



REVIEW OF FISCAL YEAR 2025 REVENUES AND THE FISCAL CONDITION OF THE COMMONWEALTH

A PRESENTATION TO THE SENATE FINANCE & APPROPRIATIONS,
HOUSE APPROPRIATIONS, AND HOUSE FINANCE COMMITTEES

Stephen E. Cummings
Secretary of Finance
Commonwealth of Virginia
www.finance.virginia.gov

August 14, 2025

TOPICS FOR DISCUSSION

FISCAL YEAR 2025 IN REVIEW

FISCAL CONDITION OF THE COMMONWEALTH

LOOKING AHEAD

FISCAL YEAR 2025 IN REVIEW

- Fiscal Year 2025 revenues exceeded the official forecast assumed in the 2025 Appropriation Act (Chapter 725, 2025 Acts of Assembly) by \$572.0 million, a positive variance of 1.9%. Higher than expected revenue collections are primarily attributable to strong individual income tax nonwithholding revenues which were partially offset by higher than anticipated individual income tax refunds.
- Collections exceeded the original “Common Ground” budget forecast (Chapter 2, Acts of Assembly, 2024 Special Session I) by \$2.67 billion (9.3%).
- Total general fund revenues grew \$1.78 billion (6.1%) over the prior fiscal year.
- Net individual income tax collections were \$334.3 million (1.6%) ahead of forecast and \$1.58 billion (7.8%) above prior year collections.
- Sales tax collections finished the year slightly ahead of forecast by \$14.8 million (0.3%) and up \$103.1 million (2.2%) compared to last year, and net corporate income tax collections were \$87.1 million (4.9%) above forecast.
- Economic conditions in Fiscal Year 2025 were generally aligned with the economic assumptions underpinning the revenue forecast.
- Federal government job reductions have begun to appear in the data, driven mainly by reduced hiring. However, these reductions have not yet significantly impacted withholding collections.
- The University of Michigan Consumer Sentiment Index has improved after declining in the first quarter on uncertainty around tariffs.

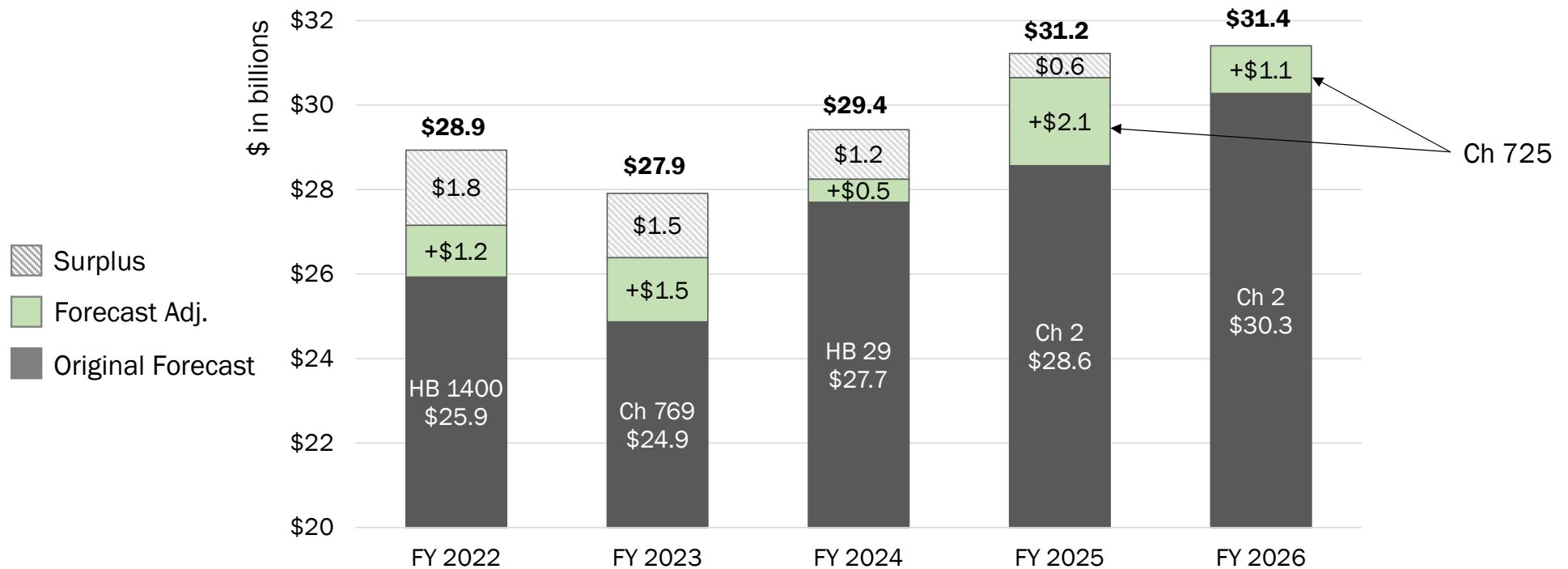
FY 2025 GF REVENUES EXCEEDED THE OFFICIAL FORECAST BY \$572 MILLION AND EXCEEDED THE “COMMON GROUND” BUDGET FORECAST BY \$2.7 BILLION

SOURCE, \$ Mil	Actuals				Chapter 2 FY 2025		Chapter 725 FY 2025	
	FY 2024	FY 2025	\$ Growth	% Growth	Variance \$	Variance %	Variance \$	Variance %
Withholding	\$ 16,718.2	\$ 17,561.2	\$ 842.9	5.0%	\$ 931.8	5.6%	\$ (19.7)	-0.1%
Nonwithholding	6,563.7	7,518.7	955.0	14.5%	1,887.6	33.5%	729.8	10.7%
IIT Refunds	(2,971.5)	(3,187.4)	(215.9)	7.3%	(171.6)	5.7%	(375.8)	13.4%
Net Individual Income	\$ 20,310.4	\$ 21,892.4	\$ 1,582.0	7.8%	\$ 2,647.7	13.8%	\$ 334.4	1.6%
Sales & Use Tax	4,709.7	4,812.7	103.1	2.2%	120.4	2.6%	14.8	0.3%
Corporate Income Tax	1,907.1	1,878.6	(28.5)	-1.5%	(186.9)	-9.0%	87.1	4.9%
Insurance	468.2	541.5	73.3	15.6%	102.1	23.3%	55.7	11.5%
Wills, Suits, Deeds	406.5	471.2	64.7	15.9%	14.5	3.2%	13.6	3.0%
Interest Income	699.8	593.8	(106.0)	-15.1%	(130.5)	-18.0%	(23.4)	-3.8%
All Other	946.5	1,042.9	96.4	10.2%	101.9	10.8%	90.0	9.4%
Total GF Revenues	\$ 29,448.2	\$ 31,233.0	\$ 1,784.9	6.1%	\$ 2,669.3	9.3%	\$ 572.0	1.9%
Transfers	\$ 12.7	\$ 1,501.3	\$ 1,488.6	***	\$ 373.2	33.1%	\$ 111.0	8.0%
Total General Fund	\$ 29,460.8	\$ 32,734.3	\$ 3,273.5	11.1%	\$ 3,042.4	10.2%	\$ 683.0	2.1%

***Percentage is greater than 1000%.

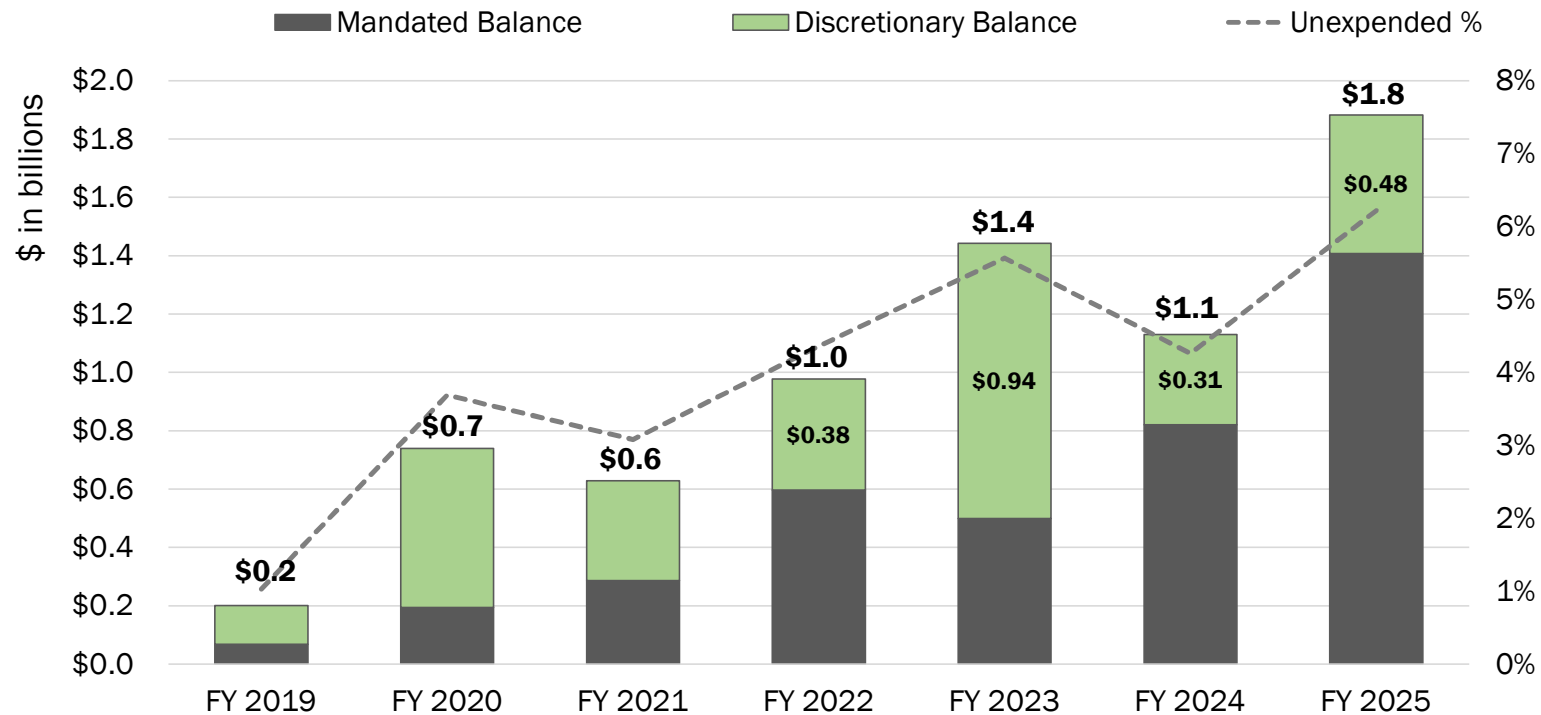
- Payroll withholding and sales and use tax revenues – the best indicators of underlying economic growth – grew year-over-year by 5.0% and 2.2%, respectively. Combined, these sources were within 0.1% of forecast.

\$10 BILLION IN REVENUE SURPLUSES VS. ORIGINAL FORECASTS



\$1.8 BILLION IN UNSPENT APPROPRIATIONS IN FY 2025

UNEXPENDED GF BALANCES



Source: Department of Planning and Budget.

ECONOMIC GROWTH IN FY 2025 MET OR EXCEEDED OUR EXPECTATIONS

Key Economic Variables: Actuals and Forecast

Virginia data, Y/Y percent change unless otherwise noted

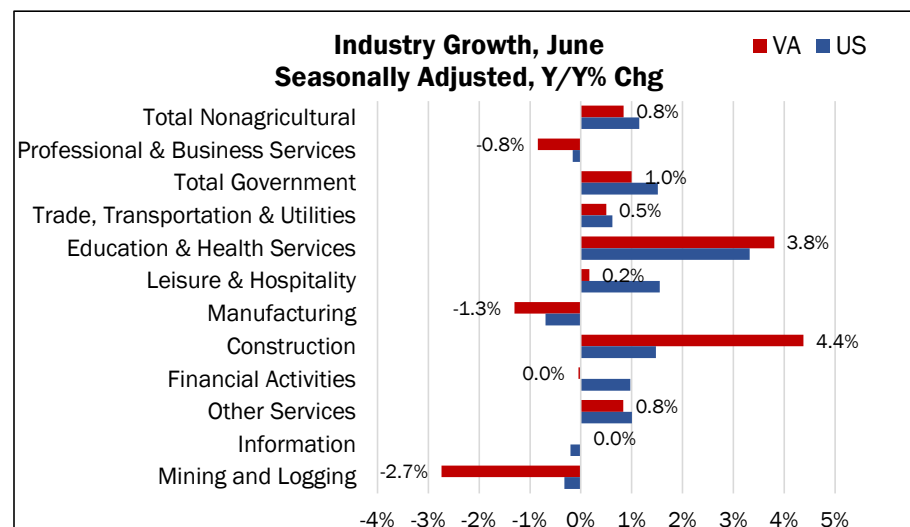
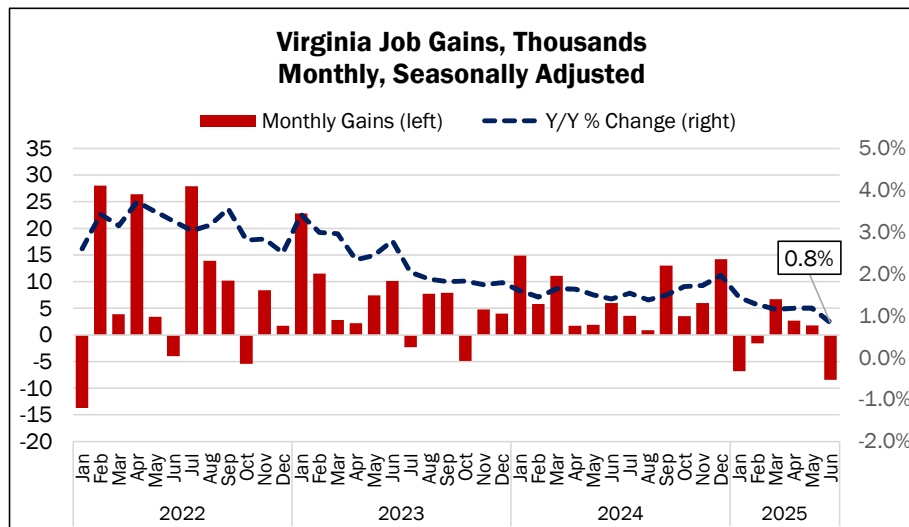
	FY 2025 Forecast	FY 2025 Actual	Actual Minus Forecast
Real Gross State Product	1.5	2.6*	1.1
Employment Growth	1.2	1.4	0.2
Total Personal Income	4.9	5.1*	0.2
Average Wage	3.7	3.7*	0.0
Taxable Sales	3.9	4.3	0.4
Unemployment Rate (%)	3.1	3.1	0.0
Core PCE Inflation (US)	2.3	2.7	0.4

Source: Bureau of Labor Statistics; Bureau of Economic Analysis; Moody's Analytics.

*Includes Moody's Analytics forecasted values for most recent quarter.

