$ 47,548.1</b> | <b>\$ 44,741.6</b> | <b>\$ (2,806.5)</b> |

The Official forecast is based on the October 2019 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations of GACRE. It includes actions of the 2020 General Assembly Session, Chapter 1283 and 1289.

The Interim forecast is based on the June 2020 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

# General Fund Revenues

\*\*\*Governor's Confidential Working Papers\*\*\*

Table 3.3

The Official to Interim Pessimistic General Fund Forecast for Fiscal Year 2021

(Dollars in Millions)

August 3, 2020

|   | Fiscal Year 2021   |                    |                     |                             |                |
|---|--------------------|--------------------|---------------------|-----------------------------|----------------|
|   | Official Forecast  | Int Pess Forecast  | Change              | % Growth Over FY20 Official | Int Pess       |
| <b>MAJOR TAX SOURCES</b>                      |                    |                    |                     |                             |                |
| Corporate Income                              | \$ 1,019.2         | \$ 1,019.9         | \$ 0.7              | (1.2) %                     | 0.8 %          |
| Individual Income Tax:                        |                    |                    |                     |                             |                |
| Gross   | 18,219.0           | 16,501.8           | (1,717.2)           | 4.7                         | (4.0)          |
| Withholding                                   | 14,118.0           | 13,130.8           | (987.2)             | 3.9                         | (1.8)          |
| Nonwithholding                                | 4,101.0            | 3,371.0            | (730.0)             | 7.8                         | (11.4)         |
| Refunds                                       | <u>(2,059.9)</u>   | <u>(2,019.9)</u>   | <u>40.0</u>         | <u>4.2</u>                  | <u>10.4</u>    |
| Net   | 16,159.1           | 14,481.9           | (1,677.2)           | 4.8                         | (5.7)          |
| Insurance Company Premiums                    | 420.1              | 313.6              | (106.5)             | 6.6                         | (13.0)         |
| State Sales & Use Tax                         | 3,893.0            | 3,323.9            | (569.1)             | 1.3                         | (10.3)         |
| Wills, Suits, Deeds, & Contract Fees          | <u>388.1</u>       | <u>377.4</u>       | <u>(10.7)</u>       | <u>(17.2)</u>               | <u>(22.0)</u>  |
| Total Major Tax Sources                       | \$ 21,879.5        | \$ 19,516.7        | \$ (2,362.8)        | 3.4 %                       | (6.7) %        |
| <b>MISCELLANEOUS TAXES AND OTHER REVENUES</b> |                    |                    |                     |                             |                |
| Alcoholic Beverage State Tax                  | \$ 219.7           | \$ 219.7           | \$ 0.0              | 4.1 %                       | (3.0) %        |
| Bank Franchise Tax                            | 22.0               | 22.0               | 0.0                 | 0.0                         | (17.7)         |
| Beer & Beverage Excise Tax                    | 40.7               | 40.7               | 0.0                 | 0.0                         | (0.2)          |
| Corporate Franchise & Charter Fees            | 52.3               | 52.3               | 0.0                 | 0.0                         | (11.6)         |
| Excess & Other Fees from Officers             | (7.5)              | (7.5)              | 0.0                 | 0.0                         | (13.3)         |
| Estate & Gifts                                | 0.0                | 0.0                | 0.0                 | n/a                         | n/a            |
| Institutional Revenues                        | 2.6                | 2.6                | 0.0                 | 0.0                         | 1.1            |
| Interest & Rents                              | 111.7              | 80.3               | (31.4)              | (13.6) %                    | (27.2)         |
| Licenses & Permits                            | 4.0                | 4.0                | 0.0                 | 0.0 %                       | 12.6           |
| Miscellaneous Taxes and Penalties             | 240.6              | 220.6              | (20.0)              | 1.6 %                       | (3.6)          |
| Other Miscellaneous Revenues                  | 23.3               | 23.3               | 0.0                 | (2.1) %                     | (30.9)         |
| Public Service GR / Consumption Tax           | <u>98.9</u>        | <u>98.9</u>        | <u>0.0</u>          | <u>0.0 %</u>                | <u>1.9</u>     |
| Total Misc. Taxes and Other Revenues          | \$ 808.3           | \$ 756.9           | \$ (51.4)           | (0.7) %                     | (7.8) %        |
| <b>TOTAL GF REVENUES</b>                      | <b>\$ 22,687.8</b> | <b>\$ 20,273.6</b> | <b>\$ (2,414.2)</b> | <b>3.3 %</b>                | <b>(6.7) %</b> |
| <b>TRANSFERS</b>                              |                    |                    |                     |                             |                |
| A.B.C. Profits                                | \$ 125.1           | \$ 125.1           | \$ 0.0              | 0.2 %                       | 0.2 %          |
| Sales Tax (0.375%)                            | 426.9              | 365.7              | (61.2)              | 1.3                         | (5.4)          |
| Transfers Per Appropriations Act              | <u>103.8</u>       | <u>103.8</u>       | <u>0.0</u>          | <u>(33.2)</u>               | <u>(27.2)</u>  |
| Total Transfers                               | \$ 655.8           | \$ 594.6           | \$ (61.2)           | (6.5) %                     | (9.1) %        |
| <b>TOTAL GENERAL FUND</b>                     | <b>\$ 23,343.6</b> | <b>\$ 20,868.2</b> | <b>\$ (2,475.4)</b> | <b>3.0 %</b>                | <b>(6.8) %</b> |

The Official forecast is based on the October 2019 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations of GACRE. It includes actions of the 2020 General Assembly Session, Chapter 1283 and 1289. The Interim Pessimistic forecast is based on the June 2020 Pessimistic IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

# General Fund Revenues

\*\*\*Governor's Confidential Working Papers\*\*\*

**Table 3.3**  
**The Official to Interim Pessimistic General Fund Forecast for Fiscal Year 2022**  
(Dollars in Millions)

August 3, 2020

|   | Fiscal Year 2022     |                      |                     |                    |              | 2020-2022 Biennium   |                      |                     |
|---|----------------------|----------------------|---------------------|--------------------|--------------|----------------------|----------------------|---------------------|
|   | Official<br>Forecast | Int Pess<br>Forecast | Change              | % Growth Over FY21 |              | Official<br>Forecast | Int Pess<br>Forecast | Change              |
|   |                      |                      |                     | Official           | Int Pess     |                      |                      |                     |
| <b>MAJOR TAX SOURCES</b>                      |                      |                      |                     |                    |              |                      |                      |                     |
| Corporate Income                              | \$ 1,132.6           | \$ 1,138.5           | \$ 5.9              | 11.1 %             | 11.6 %       | \$ 2,151.8           | \$ 2,158.4           | \$ 6.6              |
| Individual Income Tax                         |                      |                      |                     |                    |              |                      |                      |                     |
| Gross   | 18,982.9             | 16,944.1             | (2,038.8)           | 4.2                | 2.7          | 37,201.9             | 33,445.9             | (3,756.0)           |
| Withholding                                   | 14,676.4             | 13,541.4             | (1,135.0)           | 4.0                | 3.1          | 28,794.4             | 26,672.2             | (2,122.2)           |
| Nonwithholding                                | 4,306.5              | 3,402.7              | (903.8)             | 5.0                | 0.9          | 8,407.5              | 6,773.7              | (1,633.8)           |
| Refunds                                       | <u>(2,137.4)</u>     | <u>(2,162.4)</u>     | <u>(25.0)</u>       | <u>3.8</u>         | <u>7.1</u>   | <u>(4,197.3)</u>     | <u>(4,182.3)</u>     | <u>15.0</u>         |
| Net   | 16,845.5             | 14,781.7             | (2,063.8)           | 4.2                | 2.1          | 33,004.6             | 29,263.6             | (3,741.0)           |
| Insurance Company Premiums                    | 437.1                | 334.4                | (102.7)             | 4.0                | 6.6          | 857.2                | 648.0                | (209.2)             |
| State Sales & Use Tax                         | 3,955.6              | 3,405.5              | (550.1)             | 1.6                | 2.5          | 7,848.6              | 6,729.4              | (1,119.2)           |
| Wills, Suits, Deeds, & Contract Fees          | <u>357.0</u>         | <u>352.5</u>         | <u>(4.5)</u>        | <u>(8.0)</u>       | <u>(6.6)</u> | <u>745.1</u>         | <u>729.9</u>         | <u>(15.2)</u>       |
| Total Major Tax Sources                       | \$ 22,727.8          | \$ 20,012.6          | \$ (2,715.2)        | 3.9 %              | 2.5 %        | \$ 44,607.3          | \$ 39,529.3          | \$ (5,078.0)        |
| <b>MISCELLANEOUS TAXES AND OTHER REVENUES</b> |                      |                      |                     |                    |              |                      |                      |                     |
| Alcoholic Beverage State Tax                  | \$ 228.8             | \$ 228.8             | \$ 0.0              | 4.1 %              | 4.1 %        | \$ 448.5             | \$ 448.5             | \$ 0.0              |
| Bank Franchise Tax                            | 22.0                 | 22.0                 | 0.0                 | 0.0                | 0.0          | 44.0                 | 44.0                 | 0.0                 |
| Beer & Beverage Excise Tax                    | 40.7                 | 40.7                 | 0.0                 | 0.0                | 0.0          | 81.4                 | 81.4                 | 0.0                 |
| Corporate Franchise & Charter Fees            | 52.3                 | 52.3                 | 0.0                 | 0.0                | 0.0          | 104.6                | 104.6                | 0.0                 |
| Excess & Other Fees from Officers             | (7.5)                | (7.5)                | 0.0                 | 0.0                | 0.0          | (15.0)               | (15.0)               | 0.0                 |
| Estate & Gifts                                | 0.0                  | 0.0                  | 0.0                 | n/a                | n/a          | 0.0                  | 0.0                  | n/a                 |
| Institutional Revenues                        | 2.6                  | 2.6                  | 0.0                 | 0.0                | 0.0          | 5.2                  | 5.2                  | 0.0                 |
| Interest & Rents                              | 104.9                | 92.2                 | (12.7)              | (6.1)              | 14.8         | 216.6                | 172.5                | (44.1)              |
| Licenses & Permits                            | 4.0                  | 4.0                  | 0.0                 | 0.0                | 0.0          | 8.0                  | 8.0                  | 0.0                 |
| Miscellaneous Taxes and Penalties             | 240.5                | 230.5                | (10.0)              | (0.0)              | 4.5          | 481.1                | 451.1                | (30.0)              |
| Other Miscellaneous Revenues                  | 23.3                 | 23.3                 | 0.0                 | 0.0                | 0.0          | 46.6                 | 46.6                 | 0.0                 |
| Public Service GR / Consumption Tax           | <u>98.9</u>          | <u>98.9</u>          | <u>0.0</u>          | <u>0.0</u>         | <u>0.0</u>   | <u>197.8</u>         | <u>197.8</u>         | <u>0.0</u>          |
| Total Misc. Taxes and Other Revenues          | \$ 810.5             | \$ 787.8             | \$ (22.7)           | 0.3 %              | 4.1 %        | \$ 1,618.8           | \$ 1,544.7           | \$ (74.1)           |
| <b>TOTAL GF REVENUES</b>                      | <b>\$ 23,538.3</b>   | <b>\$ 20,800.4</b>   | <b>\$ (2,737.9)</b> | <b>3.7 %</b>       | <b>2.6 %</b> | <b>\$ 46,226.1</b>   | <b>\$ 41,074.0</b>   | <b>\$ (5,152.1)</b> |
| <b>TRANSFERS</b>                              |                      |                      |                     |                    |              |                      |                      |                     |
| A.B.C. Profits                                | \$ 128.7             | \$ 128.7             | \$ 0.0              | 2.9 %              | 2.9 %        | \$ 253.8             | \$ 253.8             | \$ 0.0              |
| Sales Tax (0.375%)                            | 433.7                | 374.8                | (58.9)              | 1.6                | 2.5          | 860.6                | 740.5                | (120.1)             |
| Transfers Per Appropriations Act              | <u>103.8</u>         | <u>103.8</u>         | <u>0.0</u>          | <u>0.0</u>         | <u>0.0</u>   | <u>207.6</u>         | <u>207.6</u>         | <u>0.0</u>          |
| Total Transfers                               | \$ 666.2             | \$ 607.3             | \$ (58.9)           | 1.6 %              | 2.1 %        | \$ 1,322.0           | \$ 1,201.9           | \$ (120.1)          |
| <b>TOTAL GENERAL FUND</b>                     | <b>\$ 24,204.5</b>   | <b>\$ 21,407.7</b>   | <b>\$ (2,796.8)</b> | <b>3.7 %</b>       | <b>2.6 %</b> | <b>\$ 47,548.1</b>   | <b>\$ 42,275.9</b>   | <b>\$ (5,272.2)</b> |

The Official forecast is based on the October 2019 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations of GACRE. It includes actions of the 2020 General Assembly Session, Chapter 1283 and 1289.

The Interim Pessimistic forecast is based on the June 2020 Pessimistic IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation.



**SECTION 4**  
**NON-GENERAL FUND REVENUES**

**Section 4  
Non-General Fund Revenues**

**Transportation Revenues**

Chapter 1230, enacted during the 2020 session of the General Assembly, directed most transportation revenues to a new Commonwealth Transportation Fund. In addition to the financial structural 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 will be 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 percent Vehicle Sales and Use Tax,
- Licensing fees,
- 0.60 cent State Retail Sales and Use Tax,
- 0.3 percent State Retail Sales and Use tax,
- 3.0 cents of the State Recordation Tax,
- One-third of State Insurance Premiums 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.

## NON-GENERAL FUND REVENUES

### Preliminary Fiscal Year 2020 in Review

Table 4.1 compares actual collections in fiscal year 2020 to the official forecast for the Commonwealth Transportation Fund (CTF). Total transportation revenues totaled over \$3.6 billion, an increase of \$50.2 million over last year. Revenue collections grew by 1.4 percent, lagging the official forecast of 4.8 percent growth, resulting in a forecast variance of 3.3 percent.

Due to the Covid-19 pandemic and subsequent phases of lockdowns, the CTF's major revenue sources fell short of their respective forecasts. Solid growth over the first three quarters of fiscal year 2020 offset some of the damage from the pandemic.

**Table 4.1**  
**Actual Collections Compared to the Official Forecast for Fiscal Year 2020 (Preliminary)**  
**(Millions of Dollars)**

| Revenue Sources         | FY2019<br>Actual | FY2020<br>Actual | FY2020<br>Forecast | Percent Change<br>2019-2020 |            | Forecast Variance |              |
|-------------------------|------------------|------------------|--------------------|-----------------------------|------------|-------------------|--------------|
|                         |                  |                  |                    | Actual                      | Forecast   | Amount            | Percent      |
| Motor Fuels Tax         | 844.7            | 844.0            | 884.9              | (0.1)                       | 4.8        | (40.9)            | (4.6)        |
| Road Use Tax            | 9.8              | 20.5             | 24.8               | 109.2                       | 153.1      | (4.3)             | (17.3)       |
| Vehicle Sales Tax       | 978.6            | 954.1            | 988.8              | (2.5)                       | 1.0        | (34.7)            | (3.5)        |
| Vehicle Licenses        | 266.1            | 270.8            | 299.2              | 1.8                         | 12.4       | (28.4)            | (9.5)        |
| State Sales Tax         | 1,087.8          | 1,124.1          | 1,153.1            | 3.3                         | 6.0        | (29.0)            | (2.5)        |
| Recordation Tax         | 47.1             | 59.7             | 48.8               | 26.8                        | 3.6        | 10.9              | 22.3         |
| Insurance Premiums Tax  | 168.7            | 183.6            | 183.6              | 8.8                         | 8.8        | 0.0               | 0.0          |
| Int'l Registration Plan | 72.6             | 70.4             | 70.8               | (3.0)                       | (2.5)      | (0.4)             | (0.6)        |
| Interest Earnings       | 16.4             | 19.8             | 9.8                | 20.7                        | (40.2)     | 10.0              | 102.0        |
| Rental Tax              | 42.4             | 38.7             | 43.6               | (8.7)                       | 2.8        | (4.9)             | (11.2)       |
| Aviation Fuels Tax      | 2.0              | 1.8              | 2.0                | (10.0)                      | 0.0        | (0.2)             | (10.0)       |
| Miscellaneous           | 19.0             | 17.9             | 17.9               | (5.8)                       | (5.8)      | 0.0               | 0.0          |
| <b>TOTAL</b>            | <b>\$3,555.2</b> | <b>\$3,605.4</b> | <b>\$3,727.3</b>   | <b>1.4</b>                  | <b>4.8</b> | <b>(121.9)</b>    | <b>(3.3)</b> |

**The Interim Standard Commonwealth Transportation Fund Forecast**

Table 4.2 on the following pages presents a comparison of the Interim standard forecast and the official forecast. In the Virginia standard forecast, economic growth is expected to decline in fiscal year 2021 before experiencing a rebound in fiscal year 2022.