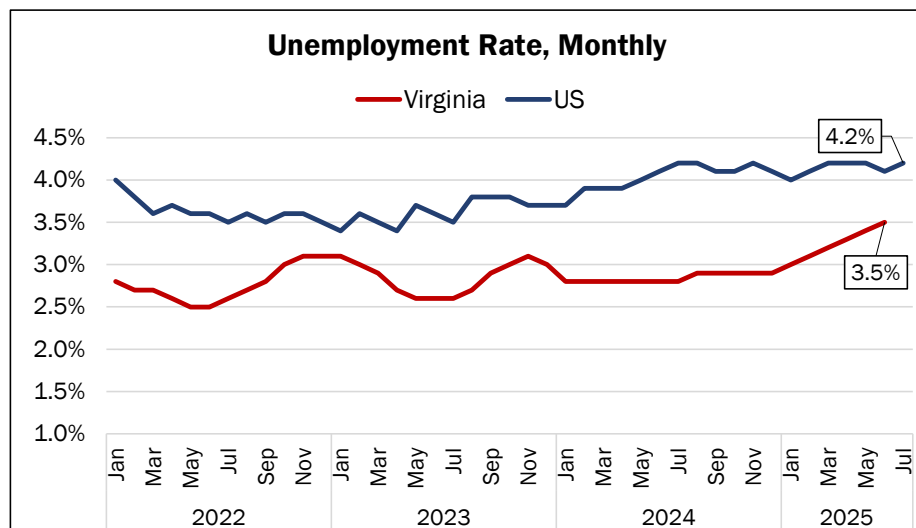
- Virginia employment for Fiscal Year 2025 remained very close to estimates. Unemployment also behaved as expected over the course of the fiscal year.
- Total Personal Income remained close to forecast while still growing 0.2 percentage points more than expected. Average wages in 2025 grew as predicted.

JOB GROWTH HAS SLOWED IN RECENT MONTHS

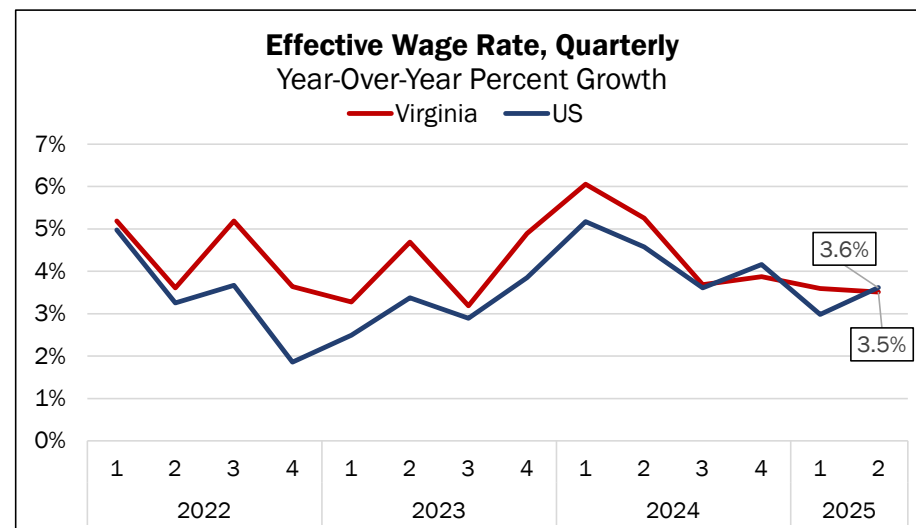


- Total payrolls (private and government) were lower by 8,400 for the month of June but are still 0.8 percent higher than in June 2024. Private sector employment decreased by 8,200 while total government employment decreased by 200.
- The only job gains occurred in the Construction sector which marked a gain of 1,700.
- The largest losses occurred in the Professional & Business Services (-3,500) and Education & Health Services (-2,200).
- Federal government payrolls for those working in Virginia have declined by 11,200 since January.

NATIONAL AND VIRGINIA UNEMPLOYMENT IS RISING; WAGE GROWTH STEADY



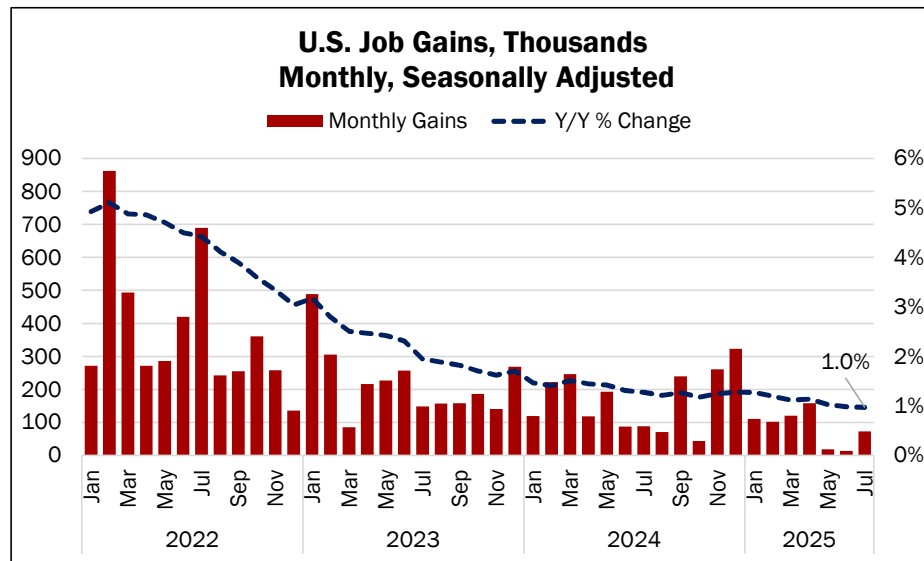
Source: U.S. Bureau of Labor Statistics.



Source: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Moody's Analytics.

- Virginia's unemployment rate ticked up to 3.5 percent (+0.1 percentage point) in June, which continues the upward trend which began in January. The Commonwealth's labor force participation rate decreased by 0.2 percentage points to 65.0 percent in June.
- The U.S. unemployment rate ticked back up to 4.2 percent (+0.1 percentage point) in July continuing to stay relatively stable.
- The effective wage rate in Virginia has grown approximately on par with the nation over the past year.

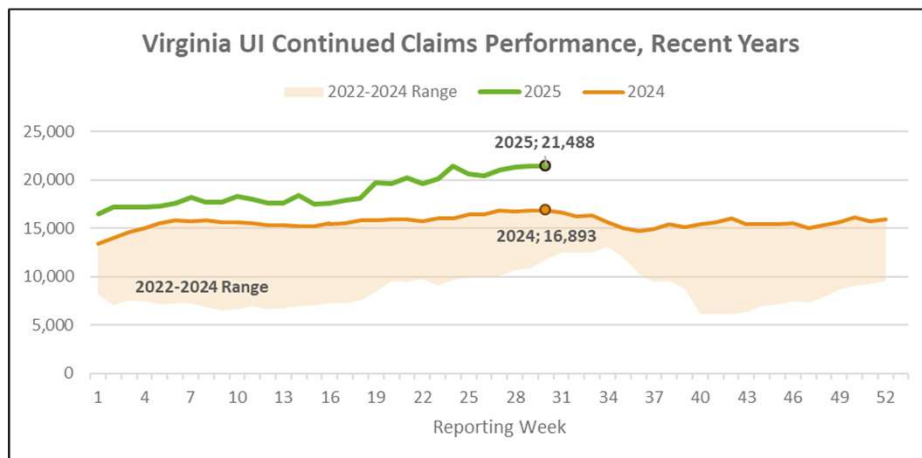
US EMPLOYMENT GROWTH



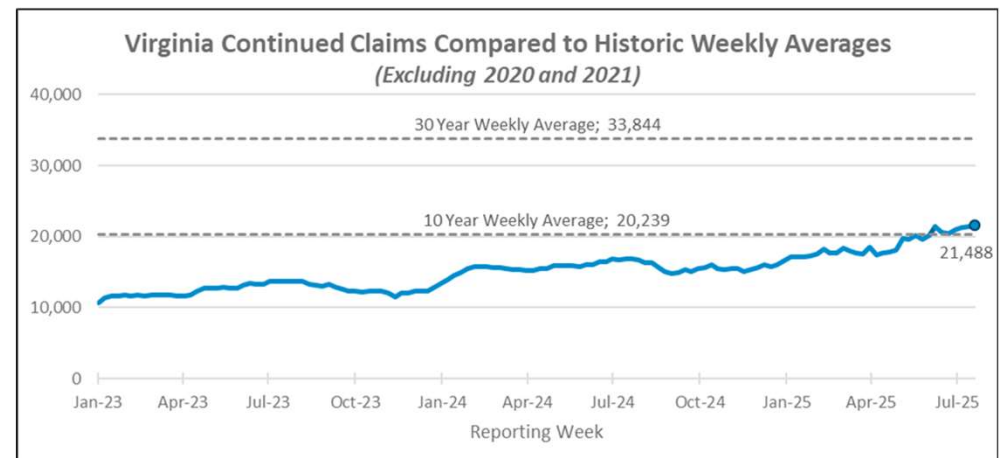
Source: US Bureau of Labor Statistics

- U.S. nonfarm payrolls increased 73,000 in July; however, prior month revisions were significant.
- Payroll gains for May and June were revised lower by a combined 258,000, which is the largest downward revision on record outside of the pandemic. The June gain was revised lower by 133,000 to 14,000, and the May figure was revised lower by 125,000, from 144,000 to 19,000.
- The three-month average gain now sits at just 35,000, compared with 150,000 in the last report.
- Private sector payrolls rose 83,000 in July but were revised down by 139,000 in prior months.
- The largest gain in July was health care & social assistance (73,000). Manufacturing declined 11,000 while government (federal, state, and local) declined 10,000.
- Federal government employment continued to decline in July (-12,000) and is down by 84,000 since reaching a peak in January.

UNEMPLOYMENT CLAIMS ARE RISING, BUT THEY ARE RISING FROM HISTORIC LOWS



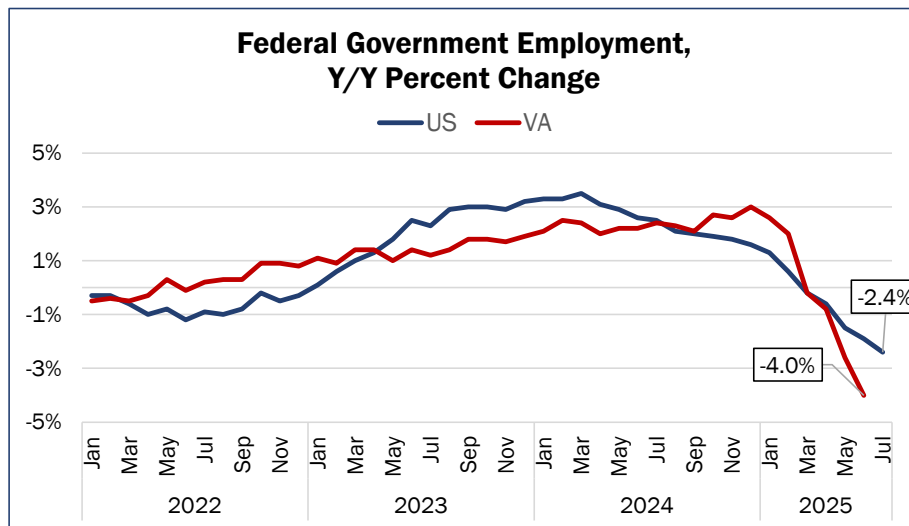
Source: US Department of Labor, Employment and Training Administration.



Source: US Department of Labor, Employment and Training Administration.

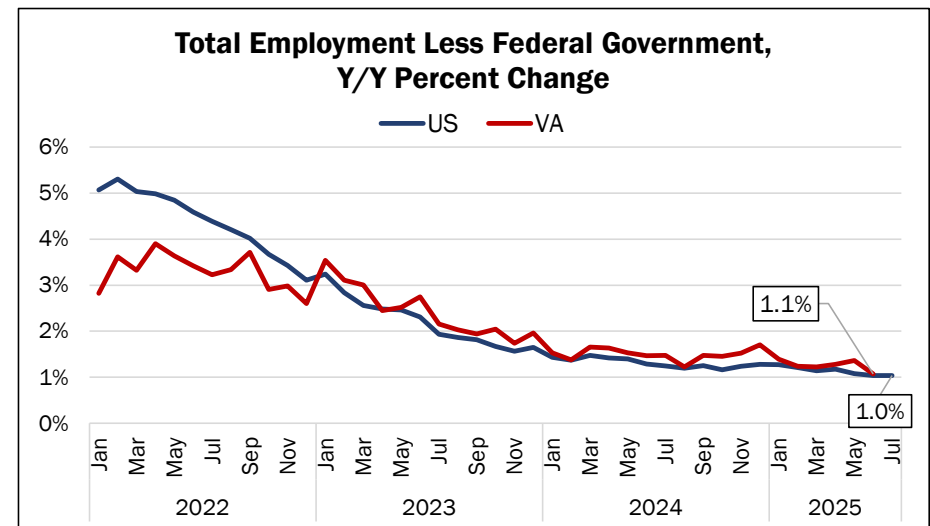
- Continued claims, are higher year-over-year by approximately 4,600 or 27%.
- While continued claims are clearly up, they are increasing off a base of exceptionally low unemployment.
- Current levels are only modestly above the 10-year average (excluding Covid) of 20,239.

WHILE FEDERAL EMPLOYMENT HAS DECLINED SINCE JANUARY, OTHER SECTORS CONTINUE TO GROW YEAR-OVER-YEAR



Source: US Bureau of Labor Statistics.

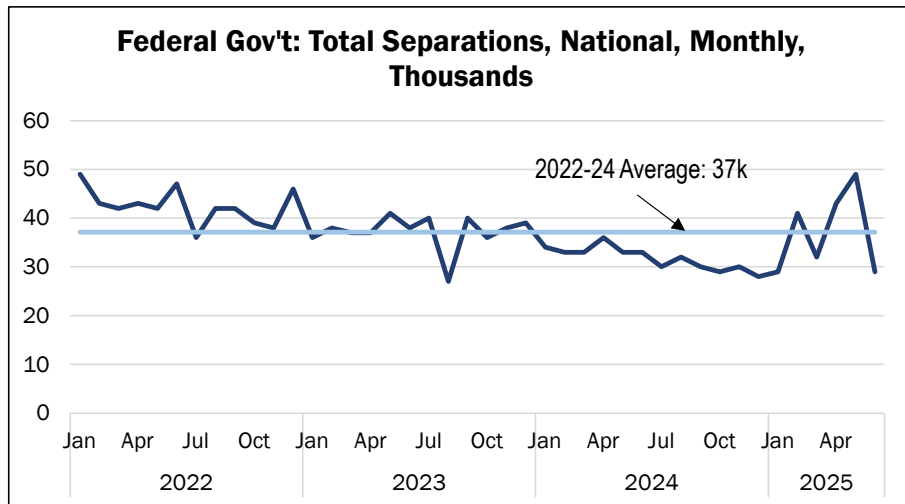
- The federal government has reduced net employment levels by more than 80,000 since January.
- 11,200 of those jobs are located in the Commonwealth.