In fiscal year 2020, Chapter 1230 of the General Assembly adopts numerous financial structural changes to the transportation funding system in the Commonwealth. Most transportation revenues are directed to a new Commonwealth Transportation Fund:

- The existing motor fuels tax, based on a percentage of the wholesale price of gasoline and diesel fuel, is converted to a cents-per-gallon tax. A rate of \$0.262 per gallon of gasoline will be phased in over two years, and then indexed every year thereafter. A rate of \$0.270 per gallon of diesel fuel will be phased in over two years, and then indexed every year thereafter.
- Registration fees for motor vehicles will be lowered by ten dollars for most motor vehicles.
- The Department of Motor Vehicles will implement a Highway Use Fee for alternative fuel and fuel-efficient vehicles.

Chapter 854 (2019) provides new revenue sources for improvements to the Commonwealth's interstate roadways. While much of the new revenue is earmarked for Interstate 81 and Northern Virginia (and included in separate regional revenue forecasts), some funds are directed to the interstate systems outside these regions and are included in the Commonwealth Transportation Fund (CTF).

The Interim forecast projects decreases of \$400.8 million and \$348.9 million in fiscal years 2021 and 2022, respectively.

## NON-GENERAL FUND REVENUES

**Table 4.2**  
**The Official and Interim Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2021**  
**(Dollars in Millions)**

August 3, 2020

|   | Fiscal Year 2020  |              | Fiscal Year 2021  |                   |                   |   |                |  |
|---|-------------------|--------------|-------------------|-------------------|-------------------|---|----------------|--|
|   | Forecast          | % Growth     | Official Forecast | August Forecast   | Change            | % Growth over FY 20<br>Official      August |                |  |
| <b>Commonwealth Transportation Fund</b> |                   |              |                   |                   |                   |   |                |  |
| Motor Fuels Tax                         | \$ 844.0          | (0.1) %      | \$ 1,077.9        | \$ 963.7          | \$ (114.2)        | 27.7 %                                      | 14.2 %         |  |
| Road Tax                                | 20.5              | 109.2        | 27.4              | 27.4              | 0.0               | 33.7  | 33.7           |  |
| Aviation Fuels Tax                      | 1.8               | (10.0)       | 2.0               | 2.0               | 0.0               | 11.1  | 11.1           |  |
| Motor Vehicle Sales and Use Tax         | 954.1             | (2.5)        | 995.6             | 886.6             | (109.0)           | 4.3   | (7.1)          |  |
| Motor Vehicle Rental Tax                | 38.7              | (8.9)        | 43.3              | 43.3              | 0.0               | 11.9  | 11.9           |  |
| Motor Vehicle License Fees              | 270.8             | 1.8          | 206.5             | 206.5             | 0.0               | (23.7)                                      | (23.7)         |  |
| Highway User Fee                        | 0.0               | n/a          | 38.0              | 38.0              | 0.0               | n/a   | n/a            |  |
| International Registration Plan         | 70.4              | (3.0)        | 73.7              | 73.7              | 0.0               | 4.7   | 4.7            |  |
| Retail Sales and Use Tax                | 1,124.2           | 3.3          | 1,183.0           | 1,021.6           | (161.4)           | 5.2   | (9.1)          |  |
| Recordation Tax (3 cents)               | 59.7              | 26.8         | 45.3              | 45.3              | 0.0               | (24.1)                                      | (24.1)         |  |
| Insurance Premiums Tax (1/3)            | 183.6             | 8.9          | 197.6             | 181.4             | (16.2)            | 7.6   | (1.2)          |  |
| Interest Earnings                       | 19.8              | 20.7         | 12.0              | 12.0              | 0.0               | (39.4)                                      | (39.4)         |  |
| Miscellaneous                           | 17.9              | (5.8)        | 17.9              | 17.9              | 0.0               | 0.0   | 0.0            |  |
| <b>Total State Taxes and Fees</b>       | <b>\$ 3,605.5</b> | <b>1.4 %</b> | <b>\$ 3,920.2</b> | <b>\$ 3,519.4</b> | <b>\$ (400.8)</b> | <b>8.7 %</b>                                | <b>(2.4) %</b> |  |

The Official forecast is based on the October 2019 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2020 General Assembly.

The August Interim forecast is based on the June 2020 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

## NON-GENERAL FUND REVENUES

**Table 4.2**  
**The Official and Interim Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2022**  
**(Dollars in Millions)**

August 3, 2020

|   | Fiscal Year 2022     |                    |                   |                     |               |
|---|----------------------|--------------------|-------------------|---------------------|---------------|
|   | Official<br>Forecast | August<br>Forecast | Change            | % Growth over FY 21 |               |
|   |                      |                    |                   | Official            | August        |
| <b>Commonwealth Transportation Fund</b> |                      |                    |                   |                     |               |
| Motor Fuels Tax                         | \$ 1,320.3           | \$ 1,204.4         | \$ (115.9)        | 22.5 %              | 25.0 %        |
| Road Tax                                | 29.5                 | 29.5               | 0.0               | 7.7                 | 7.7           |
| Aviation Fuels Tax                      | 2.0                  | 2.0                | 0.0               | 0.0                 | 0.0           |
| Motor Vehicle Sales and Use Tax         | 1,019.2              | 938.1              | (81.1)            | 2.4                 | 5.8           |
| Motor Vehicle Rental Tax                | 42.9                 | 42.9               | 0.0               | (0.9)               | (0.9)         |
| Motor Vehicle License Fees              | 207.9                | 207.9              | 0.0               | 0.7                 | 0.7           |
| Highway User Fee                        | 46.6                 | 46.6               | 0.0               | n/a                 | 22.6          |
| International Registration Plan         | 73.6                 | 73.6               | 0.0               | (0.1)               | (0.1)         |
| Retail Sales and Use Tax                | 1,202.1              | 1,050.2            | (151.9)           | 1.6                 | 2.8           |
| Recordation Tax (3 cents)               | 42.2                 | 42.2               | 0.0               | (6.8)               | (6.8)         |
| Insurance Premiums Tax (1/3)            | 205.9                | 205.9              | 0.0               | 4.2                 | 13.5          |
| Interest Earnings                       | 16.7                 | 16.7               | 0.0               | 39.2                | 39.2          |
| Miscellaneous                           | 17.9                 | 17.9               | 0.0               | 0.0                 | 0.0           |
| <b>Total State Taxes and Fees</b>       | <b>\$ 4,226.8</b>    | <b>\$ 3,877.9</b>  | <b>\$ (348.9)</b> | <b>7.8 %</b>        | <b>10.2 %</b> |

The Official forecast is based on the October 2019 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2020 General Assembly.

The August Interim forecast is based on the June 2020 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

## **NON-GENERAL FUND REVENUES**

---

### **The Alternative Pessimistic Forecast**

Table 4.3 on the following pages compares the official and interim alternative pessimistic Commonwealth Transportation Fund forecasts. Under the alternative forecast, total transportation fund revenues are reduced by a total of \$934.9 million over the next two fiscal years as compared to the official forecast.

This forecast is based on IHS Markit June 2020 alternative pessimistic forecast and the corresponding Virginia state forecast. The main driver of the decline in motor fuels and motor vehicle sales tax revenues is due to the prolonged national recession.

## NON-GENERAL FUND REVENUES

**Table 4.3**  
**The Official and Interim Alternative Commonwealth Transportation Fund Forecast for Fiscal Year 2021**  
**(Dollars in Millions)**

August 3, 2020

|   | Fiscal Year 2020  |              | Fiscal Year 2021  |                   |                   |                     |                |  |
|---|-------------------|--------------|-------------------|-------------------|-------------------|---------------------|----------------|--|
|   | Forecast          | % Growth     | Official Forecast | August Forecast   | Change            | % Growth over FY 20 |                |  |
|   |                   |              |                   |                   |                   | Official            | August         |  |
| <b>Commonwealth Transportation Fund</b> |                   |              |                   |                   |                   |                     |                |  |
| Motor Fuels Tax                         | \$ 844.0          | (0.1) %      | \$ 1,077.9        | \$ 918.5          | \$ (159.4)        | 27.7 %              | 8.8 %          |  |
| Road Tax                                | 20.5              | 109.2        | 27.4              | 27.4              | 0.0               | 33.7                | 33.7           |  |
| Aviation Fuels Tax                      | 1.8               | (10.0)       | 2.0               | 2.0               | 0.0               | 11.1                | 11.1           |  |
| Motor Vehicle Sales and Use Tax         | 954.1             | (2.5)        | 995.6             | 832.4             | (163.2)           | 4.3                 | (12.8)         |  |
| Motor Vehicle Rental Tax                | 38.7              | (8.9)        | 43.3              | 43.3              | 0.0               | 11.9                | 11.9           |  |
| Motor Vehicle License Fees              | 270.8             | 1.8          | 206.5             | 206.5             | 0.0               | (23.7)              | (23.7)         |  |
| Highway User Fee                        | 0.0               | n/a          | 38.0              | 38.0              | 0.0               | n/a                 | n/a            |  |
| International Registration Plan         | 70.4              | (3.0)        | 73.7              | 73.7              | 0.0               | 4.7                 | 4.7            |  |
| Retail Sales and Use Tax                | 1,124.2           | 3.3          | 1,183.0           | 1,010.1           | (172.9)           | 5.2                 | (10.1)         |  |
| Recordation Tax (3 cents)               | 59.7              | 26.8         | 45.3              | 45.3              | 0.0               | (24.1)              | (24.1)         |  |
| Insurance Premiums Tax (1/3)            | 183.6             | 8.9          | 197.6             | 181.4             | (16.2)            | 7.6                 | (1.2)          |  |
| Interest Earnings                       | 19.8              | 20.7         | 12.0              | 12.0              | 0.0               | (39.4)              | (39.4)         |  |
| Miscellaneous                           | 17.9              | (5.8)        | 17.9              | 17.9              | 0.0               | 0.0                 | 0.0            |  |
| <b>Total State Taxes and Fees</b>       | <b>\$ 3,605.5</b> | <b>1.4 %</b> | <b>\$ 3,920.2</b> | <b>\$ 3,408.5</b> | <b>\$ (511.7)</b> | <b>8.7 %</b>        | <b>(5.5) %</b> |  |

The Official forecast is based on the October 2019 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2020 General Assembly.

The August Interim forecast is based on the June 2020 Global Insight Alternative outlook and the corresponding Virginia state forecast developed by the Department of Taxation.



## NON-GENERAL FUND REVENUES

**Table 4.3**  
**The Official and Interim Alternative Commonwealth Transportation Fund Forecast for Fiscal Year 2022**  
**(Dollars in Millions)**

August 3, 2020

|   | Fiscal Year 2022     |                    |                   |   |               |
|---|----------------------|--------------------|-------------------|---|---------------|
|   | Official<br>Forecast | August<br>Forecast | Change            | % Growth over FY 21<br>Official      August |               |
| <b>Commonwealth Transportation Fund</b> |                      |                    |                   |   |               |
| Motor Fuels Tax                         | \$ 1,320.3           | \$ 1,212.0         | \$ (108.3)        | 22.5 %                                      | 32.0 %        |
| Road Tax                                | 29.5                 | 29.5               | 0.0               | 7.7   | 7.7           |
| Aviation Fuels Tax                      | 2.0                  | 2.0                | 0.0               | 0.0   | 0.0           |
| Motor Vehicle Sales and Use Tax         | 1,019.2              | 871.6              | (147.6)           | 2.4   | 4.7           |
| Motor Vehicle Rental Tax                | 42.9                 | 42.9               | 0.0               | (0.9)                                       | (0.9)         |
| Motor Vehicle License Fees              | 207.9                | 207.9              | 0.0               | 0.7   | 0.7           |
| Highway User Fee                        | 46.6                 | 46.6               | 0.0               | n/a   | 22.6          |
| International Registration Plan         | 73.6                 | 73.6               | 0.0               | (0.1)                                       | (0.1)         |
| Retail Sales and Use Tax                | 1,202.1              | 1,034.8            | (167.3)           | 1.6   | 2.4           |
| Recordation Tax (3 cents)               | 42.2                 | 42.2               | 0.0               | (6.8)                                       | (6.8)         |
| Insurance Premiums Tax (1/3)            | 205.9                | 205.9              | 0.0               | 4.2   | 13.5          |
| Interest Earnings                       | 16.7                 | 16.7               | 0.0               | 39.2  | 39.2          |
| Miscellaneous                           | 17.9                 | 17.9               | 0.0               | 0.0   | 0.0           |
| <b>Total State Taxes and Fees</b>       | <b>\$ 4,226.8</b>    | <b>\$ 3,803.6</b>  | <b>\$ (423.2)</b> | <b>7.8 %</b>                                | <b>11.6 %</b> |

The Official forecast is based on the October 2019 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2020 General Assembly.

The August Interim forecast is based on the June 2020 Global Insight Alternative outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