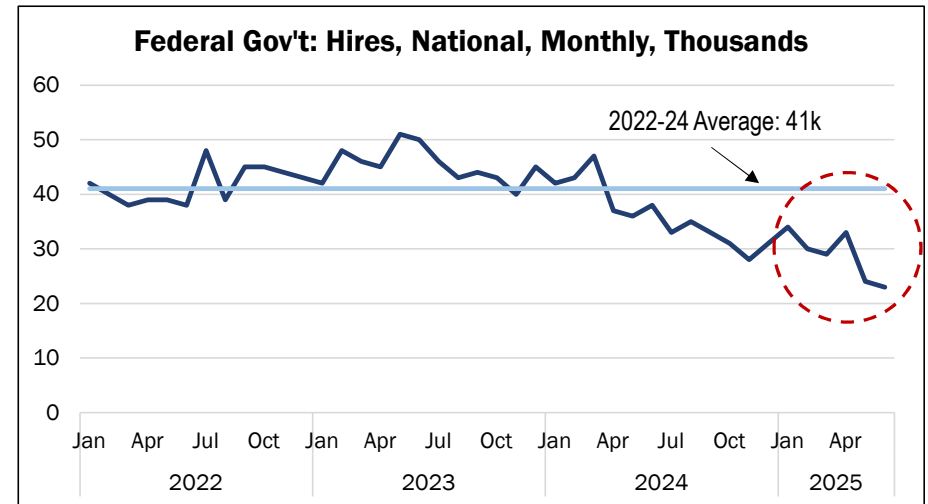
Source: US Bureau of Labor Statistics.

- Excluding federal employment, year-over-year employment in Virginia grew 1.1% in June, within the range of growth seen consistently over the last year.
- Growth is driven mainly by private education and health services, up 23,100 jobs year-over-year, and local government, up 10,000 year-over-year.

FEDERAL REDUCTIONS HAVE LARGELY BEEN DRIVEN BY REDUCED HIRING



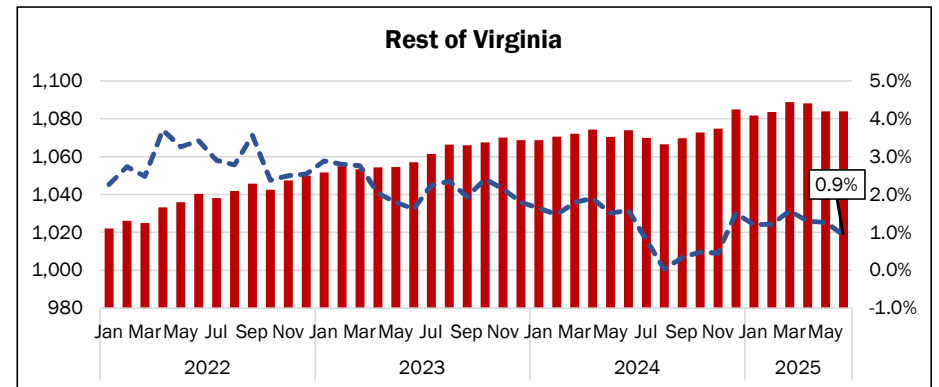
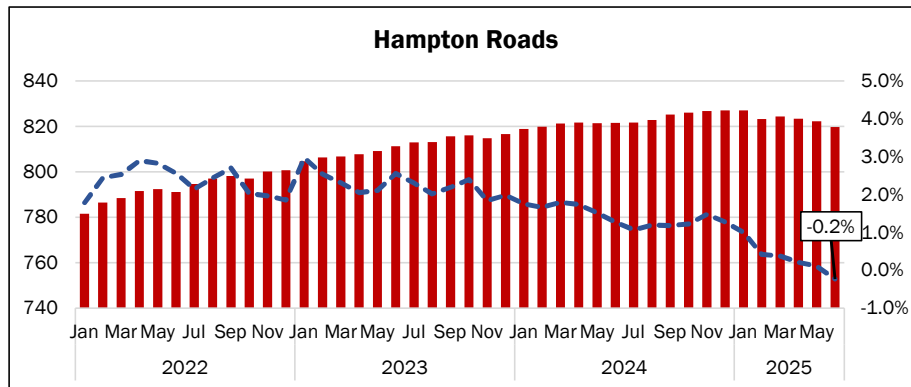
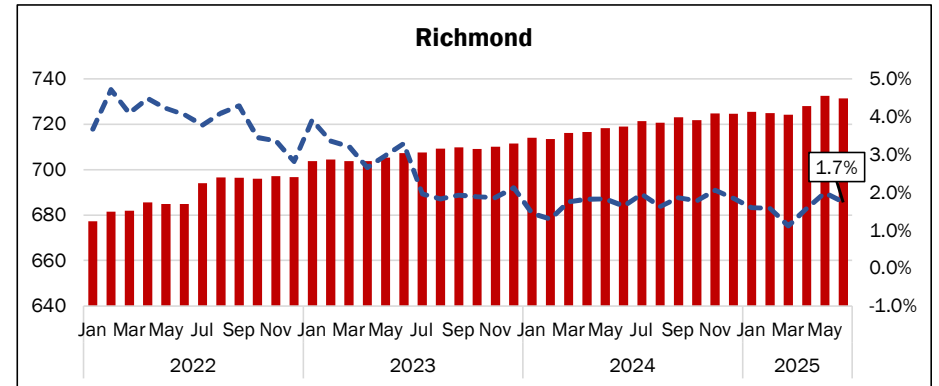
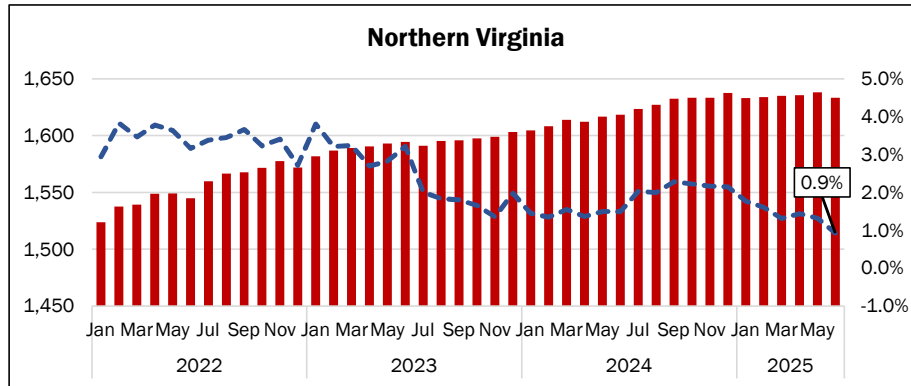
Source: Bureau of Labor Statistics, JOLTS.



Source: Bureau of Labor Statistics, JOLTS.

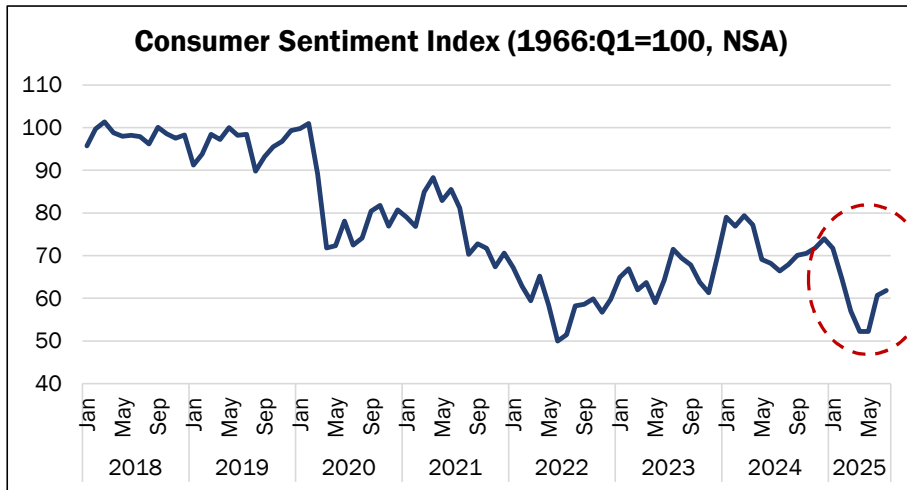
- Nationally, year-to-date federal government separations (employees that leave the payroll for any reason) are up 10% versus the same period last year, while YTD hires are down 29%.
- A federal hiring freeze originally implemented on January 20, 2025, prohibits filling vacant federal civilian positions or creating new ones, with minor exceptions.

YEAR-OVER-YEAR EMPLOYMENT GROWTH IS POSITIVE IN MAJOR METRO REGIONS EXCEPT HAMPTON ROADS FOR THE MONTH OF JUNE

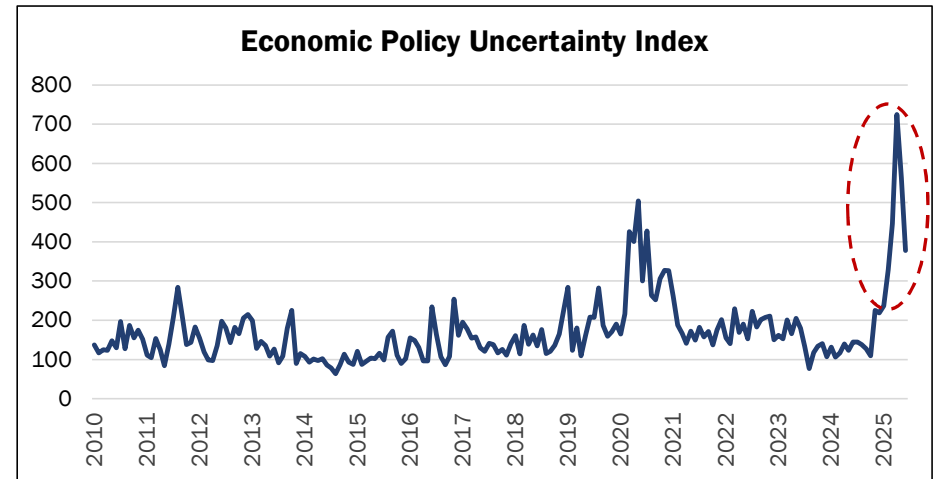


Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Includes: Arlington-Alexandria-Reston Metropolitan Division, Richmond MSA, Virginia Beach-Chesapeake-Norfolk MSA. 'Rest of Virginia' calculated as VA statewide total less the three regions listed above.

UNCERTAINTY AROUND FEDERAL POLICY HAS BEGUN TO MODERATE



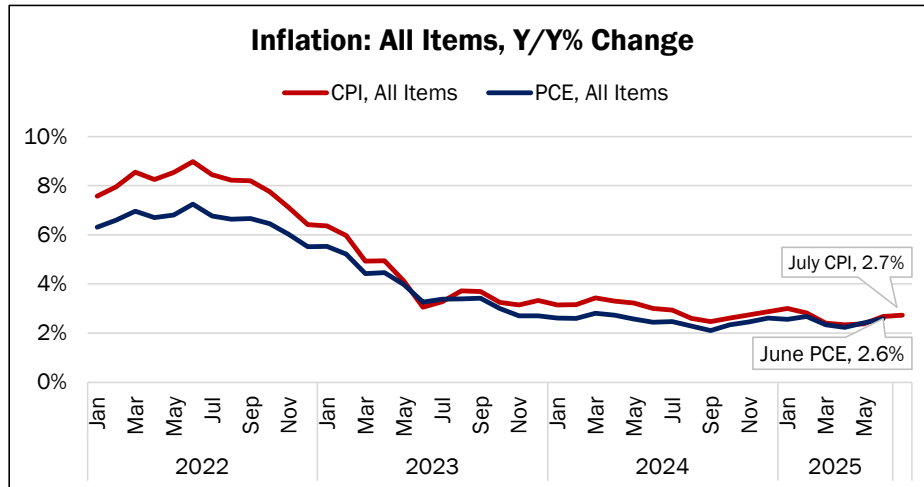
Source: University of Michigan; Federal Reserve Bank of St. Louis.



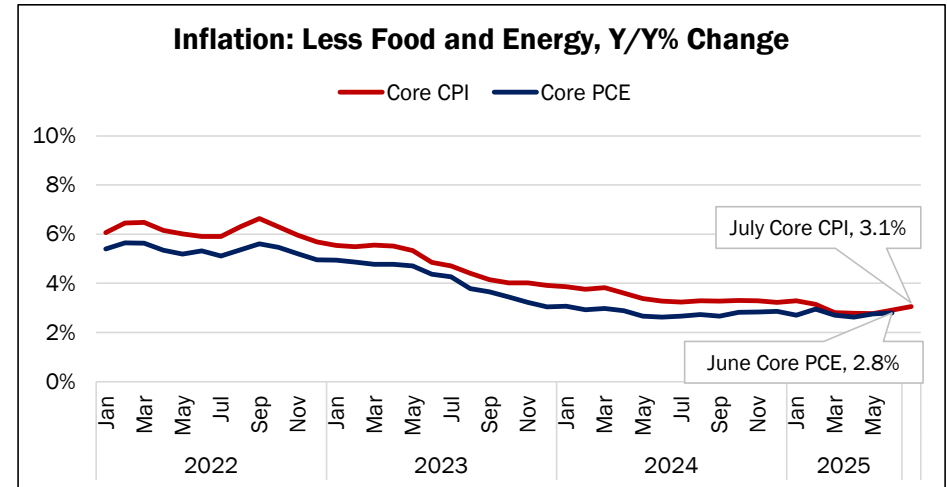
Source: Baker, Scott R., Bloom, Nick and Davis, Steven J., Economic Policy Uncertainty Index: News-Based Index for the United States, Federal Reserve Bank of St. Louis.

- The University of Michigan Consumer Sentiment Index has improved after declining in the first quarter on uncertainty around tariffs.
- The Economic Policy Uncertainty Index measures policy-related uncertainty in the U.S using newspaper coverage of policy-related economic uncertainty; the number of federal tax code provisions set to expire; and the dispersion between individual forecasters' predictions about future levels of the Consumer Price Index, Federal Expenditures, and State and Local Expenditures.
- With passage of the One Big Beautiful Bill Act and recent tariff agreements announced with major trading partners, policy uncertainty has begun to moderate.

INFLATION REMAINS CONSISTENT WITH 2024 LEVELS



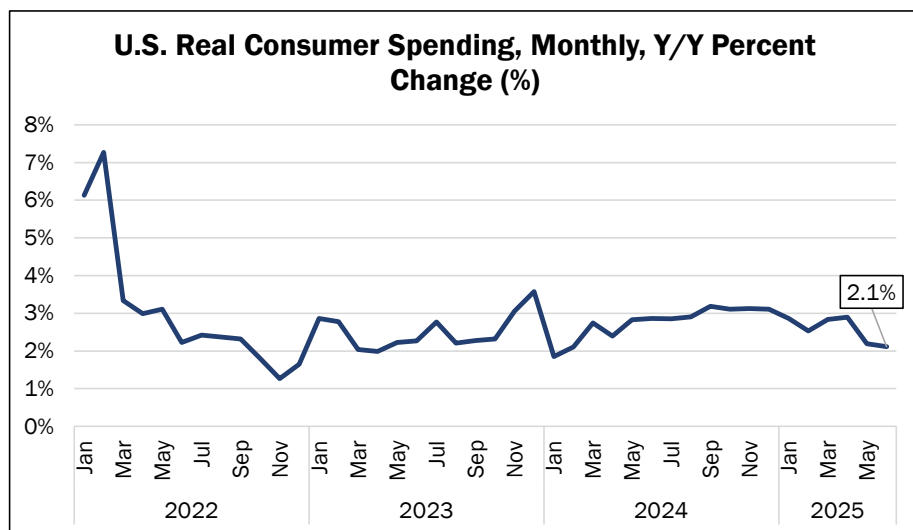
Source: U.S. Bureau of Labor Statistics.



Source: U.S. Bureau of Labor Statistics.

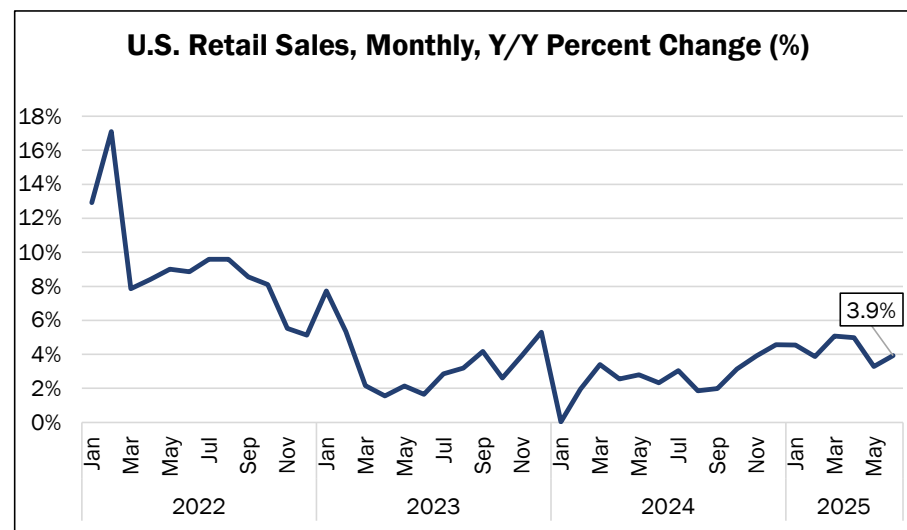
- The 12-month change in the Consumer Price Index was unchanged in July at 2.7%, slightly below the 2024 annual rate of 2.9%. The “Core” CPI which excludes food and energy increased slightly to 3.1% over the year in July.
- From the same month one year ago, the PCE price index for June increased 2.6%. Excluding food and energy, The “Core” PCE price index was up 2.8% from one year ago, unchanged from May’s upwardly revised figure. PCE and Core CPI averaged 2.6% and 2.8%, respectively, in calendar year 2024.

CONSUMER SPENDING REMAINS WITHIN RECENT RANGES OF GROWTH



Source: U.S. Bureau of Economic Analysis, Real Personal Consumption Expenditures; Federal Reserve Bank of St. Louis.

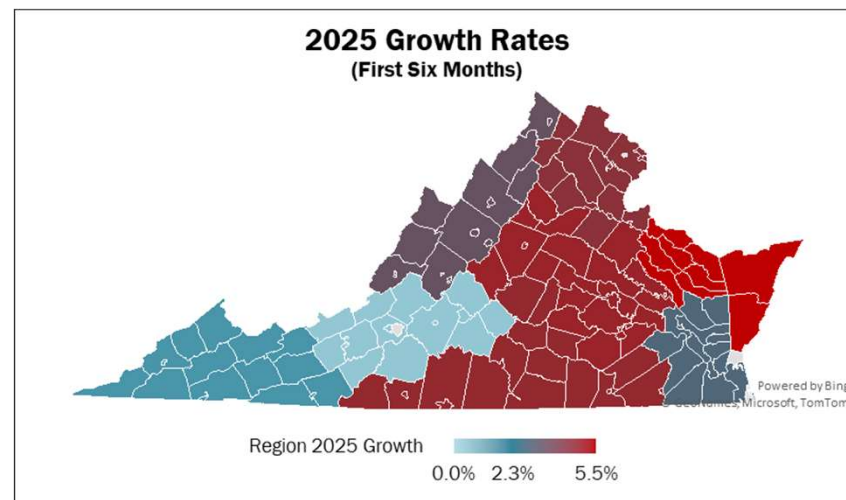
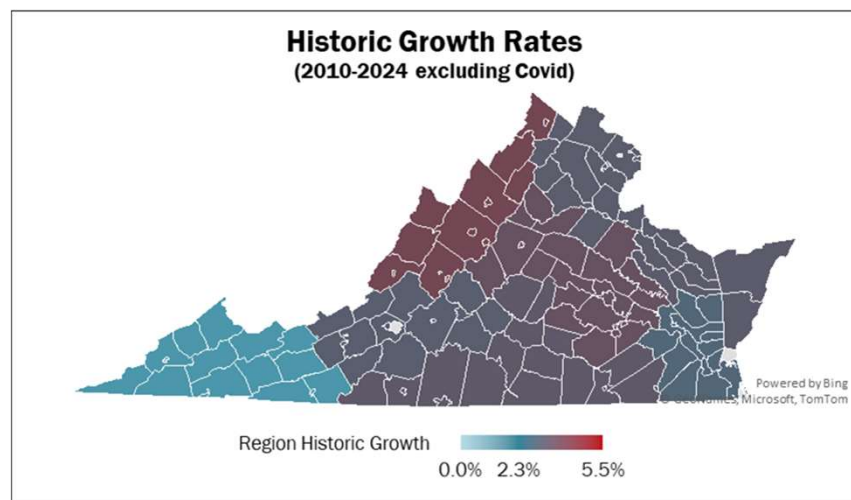
- Spending is expected to continue to grow modestly.
- Unemployment and debt burdens are low in aggregate, and job and wage growth remains adequate support continued growth in consumer spending.



Source: U.S. Census Bureau, Advance Retail Sales: Retail Trade and Food Services; Federal Reserve Bank of St. Louis.

- Retail sales rose 0.6% in June. Retail sales are up 3.9% versus a year ago.
- The largest year-over-year increases were in misc. store retailers, drugstores, restaurants, and nonstore (internet) retailers.

LOCAL SALES TAX COLLECTIONS SHOW CONTINUED GROWTH ACROSS THE COMMONWEALTH



- Since 2010, Virginia has averaged a little more than 3 percent growth as measured by local option sales tax.
- In the first six months of 2025, most regions have seen higher than average growth.

Region	Historic Growth	2025 Growth
Central	3.5%	4.6%
Eastern	3.2%	5.5%
Hampton Roads	3.0%	3.0%
Northern	3.2%	4.3%
Southside	3.3%	4.5%
Southwest	1.8%	1.8%
Valley	3.8%	3.5%
West Central	3.2%	0.6%

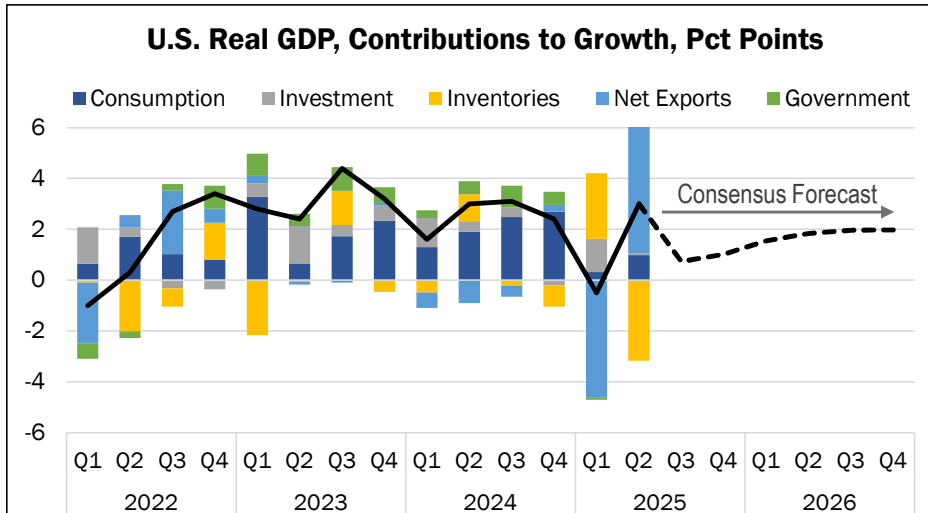
HOUSING MARKET TRENDING CLOSE TO LAST YEAR LEVELS WITH GROWING INVENTORY

Virginia Housing Market Indicators					
Year-Over-Year Percent Change for Jan-Jun 2025					
	NOVA	Richmond	Hampton	All Other	Statewide
Closed Sales	0%	2%	-1%	-2%	0%
Median Sold Price	4%	3%	5%	5%	4%
Average Active Listings	56%	21%	24%	26%	28%
Median Months of Supply	53%	16%	23%	20%	24%

Source: Virginia Realtors; Virginia Tax staff analysis.

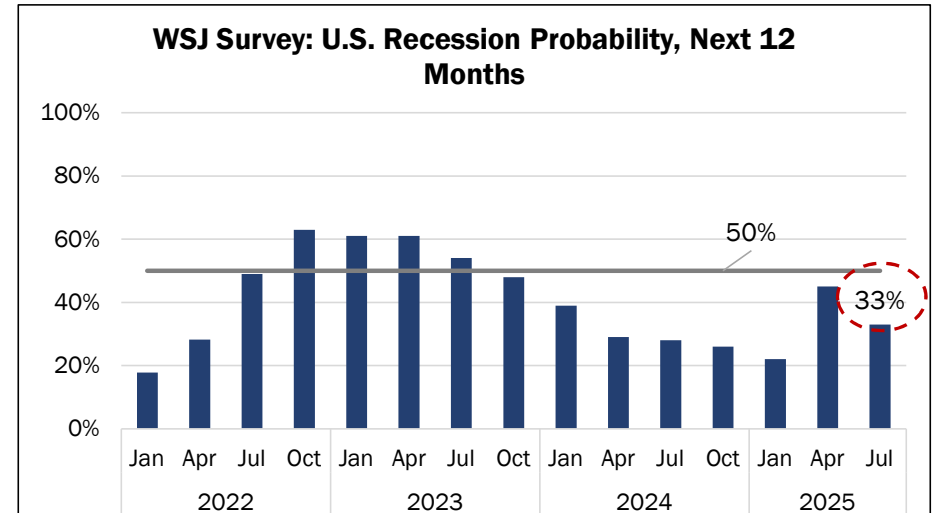
- **Northern Virginia:** Year-to-date closed sales activity is flat from 2024 levels. Home price growth has softened in recent months as inventory levels have expanded.
- **Richmond:** Sales activity is outpacing last year. Inventory levels are increasing. Overall months of supply remains tight.
- **Hampton Roads:** Home prices have been trending up for much of the year. Inventory has expanded, and months of supply has edged above 3 months in several places.
- **Rest of Virginia:** Sales activity is trending below last year overall. Inventory levels are expanding. Home prices are still climbing in all of the smaller metro markets.

OUTLOOK FOR ECONOMIC GROWTH REMAINS POSITIVE; LIKELIHOOD OF RECESSION IS LOW



Source: U.S. Bureau of Economic Analysis (BEA); Moody's Analytics Forecasted, Consensus Scenario (July 2025).

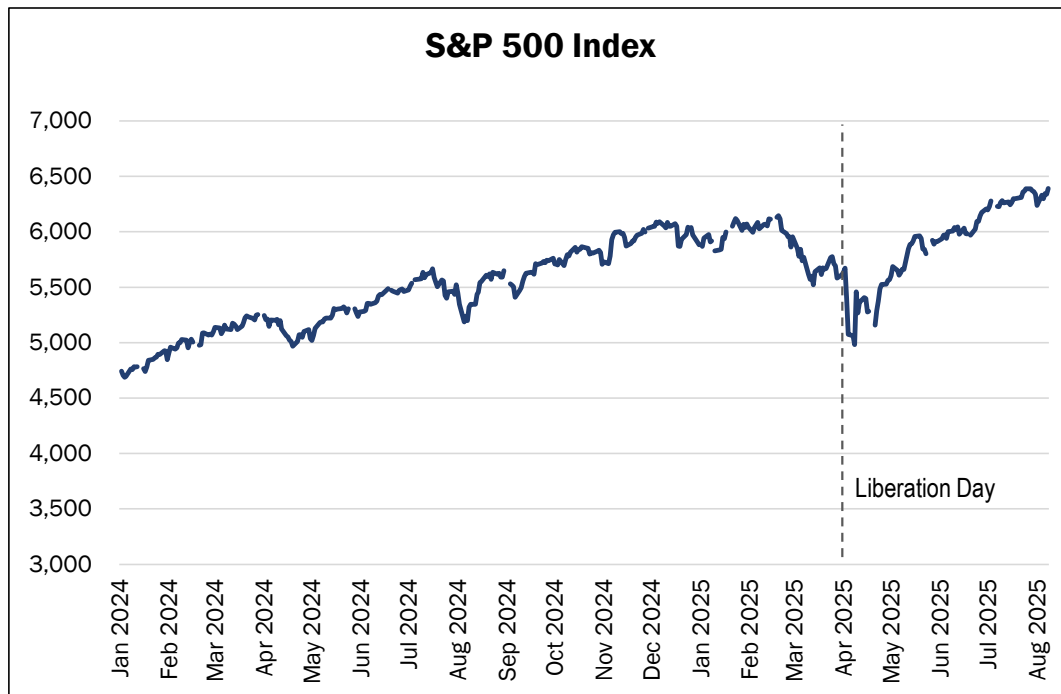
- After growing 2.5% in 2024, the economy marginally shrank in Q1 of 2025 driven by surging imports in advance of rising tariffs. GDP grew an estimated 3.0% in Q2, according to the “advance” estimate released in July.
- Jobs and industrial production grew at healthy rates in the first quarter leading economists to forecast continued economic growth through the remainder of 2025 and 2026.



Source: Wall Street Journal Economic Survey (July 2025).

- Economists polled by the Wall Street Journal in July see a relatively low risk of recession over the next 12 months.
- The recession risk was temporarily elevated in the April poll amid uncertainty around trade policy.

STOCK MARKETS HAVE REBOUNDED



Source: Federal Reserve Bank of St. Louis, S&P 500, Index, Daily, Not Seasonally Adjusted.

* Federal Reserve Bank of St. Louis (as of 8/11/25).

- After declining on tariff worries, stock markets have rebounded, reaching record highs in recent weeks.
- Since the beginning of the year, the S&P 500 is up over 8%.*
- Similarly, the NASDAQ Composite Index is up over 10% year-to-date.*

FISCAL YEAR 2026 REVENUES NEED ONLY GROW 0.4% TO MEET THE CHAPTER 725 FORECAST

SOURCE, \$ Mil	Actuals				Chapter 725 Forecast For FY 26		
	FY2024	FY 2025	Change	% Change	FY 26 Forecast	Forecasted % Growth	Forecasted \$ Growth
Withholding	\$ 16,718.2	\$ 17,561.2	\$ 842.9	5.0%	\$ 17,940.3	2.2%	\$ 379.2
Non-withholding	6,563.7	7,518.7	955.0	14.5%	6,373.4	-15.2%	(1,145.2)
IIT Refunds	(2,971.5)	(3,187.4)	(215.9)	7.3%	(2,599.6)	-18.4%	587.8
Net Individual Income	\$ 20,310.4	\$ 21,892.4	\$ 1,582.0	7.8%	\$ 21,714.2	-0.8%	\$ (178.3)
Sales & Use Tax	4,709.7	4,812.7	103.1	2.2%	4,987.4	3.6%	174.6
Corporate Income Tax	1,907.1	1,878.6	(28.5)	-1.5%	2,025.5	7.8%	147.0
Insurance	468.2	541.5	73.3	15.6%	503.7	-7.0%	(37.8)
Wills, Suits, Deeds	406.5	471.2	64.7	15.9%	557.0	18.2%	85.8
Interest Income	699.8	593.8	(106.0)	-15.1%	633.4	6.7%	39.6
All Other	946.5	1,042.9	96.4	10.2%	939.2	-9.9%	(103.7)
Total GF Revenues	\$ 29,448.2	\$ 31,233.0	\$ 1,784.9	6.1%	\$ 31,360.4	0.4%	\$ 127.3
Transfers	\$ 12.7	\$ 1,501.3	\$ 1,488.6	***	\$ 1,572.0	4.7%	\$ 70.8
Total General Fund	\$ 29,460.8	\$ 32,734.3	\$ 3,273.5	11.1%	\$ 32,932.4	0.6%	\$ 198.1

***Percentage is greater than 1000%.

- Given the outperformance of FY 2025, the resulting forecast assumption for FY 2026 requires current year revenues need only grow by 0.4% to meet budget.