# **APPENDIX A ECONOMIC DATA**

**TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|  | History   |           |           |           |           |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | 2017.2    | 2017.3    | 2017.4    | 2018.1    | 2018.2    | 2018.3    | 2018.4    | 2019.1    | 2019.2    | 2019.3    | 2019.4    | 2020.1    |
| Real Gross Domestic Product,<br>Billions \$, SAAR            | 18,021.0  | 18,163.6  | 18,322.5  | 18,438.3  | 18,598.1  | 18,732.7  | 18,783.5  | 18,927.3  | 19,021.9  | 19,121.1  | 19,222.0  | 18,974.7  |
| Annualized % Change  | 2.2       | 3.2       | 3.5       | 2.6       | 3.5       | 2.9       | 1.1       | 3.1       | 2.0       | 2.1       | 2.1       | (5.0)     |
| % Change from Prior Year's Quarter                           | 2.2       | 2.4       | 2.8       | 2.9       | 3.2       | 3.1       | 2.5       | 2.7       | 2.3       | 2.1       | 2.3       | 0.3       |
| Real Consumer Spending,<br>Billions \$, SAAR                 | 12,512.9  | 12,586.3  | 12,729.7  | 12,782.9  | 12,909.2  | 13,019.8  | 13,066.3  | 13,103.3  | 13,250.0  | 13,353.1  | 13,413.8  | 13,180.8  |
| Annualized % Change  | 2.4       | 2.4       | 4.6       | 1.7       | 4.0       | 3.5       | 1.4       | 1.1       | 4.6       | 3.1       | 1.8       | (6.8)     |
| % Change from Prior Year's Quarter                           | 2.5       | 2.4       | 2.9       | 2.8       | 3.2       | 3.4       | 2.6       | 2.5       | 2.6       | 2.6       | 2.7       | 0.6       |
| U.S. Personal Income,<br>Billions \$, SAAR                   | 16,749.6  | 16,930.4  | 17,231.2  | 17,540.3  | 17,725.0  | 17,928.5  | 18,082.8  | 18,355.4  | 18,555.9  | 18,676.9  | 18,845.1  | 18,949.8  |
| Annualized % Change  | 3.6       | 4.4       | 7.3       | 7.4       | 4.3       | 4.7       | 3.5       | 6.2       | 4.4       | 2.6       | 3.7       | 2.2       |
| % Change from Prior Year's Quarter                           | 4.5       | 4.7       | 5.4       | 5.6       | 5.8       | 5.9       | 4.9       | 4.6       | 4.7       | 4.2       | 4.2       | 3.2       |
| Virginia Personal Income,<br>Millions \$, SAAR               | 464,751.4 | 469,581.0 | 476,484.3 | 485,066.7 | 489,161.1 | 495,351.6 | 499,671.3 | 505,960.0 | 511,260.3 | 514,891.1 | 517,649.4 | 524,878.0 |
| Annualized % Change  | 2.5       | 4.2       | 6.0       | 7.4       | 3.4       | 5.2       | 3.5       | 5.1       | 4.3       | 2.9       | 2.2       | 5.7       |
| % Change from Prior Year's Quarter                           | 3.7       | 3.9       | 4.2       | 5.0       | 5.3       | 5.5       | 4.9       | 4.3       | 4.5       | 3.9       | 3.6       | 3.7       |
| Virginia Wages and Salaries,<br>Millions \$, SAAR            | 238,930.8 | 241,492.1 | 244,026.8 | 248,304.7 | 249,365.7 | 252,634.0 | 254,028.5 | 258,250.0 | 260,415.3 | 262,188.8 | 262,046.6 | 262,793.7 |
| Annualized % Change  | 2.9       | 4.4       | 4.3       | 7.2       | 1.7       | 5.3       | 2.2       | 6.8       | 3.4       | 2.8       | (0.2)     | 1.1       |
| % Change from Prior Year's Quarter                           | 4.4       | 4.4       | 3.9       | 4.7       | 4.4       | 4.6       | 4.1       | 4.0       | 4.4       | 3.8       | 3.2       | 1.8       |
| Virginia Dividends, Interest, and Rent,<br>Millions \$, SAAR | 96,967.5  | 97,622.2  | 100,257.2 | 102,627.6 | 104,443.5 | 105,989.4 | 106,982.6 | 106,094.2 | 107,732.6 | 107,513.3 | 110,415.2 | 115,168.4 |
| Annualized % Change  | 2.9       | 2.7       | 11.2      | 9.8       | 7.3       | 6.1       | 3.8       | (3.3)     | 6.3       | (0.8)     | 11.2      | 18.4      |
| % Change from Prior Year's Quarter                           | 4.4       | 4.2       | 6.1       | 6.6       | 7.7       | 8.6       | 6.7       | 3.4       | 3.1       | 1.4       | 3.2       | 8.6       |
| Virginia Total Proprietor's Income,<br>Millions \$, SAAR     | 26,840.9  | 26,930.3  | 27,384.9  | 27,693.5  | 27,915.8  | 28,260.3  | 28,723.9  | 28,857.1  | 29,158.1  | 29,923.2  | 29,906.1  | 28,911.4  |
| Annualized % Change  | (1.3)     | 1.3       | 6.9       | 4.6       | 3.3       | 5.0       | 6.7       | 1.9       | 4.2       | 10.9      | (0.2)     | (12.7)    |
| % Change from Prior Year's Quarter                           | 0.9       | 0.6       | 1.8       | 2.8       | 4.0       | 4.9       | 4.9       | 4.2       | 4.5       | 5.9       | 4.1       | 0.2       |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.1 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|   | History |         |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2017.2  | 2017.3  | 2017.4  | 2018.1  | 2018.2  | 2018.3  | 2018.4  | 2019.1  | 2019.2  | 2019.3  | 2019.4  | 2020.1  |
| Total U.S. Employment,<br>Millions, SA              | 146.3   | 146.9   | 147.4   | 148.0   | 148.6   | 149.2   | 149.7   | 150.2   | 150.6   | 151.2   | 151.8   | 151.9   |
| Annualized % Change                                 | 1.4     | 1.5     | 1.5     | 1.7     | 1.8     | 1.5     | 1.3     | 1.3     | 1.1     | 1.5     | 1.7     | 0.4     |
| % Change from Prior Year's Quarter                  | 1.6     | 1.5     | 1.5     | 1.5     | 1.6     | 1.6     | 1.6     | 1.5     | 1.3     | 1.3     | 1.4     | 1.2     |
| Virginia Total Nonag. Employment,<br>Thousands, SA  | 3,949.1 | 3,957.8 | 3,972.3 | 3,994.3 | 4,004.4 | 4,018.0 | 4,017.2 | 4,042.2 | 4,042.1 | 4,051.2 | 4,047.0 | 4,014.7 |
| Annualized % Change                                 | 0.4     | 0.9     | 1.5     | 2.2     | 1.0     | 1.4     | (0.1)   | 2.5     | (0.0)   | 0.9     | (0.4)   | (3.2)   |
| % Change from Prior Year's Quarter                  | 1.0     | 1.0     | 1.0     | 1.3     | 1.4     | 1.5     | 1.1     | 1.2     | 0.9     | 0.8     | 0.7     | (0.7)   |
| CPI, All Urban,<br>1982-1984=1.0, SA                | 2.4     | 2.5     | 2.5     | 2.5     | 2.5     | 2.5     | 2.5     | 2.5     | 2.6     | 2.6     | 2.6     | 2.6     |
| Annualized % Change                                 | 0.4     | 2.2     | 3.1     | 3.2     | 2.2     | 2.1     | 1.3     | 0.9     | 3.0     | 1.8     | 2.4     | 1.2     |
| % Change from Prior Year's Quarter                  | 1.9     | 2.0     | 2.1     | 2.2     | 2.7     | 2.7     | 2.2     | 1.6     | 1.8     | 1.8     | 2.0     | 2.1     |
| Refiner's Acquisition Cost of Oil,<br>\$ per Barrel | 47.7    | 48.4    | 56.7    | 61.9    | 67.2    | 69.1    | 59.6    | 57.0    | 63.6    | 58.7    | 58.0    | 47.3    |
| Quarterly Change                                    | (2.2)   | 0.7     | 8.2     | 5.3     | 5.3     | 1.9     | (9.5)   | (2.6)   | 6.6     | (4.9)   | (0.7)   | (10.7)  |
| Change from Prior Year's Quarter                    | 5.5     | 5.5     | 10.1    | 12.0    | 19.5    | 20.7    | 3.0     | (4.9)   | (3.6)   | (10.4)  | (1.6)   | (9.7)   |
| Before-Tax Corporate Profits,<br>Billions \$, SAAR  | 2,168.9 | 2,204.6 | 1,970.4 | 2,043.9 | 2,076.4 | 2,087.1 | 2,046.5 | 2,015.5 | 2,084.9 | 2,046.0 | 2,126.5 | 1,798.9 |
| Annualized % Change                                 | (3.4)   | 6.8     | (36.2)  | 15.8    | 6.5     | 2.1     | (7.6)   | (5.9)   | 14.5    | (7.3)   | 16.7    | (48.8)  |
| % Change from Prior Year's Quarter                  | 1.7     | 4.0     | (8.6)   | (6.6)   | (4.3)   | (5.3)   | 3.9     | (1.4)   | 0.4     | (2.0)   | 3.9     | (10.7)  |
| S&P 500 Stock Market Index,<br>Level                | 2,396.2 | 2,467.7 | 2,605.0 | 2,732.6 | 2,703.2 | 2,851.0 | 2,692.0 | 2,722.1 | 2,882.9 | 2,958.6 | 3,086.4 | 3,069.3 |
| Annualized % Change                                 | 13.0    | 12.5    | 24.2    | 21.1    | (4.2)   | 23.7    | (20.5)  | 4.5     | 25.8    | 10.9    | 18.4    | (2.2)   |
| % Change from Prior Year's Quarter                  | 15.5    | 14.2    | 19.2    | 17.6    | 12.8    | 15.5    | 3.3     | (0.4)   | 6.6     | 3.8     | 14.7    | 12.8    |
| 30-Year Treasury Bonds,<br>Level                    | 2.9     | 2.8     | 2.8     | 3.0     | 3.1     | 3.1     | 3.3     | 3.0     | 2.8     | 2.3     | 2.3     | 1.9     |
| Quarterly Change                                    | (0.1)   | (0.1)   | (0.0)   | 0.2     | 0.1     | (0.0)   | 0.2     | (0.3)   | (0.2)   | (0.5)   | (0.0)   | (0.4)   |
| Change from Prior Year's Quarter                    | 0.3     | 0.5     | (0.0)   | (0.0)   | 0.2     | 0.2     | 0.4     | (0.0)   | (0.3)   | (0.8)   | (1.0)   | (1.1)   |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.2 - QUARTERLY NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|  | June Standard Forecast |           |           |           |           |           |           |           |           |
|--|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | 2020.2                 | 2020.3    | 2020.4    | 2021.1    | 2021.2    | 2021.3    | 2021.4    | 2022.1    | 2022.2    |
| Real Gross Domestic Product,<br>Billions \$, SAAR            | 16,564.1               | 17,086.8  | 17,504.5  | 17,969.9  | 18,362.7  | 18,621.0  | 18,822.8  | 18,997.4  | 19,222.6  |
| Annualized % Change  | (41.9)                 | 13.2      | 10.1      | 11.1      | 9.0       | 5.7       | 4.4       | 3.8       | 4.8       |
| % Change from Prior Year's Quarter                           | (12.9)                 | (10.6)    | (8.9)     | (5.3)     | 10.9      | 9.0       | 7.5       | 5.7       | 4.7       |
| Real Consumer Spending,<br>Billions \$, SAAR                 | 11,171.6               | 11,873.4  | 12,308.2  | 12,451.3  | 12,605.0  | 12,761.1  | 12,929.1  | 13,056.8  | 13,186.3  |
| Annualized % Change  | (48.4)                 | 27.6      | 15.5      | 4.7       | 5.0       | 5.0       | 5.4       | 4.0       | 4.0       |
| % Change from Prior Year's Quarter                           | (15.7)                 | (11.1)    | (8.2)     | (5.5)     | 12.8      | 7.5       | 5.0       | 4.9       | 4.6       |
| U.S. Personal Income,<br>Billions \$, SAAR                   | 19,302.4               | 19,165.7  | 18,712.8  | 18,899.7  | 19,234.5  | 19,451.8  | 19,597.5  | 19,813.9  | 20,045.6  |
| Annualized % Change  | 7.7                    | (2.8)     | (9.1)     | 4.1       | 7.3       | 4.6       | 3.0       | 4.5       | 4.8       |
| % Change from Prior Year's Quarter                           | 4.0                    | 2.6       | (0.7)     | (0.3)     | (0.4)     | 1.5       | 4.7       | 4.8       | 4.2       |
| Virginia Personal Income,<br>Millions \$, SAAR               | 529,408.2              | 547,528.1 | 527,463.2 | 532,571.6 | 537,475.8 | 540,546.0 | 545,955.4 | 552,833.1 | 559,863.7 |
| Annualized % Change  | 3.5                    | 14.4      | (13.9)    | 3.9       | 3.7       | 2.3       | 4.1       | 5.1       | 5.2       |
| % Change from Prior Year's Quarter                           | 3.5                    | 6.3       | 1.9       | 1.5       | 1.5       | (1.3)     | 3.5       | 3.8       | 4.2       |
| Virginia Wages and Salaries,<br>Millions \$, SAAR            | 247,682.6              | 270,479.2 | 254,973.1 | 261,903.3 | 266,663.7 | 269,413.2 | 273,147.5 | 277,139.4 | 282,181.2 |
| Annualized % Change  | (21.1)                 | 42.2      | (21.0)    | 11.3      | 7.5       | 4.2       | 5.7       | 6.0       | 7.5       |
| % Change from Prior Year's Quarter                           | (4.9)                  | 3.2       | (2.7)     | (0.3)     | 7.7       | (0.4)     | 7.1       | 5.8       | 5.8       |
| Virginia Dividends, Interest, and Rent,<br>Millions \$, SAAR | 114,896.8              | 117,141.6 | 117,676.6 | 115,395.2 | 113,621.2 | 113,087.8 | 112,988.3 | 113,271.1 | 113,420.3 |
| Annualized % Change  | (0.9)                  | 8.0       | 1.8       | (7.5)     | (6.0)     | (1.9)     | (0.4)     | 1.0       | 0.5       |
| % Change from Prior Year's Quarter                           | 6.6                    | 9.0       | 6.6       | 0.2       | (1.1)     | (3.5)     | (4.0)     | (1.8)     | (0.2)     |
| Virginia Total Proprietor's Income,<br>Millions \$, SAAR     | 27,087.9               | 24,536.0  | 22,283.4  | 22,051.2  | 23,572.9  | 24,611.0  | 24,864.4  | 25,679.1  | 26,689.8  |
| Annualized % Change  | (22.9)                 | (32.7)    | (32.0)    | (4.1)     | 30.6      | 18.8      | 4.2       | 13.8      | 16.7      |
| % Change from Prior Year's Quarter                           | (7.1)                  | (18.0)    | (25.5)    | (23.7)    | (13.0)    | 0.3       | 11.6      | 16.5      | 13.2      |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

|   | June Standard Forecast |         |         |         |         |         |         |         |         |
|---|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2020.2                 | 2020.3  | 2020.4  | 2021.1  | 2021.2  | 2021.3  | 2021.4  | 2022.1  | 2022.2  |
| Total U.S. Employment,<br>Millions, SA              | 132.8                  | 137.5   | 141.0   | 144.4   | 147.2   | 148.8   | 149.8   | 150.5   | 151.6   |
| Annualized % Change                                 | (41.6)                 | 15.0    | 10.4    | 10.2    | 8.0     | 4.3     | 2.7     | 2.0     | 3.0     |
| % Change from Prior Year's Quarter                  | (11.8)                 | (9.0)   | (7.1)   | (4.9)   | 10.8    | 8.2     | 6.2     | 4.2     | 3.0     |
| Virginia Total Nonag. Employment,<br>Thousands, SA  | 3,729.8                | 4,022.1 | 3,761.2 | 3,852.6 | 3,897.7 | 3,901.3 | 3,922.1 | 3,939.2 | 3,964.8 |
| Annualized % Change                                 | (25.5)                 | 35.2    | (23.5)  | 10.1    | 4.8     | 0.4     | 2.1     | 1.8     | 2.6     |
| % Change from Prior Year's Quarter                  | (7.7)                  | (0.7)   | (7.1)   | (4.0)   | 4.5     | (3.0)   | 4.3     | 2.2     | 1.7     |
| CPI, All Urban,<br>1982-1984=1.0, SA                | 2.6                    | 2.6     | 2.6     | 2.6     | 2.6     | 2.6     | 2.6     | 2.7     | 2.7     |
| Annualized % Change                                 | (3.6)                  | 1.6     | 2.0     | 1.9     | 2.4     | 2.7     | 2.6     | 1.7     | 2.0     |
| % Change from Prior Year's Quarter                  | 0.4                    | 0.4     | 0.3     | 0.5     | 2.0     | 2.3     | 2.4     | 2.3     | 2.3     |
| Refiner's Acquisition Cost of Oil,<br>\$ per Barrel | 19.8                   | 25.2    | 30.5    | 33.3    | 36.5    | 41.9    | 45.7    | 46.7    | 49.1    |
| Quarterly Change                                    | (27.5)                 | 5.3     | 5.4     | 2.8     | 3.2     | 5.4     | 3.8     | 1.0     | 2.4     |
| Change from Prior Year's Quarter                    | (43.8)                 | (33.5)  | (27.5)  | (14.0)  | 16.6    | 16.7    | 15.2    | 13.4    | 12.6    |
| Before-Tax Corporate Profits,<br>Billions \$, SAAR  | 1,300.4                | 1,452.0 | 1,496.9 | 1,418.1 | 1,520.2 | 1,599.2 | 1,647.1 | 1,697.3 | 1,758.5 |
| Annualized % Change                                 | (72.7)                 | 55.4    | 12.9    | (19.5)  | 32.1    | 22.5    | 12.5    | 12.8    | 15.2    |
| % Change from Prior Year's Quarter                  | (37.6)                 | (29.0)  | (29.6)  | (21.2)  | 16.9    | 10.1    | 10.0    | 19.7    | 15.7    |
| S&P 500 Stock Market Index,<br>Level                | 2,936.9                | 3,109.1 | 3,109.7 | 3,152.3 | 3,199.2 | 3,237.3 | 3,243.3 | 3,231.2 | 3,218.0 |
| Annualized % Change                                 | (16.2)                 | 25.6    | 0.1     | 5.6     | 6.1     | 4.9     | 0.7     | (1.5)   | (1.6)   |
| % Change from Prior Year's Quarter                  | 1.9                    | 5.1     | 0.8     | 2.7     | 8.9     | 4.1     | 4.3     | 2.5     | 0.6     |
| 30-Year Treasury Bonds,<br>Level                    | 1.5                    | 1.7     | 1.8     | 1.8     | 1.8     | 1.8     | 1.9     | 1.9     | 2.0     |
| Quarterly Change                                    | (0.4)                  | 0.3     | 0.1     | (0.0)   | 0.0     | 0.0     | 0.0     | 0.0     | 0.1     |
| Change from Prior Year's Quarter                    | (1.3)                  | (0.6)   | (0.5)   | (0.1)   | 0.3     | 0.1     | 0.1     | 0.1     | 0.2     |
| SAAR: Seasonally Adjusted at Annual Rates           |                        |         |         |         |         |         |         |         |         |
| SA: Seasonally Adjusted                             |                        |         |         |         |         |         |         |         |         |