CURRENT MOODY'S BASELINE FORECAST SUPPORTS THE OUTLOOK UNDERPINNING THE FY 2026 REVENUE FORECAST

Key Economic Variables: Existing Forecast and Current Expectations

Virginia data, Y/Y percent change unless otherwise noted

	FY 2025 Actual	Chapter 725 FY 2026 Forecast	Moody's July Baseline FY 2026 Forecast	Difference
Real Gross State Product	2.6*	1.8	0.6	-1.2
Employment Growth	1.4	0.1	0.3	0.2
Total Personal Income	5.1*	3.5	5.1	1.6
Average Wage	3.7*	2.5	4.2	1.7
Taxable Sales	4.3	3.7	3.4	-0.3
Unemployment Rate (%)	3.1	3.4	3.5	0.1
Core PCE Inflation (US)	2.7	1.9	3.3	1.4

Source: Bureau of Labor Statistics; Bureau of Economic Analysis; Moody's Analytics.

*Includes Moody's Analytics forecasted values for most recent quarter.

- Assumptions developed last year are generally consistent with the current Moody's baseline outlook.
- With FY 2025 nonwithholding revenues exceeding forecast, nonwithholding revenues assumed in the current appropriations act (Ch. 725) are assumed to decline 15.2% year-over-year in FY 2026.

IN EXCESS OF \$1.7 BILLION IN INCREMENTAL RESOURCES AVAILABLE FOR FY 2026

In Millions			
Excess Revenues, FY 2025*			\$572.0
Budgeted Spending Cushion			
Governor's Vetoes		\$900.0	
Required Set Aside (incl. sum sufficient)		(67.3)	
Net			\$832.7
Unspent Appropriations			
Total		2,093.8	
Mandatory Balance		(1,618.8)	
Discretionary Balance	Estimated at		\$200.0
Excess Revenue, FY 2026 (July)			\$144.7
Total FY 2026 Starting Cushion			\$1,749.4

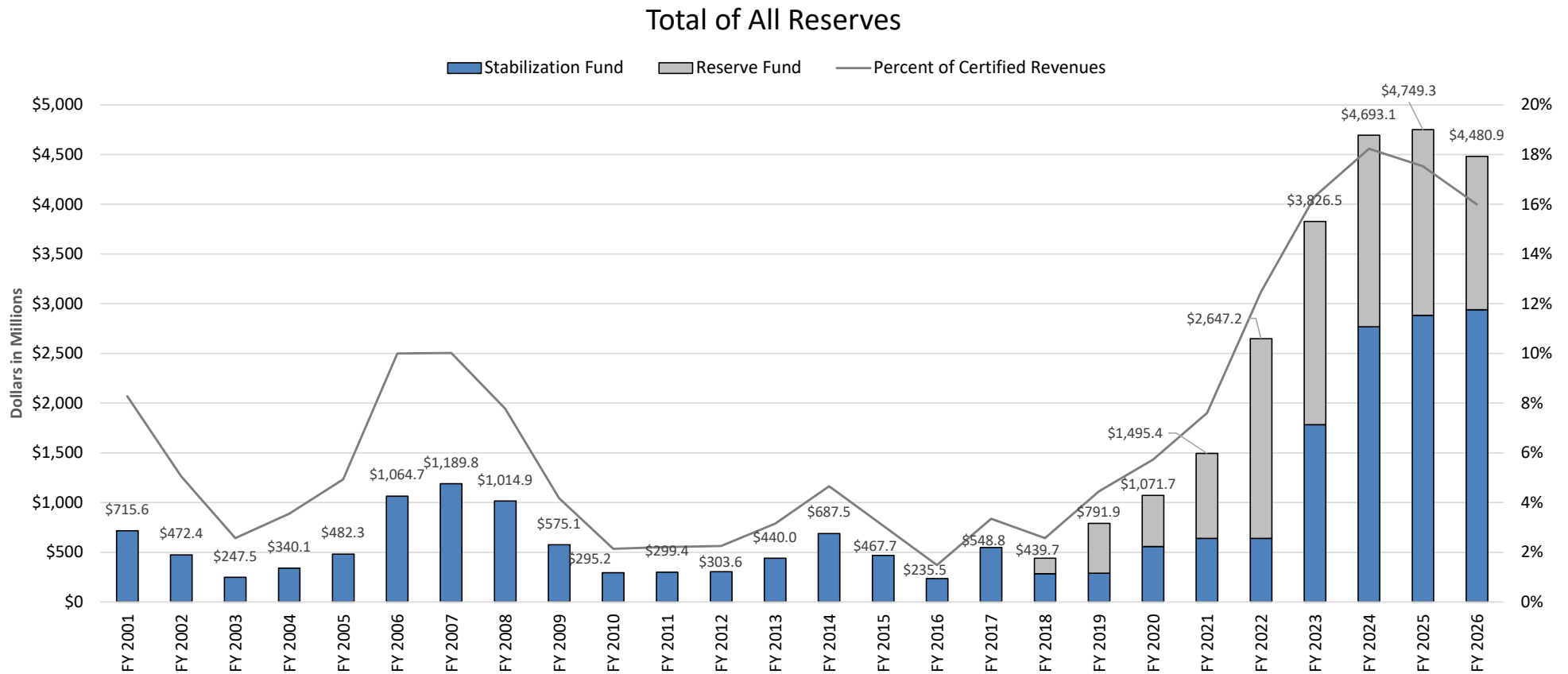
* Reported as Committed Fund Balance on Preliminary Balance Sheet.

JULY REVENUES GREW 7.3% YEAR-OVER-YEAR AND EXCEEDED PROJECTIONS BY \$144.7 MILLION

SOURCE, \$ Mil	July				FY 2025	Y/Y%
	Actuals	Projected	Variance \$	Variance %		
Withholding	\$1,569.0	\$1,468.9	\$100.1	6.8%	\$1,409.8	11.3%
Nonwithholding	137.7	100.0	37.7	37.7%	109.5	25.8%
IIT Refunds	(100.1)	(115.3)	15.1	-13.1%	(95.4)	5.0%
Net Individual Income	\$1,606.5	\$1,453.6	\$152.9	10.5%	\$1,423.9	12.8%
Sales & Use Tax	424.4	427.4	(3.0)	-0.7%	413.1	2.7%
Corporate Income Tax	47.8	54.2	(6.4)	-11.8%	54.0	-11.5%
Insurance	-	-	-	0.0%	-	0.0%
Wills, Suits, Deeds	45.3	48.1	(2.9)	-6.0%	42.9	5.6%
Interest Income	107.7	105.6	2.2	2.1%	114.1	-5.5%
All Other	43.4	41.5	1.9	4.6%	72.8	-40.3%
Total GF Revenues	\$2,275.1	\$2,130.4	\$144.7	6.8%	\$2,120.7	7.3%

- July is not a significant month for revenue collections and consists mainly of payroll withholding and sales and use tax revenues.
- Revenues for the month grew 7.3% year-over-year, driven by strong growth in individual income taxes. Payroll withholding collections increased 11.3% year-over-year and exceeded projections based on the current FY 2026 budget by \$100 million.
- Sales tax collections, reflecting June sales, grew 2.7% and were slightly (\$3.0 million) below projections for the month.

NEARLY \$4.5 BILLION IN PROJECTED RESERVES FOR FY 2026



REVENUE RESERVE FUND WITHDRAWALS

- Chapter 2 originally assumed a withdrawal of \$129.3 million in FY25 and \$675.7 million in FY26 from the Revenue Reserve Fund (RRF), while increasing the combined RRF and Revenue Stabilization Fund (RSF) cap to 20 percent of certified revenues.
- Chapter 725 increased the FY25 withdrawal to \$332.3 million and began a plan to phase the combined cap back to the Code-established 15 percent of certified revenues limit.
- The combined cap was set at 17.53 percent of certified revenues for FY25. Even after the planned \$332.3 million withdrawal, the combined balance of the two funds was in excess of the 17.53 percent limit, resulting in an additional \$100.5 withdrawal from the RRF based on established statutory procedure.
- The preliminary balance sheet indicates an additional FY26 deposit to the RRF, from the overperformance of FY25, of \$312.2 million.

MOODY'S CREDIT OUTLOOK: FEDERAL ACTIONS IMPACT ON VIRGINIA, MARYLAND, AND D.C.

Virginia Aaa stable

- Affirmed April 7, 2025
- Highest exposure to federal workforce
- But more reliant on defense-related jobs so relatively more insulated from job cuts
- Very strong ability to make spending cuts and very strong reserves

Maryland Aa1 stable

- Downgraded May 14, 2025
- Driven by economic and financial underperformance compared to Aaa-rated states
- Expected to continue given vulnerability to shifting federal policies and job cuts; high fixed costs
- Stable outlook reflects broader ability to adjust to changing conditions

District of Columbia Aa1 negative

- Downgraded April 23, 2025
- Significant decline in local federal workforce (21% over four years)
- Erodes stability of institutional presence that federal government has had on DC economy
- Further spending cuts, weak CRE market ongoing uncertainty are credit negative

Source: Moody's Ratings, State Credit Outlook presentation to the National Association of State Budget Officers, July 16, 2025.

SUMMARY OF PRELIMINARY FY 2025 GF BALANCE SHEET

(\$ Thousands)

Assets Less Liabilities **15,436,692**

Restricted Fund Balance:

Revenue Stabilization Fund Ending Balance \$2,882,213

Lottery Proceeds Fund \$32,031

Water Supply Assistance Grant Fund \$21,096

Total Restricted Fund Balance **\$2,935,340**

Committed Fund Balance:

Virginia Military Survivors and Dependents Education Program \$20,000

Reserve for potential federal fund reduction impact \$184,467

Revenue Reserve Fund Calculation \$312,330

Virginia Water Quality Improvement Fund - Part A 2025 Calculation \$55,200

Virginia Water Quality Improvement Fund - Part B 2025 Calculation \$52,695

Virginia Water Quality Improvement Fund Ending Balance \$797,028

Revenue Reserve Fund Ending Balance \$1,867,054

2025 Individual Income Tax Rebate \$977,843

Reappropriation of Capital Outlay \$2,938,536

Operating Mandatory Reappropriation \$1,618,832

Other Commitments \$2,239,805

Total Committed Fund Balance **\$11,063,790**

Assigned Fund Balance:

Balance Required by Chapter 725 \$13,346

Discretionary GF Balances \$474,257

Additional Assignment for Budgetary Priorities and Contingencies \$838,705

Other Assignments \$111,253

Total Assigned Fund Balance **\$1,437,562**

\$572 million. Full commitment of excess revenue collections required by Par. N of Item 470, CH 725 plus Revenue Reserve Fund calculation.

\$107.9 million. WQIF deposits, parts A and B, based on FY 2025 revenues and balances.

\$977.8 million. Reserved for Tax Rebate per Item 258, CH 725.

\$838.7 million. Additional assignment for anticipated budgetary needs.

\$8.9 BILLION WILL HAVE BEEN RETURNED TO TAXPAYERS, SAVING THE TYPICAL VIRGINIA FAMILY \$4,600+

Annual Value of Tax Relief Measures

Tax Relief Measures	2022 Relief ¹	2023 Relief ¹	2024 Relief ¹	2025 Relief ¹	2026 Relief ¹	Total Per Family
Increase standard deduction to \$8,000/\$16,000	\$399	\$399	\$400	\$400	\$401	\$1,999
Increase standard deduction to \$8,500/\$17,000	\$0	\$0	\$57	\$57	\$57	\$171
Increase standard deduction to \$8,750/\$17,500				\$28	\$28	\$56
Eliminate State Tax on Groceries	\$209	\$221	\$222	\$227	\$233	\$1,112
Individual Income Tax Rebates	\$500	\$400	\$0	\$400	\$0	\$1,300
Total	\$1,108	\$1,020	\$679	\$1,112	\$719	\$4,638
Military Retirement Income Tax Subtraction ²	\$575	\$1,150	\$1,725	\$2,300	\$2,300	\$8,050
Total, Including Military Subtractions	\$1,683	\$2,170	\$2,404	\$3,412	\$3,019	\$12,688

¹Typical Virginia Family is a family of four earning \$75,000 per year.

² Assumes subtraction of \$10,000 in Taxable Year 2022, \$20,000 in Taxable Year 2023, \$30,000 in Taxable Year 2024 and \$40,000 in Taxable Year 2025.

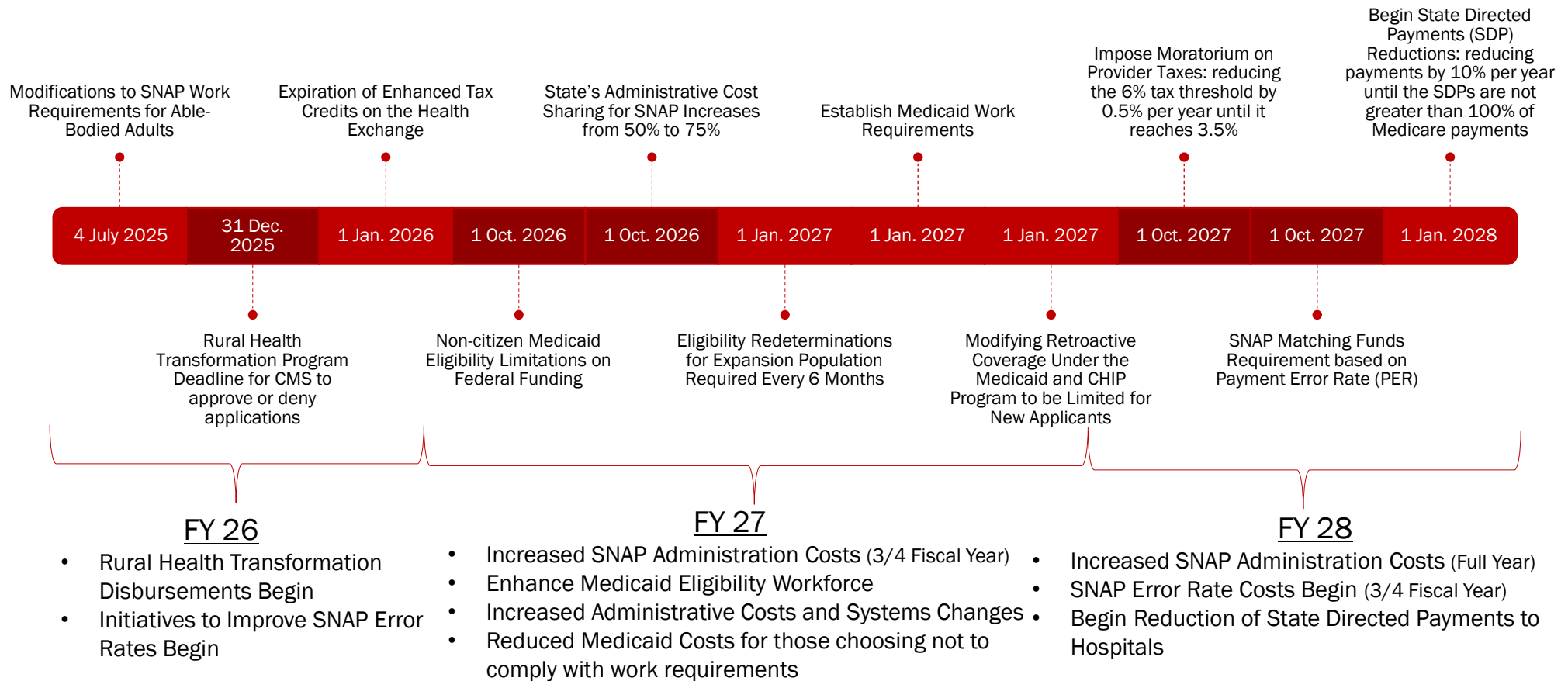
REVENUE IMPACT FROM MAJOR TAX POLICY ACTIONS

Tax Relief Measures (\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026
Individual: Increase Standard Deduction to \$8,000/\$16,000	(\$1,015.8)	(\$707.4)	(\$719.4)	(\$730.8)
Individual: Increase Standard Deduction to \$8,500/\$17,000	-	(48.1)	(101.7)	(102.6)
Individual: Increase Standard Deduction to \$8,750/\$17,500				(70.5)
Sales and Use: Eliminate State Tax on Groceries (1.5%)	(115.0)	(267.2)	(272.5)	(273.6)
Individual: Refundable Earned Income Tax Credit to 15% of Federal	(159.0)	(156.0)	(159.6)	(155.0)
Individual: Refundable Earned Income Tax Credit to 20% of Federal				(35.0)
Individual: Military Retirement Subtraction for Age 55+	(145.0)	(156.0)	(182.0)	(194.4)
Individual: Military Retirement Subtraction, Eliminate Age Limitation	-	(37.8)	(33.4)	(34.7)
Individual/Corp: Increase Business Interest Deduction from 20% to 30% of Federal Amt. Disallowed	(15.3)	(10.9)	(11.3)	(11.8)
Individual/Corp: Increase Business Interest Deduction from 30% to 50%	-	(10.3)	(22.6)	(23.5)
Individual: Reduce Estimated Payment Threshold	-	-	-	(10.4)
Total Permanent Tax Cuts	(\$1,450.1)	(\$1,393.7)	(\$1,502.5)	(\$1,642.3)
Individual: 2022 Tax Rebate (\$250/\$500)	(1,048.6)	-	-	-
Individual: 2023 Tax Rebate (\$200/\$400) (Paid from Special Fund)	-	(906.8)	-	-
Individual: 2025 Tax Rebate (\$200/\$400) (Paid from Special Fund)			(977.8)	
Total Permanent + One-Time Tax Cuts	(\$2,498.7)	(\$2,300.5)	(\$2,480.3)	(\$1,642.3)

RECENT CHANGES TO MEDICAID AND SNAP WILL BE ADDRESSED IN THE GOVERNOR'S INTRODUCED BUDGET

- Healthcare policy changes included in the One Big Beautiful Bill (OB BB) Act keep the Medicaid program in place for the people it was created to serve: persons with disabilities, the elderly who need long term care support, and families with children in poverty.
- Able-bodied adults maintain their current benefits but will have to fulfill basic requirements - work, volunteer, or education.
 - **No one eligible for Medicaid in Virginia will lose coverage because of work requirements unless they choose not to participate in the work requirement.**
 - Requires a minimum of 80 hours per month – or 18.5 hours per week - of work, volunteer service, or education.
 - In 2018, JLARC estimated that 7% of the Medicaid expansion population would be deterred from enrolling or leave the Medicaid program due to work requirements. Applied to today's population, that would equate to about 40,000 Virginians.
- Limitations on Hospital Provider Tax Assessments will result in lower Medicaid reimbursements to hospitals beginning in FY28 gradually bringing Medicaid payments to sustainable levels over time.
- Supplemental Nutrition Assistance Program (SNAP) changes will have a general fund expenditure impact beginning in FY27, but efforts by DSS and local departments of social services can help mitigate ongoing impact.
- Virginia will receive at least \$500 million, and potentially \$1 billion, over the next five years to drive rural health care transformation and expand services in rural areas.
- Executive Directives 12 and 13, signed August 13th, implement processes for applying for federal rural health care transformation funds and reducing SNAP error rates.
- No program or policy changes are required prior to the 2026 General Assembly Session.

TIMELINE OF KEY HEALTH POLICY PROVISIONS



THE COMMONWEALTH'S FINANCIAL POSITION REMAINS STRONG

- \$10 billion in revenue surpluses since 2022.
- Approximately \$1.7 billion cash cushion carried into FY 2026.
- FY 2025 revenues exceeded forecast by \$572 million.
 - Exceeded the “Common Ground” budget forecast (Chapter 2) by \$2.67 billion.
 - Payroll withholding and sales and use tax revenues – the best indicators of underlying economic growth – grew year-over-year by 5.0% and 2.2%, respectively. Combined, these sources were within 0.1% of the official forecast.
- FY 2026 revenues need only grow 0.4%, July revenues grew at 7.3% year-over-year and exceeded projections for the month by \$144.7 million.
- Economic assumptions underpinning the FY 2026 forecast are consistent with Moody’s current baseline outlook.
 - While federal trade and fiscal policy have generated some uncertainty with consumers and resulted in some mixed economic data over the first half of calendar year 2025, underlying economic fundamentals point to continued growth.
- Nearly \$4.5 billion in reserves for FY26.
- Virginia’s Triple-A credit status was affirmed in April, and outlook is stable.
- Positive economic momentum with capital commitments of \$125 billion and an associated 80,000 in new job growth.

FORECASTING PROCESS CONTINUES THROUGH DECEMBER

- **September:**
 - Individual, corporate, and insurance estimated payments are due.
- **October:**
 - Joint Advisory Board of Economists reviews economic assumptions.
- **November:**
 - Individual income tax extension returns due November 1.
 - Governor's Advisory Council on Revenue Estimates reviews revenue forecast for the 2026-28 biennium.
- **December:**
 - General fund revenue forecast is finalized, including post-GACRE adjustments and proposed policy changes.
 - Governor Youngkin's FY 2026 budget amendments and the 2026-28 biennial budget are presented at the December Joint Money Committee meeting.

APPENDIX: GENERAL FUND TRANSFERS

General Fund Transfers

(Dollars in Millions)

		<u>Fiscal Year 2025</u>
ABC Net Profits	\$	170.9
Revenue Reserve Fund		100.5
Transfers from Reserves		332.3
Virginia Growth & Opportunity Fund		28.0
Unclaimed Property Fund		115.0
DMA Dominion Energy Offshore Wind Easement Fund		30.0
State Racing Operations Fund		29.0
Transfer 3/8 Cents Sales Tax to GF		588.0
All Other		<u>107.6</u>
Total Transfers	\$	1,501.3

APPENDIX

- Fiscal Year 2025 General Fund Collections: Actual and Official Forecast
- Official General Fund Forecast for Fiscal Year 2026
- Fiscal Year 2025 Commonwealth Transportation Fund Collections: Actual and Official Forecast
- Official Commonwealth Transportation Fund Forecast for Fiscal Year 2026
- Growth in Total General Fund Revenues, Fiscal Years 1961 to 2025
- June 2025 Revenue Report
- July 2025 Revenue Report

Note: General Fund Preliminary Annual Report is available at the Department of Accounts web site (www.doa.virginia.gov).

General Fund Revenues Actuals and Forecasts
(Dollars in Millions)

Thursday, August 14, 2025

		Fiscal Year 2025							Fiscal Year 2026							
		Actuals	% Growth	Chapter 2 Forecast	Chapter 2 \$ Variance	Chapter 2 % Variance	Chapter 725 Forecast	Chapter 2 \$ Variance	Chapter 725 % Variance	Chapter 725 Forecast	Chapter 725 % Growth					
MAJOR TAX SOURCES																
Corporate Income	\$	1,878.6	(1.5) %	\$	2,065.5	\$	(186.9)	(9.0) %	\$	1,791.5	\$	87.1	4.9 %	\$	2,025.5	7.8 %
Individual Income																
Gross		25,079.8	7.7		22,260.5		2,819.4	12.7		24,369.7		710.1	2.9		24,313.8	(3.1)
Withholding		17,561.2	5.0		16,629.4		931.8	5.6		17,580.8		(19.7)	(0.1)		17,940.3	2.2
Nonwithholding		7,518.7	14.5		5,631.1		1,887.6	33.5		6,788.9		729.8	10.7		6,373.4	(15.2)
Refunds		(3,187.4)	7.3		(3,015.8)		(171.6)	5.7		(2,811.6)		(375.8)	13.4		(2,599.6)	(18.4)
Net		21,892.4	7.8		19,244.7		2,647.7	13.8		21,558.1		334.4	1.6		21,714.2	(0.8)
Insurance Company Premiums		541.5	15.6		439.3		102.1	23.3		485.8		55.7	11.5		503.7	(7.0)
State Sales & Use Tax		4,812.7	2.2		4,692.3		120.4	2.6		4,797.9		14.8	0.3		4,987.4	3.6
Wills, Suits, Deeds, & Contract Fees		471.2	15.9		456.7		14.5	3.2		457.6		13.6	3.0		557.0	18.2
Total Major Tax Sources	\$	29,596.4	6.5 %	\$	26,898.5	\$	2,697.9	10.0 %	\$	29,090.9	\$	505.5	1.7 %	\$	29,787.8	0.6 %
MISCELLANEOUS TAXES AND OTHER REVENUES																
Alcoholic Beverage State Tax	\$	272.2	(1.4) %	\$	297.2	\$	(25.0)	(8.4) %	\$	275.4	\$	(3.2)	(1.2) %	\$	278.4	2.3 %
Bank Franchise Tax		38.1	46.5		30.4		7.7	25.3		29.7		8.4	28.3		29.7	(22.1)
Beer & Beverage Excise Tax		36.3	(4.6)		40.0		(3.7)	(9.3)		39.1		(2.8)	(7.2)		39.1	7.8
Corporate Franchise & Charter Fees		88.2	17.9		83.0		5.2	6.2		78.5		9.7	12.3		82.2	(6.8)
Interest & Rents		593.9	(15.1)		724.5		(130.6)	(18.0)		617.3		(23.4)	(3.8)		633.6	6.7
Miscellaneous Taxes and Penalties		237.1	(3.0)		254.0		(16.9)	(6.6)		247.8		(10.7)	(4.3)		257.6	8.6
Other Miscellaneous Revenues		155.6	53.5		47.3		108.3	229.0		85.6		70.0	81.8		48.9	(68.6)
Public Service GR / Consumption Tax		114.5	7.1		105.9		8.6	8.1		108.0		6.4	5.9		109.9	(4.0)
Sports Betting Taxes		100.8	28.3		83.0		17.8	21.4		88.6		12.2	13.8		93.2	(7.5)
Total Misc. Taxes and Other Revenues	\$	1,636.6	(0.6) %	\$	1,665.3	\$	(28.7)	(1.7) %	\$	1,570.1	\$	66.5	4.2 %	\$	1,572.6	(3.9) %
TOTAL GF REVENUES	\$	31,233.0	6.1 %	\$	28,563.8	\$	2,669.3	9.3 %	\$	30,661.0	\$	572.0	1.9 %	\$	31,360.4	0.4 %
TRANSFERS																
A.B.C. Profits	\$	170.9	0.5 %	\$	162.1	\$	8.8	5.4 %	\$	161.1	\$	9.8	6.1 %	\$	156.1	(8.6) %
Sales Tax (0.375%)		587.9	2.5		571.7		16.2	2.8		586.0		2.0	0.3		608.9	3.6
Transfers Per Appropriations Act		742.5	(201.5)		394.3		348.2	88.3		643.2		99.3	15.4		807.1	8.7
Total Transfers	\$	1,501.3	**** %	\$	1,128.1	\$	373.2	33.1 %	\$	1,390.3	\$	111.0	8.0 %	\$	1,572.0	4.7 %
TOTAL GENERAL FUND	\$	32,734.3	11.1 %	\$	29,691.9	\$	3,042.4	10.2 %	\$	32,051.3	\$	683.0	2.1 %	\$	32,932.4	0.6 %

**** percentage greater than or equal to 1000%.

Commonwealth Transportation Fund
Actual Collections Compared to the Official Forecast for Fiscal Year 2025
(Millions of Dollars)

Revenue Sources	FY2024 Actual	FY2025 Actual	FY2025 Forecast	Percent Change 2024-2025		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	1,415.9	1,490.7	1,511.8	5.3	6.8	(21.1)	(1.4)
Road Use Tax	80.0	82.5	80.8	3.1	1.0	1.7	2.1
Vehicle Sales Tax	1,200.0	1,275.4	1,220.5	6.3	1.7	54.9	4.5
Vehicle Licenses	212.8	226.1	218.9	6.3	2.9	7.2	3.3
Highway User Fee	71.0	83.9	90.9	18.2	28.0	(7.0)	(7.7)
State Sales Tax	1,377.1	1,412.4	1,418.6	2.6	3.0	(6.2)	(0.4)
Recordation Tax	50.9	59.9	52.5	17.7	3.1	7.4	14.1
Insurance Premiums Tax	217.8	228.7	228.7	5.0	5.0	0.0	0.0
Int'l Registration Plan	113.8	116.6	114.4	2.5	0.5	2.2	1.9
Interest Earnings	54.2	54.6	33.4	0.7	(38.4)	21.2	63.5
Rental Tax	55.4	55.9	57.1	0.9	3.1	(1.2)	(2.1)
Aviation Fuels Tax	2.0	2.2	2.0	10.0	0.0	0.2	10.0
Miscellaneous	21.5	22.5	18.9	4.7	(12.1)	3.6	19.0
TOTAL	\$4,872.4	\$5,111.4	\$5,048.5	4.9	3.6	62.9	1.2

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

The December and Official Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2026
(Dollars in Millions)

August 14, 2025

	Fiscal Year 2025			Fiscal Year 2026							
				December Forecast	Official Forecast	Change	% Growth over FY 25				
	Actual	% Growth					December	Official			
Commonwealth Transportation Fund											
Motor Fuels Tax	\$	1,490.7	5.3 %	\$	1,555.9	\$	1,555.9	\$	0.0	4.4 %	4.4 %
Road Tax		82.5	3.1		82.3		82.3		0.0	(0.2)	(0.2)
Aviation Fuels Tax		2.2	10.0		2.0		2.0		0.0	(9.1)	(9.1)
Motor Vehicle Sales and Use Tax		1,275.4	6.3		1,240.2		1,240.2		0.0	(2.8)	(2.8)
Motor Vehicle Rental Tax(1)		55.9	0.9		58.0		58.0		0.0	3.8	3.8
Motor Vehicle License Fees		226.1	6.3		222.4		222.4		0.0	(1.6)	(1.6)
Highway User Fee		83.9	18.2		104.7		104.7		0.0	24.8	24.8
International Registration Plan		116.6	2.5		115.9		115.9		0.0	(0.6)	(0.6)
Retail Sales and Use Tax		1,412.4	2.6		1,477.0		1,477.0		0.0	4.6	4.6
Recordation Tax (3 cents)		59.9	17.7		63.6		63.6		0.0	6.2	6.2
Insurance Premiums Tax (1/3)		228.7	5.0		256.7		256.7		0.0	12.2	12.2
Interest Earnings		54.6	0.7		32.9		32.9		0.0	(39.7)	(39.7)
Miscellaneous		22.5	4.7		18.9		18.9		0.0	(16.0)	(16.0)
Total State Taxes and Fees	\$	5,111.4	4.9 %	\$	5,230.5	\$	5,230.5	\$	0.0	2.3 %	2.3 %

The December forecast is based on the October Moody's Analytics October 2024 baseline forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Advisory Council on Revenue Estimates.