**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|  |               | History   |           |           |           |           |           |           |           |           |           |           |           |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  |               | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      |
| Real Gross Domestic Product,<br>Billions \$, SAAR            | Calendar Year | 15,338.3  | 15,626.0  | 15,604.7  | 15,208.8  | 15,598.8  | 15,840.7  | 16,197.0  | 16,495.4  | 16,912.0  | 17,403.8  | 17,688.9  | 18,108.1  |
|  | % Change      | 2.9       | 1.9       | (0.1)     | (2.5)     | 2.6       | 1.6       | 2.2       | 1.8       | 2.5       | 2.9       | 1.6       | 2.4       |
|  | Fiscal Year   | 15,152.1  | 15,464.7  | 15,713.1  | 15,321.3  | 15,379.4  | 15,740.1  | 16,038.3  | 16,311.5  | 16,663.3  | 17,218.3  | 17,532.1  | 17,876.4  |
|  | % Change      | 3.3       | 2.1       | 1.6       | (2.5)     | 0.4       | 2.3       | 1.9       | 1.7       | 2.2       | 3.3       | 1.8       | 2.0       |
| Real Consumer Spending,<br>Billions \$, SAAR                 | Calendar Year | 10,384.5  | 10,615.3  | 10,592.8  | 10,460.0  | 10,643.0  | 10,843.8  | 11,006.8  | 11,166.9  | 11,497.4  | 11,921.2  | 12,247.5  | 12,566.9  |
|  | % Change      | 3.1       | 2.2       | (0.2)     | (1.3)     | 1.7       | 1.9       | 1.5       | 1.5       | 3.0       | 3.7       | 2.7       | 2.6       |
|  | Fiscal Year   | 10,237.7  | 10,513.6  | 10,655.3  | 10,485.6  | 10,524.4  | 10,765.2  | 10,928.7  | 11,075.2  | 11,292.7  | 11,732.0  | 12,085.6  | 12,401.5  |
|  | % Change      | 3.3       | 2.7       | 1.3       | (1.6)     | 0.4       | 2.3       | 1.5       | 1.3       | 2.0       | 3.9       | 3.0       | 2.6       |
| U.S. Personal Income,<br>Billions \$, SAAR                   | Calendar Year | 11,381.7  | 12,007.8  | 12,442.2  | 12,059.1  | 12,551.6  | 13,326.8  | 14,010.1  | 14,181.1  | 14,991.7  | 15,717.8  | 16,121.2  | 16,878.8  |
|  | % Change      | 7.4       | 5.5       | 3.6       | (3.1)     | 4.1       | 6.2       | 5.1       | 1.2       | 5.7       | 4.8       | 2.6       | 4.7       |
|  | Fiscal Year   | 11,015.7  | 11,706.7  | 12,293.8  | 12,221.0  | 12,233.0  | 12,965.8  | 13,653.5  | 14,111.1  | 14,529.6  | 15,400.1  | 15,918.5  | 16,467.9  |
|  | % Change      | 6.8       | 6.3       | 5.0       | (0.6)     | 0.1       | 6.0       | 5.3       | 3.4       | 3.0       | 6.0       | 3.4       | 3.5       |
| Virginia Personal Income,<br>Millions \$, SAAR               | Calendar Year | 326,087.1 | 343,153.1 | 355,931.4 | 349,712.1 | 365,041.4 | 387,003.9 | 405,863.9 | 403,199.1 | 421,874.5 | 442,331.4 | 450,870.2 | 468,177.3 |
|  | % Change      | 6.9       | 5.2       | 3.7       | (1.7)     | 4.4       | 6.0       | 4.9       | (0.7)     | 4.6       | 4.8       | 1.9       | 3.8       |
|  | Fiscal Year   | 316,784.0 | 334,580.7 | 350,874.3 | 352,329.4 | 355,744.6 | 376,229.2 | 396,552.0 | 405,848.7 | 410,470.5 | 432,784.6 | 446,749.0 | 458,896.9 |
|  | % Change      | 7.3       | 5.6       | 4.9       | 0.4       | 1.0       | 5.8       | 5.4       | 2.3       | 1.1       | 5.4       | 3.2       | 2.7       |
| Virginia Wages and Salaries,<br>Millions \$, SAAR            | Calendar Year | 178,943.9 | 188,715.7 | 193,712.8 | 191,515.0 | 196,438.8 | 202,093.4 | 208,182.2 | 210,447.7 | 215,898.3 | 225,582.8 | 230,690.8 | 240,420.1 |
|  | % Change      | 5.8       | 5.5       | 2.6       | (1.1)     | 2.6       | 2.9       | 3.0       | 1.1       | 2.6       | 4.5       | 2.3       | 4.2       |
|  | Fiscal Year   | 174,730.6 | 183,994.3 | 191,305.2 | 192,561.0 | 193,289.7 | 199,878.5 | 204,801.6 | 210,485.7 | 212,041.0 | 220,496.7 | 228,036.2 | 235,587.3 |
|  | % Change      | 6.4       | 5.3       | 4.0       | 0.7       | 0.4       | 3.4       | 2.5       | 2.8       | 0.7       | 4.0       | 3.4       | 3.3       |
| Virginia Dividends, Interest, and Rent,<br>Millions \$, SAAR | Calendar Year | 65,427.4  | 71,049.3  | 73,110.7  | 66,534.1  | 66,415.3  | 73,723.1  | 81,834.1  | 79,235.7  | 86,208.5  | 90,683.9  | 93,300.6  | 97,779.5  |
|  | % Change      | 12.5      | 8.6       | 2.9       | (9.0)     | (0.2)     | 11.0      | 11.0      | (3.2)     | 8.8       | 5.2       | 2.9       | 4.8       |
|  | Fiscal Year   | 61,969.1  | 68,240.2  | 72,653.1  | 70,493.2  | 65,256.9  | 69,766.2  | 78,010.8  | 80,724.9  | 82,271.1  | 88,889.8  | 92,007.0  | 95,355.5  |
|  | % Change      | 11.7      | 10.1      | 6.5       | (3.0)     | (7.4)     | 6.9       | 11.8      | 3.5       | 1.9       | 8.0       | 3.5       | 3.6       |
| Virginia Total Proprietor's Income,<br>Millions \$, SAAR     | Calendar Year | 24,154.5  | 22,177.1  | 19,905.0  | 16,828.6  | 22,314.4  | 24,758.2  | 28,688.7  | 26,519.8  | 27,664.4  | 27,958.4  | 26,735.5  | 27,021.9  |
|  | % Change      | 5.8       | (8.2)     | (10.2)    | (15.5)    | 32.6      | 11.0      | 15.9      | (7.6)     | 4.3       | 1.1       | (4.4)     | 1.1       |
|  | Fiscal Year   | 23,807.3  | 23,248.1  | 21,147.9  | 17,866.1  | 19,579.5  | 23,359.4  | 27,018.0  | 27,685.5  | 26,947.8  | 27,936.9  | 27,359.4  | 26,860.3  |
|  | % Change      | 7.2       | (2.3)     | (9.0)     | (15.5)    | 9.6       | 19.3      | 15.7      | 2.5       | (2.7)     | 3.7       | (2.1)     | (1.8)     |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|  |               | History   |           | June Standard Forecast |           |           | Pessimistic Alternative Scenario |           |           |
|--|---------------|-----------|-----------|------------------------|-----------|-----------|----------------------------------|-----------|-----------|
|  |               | 2018      | 2019      | 2020                   | 2021      | 2022      | 2020                             | 2021      | 2022      |
| Real Gross Domestic Product,<br>Billions \$, SAAR            | Calendar Year | 18,638.2  | 19,073.1  | 17,532.5               | 18,444.1  | 19,318.9  | 16,915.6                         | 17,471.3  | 18,510.5  |
|  | % Change      | 2.9       | 2.3       | (8.1)                  | 5.2       | 4.7       | (11.3)                           | 3.3       | 5.9       |
|  | Fiscal Year   | 18,380.6  | 18,866.4  | 18,470.5               | 17,731.0  | 18,916.0  | 18,367.8                         | 16,678.1  | 18,085.3  |
|  | % Change      | 2.8       | 2.6       | (2.1)                  | (4.0)     | 6.7       | (2.6)                            | (9.2)     | 8.4       |
| Real Consumer Spending,<br>Billions \$, SAAR                 | Calendar Year | 12,944.5  | 13,280.1  | 12,133.5               | 12,686.6  | 13,243.4  | 11,568.3                         | 11,833.3  | 12,563.8  |
|  | % Change      | 3.0       | 2.6       | (8.6)                  | 4.6       | 4.4       | (12.9)                           | 2.3       | 6.2       |
|  | Fiscal Year   | 12,752.0  | 13,109.9  | 12,779.8               | 12,309.5  | 12,983.3  | 12,732.9                         | 11,311.1  | 12,261.2  |
|  | % Change      | 2.8       | 2.8       | (2.5)                  | (3.7)     | 5.5       | (2.9)                            | (11.2)    | 8.4       |
| U.S. Personal Income,<br>Billions \$, SAAR                   | Calendar Year | 17,819.2  | 18,608.3  | 19,032.7               | 19,295.9  | 20,158.8  | 18,610.3                         | 18,226.9  | 19,004.6  |
|  | % Change      | 5.6       | 4.4       | 2.3                    | 1.4       | 4.5       | 0.0                              | (2.1)     | 4.3       |
|  | Fiscal Year   | 17,356.7  | 18,230.7  | 18,943.5               | 19,003.2  | 19,727.2  | 18,881.7                         | 18,128.1  | 18,611.1  |
|  | % Change      | 5.4       | 5.0       | 3.9                    | 0.3       | 3.8       | 3.6                              | (4.0)     | 2.7       |
| Virginia Personal Income,<br>Millions \$, SAAR               | Calendar Year | 492,312.7 | 512,440.2 | 532,319.4              | 539,137.2 | 563,590.1 | 522,220.0                        | 508,880.3 | 530,788.5 |
|  | % Change      | 5.2       | 4.1       | 3.9                    | 1.3       | 4.5       | 1.9                              | (2.6)     | 4.3       |
|  | Fiscal Year   | 480,073.3 | 503,060.8 | 521,706.7              | 536,259.7 | 549,799.6 | 520,821.6                        | 512,907.1 | 517,499.0 |
|  | % Change      | 4.6       | 4.8       | 3.7                    | 2.8       | 2.5       | 3.5                              | (1.5)     | 0.9       |
| Virginia Wages and Salaries,<br>Millions \$, SAAR            | Calendar Year | 251,083.2 | 260,725.2 | 258,982.2              | 267,781.9 | 284,259.8 | 252,282.5                        | 248,391.5 | 263,323.9 |
|  | % Change      | 4.4       | 3.8       | (0.7)                  | 3.4       | 6.2       | (3.2)                            | (1.5)     | 6.0       |
|  | Fiscal Year   | 245,797.3 | 256,331.9 | 258,677.9              | 263,504.8 | 275,470.3 | 257,984.3                        | 248,368.7 | 254,959.9 |
|  | % Change      | 4.3       | 4.3       | 0.9                    | 1.9       | 4.5       | 0.6                              | (3.7)     | 2.7       |
| Virginia Dividends, Interest, and Rent,<br>Millions \$, SAAR | Calendar Year | 105,010.8 | 107,938.8 | 116,220.8              | 113,773.1 | 114,194.5 | 114,345.9                        | 107,728.9 | 108,206.6 |
|  | % Change      | 7.4       | 2.8       | 7.7                    | (2.1)     | 0.4       | 5.9                              | (5.8)     | 0.4       |
|  | Fiscal Year   | 101,237.6 | 106,699.7 | 111,998.4              | 115,958.7 | 113,191.9 | 111,922.5                        | 111,478.9 | 106,682.2 |
|  | % Change      | 6.2       | 5.4       | 5.0                    | 3.5       | (2.4)     | 4.9                              | (0.4)     | (4.3)     |
| Virginia Total Proprietor's Income,<br>Millions \$, SAAR     | Calendar Year | 28,148.4  | 29,461.1  | 25,704.7               | 23,774.9  | 27,134.2  | 24,038.7                         | 23,224.4  | 26,293.7  |
|  | % Change      | 4.2       | 4.7       | (12.8)                 | (7.5)     | 14.1      | (18.4)                           | (3.4)     | 13.2      |
|  | Fiscal Year   | 27,481.1  | 28,749.8  | 28,957.2               | 23,110.9  | 25,461.1  | 28,313.7                         | 21,653.7  | 25,043.1  |
|  | % Change      | 2.3       | 4.6       | 0.7                    | (20.2)    | 10.2      | (1.5)                            | (23.5)    | 15.7      |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted



**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|   |               | History |         |         |         |         |         |         |         |         |         |         |         |
|---|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   |               | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    |
| Total U.S. Employment,<br>Millions, SA              | Calendar Year | 136.4   | 138.0   | 137.2   | 131.3   | 130.3   | 131.9   | 134.2   | 136.4   | 138.9   | 141.8   | 144.3   | 146.6   |
|   | % Change      | 1.8     | 1.1     | (0.5)   | (4.3)   | (0.7)   | 1.2     | 1.7     | 1.6     | 1.9     | 2.1     | 1.8     | 1.6     |
|   | Fiscal Year   | 135.3   | 137.3   | 138.1   | 134.4   | 130.2   | 131.0   | 133.1   | 135.2   | 137.5   | 140.4   | 143.1   | 145.5   |
|   | % Change      | 1.9     | 1.5     | 0.6     | (2.7)   | (3.1)   | 0.6     | 1.6     | 1.6     | 1.7     | 2.1     | 1.9     | 1.7     |
| Virginia Total Nonag. Employment,<br>Thousands, SA  | Calendar Year | 3,732.1 | 3,770.9 | 3,772.2 | 3,651.8 | 3,646.0 | 3,692.8 | 3,735.8 | 3,762.3 | 3,783.3 | 3,858.9 | 3,914.7 | 3,956.0 |
|   | % Change      | 1.8     | 1.0     | 0.0     | (3.2)   | (0.2)   | 1.3     | 1.2     | 0.7     | 0.6     | 2.0     | 1.4     | 1.1     |
|   | Fiscal Year   | 3,706.1 | 3,753.0 | 3,779.1 | 3,716.1 | 3,631.8 | 3,671.4 | 3,714.5 | 3,753.6 | 3,768.6 | 3,810.6 | 3,896.7 | 3,935.8 |
|   | % Change      | 2.1     | 1.3     | 0.7     | (1.7)   | (2.3)   | 1.1     | 1.2     | 1.1     | 0.4     | 1.1     | 2.3     | 1.0     |
| CPI, All Urban,<br>1982-1984=1.0, SA                | Calendar Year | 2.0     | 2.1     | 2.2     | 2.1     | 2.2     | 2.2     | 2.3     | 2.3     | 2.4     | 2.4     | 2.4     | 2.5     |
|   | % Change      | 3.2     | 2.9     | 3.8     | (0.3)   | 1.6     | 3.1     | 2.1     | 1.5     | 1.6     | 0.1     | 1.3     | 2.1     |
|   | Fiscal Year   | 2.0     | 2.0     | 2.1     | 2.1     | 2.2     | 2.2     | 2.3     | 2.3     | 2.3     | 2.4     | 2.4     | 2.4     |
|   | % Change      | 3.8     | 2.6     | 3.7     | 1.4     | 1.0     | 2.0     | 2.9     | 1.7     | 1.6     | 0.7     | 0.7     | 1.9     |
| Refiner's Acquisition Cost of Oil,<br>\$ per Barrel | Calendar Year | 60.1    | 68.0    | 94.3    | 59.2    | 76.7    | 101.8   | 101.0   | 100.5   | 92.2    | 48.4    | 40.6    | 50.7    |
|   | Change        | 9.8     | 7.9     | 26.3    | (35.1)  | 17.5    | 25.1    | (0.8)   | (0.5)   | (8.2)   | (43.8)  | (7.8)   | 10.1    |
|   | Fiscal Year   | 58.1    | 59.1    | 90.9    | 66.5    | 72.7    | 89.4    | 103.6   | 98.8    | 100.0   | 68.9    | 40.3    | 46.8    |
|   | Change        | 15.5    | 1.0     | 31.8    | (24.4)  | 6.2     | 16.7    | 14.2    | (4.7)   | 1.2     | (31.1)  | (28.6)  | 6.5     |
| Before-Tax Corporate Profits,<br>Billions \$, SAAR  | Calendar Year | 1,844.2 | 1,751.9 | 1,379.3 | 1,467.5 | 1,834.0 | 1,818.2 | 2,156.1 | 2,151.5 | 2,264.5 | 2,136.9 | 2,117.4 | 2,133.0 |
|   | % Change      | 10.7    | (5.0)   | (21.3)  | 6.4     | 25.0    | (0.9)   | 18.6    | (0.2)   | 5.2     | (5.6)   | (0.9)   | 0.7     |
|   | Fiscal Year   | 1,776.7 | 1,817.1 | 1,644.6 | 1,249.9 | 1,706.1 | 1,833.3 | 2,011.3 | 2,132.6 | 2,206.6 | 2,252.8 | 2,081.5 | 2,158.1 |
|   | % Change      | 21.8    | 2.3     | (9.5)   | (24.0)  | 36.5    | 7.5     | 9.7     | 6.0     | 3.5     | 2.1     | (7.6)   | 3.7     |
| S&P 500 Stock Market Index,<br>Level                | Calendar Year | 1,310.7 | 1,476.7 | 1,220.9 | 946.7   | 1,139.3 | 1,268.9 | 1,379.6 | 1,642.5 | 1,930.7 | 2,061.2 | 2,092.4 | 2,448.2 |
|   | % Change      | 8.6     | 12.7    | (17.3)  | (22.5)  | 20.3    | 11.4    | 8.7     | 19.1    | 17.5    | 6.8     | 1.5     | 17.0    |
|   | Fiscal Year   | 1,254.9 | 1,399.9 | 1,426.7 | 965.8   | 1,085.6 | 1,230.5 | 1,287.9 | 1,486.2 | 1,795.1 | 2,038.4 | 2,025.7 | 2,266.6 |
|   | % Change      | 8.2     | 11.6    | 1.9     | (32.3)  | 12.4    | 13.4    | 4.7     | 15.4    | 20.8    | 13.6    | (0.6)   | 11.9    |
| 30-Year Treasury Bonds,<br>Level                    | Calendar Year | 4.9     | 4.8     | 4.3     | 4.1     | 4.3     | 3.9     | 2.9     | 3.4     | 3.3     | 2.8     | 2.6     | 2.9     |
|   | Change        | 0.3     | (0.0)   | (0.6)   | (0.2)   | 0.2     | (0.3)   | (1.0)   | 0.5     | (0.1)   | (0.5)   | (0.2)   | 0.3     |
|   | Fiscal Year   | 4.7     | 4.9     | 4.6     | 3.9     | 4.4     | 4.2     | 3.2     | 3.0     | 3.7     | 2.9     | 2.8     | 2.8     |
|   | Change        | (0.1)   | 0.2     | (0.2)   | (0.7)   | 0.5     | (0.2)   | (1.0)   | (0.2)   | 0.7     | (0.7)   | (0.1)   | (0.0)   |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