The Official forecast is based on the October Moody's Analytics October 2024 baseline scenario and adjusted for actions of the 2025 session of the General Assembly (Chapter 725).

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

The December and Official Standard Commonwealth Transportation Fund Forecast for Fiscal Year 2027
(Dollars in Millions)

August 14, 2025

	Fiscal Year 2027							
	December Forecast		Official Forecast		% Growth over FY 26			
				Change	December	Official		
Commonwealth Transportation Fund								
Motor Fuels Tax	\$	1,586.4	\$	1,586.4	\$	0.0	2.0 %	2.0 %
Road Tax		83.0		83.0		0.0	0.9	0.9
Aviation Fuels Tax		2.0		2.0		0.0	0.0	0.0
Motor Vehicle Sales and Use Tax		1,256.4		1,256.4		0.0	1.3	1.3
Motor Vehicle Rental Tax(1)		59.1		59.1		0.0	1.9	1.9
Motor Vehicle License Fees		220.8		220.8		0.0	(0.7)	(0.7)
Highway User Fee		119.0		119.0		0.0	13.7	13.7
International Registration Plan		117.3		117.3		0.0	1.2	1.2
Retail Sales and Use Tax		1,534.5		1,534.5		0.0	3.9	3.9
Recordation Tax (3 cents)		74.8		74.8		0.0	17.6	17.6
Insurance Premiums Tax (1/3)		249.4		249.4		0.0	(2.8)	(2.8)
Interest Earnings		29.2		29.2		0.0	(11.2)	(11.2)
Miscellaneous		18.9		18.9		0.0	0.0	0.0
Total State Taxes and Fees	\$	5,350.8	\$	5,350.8	\$	0.0	2.3 %	2.3 %

The December forecast is based on the October Moody's Analytics October 2024 baseline forecast adapted based on recommendations of the Joint Advisory Board of Economists and the Governor's Advisory Council on Revenue Estimates.

The Official forecast is based on the October Moody's Analytics October 2024 baseline scenario and adjusted for actions of the 2025 session of the General Assembly (Chapter 725).

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

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2027

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	95	6,881,145,000	5.8%
62	242,144,567	4.8%	96	7,356,110,000	6.9%
63	286,304,265	18.2%	97	7,949,327,000	8.1%
64	298,033,919	4.1%	98	8,773,520,000	10.4%
65	323,213,412	8.4%	99	9,702,747,000	10.6%
66	365,129,776	13.0%	00	10,788,482,000	11.2%
67	414,755,644	13.6%	01	11,105,275,000	2.9%
68	533,597,744	28.7%	02	10,678,954,000	-3.8%
69	706,254,374	32.4%	03	10,867,149,000	1.8%
70	743,721,322	5.3%	04	11,917,867,000	9.7%
71	807,954,651	8.6%	05	13,687,252,000	14.8%
72	922,653,686	14.2%	06	14,834,298,000	8.4%
73	1,054,469,443	14.3%	07	15,565,827,000	4.9%
74	1,168,562,871	10.8%	08	15,766,951,000	1.3%
75	1,303,178,893	11.5%	09	14,315,060,000	-9.2%
76	1,428,421,157	9.6%	10	14,219,477,000	-0.7%
77	1,636,301,819	14.6%	11	15,040,200,000	5.8%
78	1,923,085,084	17.5%	12	15,846,665,000	5.4%
79	2,115,211,522	10.0%	13	16,684,600,000	5.3%
80	2,344,928,934	10.9%	14	16,411,400,000	-1.6%
81	2,579,663,941	10.0%	15	17,735,600,000	8.1%
82	2,796,458,741	8.4%	16	18,040,100,000	1.7%
83	2,975,687,935	6.4%	17	18,695,100,000	3.6%
84	3,397,710,261	14.2%	18	19,880,800,000	6.3%
85	3,790,816,000	11.6%	19	21,307,500,000	7.2%
86	4,131,778,000	9.0%	20	21,737,800,000	2.0%
87	4,590,434,000	11.1%	21	24,878,500,000	14.4%
88	5,054,382,000	10.1%	22	28,934,900,000	16.3%
89	5,478,912,000	8.4%	23	27,909,900,000	-3.5%
90	5,494,884,000	0.3%	24	29,448,224,000	5.5%
91	5,471,879,000	-0.4%	25	31,233,034,000	6.1%
92	5,623,213,000	2.8%	26*	31,360,400,000	0.4%
93	6,133,637,000	9.1%	27*	32,920,900,000	5.0%
94	6,503,368,000	6.0%			

* Official Forecast (Excludes Transfers)

Shaded areas indicate years in which there was a national recession.

FY 2025 Estimate
Per Chapter 725

**Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			June			Year-To-Date			% Annual Growth
Revenue	FY 2025 Estimate	As a % of Gen Fund Rev	FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	Req By Est
Individual Income Tax:									
Withholding	\$17,580,800	57.34	\$1,351,587	\$1,330,685	1.6	\$17,561,164	\$16,718,227	5.0	5.2
Tax Dues/Estimated Payments	6,788,900	22.14	820,776	708,393	15.9	7,518,680	6,563,693	14.5	3.4
Gross Individual Income Tax	\$24,369,700	79.48	\$2,172,363	\$2,039,078	6.5	\$25,079,844	\$23,281,920	7.7	4.7
Individual and Fiduciary Income (Refunds)	(2,811,600)	(9.17)	(114,543)	(92,228)	24.2	(3,187,402)	(2,971,514)	7.3	(5.4)
Net Individual Income Tax	\$21,558,100	70.31	\$2,057,820	\$1,946,850	5.7	\$21,892,442	\$20,310,406	7.8	6.1
Sales and Use Tax	\$4,797,900	15.65	\$426,862	\$412,922	3.4	\$4,812,737	\$4,709,661	2.2	1.9
Corporations Income Tax	1,791,500	5.84	317,552	305,109	4.1	1,878,586	1,907,065	(1.5)	(6.1)
Wills, Suits, Deeds, Contracts	457,600	1.49	47,812	38,210	25.1	471,176	406,486	15.9	12.6
Insurance Premiums	485,800	1.58	156,666	140,306	11.7	541,452	468,192	15.6	3.8
Interest Income (a)	617,200	2.02	(59,850)	(70,096)	14.6	593,757	699,767	(15.1)	(11.8)
Alcoholic Beverage Sales (b)	314,500	1.03	71,371	71,525	(0.2)	308,440	314,127	(1.8)	0.1
All Other Revenues	638,400	2.08	159,999	120,815	32.4	734,444	632,520	16.1	0.9
Total General Fund Revenues	\$30,661,000	100.00	\$3,178,232	\$2,965,641	7.2	\$31,233,034	\$29,448,224	6.1	4.1

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

- (a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of June.
- (b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		As a %	June			Year-To-Date			% Annual
Revenue	FY 2025 Estimate	of Total Gen Fund Rev	FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$17,580,800	57.34	\$1,351,587	\$1,330,685	1.6	\$17,561,164	\$16,718,227	5.0	5.2
Tax Dues/Estimated Payments	6,788,900	22.14	820,776	708,393	15.9	7,518,680	6,563,693	14.5	3.4
Gross Individual Income Tax	\$24,369,700	79.48	\$2,172,363	\$2,039,078	6.5	\$25,079,844	\$23,281,920	7.7	4.7
Individ and Fiduc Income (Refunds)	(2,811,600)	(9.17)	(114,543)	(92,228)	24.2	(3,187,402)	(2,971,514)	7.3	(5.4)
Net Individual Income Tax	\$21,558,100	70.31	\$2,057,820	\$1,946,850	5.7	\$21,892,442	\$20,310,406	7.8	6.1
Sales and Use Tax	4,797,900	15.65	426,862	412,922	3.4	4,812,737	4,709,661	2.2	1.9
Corporations Income	1,791,500	5.84	317,552	305,109	4.1	1,878,586	1,907,065	(1.5)	(6.1)
Public Service Corporations	108,000	0.35	6,629	11,822	(43.9)	114,467	106,903	7.1	1.0
Insurance Premiums	485,800	1.58	156,666	140,306	11.7	541,452	468,192	15.6	3.8
Alcoholic Beverage Excise	275,400	0.90	65,000	65,000	0.0	272,155	276,092	(1.4)	(0.3)
Beer and Beverage Excise	39,100	0.13	6,371	6,525	(2.4)	36,285	38,035	(4.6)	2.8
Wills, Suits, Deeds, Contracts	457,600	1.49	47,812	38,210	25.1	471,176	406,486	15.9	12.6
Inheritance, Gift, and Estate	0	0.00	0	0	-	990	0	-	-
Bank Franchise	29,700	0.11	6,319	9,128	(30.8)	38,104	26,016	46.5	14.2
Other Taxes	71,900	0.23	10,269	9,149	12.2	77,812	65,562	18.7	9.7
Total Taxes	\$29,615,000	96.59	\$3,101,300	\$2,945,021	5.3	\$30,136,206	\$28,314,418	6.4	4.6
Rights and Privileges:									
Licenses and Permits	\$3,800	0.01	\$517	\$531	(2.6)	\$3,972	\$3,799	4.6	0.0
Corp. Franchise and Charters	78,500	0.26	69,004	56,143	22.9	88,168	74,810	17.9	4.9
Fees for Misc. Privileges & Services	19,200	0.06	5,292	4,851	9.1	23,070	20,526	12.4	(6.5)
Total Rights and Privileges	\$101,500	0.33	\$74,813	\$61,525	21.6	\$115,210	\$99,135	16.2	2.4
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	(\$3,117)	100.0	\$3,066	\$13,118	(76.6)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	15	23	(34.8)	291	628	(53.7)	(36.3)
Institutional Revenue	3,500	0.01	134	48	179.2	3,602	3,313	8.7	5.6
Interest (a)	617,200	2.02	(59,850)	(70,096)	14.6	593,757	699,767	(15.1)	(11.8)
Dividends and Rent	200	0.00	(7)	(4)	(75.0)	143	135	5.9	48.1
Fines, Forfeitures & Fees	264,500	0.86	22,417	19,720	13.7	259,128	257,679	0.6	2.6
Other Revenue	58,100	0.19	39,479	12,423	217.8	120,746	58,049	108.0	0.1
Excess Fees	(5,000)	(0.02)	(594)	(408)	(45.6)	(4,595)	(3,113)	(47.6)	(60.6)
Private Donations, Gifts & Cont.	0	0.00	1	0	-	1	20	(95.0)	(100.0)
Cities, Counties, and Towns	5,600	0.02	524	506	3.6	5,479	5,075	8.0	10.3
Total Other Revenues	\$944,500	3.08	\$2,119	(\$40,905)	105.2	\$981,618	\$1,034,671	(5.1)	(8.7)
Total General Fund Revenues	\$30,661,000	100.00	\$3,178,232	\$2,965,641	7.2	\$31,233,034	\$29,448,224	6.1	4.1

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

(a) Interest Income for the April - June quarter attributable to nongeneral funds was transferred this month, resulting in negative Interest Income for the month of June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

			June			Year-To-Date				% Annual Growth Required By Estimate
	FY 2025 Estimate	(b)	FY 2025	(c)	FY 2024	% Change	FY 2025	(c)	FY 2024	% Change
Lottery Collections (a)										
Total Lottery Sales	\$5,806,587		\$486,908		\$449,674	8.3	\$5,770,640		\$5,521,005	4.5
Other Income	10,000		335		610	(45.1)	8,780		9,929	(11.6)
Total Income	<u>\$5,816,587</u>		<u>\$487,243</u>		<u>\$450,284</u>	8.2	<u>\$5,779,420</u>		<u>\$5,530,934</u>	4.5
Less:										
Prize Expenses	\$4,556,496		\$396,062		\$353,611	12.0	\$4,521,838		\$4,245,744	6.5
Retailer Commissions	144,939		9,332		12,187	(23.4)	127,911		141,510	(9.6)
Operating Expenses	246,929		23,963		20,010	19.8	228,143		209,581	8.9
Total Expenses	<u>\$4,948,364</u>		<u>\$429,357</u>		<u>\$385,808</u>	11.3	<u>\$4,877,892</u>		<u>\$4,596,835</u>	6.1
Net Proceeds from Operations										
Net Lottery Ticket Profits	\$868,223		\$57,886		\$64,476	(10.2)	\$901,528	(d)	\$934,099	(3.5)
Prior Year Residual Profit Transfer	75,601		0		0	-	75,601		86,171	(12.3)
Available to Lottery Proceeds Fund	<u>\$943,824</u>		<u>\$57,886</u>		<u>\$64,476</u>	(10.2)	<u>\$977,129</u>		<u>\$1,020,270</u>	(4.2)

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

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 725, 2025 Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$75,601,408 was transferred on August 13, 2024, and is included in the total estimate.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) This amount represents estimated net profits for FY 2025. In accordance with Chapter 725, 2025 Virginia Acts of Assembly, §3-1.01 G, \$943,824,250 was transferred to the Lottery Proceeds Fund during FY 2025. Final FY 2025 audited net profit will be determined in August 2025. The amount of audited profit that exceeds the FY 2025 profit transfers to the Lottery Proceeds Fund will be included in the Residual Profit Transfer to the Lottery Proceeds Fund in August 2025 (FY 2026).