|   |               | History |         | June Standard Forecast |         |         | Pessimistic Alternative Scenario |         |         |
|---|---------------|---------|---------|------------------------|---------|---------|----------------------------------|---------|---------|
|   |               | 2018    | 2019    | 2020                   | 2021    | 2022    | 2020                             | 2021    | 2022    |
| Total U.S. Employment,<br>Millions, SA              | Calendar Year | 148.9   | 150.9   | 140.8                  | 147.6   | 152.1   | 137.8                            | 139.2   | 145.3   |
|   | % Change      | 1.6     | 1.4     | (6.7)                  | 4.8     | 3.1     | (8.7)                            | 1.0     | 4.3     |
|   | Fiscal Year   | 147.7   | 149.9   | 146.9                  | 142.5   | 150.2   | 146.6                            | 135.6   | 142.5   |
|   | % Change      | 1.5     | 1.5     | (2.0)                  | (3.0)   | 5.3     | (2.2)                            | (7.5)   | 5.0     |
| Virginia Total Nonag. Employment,<br>Thousands, SA  | Calendar Year | 4,008.5 | 4,045.6 | 3,882.0                | 3,893.4 | 3,969.6 | 3,795.4                          | 3,658.4 | 3,775.6 |
|   | % Change      | 1.3     | 0.9     | (4.0)                  | 0.3     | 2.0     | (6.2)                            | (3.6)   | 3.2     |
|   | Fiscal Year   | 3,982.2 | 4,029.9 | 3,960.7                | 3,883.4 | 3,931.8 | 3,952.1                          | 3,687.1 | 3,714.5 |
|   | % Change      | 1.2     | 1.2     | (1.7)                  | (2.0)   | 1.2     | (1.9)                            | (6.7)   | 0.7     |
| CPI, All Urban,<br>1982-1984=1.0, SA                | Calendar Year | 2.5     | 2.6     | 2.6                    | 2.6     | 2.7     | 2.6                              | 2.6     | 2.6     |
|   | % Change      | 2.4     | 1.8     | 0.8                    | 1.8     | 2.1     | 0.4                              | 0.5     | 1.1     |
|   | Fiscal Year   | 2.5     | 2.5     | 2.6                    | 2.6     | 2.7     | 2.6                              | 2.6     | 2.6     |
|   | % Change      | 2.3     | 2.1     | 1.6                    | 0.8     | 2.3     | 1.5                              | (0.2)   | 1.1     |
| Refiner's Acquisition Cost of Oil,<br>\$ per Barrel | Calendar Year | 64.5    | 59.3    | 30.7                   | 39.3    | 50.9    | 30.2                             | 41.0    | 50.8    |
|   | Change        | 13.8    | (5.1)   | (28.6)                 | 8.6     | 11.6    | (29.1)                           | 10.8    | 9.8     |
|   | Fiscal Year   | 58.6    | 62.3    | 46.0                   | 31.4    | 45.8    | 46.2                             | 31.6    | 48.2    |
|   | Change        | 11.8    | 3.8     | (16.4)                 | (14.6)  | 14.5    | (16.1)                           | (14.6)  | 16.6    |
| Before-Tax Corporate Profits,<br>Billions \$, SAAR  | Calendar Year | 2,063.5 | 2,068.2 | 1,512.1                | 1,546.2 | 1,786.9 | 1,297.9                          | 1,463.6 | 1,725.1 |
|   | % Change      | (3.3)   | 0.2     | (26.9)                 | 2.3     | 15.6    | (37.2)                           | 12.8    | 17.9    |
|   | Fiscal Year   | 2,073.8 | 2,058.5 | 1,818.0                | 1,471.8 | 1,675.6 | 1,777.0                          | 1,225.9 | 1,649.4 |
|   | % Change      | (3.9)   | (0.7)   | (11.7)                 | (19.0)  | 13.8    | (13.7)                           | (31.0)  | 34.6    |
| S&P 500 Stock Market Index,<br>Level                | Calendar Year | 2,744.7 | 2,912.5 | 3,056.3                | 3,208.0 | 3,226.0 | 2,846.6                          | 2,855.1 | 2,961.6 |
|   | % Change      | 12.1    | 6.1     | 4.9                    | 5.0     | 0.6     | (2.3)                            | 0.3     | 3.7     |
|   | Fiscal Year   | 2,627.1 | 2,787.0 | 3,012.8                | 3,142.6 | 3,232.5 | 2,958.8                          | 2,810.5 | 2,905.7 |
|   | % Change      | 15.9    | 6.1     | 8.1                    | 4.3     | 2.9     | 6.2                              | (5.0)   | 3.4     |
| 30-Year Treasury Bonds,<br>Level                    | Calendar Year | 3.1     | 2.6     | 1.7                    | 1.8     | 2.0     | 1.5                              | 1.6     | 1.6     |
|   | Change        | 0.2     | (0.5)   | (0.9)                  | 0.1     | 0.2     | (1.0)                            | 0.1     | (0.0)   |
|   | Fiscal Year   | 2.9     | 3.0     | 2.0                    | 1.8     | 1.9     | 1.9                              | 1.6     | 1.6     |
|   | Change        | 0.2     | 0.1     | (1.1)                  | (0.2)   | 0.1     | (1.1)                            | (0.3)   | 0.0     |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

| Virginia  |               | History |       |       |        |        |       |       |       |       |       |       |       |
|---|---------------|---------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
|   |               | 2006    | 2007  | 2008  | 2009   | 2010   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 260.0   | 250.7 | 234.1 | 200.6  | 193.4  | 189.5 | 187.5 | 186.9 | 187.9 | 193.8 | 196.1 | 201.5 |
|   | % Change      | 2.3     | (3.6) | (6.6) | (14.3) | (3.6)  | (2.0) | (1.0) | (0.3) | 0.5   | 3.1   | 1.2   | 2.7   |
|   | Fiscal Year   | 260.0   | 255.9 | 243.6 | 216.9  | 194.2  | 192.1 | 188.4 | 187.2 | 186.8 | 190.2 | 195.4 | 198.8 |
|   | % Change      | 4.9     | (1.6) | (4.8) | (10.9) | (10.5) | (1.1) | (2.0) | (0.6) | (0.2) | 1.8   | 2.7   | 1.7   |
| Manufacturing<br>Thousands, SA                        | Calendar Year | 288.3   | 278.0 | 265.0 | 239.5  | 230.6  | 231.1 | 231.7 | 231.2 | 232.3 | 234.1 | 233.2 | 234.9 |
|   | % Change      | (2.6)   | (3.6) | (4.7) | (9.6)  | (3.7)  | 0.2   | 0.2   | (0.2) | 0.5   | 0.8   | (0.4) | 0.8   |
|   | Fiscal Year   | 292.9   | 283.1 | 271.8 | 252.7  | 233.3  | 230.1 | 231.6 | 231.5 | 231.6 | 232.9 | 234.0 | 233.8 |
|   | % Change      | (1.8)   | (3.4) | (4.0) | (7.0)  | (7.7)  | (1.3) | 0.7   | (0.1) | 0.0   | 0.6   | 0.5   | (0.1) |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 662.5   | 667.6 | 658.7 | 623.9  | 620.7  | 628.2 | 633.0 | 634.6 | 640.9 | 652.8 | 660.7 | 661.5 |
|   | % Change      | 0.9     | 0.8   | (1.3) | (5.3)  | (0.5)  | 1.2   | 0.8   | 0.3   | 1.0   | 1.9   | 1.2   | 0.1   |
|   | Fiscal Year   | 660.8   | 665.0 | 665.8 | 641.5  | 618.5  | 625.0 | 630.9 | 633.2 | 637.8 | 644.9 | 659.4 | 661.3 |
|   | % Change      | 1.5     | 0.6   | 0.1   | (3.7)  | (3.6)  | 1.1   | 0.9   | 0.4   | 0.7   | 1.1   | 2.2   | 0.3   |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 194.8   | 193.6 | 188.6 | 179.9  | 179.1  | 182.5 | 188.3 | 192.5 | 194.0 | 197.7 | 201.0 | 205.1 |
|   | % Change      | 1.2     | (0.6) | (2.6) | (4.6)  | (0.5)  | 1.9   | 3.1   | 2.2   | 0.8   | 1.9   | 1.7   | 2.0   |
|   | Fiscal Year   | 194.0   | 195.1 | 191.1 | 184.5  | 178.1  | 180.6 | 185.3 | 190.9 | 193.2 | 195.7 | 199.3 | 203.0 |
|   | % Change      | 1.7     | 0.6   | (2.1) | (3.4)  | (3.5)  | 1.4   | 2.6   | 3.0   | 1.2   | 1.3   | 1.9   | 1.8   |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 628.7   | 646.5 | 657.3 | 640.3  | 650.5  | 667.7 | 678.6 | 681.4 | 682.2 | 702.4 | 715.5 | 730.1 |
|   | % Change      | 3.7     | 2.8   | 1.7   | (2.6)  | 1.6    | 2.6   | 1.6   | 0.4   | 0.1   | 3.0   | 1.9   | 2.1   |
|   | Fiscal Year   | 618.8   | 637.8 | 653.5 | 650.0  | 641.5  | 660.2 | 673.5 | 682.5 | 679.6 | 689.5 | 711.0 | 722.3 |
|   | % Change      | 4.2     | 3.1   | 2.5   | (0.5)  | (1.3)  | 2.9   | 2.0   | 1.3   | (0.4) | 1.5   | 3.1   | 1.6   |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 411.1   | 428.2 | 447.8 | 455.9  | 463.1  | 469.7 | 480.4 | 491.5 | 497.7 | 513.8 | 525.7 | 532.6 |
|   | % Change      | 3.7     | 4.2   | 4.6   | 1.8    | 1.6    | 1.4   | 2.3   | 2.3   | 1.3   | 3.2   | 2.3   | 1.3   |
|   | Fiscal Year   | 403.7   | 418.7 | 439.6 | 452.6  | 458.0  | 467.7 | 473.6 | 487.3 | 494.3 | 503.7 | 522.5 | 528.9 |
|   | % Change      | 3.5     | 3.7   | 5.0   | 3.0    | 1.2    | 2.1   | 1.3   | 2.9   | 1.4   | 1.9   | 3.7   | 1.2   |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 338.8   | 345.3 | 349.3 | 341.6  | 341.3  | 349.2 | 358.9 | 366.1 | 371.3 | 386.0 | 399.2 | 404.6 |
|   | % Change      | 2.8     | 1.9   | 1.2   | (2.2)  | (0.1)  | 2.3   | 2.8   | 2.0   | 1.4   | 4.0   | 3.4   | 1.3   |
|   | Fiscal Year   | 334.4   | 342.4 | 348.6 | 345.0  | 339.5  | 345.5 | 354.2 | 362.8 | 368.7 | 376.4 | 394.8 | 402.5 |
|   | % Change      | 2.9     | 2.4   | 1.8   | (1.0)  | (1.6)  | 1.8   | 2.5   | 2.4   | 1.6   | 2.1   | 4.9   | 1.9   |
| Government<br>Thousands, SA                           | Calendar Year | 674.7   | 684.9 | 695.1 | 703.0  | 706.6  | 713.2 | 713.4 | 712.4 | 710.5 | 711.4 | 714.4 | 716.7 |
|   | % Change      | 2.0     | 1.5   | 1.5   | 1.1    | 0.5    | 0.9   | 0.0   | (0.1) | (0.3) | 0.1   | 0.4   | 0.3   |
|   | Fiscal Year   | 668.3   | 680.1 | 688.7 | 700.3  | 705.9  | 709.2 | 714.4 | 713.4 | 710.2 | 711.0 | 712.6 | 715.7 |
|   | % Change      | 1.9     | 1.8   | 1.3   | 1.7    | 0.8    | 0.5   | 0.7   | (0.1) | (0.5) | 0.1   | 0.2   | 0.4   |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.3 - ANNUAL NATIONAL AND VIRGINIA ECONOMIC VARIABLES**

| Virginia  |               | History |       | June Standard Forecast |        |       | Pessimistic Alternative Scenario |        |        |
|---|---------------|---------|-------|------------------------|--------|-------|----------------------------------|--------|--------|
|   |               | 2018    | 2019  | 2020                   | 2021   | 2022  | 2020                             | 2021   | 2022   |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 205.4   | 208.5 | 190.3                  | 175.2  | 187.4 | 208.5                            | 185.7  | 159.7  |
|   | % Change      | 1.9     | 1.5   | (8.7)                  | (7.9)  | 7.0   | 1.5                              | (10.9) | (14.0) |
|   | Fiscal Year   | 203.4   | 207.3 | 203.8                  | 176.9  | 181.8 | 207.3                            | 202.9  | 166.6  |
|   | % Change      | 2.3     | 1.9   | (1.7)                  | (13.2) | 2.8   | 1.9                              | (2.2)  | (17.9) |
| Manufacturing<br>Thousands, SA                        | Calendar Year | 240.2   | 246.0 | 227.5                  | 215.8  | 225.4 | 246.0                            | 227.6  | 199.6  |
|   | % Change      | 2.2     | 2.4   | (7.5)                  | (5.1)  | 4.4   | 2.4                              | (7.5)  | (12.3) |
|   | Fiscal Year   | 237.0   | 244.3 | 240.4                  | 215.8  | 221.8 | 244.3                            | 241.3  | 207.7  |
|   | % Change      | 1.3     | 3.1   | (1.6)                  | (10.2) | 2.8   | 3.1                              | (1.2)  | (13.9) |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 659.2   | 654.4 | 653.1                  | 669.0  | 655.2 | 654.4                            | 626.2  | 613.9  |
|   | % Change      | (0.3)   | (0.7) | (0.2)                  | 2.4    | (2.0) | (0.7)                            | (4.3)  | (2.0)  |
|   | Fiscal Year   | 661.1   | 657.1 | 654.0                  | 653.6  | 678.8 | 657.1                            | 651.3  | 598.1  |
|   | % Change      | (0.0)   | (0.6) | (0.5)                  | (0.1)  | 3.8   | (0.6)                            | (0.9)  | (8.2)  |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 207.3   | 208.1 | 204.1                  | 191.6  | 209.1 | 208.1                            | 200.0  | 182.2  |
|   | % Change      | 1.1     | 0.4   | (1.9)                  | (6.1)  | 9.1   | 0.4                              | (3.9)  | (8.9)  |
|   | Fiscal Year   | 206.8   | 206.9 | 205.7                  | 198.0  | 199.6 | 206.9                            | 205.8  | 188.5  |
|   | % Change      | 1.9     | 0.1   | (0.6)                  | (3.8)  | 0.8   | 0.1                              | (0.5)  | (8.4)  |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 748.3   | 758.0 | 741.8                  | 724.1  | 789.7 | 758.0                            | 716.1  | 629.8  |
|   | % Change      | 2.5     | 1.3   | (2.1)                  | (2.4)  | 9.1   | 1.3                              | (5.5)  | (12.1) |
|   | Fiscal Year   | 740.6   | 753.4 | 749.3                  | 728.2  | 755.2 | 753.4                            | 745.7  | 661.3  |
|   | % Change      | 2.5     | 1.7   | (0.5)                  | (2.8)  | 3.7   | 1.7                              | (1.0)  | (11.3) |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 548.1   | 562.1 | 560.0                  | 587.7  | 590.6 | 562.1                            | 549.3  | 578.2  |
|   | % Change      | 2.9     | 2.6   | (0.4)                  | 4.9    | 0.5   | 2.6                              | (2.3)  | 5.3    |
|   | Fiscal Year   | 538.5   | 554.9 | 560.3                  | 575.3  | 584.4 | 554.9                            | 558.6  | 559.8  |
|   | % Change      | 1.8     | 3.0   | 1.0                    | 2.7    | 1.6   | 3.0                              | 0.7    | 0.2    |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 407.9   | 418.8 | 333.5                  | 382.1  | 376.4 | 418.8                            | 329.8  | 370.4  |
|   | % Change      | 0.8     | 2.7   | (20.4)                 | 14.6   | (1.5) | 2.7                              | (21.3) | 12.3   |
|   | Fiscal Year   | 406.5   | 412.4 | 377.3                  | 354.3  | 382.4 | 412.4                            | 377.5  | 343.1  |
|   | % Change      | 1.0     | 1.4   | (8.5)                  | (6.1)  | 7.9   | 1.4                              | (8.5)  | (9.1)  |
| Government<br>Thousands, SA                           | Calendar Year | 722.5   | 721.6 | 734.2                  | 725.2  | 699.7 | 721.6                            | 734.0  | 723.3  |
|   | % Change      | 0.8     | (0.1) | 1.7                    | (1.2)  | (3.5) | (0.1)                            | 1.7    | (1.5)  |
|   | Fiscal Year   | 719.3   | 724.3 | 718.8                  | 747.8  | 702.7 | 724.3                            | 718.8  | 747.2  |
|   | % Change      | 0.5     | 0.7   | (0.8)                  | 4.0    | (6.0) | 0.7                              | (0.8)  | 4.0    |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| Northern Virginia                                     |               | History |         |         |         |         |         |         |         |         |         |         |         |
|---|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   |               | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 1,309.6 | 1,325.6 | 1,328.8 | 1,305.8 | 1,317.5 | 1,344.7 | 1,369.7 | 1,379.1 | 1,380.0 | 1,409.3 | 1,438.1 | 1,460.0 |
|   | % Change      | 2.4     | 1.2     | 0.2     | (1.7)   | 0.9     | 2.1     | 1.9     | 0.7     | 0.1     | 2.1     | 2.0     | 1.5     |
|   | Fiscal Year   | 1,298.6 | 1,318.8 | 1,329.2 | 1,316.6 | 1,307.0 | 1,332.1 | 1,357.3 | 1,378.3 | 1,377.2 | 1,389.6 | 1,426.9 | 1,449.9 |
|   | % Change      | 3.3     | 1.6     | 0.8     | (0.9)   | (0.7)   | 1.9     | 1.9     | 1.5     | (0.1)   | 0.9     | 2.7     | 1.6     |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 96.7    | 89.0    | 80.7    | 70.1    | 68.2    | 67.8    | 68.2    | 68.9    | 68.8    | 69.5    | 71.7    | 73.7    |
|   | % Change      | 2.8     | (7.9)   | (9.3)   | (13.2)  | (2.6)   | (0.6)   | 0.6     | 0.9     | (0.1)   | 0.9     | 3.2     | 2.7     |
|   | Fiscal Year   | 97.1    | 93.2    | 84.9    | 74.9    | 68.2    | 68.2    | 68.2    | 68.5    | 69.0    | 68.6    | 70.9    | 72.7    |
|   | % Change      | 7.4     | (4.1)   | (8.8)   | (11.8)  | (9.0)   | (0.0)   | 0.0     | 0.4     | 0.8     | (0.6)   | 3.4     | 2.4     |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 212.0   | 212.7   | 210.7   | 200.6   | 200.4   | 204.4   | 206.4   | 207.5   | 208.9   | 212.3   | 214.5   | 216.2   |
|   | % Change      | (0.8)   | 0.3     | (0.9)   | (4.8)   | (0.1)   | 2.0     | 1.0     | 0.5     | 0.7     | 1.7     | 1.0     | 0.8     |
|   | Fiscal Year   | 213.1   | 212.2   | 212.6   | 205.4   | 199.2   | 202.8   | 205.4   | 207.0   | 208.0   | 210.0   | 214.1   | 215.4   |
|   | % Change      | 0.7     | (0.4)   | 0.2     | (3.4)   | (3.0)   | 1.8     | 1.3     | 0.8     | 0.5     | 1.0     | 2.0     | 0.6     |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 70.4    | 69.4    | 66.9    | 64.5    | 64.8    | 65.5    | 66.9    | 68.6    | 68.6    | 70.3    | 73.4    | 76.4    |
|   | % Change      | 1.3     | (1.4)   | (3.6)   | (3.6)   | 0.5     | 1.1     | 2.2     | 2.5     | 0.0     | 2.5     | 4.3     | 4.1     |
|   | Fiscal Year   | 70.3    | 70.3    | 68.0    | 65.5    | 64.4    | 65.3    | 66.0    | 68.0    | 68.6    | 69.2    | 71.9    | 75.0    |
|   | % Change      | 2.8     | (0.0)   | (3.2)   | (3.7)   | (1.7)   | 1.4     | 1.1     | 3.0     | 0.9     | 0.9     | 3.8     | 4.4     |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 338.1   | 348.8   | 356.5   | 356.5   | 364.9   | 375.3   | 383.6   | 381.2   | 376.3   | 384.9   | 393.4   | 400.4   |
|   | % Change      | 4.3     | 3.2     | 2.2     | 0.0     | 2.4     | 2.8     | 2.2     | (0.6)   | (1.3)   | 2.3     | 2.2     | 1.8     |
|   | Fiscal Year   | 331.7   | 343.9   | 353.1   | 356.7   | 359.2   | 370.6   | 380.3   | 384.3   | 377.2   | 379.3   | 389.6   | 396.8   |
|   | % Change      | 4.7     | 3.7     | 2.7     | 1.0     | 0.7     | 3.2     | 2.6     | 1.1     | (1.8)   | 0.6     | 2.7     | 1.9     |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 119.1   | 122.9   | 127.3   | 131.7   | 135.8   | 141.4   | 145.5   | 147.9   | 149.9   | 155.6   | 161.2   | 165.6   |
|   | % Change      | 3.0     | 3.2     | 3.5     | 3.5     | 3.1     | 4.1     | 2.9     | 1.7     | 1.3     | 3.8     | 3.6     | 2.7     |
|   | Fiscal Year   | 117.3   | 121.1   | 125.0   | 129.3   | 134.0   | 138.5   | 143.2   | 147.4   | 148.6   | 152.0   | 159.0   | 163.5   |
|   | % Change      | 3.7     | 3.3     | 3.2     | 3.4     | 3.6     | 3.4     | 3.3     | 3.0     | 0.8     | 2.3     | 4.6     | 2.8     |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 113.2   | 115.9   | 118.7   | 116.0   | 116.8   | 121.3   | 126.2   | 130.1   | 132.7   | 139.6   | 145.1   | 146.9   |
|   | % Change      | 1.4     | 2.4     | 2.4     | (2.3)   | 0.7     | 3.8     | 4.1     | 3.1     | 2.0     | 5.2     | 4.0     | 1.2     |
|   | Fiscal Year   | 112.3   | 114.4   | 117.9   | 117.3   | 115.6   | 119.3   | 123.7   | 128.2   | 131.4   | 135.1   | 143.3   | 146.2   |
|   | % Change      | 1.5     | 1.8     | 3.0     | (0.4)   | (1.4)   | 3.2     | 3.6     | 3.7     | 2.5     | 2.8     | 6.1     | 2.0     |
| Government<br>Thousands, SA                           | Calendar Year | 209.8   | 215.1   | 218.9   | 224.1   | 228.9   | 231.1   | 233.6   | 234.6   | 233.2   | 234.5   | 235.4   | 237.1   |
|   | % Change      | 3.1     | 2.5     | 1.8     | 2.4     | 2.1     | 0.9     | 1.1     | 0.4     | (0.6)   | 0.5     | 0.4     | 0.7     |
|   | Fiscal Year   | 207.1   | 212.5   | 216.8   | 221.6   | 227.0   | 229.6   | 232.2   | 235.1   | 233.3   | 233.8   | 234.9   | 236.5   |
|   | % Change      | 3.3     | 2.6     | 2.0     | 2.2     | 2.4     | 1.1     | 1.2     | 1.2     | (0.8)   | 0.2     | 0.5     | 0.7     |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| <b>Northern Virginia</b>                              |               | <b>History</b> |         | <b>June Standard Forecast</b> |         |         | <b>Pessimistic Alternative Scenario</b> |         |         |
|---|---------------|----------------|---------|-------------------------------|---------|---------|---|---------|---------|
|   |               | 2018           | 2019    | 2020                          | 2021    | 2022    | 2020                                    | 2021    | 2022    |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 1,488.9        | 1,510.1 | 1,472.5                       | 1,483.1 | 1,508.7 | 1,435.6                                 | 1,384.0 | 1,425.1 |
|   | % Change      | 2.0            | 1.4     | (2.5)                         | 0.7     | 1.7     | (4.9)                                   | (3.6)   | 3.0     |
|   | Fiscal Year   | 1,473.7        | 1,500.7 | 1,490.7                       | 1,478.5 | 1,494.2 | 1,486.9                                 | 1,396.5 | 1,400.1 |
|   | % Change      | 1.6            | 1.8     | (0.7)                         | (0.8)   | 1.1     | (0.9)                                   | (6.1)   | 0.3     |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 76.2           | 77.9    | 69.4                          | 63.1    | 68.2    | 67.5                                    | 56.6    | 60.8    |
|   | % Change      | 3.4            | 2.2     | (10.8)                        | (9.1)   | 8.2     | (13.3)                                  | (16.2)  | 7.5     |
|   | Fiscal Year   | 74.8           | 77.4    | 75.5                          | 63.8    | 65.9    | 75.1                                    | 59.5    | 58.2    |
|   | % Change      | 2.9            | 3.6     | (2.5)                         | (15.4)  | 3.3     | (3.0)                                   | (20.8)  | (2.1)   |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 216.2          | 213.8   | 214.7                         | 220.8   | 215.0   | 204.4                                   | 198.5   | 197.9   |
|   | % Change      | 0.0            | (1.1)   | 0.4                           | 2.9     | (2.7)   | (4.4)                                   | (2.9)   | (0.3)   |
|   | Fiscal Year   | 216.7          | 215.1   | 214.6                         | 214.6   | 224.6   | 213.6                                   | 193.0   | 206.4   |
|   | % Change      | 0.6            | (0.8)   | (0.2)                         | 0.0     | 4.6     | (0.7)                                   | (9.7)   | 7.0     |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 77.8           | 78.4    | 79.3                          | 74.7    | 81.1    | 77.8                                    | 71.4    | 79.5    |
|   | % Change      | 1.8            | 0.7     | 1.1                           | (5.7)   | 8.5     | (0.8)                                   | (8.3)   | 11.4    |
|   | Fiscal Year   | 77.5           | 77.8    | 78.7                          | 77.1    | 77.6    | 78.7                                    | 73.6    | 75.1    |
|   | % Change      | 3.3            | 0.4     | 1.2                           | (2.1)   | 0.8     | 1.2                                     | (6.5)   | 2.0     |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 413.1          | 423.7   | 419.1                         | 409.0   | 440.4   | 407.4                                   | 366.6   | 405.0   |
|   | % Change      | 3.2            | 2.6     | (1.1)                         | (2.4)   | 7.7     | (3.8)                                   | (10.0)  | 10.5    |
|   | Fiscal Year   | 406.8          | 418.3   | 422.2                         | 412.0   | 423.3   | 420.5                                   | 381.9   | 381.9   |
|   | % Change      | 2.5            | 2.8     | 0.9                           | (2.4)   | 2.7     | 0.5                                     | (9.2)   | 0.0     |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 172.0          | 174.0   | 178.7                         | 190.2   | 191.4   | 174.6                                   | 186.5   | 188.0   |
|   | % Change      | 3.9            | 1.2     | 2.7                           | 6.4     | 0.6     | 0.3                                     | 6.8     | 0.8     |
|   | Fiscal Year   | 168.4          | 173.2   | 175.4                         | 185.4   | 188.9   | 174.7                                   | 179.4   | 185.9   |
|   | % Change      | 3.0            | 2.8     | 1.3                           | 5.7     | 1.9     | 0.9                                     | 2.6     | 3.7     |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 148.8          | 154.1   | 126.6                         | 149.6   | 147.3   | 125.0                                   | 144.9   | 142.8   |
|   | % Change      | 1.3            | 3.6     | (17.9)                        | 18.2    | (1.6)   | (18.9)                                  | 15.9    | (1.4)   |
|   | Fiscal Year   | 147.7          | 151.9   | 140.4                         | 136.6   | 149.8   | 140.5                                   | 132.0   | 146.2   |
|   | % Change      | 1.0            | 2.9     | (7.5)                         | (2.8)   | 9.7     | (7.5)                                   | (6.1)   | 10.7    |
| Government<br>Thousands, SA                           | Calendar Year | 241.0          | 245.4   | 252.9                         | 246.0   | 231.2   | 252.8                                   | 244.8   | 228.0   |
|   | % Change      | 1.7            | 1.8     | 3.1                           | (2.7)   | (6.0)   | 3.0                                     | (3.2)   | (6.9)   |
|   | Fiscal Year   | 238.2          | 243.6   | 246.8                         | 258.0   | 233.3   | 246.8                                   | 257.6   | 231.0   |
|   | % Change      | 0.8            | 2.3     | 1.3                           | 4.5     | (9.6)   | 1.3                                     | 4.4     | (10.3)  |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| <b>Hampton Roads</b>                                  |               | <b>History</b> |       |       |        |        |       |       |       |       |       |       |       |
|---|---------------|----------------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
|   |               | 2006           | 2007  | 2008  | 2009   | 2010   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 767.4          | 775.5 | 767.2 | 742.2  | 737.1  | 740.1 | 746.8 | 756.4 | 758.2 | 766.8 | 772.5 | 782.7 |
|   | % Change      | 0.8            | 1.1   | (1.1) | (3.3)  | (0.7)  | 0.4   | 0.9   | 1.3   | 0.2   | 1.1   | 0.7   | 1.3   |
|   | Fiscal Year   | 765.0          | 771.5 | 773.4 | 755.2  | 737.3  | 737.9 | 743.2 | 752.3 | 757.4 | 760.7 | 770.6 | 777.4 |
|   | % Change      | 1.2            | 0.8   | 0.2   | (2.4)  | (2.4)  | 0.1   | 0.7   | 1.2   | 0.7   | 0.4   | 1.3   | 0.9   |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 49.8           | 48.4  | 45.2  | 38.4   | 36.9   | 35.1  | 34.5  | 34.7  | 34.5  | 36.0  | 36.3  | 37.5  |
|   | % Change      | (0.2)          | (2.7) | (6.5) | (15.2) | (3.9)  | (4.7) | (1.6) | 0.5   | (0.7) | 4.4   | 0.9   | 3.4   |
|   | Fiscal Year   | 50.2           | 49.1  | 47.1  | 41.8   | 37.2   | 36.2  | 34.5  | 34.7  | 34.5  | 35.0  | 36.3  | 37.0  |
|   | % Change      | 1.6            | (2.2) | (4.1) | (11.2) | (11.1) | (2.6) | (4.5) | 0.4   | (0.6) | 1.6   | 3.6   | 2.0   |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 141.2          | 142.4 | 137.8 | 128.6  | 127.9  | 127.6 | 127.1 | 127.8 | 128.8 | 130.9 | 133.1 | 133.5 |
|   | % Change      | 0.7            | 0.9   | (3.3) | (6.6)  | (0.6)  | (0.2) | (0.3) | 0.5   | 0.8   | 1.6   | 1.7   | 0.3   |
|   | Fiscal Year   | 141.0          | 141.8 | 140.9 | 132.8  | 127.7  | 128.0 | 127.3 | 127.1 | 128.3 | 129.9 | 132.0 | 133.5 |
|   | % Change      | 1.2            | 0.6   | (0.6) | (5.7)  | (3.9)  | 0.2   | (0.6) | (0.1) | 0.9   | 1.3   | 1.7   | 1.1   |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 40.7           | 41.5  | 40.2  | 37.5   | 36.4   | 36.8  | 37.4  | 37.8  | 37.8  | 38.0  | 37.8  | 38.0  |
|   | % Change      | 1.9            | 2.1   | (3.3) | (6.7)  | (2.8)  | 1.1   | 1.7   | 1.0   | (0.2) | 0.5   | (0.5) | 0.5   |
|   | Fiscal Year   | 40.2           | 41.4  | 41.0  | 39.0   | 36.6   | 36.6  | 37.1  | 37.8  | 37.8  | 38.0  | 37.8  | 37.8  |
|   | % Change      | 0.9            | 3.0   | (0.9) | (5.0)  | (6.2)  | 0.2   | 1.1   | 1.9   | 0.0   | 0.5   | (0.5) | 0.0   |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 101.7          | 102.6 | 104.7 | 99.5   | 97.9   | 98.6  | 99.7  | 102.5 | 104.4 | 105.0 | 104.4 | 109.0 |
|   | % Change      | 0.3            | 0.9   | 2.0   | (5.0)  | (1.6)  | 0.7   | 1.2   | 2.8   | 1.8   | 0.6   | (0.6) | 4.4   |
|   | Fiscal Year   | 101.5          | 101.9 | 104.0 | 102.6  | 98.0   | 98.1  | 99.2  | 101.5 | 103.2 | 104.6 | 104.6 | 106.6 |
|   | % Change      | 0.4            | 0.5   | 2.0   | (1.3)  | (4.5)  | 0.1   | 1.1   | 2.3   | 1.7   | 1.3   | (0.0) | 1.9   |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 88.0           | 90.6  | 91.7  | 93.7   | 94.7   | 98.0  | 100.4 | 104.2 | 105.3 | 108.6 | 110.8 | 112.0 |
|   | % Change      | 2.8            | 3.0   | 1.2   | 2.2    | 1.1    | 3.4   | 2.5   | 3.8   | 1.1   | 3.1   | 2.0   | 1.1   |
|   | Fiscal Year   | 86.9           | 89.3  | 91.2  | 92.8   | 94.1   | 96.4  | 99.0  | 102.4 | 105.0 | 106.4 | 110.3 | 111.3 |
|   | % Change      | 3.5            | 2.7   | 2.2   | 1.7    | 1.4    | 2.4   | 2.8   | 3.4   | 2.5   | 1.3   | 3.7   | 0.9   |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 84.6           | 85.9  | 85.9  | 83.3   | 83.4   | 83.3  | 84.0  | 85.3  | 85.6  | 87.8  | 91.0  | 92.4  |
|   | % Change      | 3.2            | 1.6   | (0.1) | (3.0)  | 0.1    | (0.0) | 0.8   | 1.6   | 0.3   | 2.6   | 3.7   | 1.5   |
|   | Fiscal Year   | 83.4           | 85.2  | 86.5  | 84.2   | 83.0   | 83.5  | 83.6  | 84.6  | 85.6  | 85.9  | 90.1  | 91.6  |
|   | % Change      | 3.6            | 2.2   | 1.5   | (2.8)  | (1.3)  | 0.5   | 0.2   | 1.1   | 1.3   | 0.3   | 4.8   | 1.7   |
| Government<br>Thousands, SA                           | Calendar Year | 153.1          | 155.6 | 158.1 | 159.9  | 161.6  | 162.5 | 162.8 | 161.7 | 159.9 | 159.7 | 160.0 | 160.2 |
|   | % Change      | 1.0            | 1.6   | 1.6   | 1.1    | 1.1    | 0.6   | 0.1   | (0.7) | (1.1) | (0.1) | 0.2   | 0.1   |
|   | Fiscal Year   | 152.2          | 154.3 | 156.8 | 159.4  | 161.0  | 161.4 | 163.2 | 162.2 | 160.8 | 159.7 | 159.7 | 160.0 |
|   | % Change      | 0.3            | 1.4   | 1.6   | 1.7    | 1.0    | 0.3   | 1.1   | (0.6) | (0.9) | (0.7) | 0.0   | 0.2   |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| <b>Hampton Roads</b>                                  |               | <b>History</b> |       | <b>June Standard Forecast</b> |        |       | <b>Pessimistic Alternative Scenario</b> |        |       |
|---|---------------|----------------|-------|-------------------------------|--------|-------|---|--------|-------|
|   |               | 2018           | 2019  | 2020                          | 2021   | 2022  | 2020                                    | 2021   | 2022  |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 790.8          | 795.4 | 760.3                         | 760.7  | 773.6 | 744.2                                   | 718.9  | 739.7 |
|   | % Change      | 1.0            | 0.6   | (4.4)                         | 0.1    | 1.7   | (6.4)                                   | (3.4)  | 2.9   |
|   | Fiscal Year   | 788.6          | 791.9 | 776.9                         | 760.3  | 767.7 | 775.2                                   | 724.7  | 729.4 |
|   | % Change      | 1.4            | 0.4   | (1.9)                         | (2.1)  | 1.0   | (2.1)                                   | (6.5)  | 0.6   |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 37.8           | 40.1  | 39.2                          | 36.5   | 38.6  | 38.4                                    | 33.9   | 35.5  |
|   | % Change      | 0.8            | 6.2   | (2.3)                         | (6.8)  | 5.5   | (4.3)                                   | (11.8) | 4.9   |
|   | Fiscal Year   | 37.7           | 38.2  | 41.1                          | 36.9   | 37.6  | 40.9                                    | 35.1   | 34.5  |
|   | % Change      | 2.0            | 1.2   | 7.6                           | (10.3) | 2.1   | 7.2                                     | (14.3) | (1.7) |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 130.5          | 127.4 | 126.0                         | 128.7  | 126.2 | 120.7                                   | 117.7  | 117.7 |
|   | % Change      | (2.2)          | (2.4) | (1.1)                         | 2.2    | (1.9) | (5.3)                                   | (2.5)  | 0.0   |
|   | Fiscal Year   | 132.5          | 128.7 | 126.8                         | 125.8  | 130.7 | 126.2                                   | 114.9  | 121.7 |
|   | % Change      | (0.8)          | (2.9) | (1.5)                         | (0.7)  | 3.8   | (1.9)                                   | (9.0)  | 6.0   |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 38.5           | 39.1  | 34.3                          | 32.3   | 35.0  | 33.7                                    | 30.9   | 34.4  |
|   | % Change      | 1.4            | 1.7   | (12.4)                        | (5.7)  | 8.4   | (14.0)                                  | (8.3)  | 11.3  |
|   | Fiscal Year   | 38.5           | 38.5  | 36.8                          | 33.3   | 33.6  | 36.8                                    | 31.9   | 32.5  |
|   | % Change      | 1.9            | (0.1) | (4.4)                         | (9.3)  | 0.7   | (4.3)                                   | (13.4) | 2.0   |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 113.8          | 114.8 | 110.4                         | 106.8  | 117.9 | 105.8                                   | 89.8   | 104.2 |
|   | % Change      | 4.4            | 0.9   | (3.8)                         | (3.3)  | 10.4  | (7.8)                                   | (15.2) | 16.0  |
|   | Fiscal Year   | 111.8          | 114.7 | 112.1                         | 107.7  | 112.2 | 111.5                                   | 95.6   | 95.9  |
|   | % Change      | 4.9            | 2.6   | (2.3)                         | (4.0)  | 4.2   | (2.8)                                   | (14.2) | 0.3   |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 114.8          | 115.7 | 113.0                         | 117.9  | 118.5 | 111.1                                   | 116.2  | 116.9 |
|   | % Change      | 2.5            | 0.8   | (2.3)                         | 4.3    | 0.5   | (4.0)                                   | 4.6    | 0.6   |
|   | Fiscal Year   | 113.3          | 115.5 | 114.0                         | 115.7  | 117.4 | 113.7                                   | 112.8  | 115.9 |
|   | % Change      | 1.8            | 2.0   | (1.3)                         | 1.5    | 1.5   | (1.6)                                   | (0.8)  | 2.8   |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 92.4           | 96.1  | 78.5                          | 84.9   | 83.8  | 77.8                                    | 82.7   | 81.8  |
|   | % Change      | (0.0)          | 4.0   | (18.3)                        | 8.1    | (1.2) | (19.0)                                  | 6.3    | (1.1) |
|   | Fiscal Year   | 92.8           | 93.2  | 88.9                          | 80.3   | 84.9  | 88.9                                    | 78.2   | 83.3  |
|   | % Change      | 1.3            | 0.5   | (4.6)                         | (9.7)  | 5.8   | (4.6)                                   | (12.1) | 6.6   |
| Government<br>Thousands, SA                           | Calendar Year | 159.6          | 157.2 | 162.5                         | 162.0  | 158.1 | 162.5                                   | 161.7  | 157.4 |
|   | % Change      | (0.3)          | (1.5) | 3.3                           | (0.3)  | (2.4) | 3.3                                     | (0.4)  | (2.7) |
|   | Fiscal Year   | 160.3          | 158.7 | 156.6                         | 166.5  | 158.6 | 156.6                                   | 166.4  | 158.1 |
|   | % Change      | 0.2            | (1.1) | (1.3)                         | 6.4    | (4.8) | (1.3)                                   | 6.3    | (5.0) |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted



**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| Richmond  |               | History |       |       |        |        |       |       |       |       |       |       |       |
|---|---------------|---------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
|   |               | 2006    | 2007  | 2008  | 2009   | 2010   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 615.1   | 622.6 | 619.9 | 595.2  | 591.6  | 600.1 | 612.1 | 621.7 | 632.2 | 650.1 | 662.3 | 669.8 |
|   | % Change      | 1.5     | 1.2   | (0.4) | (4.0)  | (0.6)  | 1.4   | 2.0   | 1.6   | 1.7   | 2.8   | 1.9   | 1.1   |
|   | Fiscal Year   | 609.6   | 620.6 | 622.3 | 609.5  | 590.1  | 594.6 | 606.0 | 617.2 | 627.0 | 639.1 | 658.8 | 666.1 |
|   | % Change      | 1.5     | 1.8   | 0.3   | (2.1)  | (3.2)  | 0.8   | 1.9   | 1.8   | 1.6   | 1.9   | 3.1   | 1.1   |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 44.1    | 45.0  | 41.4  | 34.6   | 32.4   | 31.8  | 32.6  | 33.2  | 33.9  | 36.2  | 36.9  | 38.0  |
|   | % Change      | 2.2     | 2.1   | (8.0) | (16.3) | (6.3)  | (2.0) | 2.4   | 1.9   | 2.0   | 6.9   | 2.0   | 2.9   |
|   | Fiscal Year   | 43.8    | 44.5  | 43.9  | 37.9   | 32.9   | 32.2  | 32.1  | 33.0  | 33.2  | 35.0  | 36.7  | 37.4  |
|   | % Change      | 3.8     | 1.8   | (1.5) | (13.5) | (13.3) | (2.3) | (0.3) | 3.1   | 0.6   | 5.4   | 4.7   | 1.9   |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 112.5   | 115.1 | 114.0 | 108.1  | 107.3  | 109.3 | 111.9 | 114.3 | 117.4 | 119.8 | 121.7 | 122.0 |
|   | % Change      | 2.1     | 2.3   | (0.9) | (5.1)  | (0.8)  | 1.8   | 2.4   | 2.2   | 2.7   | 2.0   | 1.7   | 0.2   |
|   | Fiscal Year   | 111.5   | 113.8 | 114.9 | 111.6  | 107.0  | 108.1 | 110.3 | 113.3 | 116.2 | 117.9 | 121.7 | 121.3 |
|   | % Change      | 1.6     | 2.1   | 1.0   | (2.9)  | (4.2)  | 1.1   | 2.1   | 2.7   | 2.6   | 1.5   | 3.2   | (0.3) |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 46.3    | 45.6  | 43.9  | 42.6   | 42.2   | 43.6  | 45.7  | 46.9  | 47.7  | 49.1  | 48.7  | 49.4  |
|   | % Change      | (0.3)   | (1.7) | (3.6) | (2.9)  | (1.1)  | 3.3   | 5.0   | 2.6   | 1.6   | 2.9   | (0.7) | 1.5   |
|   | Fiscal Year   | 46.5    | 46.0  | 44.7  | 43.4   | 42.2   | 42.5  | 44.8  | 46.4  | 47.4  | 48.4  | 48.8  | 49.1  |
|   | % Change      | (0.1)   | (1.1) | (2.7) | (3.0)  | (2.8)  | 0.8   | 5.3   | 3.6   | 2.1   | 2.2   | 0.8   | 0.7   |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 95.1    | 98.4  | 98.9  | 92.2   | 92.5   | 96.3  | 98.8  | 100.3 | 102.5 | 109.4 | 112.8 | 114.7 |
|   | % Change      | 2.8     | 3.4   | 0.5   | (6.7)  | 0.3    | 4.0   | 2.6   | 1.6   | 2.2   | 6.7   | 3.2   | 1.6   |
|   | Fiscal Year   | 93.7    | 97.2  | 99.3  | 95.7   | 91.2   | 94.8  | 97.3  | 99.6  | 101.4 | 105.1 | 112.1 | 113.9 |
|   | % Change      | 3.5     | 3.7   | 2.2   | (3.7)  | (4.7)  | 4.0   | 2.6   | 2.3   | 1.8   | 3.7   | 6.7   | 1.6   |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 71.3    | 73.9  | 80.4  | 82.9   | 84.5   | 86.1  | 88.7  | 91.0  | 93.3  | 95.6  | 97.1  | 98.5  |
|   | % Change      | 4.1     | 3.7   | 8.8   | 3.1    | 1.9    | 1.8   | 3.1   | 2.6   | 2.5   | 2.5   | 1.6   | 1.4   |
|   | Fiscal Year   | 69.8    | 72.3  | 77.5  | 81.9   | 84.1   | 84.7  | 87.4  | 90.0  | 92.3  | 94.3  | 96.7  | 97.9  |
|   | % Change      | 4.6     | 3.6   | 7.1   | 5.7    | 2.7    | 0.8   | 3.2   | 2.9   | 2.6   | 2.1   | 2.6   | 1.3   |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 51.1    | 51.9  | 52.3  | 51.4   | 51.0   | 53.0  | 55.5  | 57.1  | 58.0  | 60.9  | 63.4  | 64.9  |
|   | % Change      | 4.4     | 1.5   | 0.8   | (1.8)  | (0.8)  | 4.0   | 4.6   | 2.9   | 1.6   | 5.0   | 4.1   | 2.4   |
|   | Fiscal Year   | 50.0    | 51.7  | 52.3  | 51.9   | 50.8   | 51.7  | 54.6  | 56.3  | 57.6  | 59.0  | 62.5  | 64.3  |
|   | % Change      | 3.3     | 3.4   | 1.1   | (0.8)  | (2.1)  | 1.7   | 5.5   | 3.2   | 2.3   | 2.5   | 5.9   | 2.8   |
| Government<br>Thousands, SA                           | Calendar Year | 111.4   | 110.3 | 109.0 | 110.3  | 111.1  | 110.7 | 110.2 | 109.5 | 109.8 | 109.5 | 110.6 | 110.6 |
|   | % Change      | (0.1)   | (0.9) | (1.2) | 1.2    | 0.7    | (0.3) | (0.5) | (0.7) | 0.3   | (0.3) | 1.0   | 0.0   |
|   | Fiscal Year   | 110.8   | 111.8 | 108.6 | 110.1  | 110.8  | 110.6 | 110.8 | 109.7 | 109.3 | 109.8 | 110.1 | 110.7 |
|   | % Change      | (0.8)   | 0.9   | (2.9) | 1.4    | 0.6    | (0.1) | 0.1   | (1.0) | (0.3) | 0.4   | 0.3   | 0.5   |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**TABLE A.4 - ANNUAL VIRGINIA REGIONAL EMPLOYMENT**

| <b>Richmond</b>                                       |               | <b>History</b> |       | <b>June Standard Forecast</b> |        |       | <b>Pessimistic Alternative Scenario</b> |        |       |
|---|---------------|----------------|-------|-------------------------------|--------|-------|---|--------|-------|
|   |               | 2018           | 2019  | 2020                          | 2021   | 2022  | 2020                                    | 2021   | 2022  |
| Total Nonagricultural Employment<br>Thousands, SA     | Calendar Year | 678.8          | 685.9 | 657.8                         | 654.2  | 671.3 | 641.7                                   | 613.1  | 637.0 |
|   | % Change      | 1.3            | 1.1   | (4.1)                         | (0.5)  | 2.6   | (6.4)                                   | (4.5)  | 3.9   |
|   | Fiscal Year   | 674.0          | 682.6 | 672.4                         | 654.4  | 662.4 | 670.6                                   | 618.9  | 624.9 |
|   | % Change      | 1.2            | 1.3   | (1.5)                         | (2.7)  | 1.2   | (1.8)                                   | (7.7)  | 1.0   |
| Construction and Mining<br>Thousands, SA              | Calendar Year | 39.4           | 39.9  | 36.7                          | 34.1   | 36.2  | 35.9                                    | 31.4   | 33.1  |
|   | % Change      | 3.7            | 1.3   | (8.2)                         | (7.1)  | 6.2   | (10.2)                                  | (12.4) | 5.5   |
|   | Fiscal Year   | 38.8           | 40.0  | 38.8                          | 34.4   | 35.2  | 38.7                                    | 32.6   | 32.1  |
|   | % Change      | 3.7            | 3.3   | (3.0)                         | (11.5) | 2.5   | (3.4)                                   | (15.7) | (1.5) |
| Trade, Transportation, and Utilities<br>Thousands, SA | Calendar Year | 123.3          | 122.7 | 121.4                         | 123.5  | 123.6 | 115.8                                   | 112.2  | 114.5 |
|   | % Change      | 1.1            | (0.4) | (1.1)                         | 1.7    | 0.1   | (5.7)                                   | (3.1)  | 2.0   |
|   | Fiscal Year   | 123.0          | 123.0 | 121.9                         | 121.4  | 126.3 | 121.3                                   | 110.1  | 116.9 |
|   | % Change      | 1.4            | 0.0   | (0.9)                         | (0.5)  | 4.1   | (1.4)                                   | (9.2)  | 6.2   |
| Financial Activities<br>Thousands, SA                 | Calendar Year | 50.8           | 52.3  | 52.1                          | 49.1   | 53.4  | 51.2                                    | 46.8   | 52.3  |
|   | % Change      | 2.7            | 2.9   | (0.3)                         | (5.8)  | 8.7   | (2.1)                                   | (8.5)  | 11.7  |
|   | Fiscal Year   | 50.0           | 51.6  | 52.0                          | 50.7   | 51.1  | 52.1                                    | 48.4   | 49.4  |
|   | % Change      | 1.7            | 3.3   | 0.8                           | (2.7)  | 0.8   | 0.9                                     | (7.1)  | 2.1   |
| Professional and Business Services<br>Thousands, SA   | Calendar Year | 116.0          | 116.9 | 113.0                         | 109.4  | 121.7 | 108.2                                   | 91.6   | 106.9 |
|   | % Change      | 1.1            | 0.8   | (3.4)                         | (3.1)  | 11.2  | (7.5)                                   | (15.3) | 16.6  |
|   | Fiscal Year   | 115.5          | 116.4 | 115.0                         | 109.8  | 115.4 | 114.4                                   | 97.3   | 98.2  |
|   | % Change      | 1.3            | 0.8   | (1.2)                         | (4.5)  | 5.1   | (1.8)                                   | (14.9) | 0.9   |
| Education and Health Services<br>Thousands, SA        | Calendar Year | 100.6          | 102.7 | 101.3                         | 106.8  | 107.5 | 99.0                                    | 104.9  | 105.7 |
|   | % Change      | 2.2            | 2.1   | (1.4)                         | 5.5    | 0.6   | (3.6)                                   | 5.9    | 0.8   |
|   | Fiscal Year   | 99.1           | 101.1 | 102.3                         | 104.2  | 106.2 | 101.9                                   | 101.0  | 104.6 |
|   | % Change      | 1.3            | 2.0   | 1.1                           | 1.9    | 1.9   | 0.8                                     | (0.9)  | 3.5   |
| Leisure and Hospitality<br>Thousands, SA              | Calendar Year | 65.6           | 65.9  | 51.4                          | 58.0   | 56.9  | 50.7                                    | 55.7   | 54.8  |
|   | % Change      | 1.1            | 0.4   | (22.0)                        | 12.8   | (1.8) | (23.1)                                  | 9.9    | (1.7) |
|   | Fiscal Year   | 65.4           | 65.7  | 59.5                          | 53.3   | 58.0  | 59.5                                    | 51.2   | 56.4  |
|   | % Change      | 1.7            | 0.4   | (9.4)                         | (10.4) | 8.9   | (9.4)                                   | (14.0) | 10.1  |
| Government<br>Thousands, SA                           | Calendar Year | 111.7          | 113.2 | 117.2                         | 114.1  | 109.2 | 117.2                                   | 113.7  | 108.4 |
|   | % Change      | 0.9            | 1.4   | 3.6                           | (2.7)  | (4.3) | 3.6                                     | (3.0)  | (4.7) |
|   | Fiscal Year   | 110.7          | 112.7 | 114.4                         | 118.5  | 109.9 | 114.4                                   | 118.4  | 109.3 |
|   | % Change      | 0.0            | 1.8   | 1.5                           | 3.6    | (7.3) | 1.5                                     | 3.5    | (7.7) |

SAAR: Seasonally Adjusted at Annual Rates

SA: Seasonally Adjusted

**APPENDIX B  
GENERAL FUND DATA**

**TABLE B.1 - QUARTERLY GENERAL FUND REVENUES**

(Millions of Dollars)

|                                | 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                    | 2,888.1 | 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                | 4.0     | 2.0     | 6.5     | 9.0     | 1.1     | 7.7     | 1.2     | 4.5       | 5.8     | 5.8     | 2.9     | (2.1)   |
| Nonwithholding                 | 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                | (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    | 3,351.8 | 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                | 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             | 126.7   | 162.3   | 876.1   | 742.5   | 137.9   | 167.3   | 739.2   | 693.7     | 158.5   | 191.9   | 838.8   | 641.0   |
| Annual % Change                | 10.3    | 13.5    | 0.5     | 1.5     | 8.8     | 3.1     | (15.6)  | (6.6)     | 15.0    | 14.7    | 13.5    | (7.6)   |
| Net Individual Income Tax      | 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 | 4,641.1 |
| Annual % Change                | 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              | 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                | 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           | 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                | 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 | 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                | (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             | 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                | NA      | NA      | NA      | NA      | NA      | NA      | NA      | NA        | NA      | NA      | NA      | NA      |
| Interest Income                | 28.2    | 21.6    | 10.7    | 1.0     | 42.6    | 20.5    | 33.6    | (9.7)     | 73.1    | 27.5    | 19.0    | (9.6)   |
| Annual % Change                | 12.8    | 100.1   | (43.6)  | 2.2     | 51.2    | (5.5)   | 214.9   | (1,106.0) | 71.7    | 34.5    | (43.5)  | (1.0)   |
| Alcoholic Beverage Sales       | 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                | 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             | 86.8    | 70.7    | 105.4   | 162.3   | 90.8    | 88.6    | 106.9   | 174.8     | 87.2    | 96.0    | 102.6   | 157.6   |
| Annual % Change                | 5.6     | (18.8)  | (0.4)   | (4.4)   | 4.6     | 25.3    | 1.5     | 7.7       | (3.9)   | 8.4     | (4.0)   | (9.9)   |
| Total General Fund Revenues    | 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 | 6,795.5 |
| Annual % Change                | 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.2 - ANNUAL GENERAL FUND REVENUES**  
(Millions of Dollars)

|                                |               | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     |
|--------------------------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Withholding                    | Calendar Year | 9,031.7  | 9,401.4  | 9,775.0  | 10,119.1 | 10,415.9 | 10,795.6 | 11,165.7 | 11,554.0 | 12,066.9 | 12,805.8 | 13,348.9 |          |
|                                | % Change      | (1.7)    | 4.1      | 4.0      | 3.5      | 2.9      | 3.6      | 3.4      | 3.5      | 4.4      | 6.1      | 4.2      |          |
|                                | Fiscal Year   | 9,138.1  | 9,176.2  | 9,635.1  | 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 |
|                                | % Change      | 2.3      | 0.4      | 5.0      | 4.2      | 2.1      | 2.3      | 5.3      | 2.4      | 5.2      | 5.4      | 3.6      | 3.0      |
| Nonwithholding                 | Calendar Year | 2,189.8  | 1,875.2  | 2,251.8  | 2,350.9  | 2,877.3  | 2,646.9  | 3,075.1  | 3,081.5  | 3,263.7  | 3,255.6  | 4,125.2  |          |
|                                | % Change      | (23.3)   | (14.4)   | 20.1     | 4.4      | 22.4     | (8.0)    | 16.2     | 0.2      | 5.9      | (0.2)    | 26.7     |          |
|                                | Fiscal Year   | 2,310.4  | 1,906.8  | 2,178.6  | 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  |
|                                | % Change      | (19.2)   | (17.5)   | 14.3     | 8.2      | 19.1     | (10.1)   | 20.5     | 0.9      | (1.7)    | 15.1     | 14.5     | (4.3)    |
| Gross Individual Income Tax    | Calendar Year | 11,221.4 | 11,276.6 | 12,026.8 | 12,470.0 | 13,293.3 | 13,442.5 | 14,240.8 | 14,635.5 | 15,330.6 | 16,061.4 | 17,474.1 |          |
|                                | % Change      | (6.8)    | 0.5      | 6.7      | 3.7      | 6.6      | 1.1      | 5.9      | 2.8      | 4.7      | 4.8      | 8.8      |          |
|                                | Fiscal Year   | 11,448.5 | 11,082.9 | 11,813.7 | 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 |
|                                | % Change      | (2.9)    | (3.2)    | 6.6      | 4.9      | 5.3      | (0.4)    | 8.3      | 2.1      | 3.7      | 7.4      | 5.9      | 1.3      |
| Individual Refunds             | Calendar Year | 2,032.1  | 1,945.5  | 1,823.1  | 1,754.0  | 1,787.6  | 1,760.5  | 1,765.7  | 1,790.0  | 1,892.1  | 1,923.8  | 1,783.4  |          |
|                                | % Change      | 18.1     | (4.3)    | (6.3)    | (3.8)    | 1.9      | (1.5)    | 0.3      | 1.4      | 5.7      | 1.7      | (7.3)    |          |
|                                | Fiscal Year   | 1,967.4  | 1,994.7  | 1,869.3  | 1,784.7  | 1,719.1  | 1,755.8  | 1,757.3  | 1,820.7  | 1,861.0  | 1,907.6  | 1,738.2  | 1,830.3  |
|                                | % Change      | 17.1     | 1.4      | (6.3)    | (4.5)    | (3.7)    | 2.1      | 0.1      | 3.6      | 2.2      | 2.5      | (8.9)    | 5.3      |
| Net Individual Income Tax      | Calendar Year | 9,189.3  | 9,331.1  | 10,203.8 | 10,716.0 | 11,505.7 | 11,682.0 | 12,475.1 | 12,845.5 | 13,438.5 | 14,137.7 | 15,690.6 |          |
|                                | % Change      | (11.0)   | 1.5      | 9.4      | 5.0      | 7.4      | 1.5      | 6.8      | 3.0      | 4.6      | 5.2      | 11.0     |          |
|                                | Fiscal Year   | 9,481.1  | 9,088.3  | 9,944.4  | 10,612.8 | 11,340.0 | 11,253.3 | 12,328.7 | 12,555.6 | 13,052.9 | 14,105.8 | 15,226.5 | 15,352.3 |
|                                | % Change      | (6.3)    | (4.1)    | 9.4      | 6.7      | 6.9      | (0.8)    | 9.6      | 1.8      | 4.0      | 8.1      | 7.9      | 0.8      |
| Sales and Use Tax              | Calendar Year | 2,853.0  | 2,958.0  | 3,080.6  | 3,190.9  | 3,178.0  | 3,108.9  | 3,253.5  | 3,292.3  | 3,412.5  | 3,534.7  | 3,710.8  |          |
|                                | % Change      | (4.6)    | 3.7      | 4.1      | 3.6      | (0.4)    | (2.2)    | 4.7      | 1.2      | 3.6      | 3.6      | 5.0      |          |
|                                | Fiscal Year   | 2,903.4  | 3,082.5  | 3,012.4  | 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  |
|                                | % Change      | (5.6)    | 6.2      | (2.3)    | 3.6      | 3.1      | (4.8)    | 5.5      | 1.9      | 1.9      | 3.1      | 3.4      | 3.5      |
| Corporate Income Tax           | Calendar Year | 736.7    | 792.7    | 809.9    | 900.9    | 733.7    | 820.6    | 754.8    | 792.6    | 897.2    | 866.5    | 1,018.7  |          |
|                                | % Change      | (0.2)    | 7.6      | 2.2      | 11.2     | (18.6)   | 11.8     | (8.0)    | 5.0      | 13.2     | (3.4)    | 17.6     |          |
|                                | Fiscal Year   | 648.0    | 806.5    | 822.3    | 859.9    | 796.7    | 757.5    | 831.9    | 764.9    | 827.0    | 861.9    | 943.4    | 1,011.7  |
|                                | % Change      | (19.8)   | 24.4     | 2.0      | 4.6      | (7.3)    | (4.9)    | 9.8      | (8.0)    | 8.1      | 4.2      | 9.5      | 7.2      |
| Wills, Suits, Deeds, Contracts | Calendar Year | 312.8    | 288.5    | 296.8    | 346.2    | 364.0    | 309.7    | 364.4    | 390.8    | 387.6    | 384.4    | 441.9    |          |
|                                | % Change      | (15.3)   | (7.8)    | 2.9      | 16.6     | 5.1      | (14.9)   | 17.7     | 7.2      | (0.8)    | (0.8)    | 14.9     |          |
|                                | Fiscal Year   | 314.3    | 290.2    | 291.5    | 322.1    | 377.5    | 310.8    | 346.3    | 369.1    | 394.4    | 394.9    | 386.5    | 483.5    |
|                                | % Change      | (31.1)   | (7.7)    | 0.4      | 10.5     | 17.2     | (17.7)   | 11.4     | 6.6      | 6.9      | 0.1      | (2.1)    | 25.1     |

**TABLE B.2 - ANNUAL GENERAL FUND REVENUES**  
(Millions of Dollars)

|                             |               | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     |
|-----------------------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Insurance Premiums          | Calendar Year | 254.5    | 267.3    | 257.4    | 276.4    | 272.6    | 305.6    | 312.6    | 341.9    | 345.4    | 336.5    | 382.8    |          |
|                             | % Change      | (17.7)   | 5.0      | (3.7)    | 7.4      | (1.4)    | 12.1     | 2.3      | 9.4      | 1.0      | (2.6)    | 13.8     |          |
|                             | Fiscal Year   | 255.0    | 261.9    | 281.6    | 252.9    | 262.2    | 320.4    | 300.6    | 339.1    | 340.9    | 337.9    | 382.0    | 360.6    |
|                             | % Change      | (35.7)   | 2.7      | 7.5      | (10.2)   | 3.7      | 22.2     | (6.2)    | 12.8     | 0.5      | (0.9)    | 13.0     | (5.6)    |
| Interest Income             | Calendar Year | 71.0     | 75.0     | 80.2     | 72.7     | 66.6     | 65.4     | 49.2     | 55.0     | 69.6     | 74.7     | 124.5    |          |
|                             | % Change      | (39.6)   | 5.5      | 7.0      | (9.4)    | (8.3)    | (1.8)    | (24.8)   | 11.9     | 26.6     | 7.2      | 66.8     |          |
|                             | Fiscal Year   | 104.2    | 94.3     | 81.1     | 77.2     | 67.5     | 74.1     | 48.7     | 52.2     | 55.6     | 61.4     | 87.0     | 110.0    |
|                             | % Change      | (44.9)   | (9.5)    | (14.0)   | (4.9)    | (12.5)   | 9.8      | (34.3)   | 7.1      | 6.7      | 10.4     | 41.6     | 26.5     |
| Alcoholic Beverage Sales    | Calendar Year | 173.4    | 176.5    | 181.8    | 189.4    | 195.9    | 200.9    | 210.5    | 218.6    | 225.1    | 232.7    | 247.7    |          |
|                             | % Change      | 2.2      | 1.8      | 3.0      | 4.2      | 3.4      | 2.6      | 4.8      | 3.8      | 3.0      | 3.4      | 6.5      |          |
|                             | Fiscal Year   | 173.2    | 175.1    | 178.9    | 186.4    | 195.2    | 199.2    | 207.8    | 217.6    | 222.4    | 231.8    | 240.8    | 267.2    |
|                             | % Change      | 2.6      | 1.1      | 2.2      | 4.2      | 4.7      | 2.1      | 4.3      | 4.7      | 2.2      | 4.3      | 3.9      | 11.0     |
| All Other Revenues          | Calendar Year | 406.3    | 432.1    | 423.9    | 412.4    | 423.7    | 437.7    | 443.8    | 436.6    | 433.2    | 447.1    | 465.0    |          |
|                             | % Change      | (16.8)   | 6.4      | (1.9)    | (2.7)    | 2.7      | 3.3      | 1.4      | (1.6)    | (0.8)    | 3.2      | 4.0      |          |
|                             | Fiscal Year   | 435.7    | 420.7    | 428.1    | 413.9    | 425.7    | 429.6    | 436.2    | 445.8    | 444.9    | 425.2    | 461.1    | 443.4    |
|                             | % Change      | (21.8)   | (3.4)    | 1.8      | (3.3)    | 2.9      | 0.9      | 1.5      | 2.2      | (0.2)    | (4.4)    | 8.4      | (3.8)    |
| Total General Fund Revenues | Calendar Year | 13,997.0 | 14,321.2 | 15,334.3 | 16,105.0 | 16,740.2 | 16,930.7 | 17,863.9 | 18,373.3 | 19,209.0 | 20,014.2 | 22,082.0 |          |
|                             | % Change      | (9.7)    | 2.3      | 7.1      | 5.0      | 3.9      | 1.1      | 5.5      | 2.9      | 4.5      | 4.2      | 10.3     |          |
|                             | Fiscal Year   | 14,315.1 | 14,219.5 | 15,040.2 | 15,846.7 | 16,684.6 | 16,411.4 | 17,735.6 | 18,040.1 | 18,695.1 | 19,880.8 | 21,307.5 | 21,735.5 |
|                             | % Change      | (9.2)    | (0.7)    | 5.8      | 5.4      | 5.3      | (1.6)    | 8.1      | 1.7      | 3.6      | 6.3      | 7.2      | 2.0      |