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

Revenue	FY 2025 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
Motor Fuel Taxes	\$1,594,600	18.96	\$123,716	\$117,647	5.2	\$1,575,436	\$1,497,908	5.2	6.5
Insurance Premiums Tax	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
Motor Vehicle Sales and Use Tax	1,277,600	15.19	98,184	85,978	14.2	1,331,242	1,255,398	6.0	1.8
State Sales and Use Tax	1,418,600	16.87	122,895	121,011	1.6	1,412,430	1,377,114	2.6	3.0
Motor Vehicle License Fees	218,900	2.60	16,165	10,970	47.4	226,053	212,768	6.2	2.9
Highway Use Fee	90,900	1.08	6,481	5,930	9.3	83,891	71,017	18.1	28.0
International Registration Plan	114,400	1.36	5,398	3,816	41.5	116,620	113,777	2.5	0.5
Recordation Tax	52,500	0.63	5,938	4,992	19.0	59,889	50,875	17.7	3.2
Interest Earnings	33,400	0.40	12,258	16,344	(25.0)	54,643	54,202	0.8	(38.4)
Misc. Taxes, Fees, and Revenues	18,900	0.22	1,796	3,059	(41.3)	22,542	21,567	4.5	(12.4)
Total State Taxes and Fees	\$5,048,500	60.04	\$392,831	\$369,747	6.2	\$5,111,407	\$4,872,417	4.9	3.6

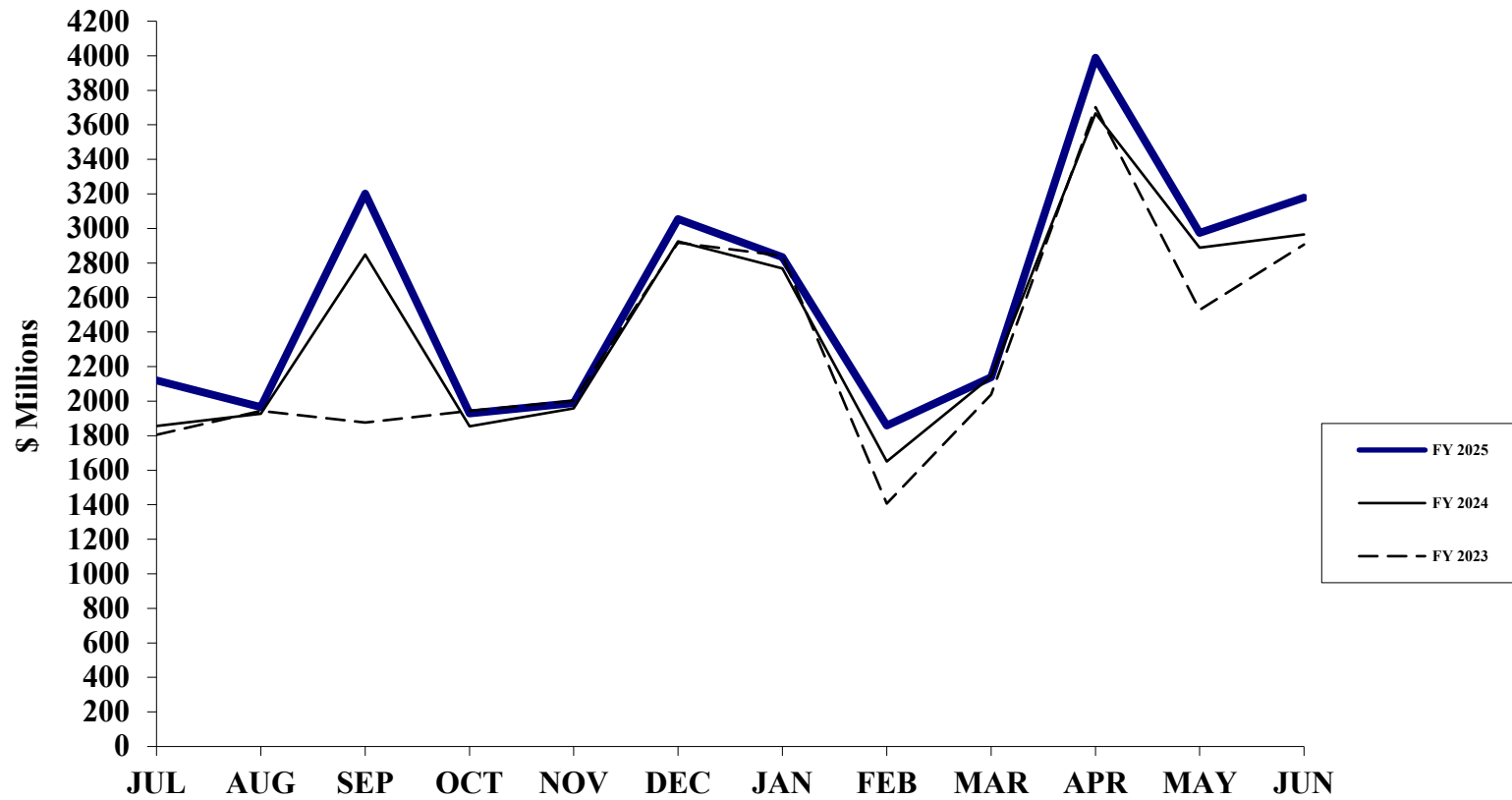
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2024 and 2025
(Dollars in Thousands)

		As a %	June			Year-To-Date			% Annual
Revenue	FY 2025	of Total			%			%	Growth
	Estimate	Fund	FY 2025	FY 2024	Change	FY 2025	FY 2024	Change	Required
									By Est
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes									
(Includes Aviation & Road Taxes)	\$1,594,600	18.96	\$123,716	\$117,647	5.2	\$1,575,436	\$1,497,908	5.2	6.5
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	1,277,600	15.19	98,184	85,978	14.2	1,331,242	1,255,398	6.0	1.8
State Sales and Use Tax	1,418,600	16.87	122,895	121,011	1.6	1,412,430	1,377,114	2.6	3.0
Motor Vehicle License Fees	218,900	2.60	16,165	10,970	47.4	226,053	212,768	6.2	2.9
Highway Use Fee	90,900	1.08	6,481	5,930	9.3	83,891	71,017	18.1	28.0
International Registration Plan	114,400	1.36	5,398	3,816	41.5	116,620	113,777	2.5	0.5
Insurance Premiums Tax	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
Recordation Tax	52,500	0.63	5,938	4,992	19.0	59,889	50,875	17.7	3.2
Total Commonwealth Transportation Fund	\$4,996,200	59.42	\$378,777	\$350,344	8.1	\$5,034,222	\$4,796,648	5.0	4.2
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.22	\$1,796	\$3,059	(41.3)	\$22,542	\$21,567	4.5	(12.4)
Other Miscellaneous Revenues	30,132	0.36	5,283	9,312	(43.3)	493,862	375,742	31.4	(92.0)
Federal Grants and Contracts	0	0.00	4,302	4,072	5.6	64,702	41,181	57.1	(100.0)
Transfer (to) / from Transportation Trust Fund	526,783	6.26	145,783	90,025	61.9	526,783	340,424	54.7	54.7
Total Highway Maintenance and Operating Fund	\$575,815	6.84	\$157,164	\$106,468	47.6	\$1,107,889	\$778,914	42.2	(26.1)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$33,400	0.40	\$12,258	\$16,344	(25.0)	\$54,643	\$54,202	0.8	(38.4)
Federal Grants and Contracts	1,743,227	20.73	74,461	52,706	41.3	1,361,842	1,255,276	8.5	38.9
Receipts from Cities/Counties	1,466,358	17.44	70,278	69,030	1.8	588,250	646,876	(9.1)	126.7
Toll Revenues	116,696	1.38	4,994	4,685	6.6	65,089	67,324	(3.3)	73.3
Miscellaneous Revenues	4,058	0.05	142,822	44,518	220.8	394,892	278,647	41.7	(98.5)
Transfer (to) / from Highway Maintenance and Operating Fund	(526,783)	(6.26)	(145,783)	(90,025)	(61.9)	(526,783)	(340,424)	(54.7)	(54.7)
Total Transportation Trust Fund	\$2,836,956	33.74	\$159,030	\$97,258	63.5	\$1,937,933	\$1,961,901	(1.2)	44.6
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,408,971	100.00	\$694,971	\$554,070	25.4	\$8,080,044	\$7,537,463	7.2	11.6

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

Total General Fund Revenues

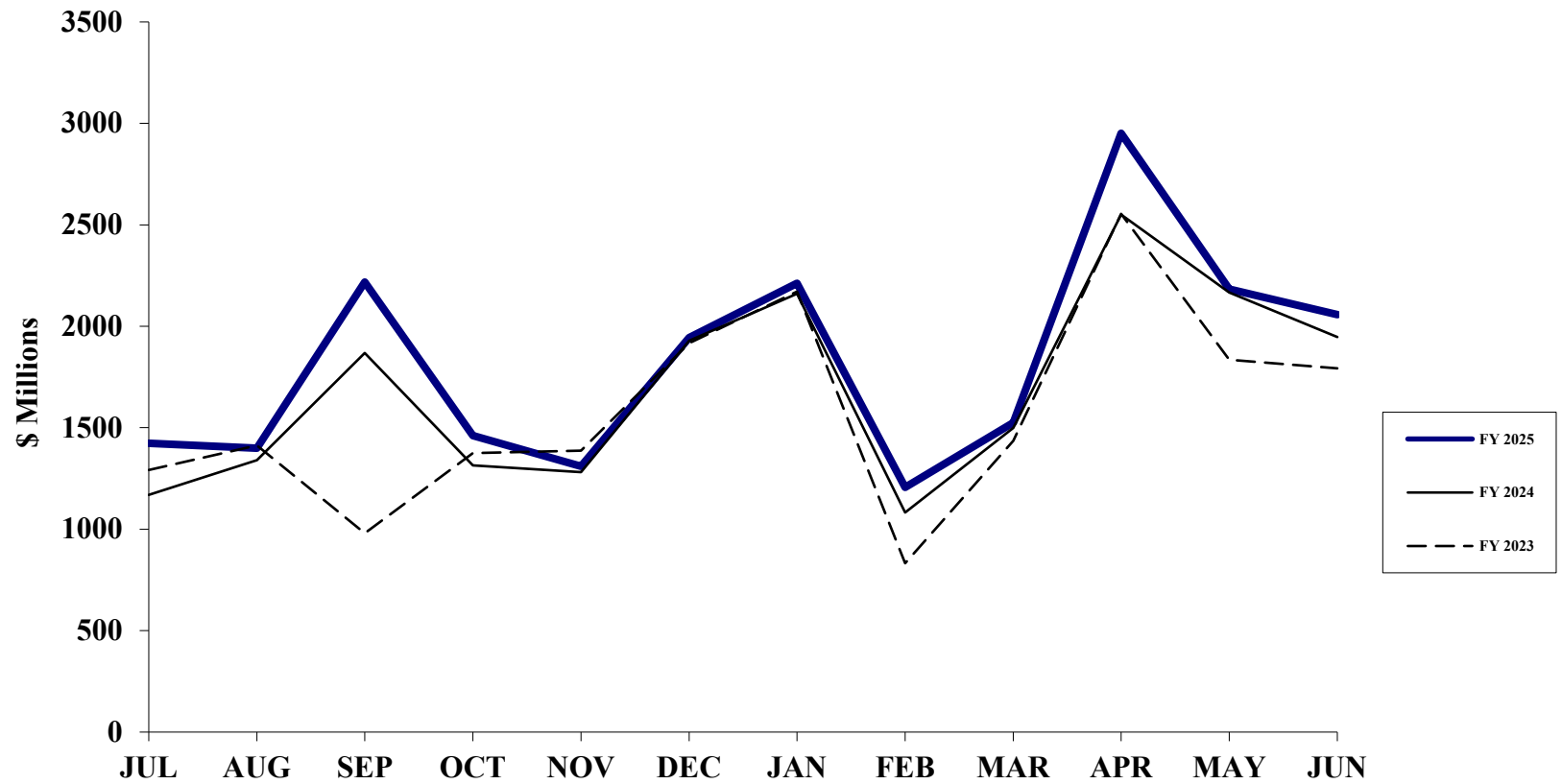


FY 2023 Actual = \$27,909.9 Million

FY 2024 Actual = \$29,448.2 Million

FY 2025 Actual = \$31,233.0 Million

Net Individual Income Tax

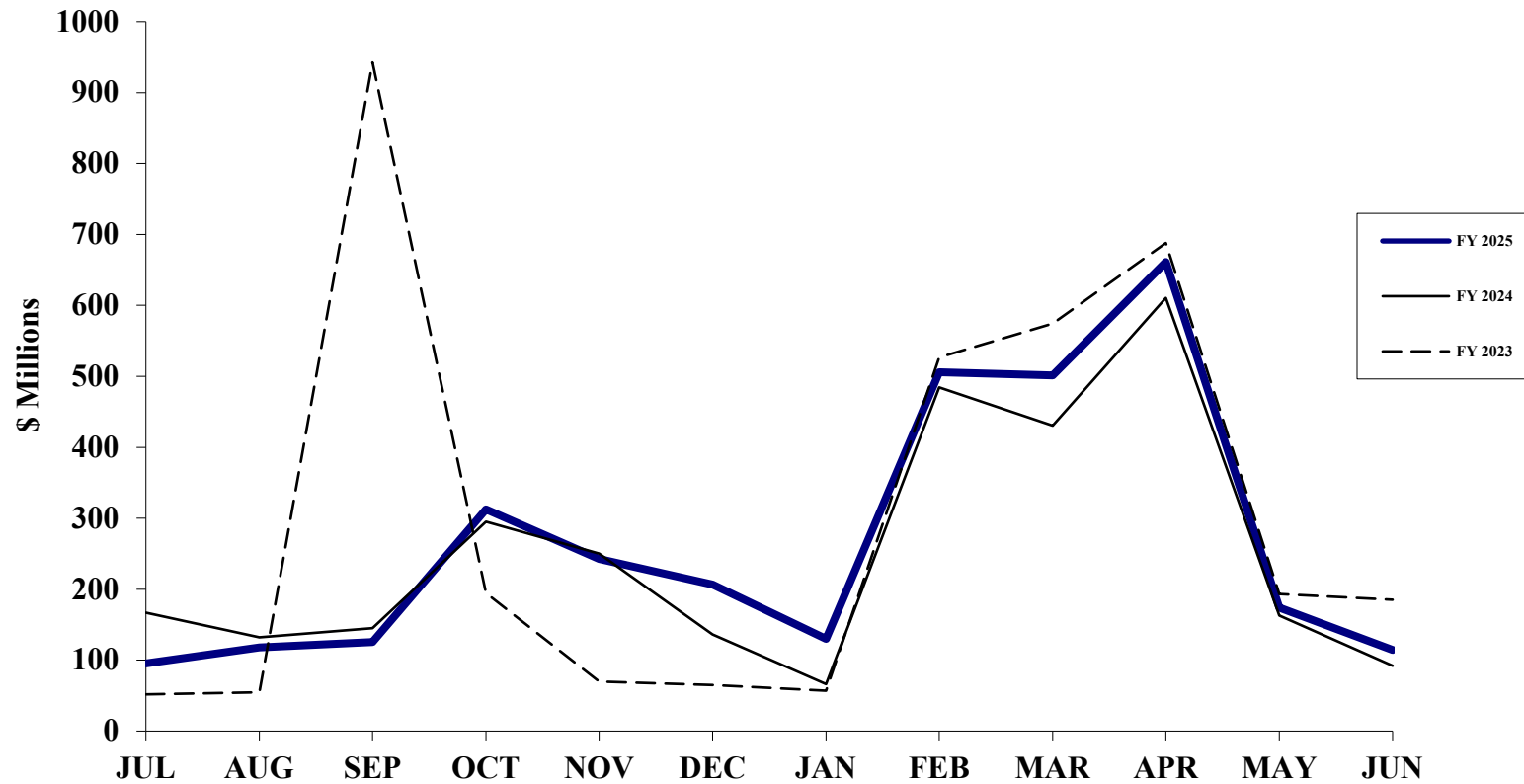


FY 2023 Actual = \$18,983.6 Million

FY 2024 Actual = \$20,310.4 Million

FY 2025 Actual = \$21,892.4 Million

Individual and Fiduciary Income Tax Refunds



FY 2023 Actual = \$3,602.8 Million

FY 2024 Actual = \$2,971.5 Million

FY 2025 Actual = \$3,187.4 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
Monthly Average Balances and Rates
For the Fiscal Year 2025
(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹	EXTERNAL MANAGEMENT EXTENDED DURATION			COMPOSITE		
	Avg. Balance	Yield		Avg. Balance	Annualized Total Return	YTM ²	Avg. Balance	Rate ³	YTM ⁴
July, 2024	\$21,067.8	4.73%	5.03%	\$9,091.7 ⁵	20.56% ⁵	4.82%	\$30,159.5 ⁵	9.50% ⁵	4.76%
August	\$19,438.1	4.70%	4.93%	\$9,724.4	13.40%	4.55%	\$29,162.5	7.60%	4.65%
September	\$19,333.8	4.65%	4.83%	\$10,331.7	13.44%	4.29%	\$29,665.5	7.71%	4.53%
October	\$19,380.6	4.47%	4.76%	\$10,553.7	-17.91%	4.75%	\$29,934.3	-3.42%	4.57%
November	\$18,860.0	4.31%	4.70%	\$10,513.7	9.27%	4.69%	\$29,373.7	6.09%	4.44%
December	\$18,573.5	4.20%	4.61%	\$10,518.9	-5.47%	4.82%	\$29,092.4	0.70%	4.42%
January, 2025	\$19,322.0	4.13%	4.51%	\$10,638.0	6.65%	4.83%	\$29,960.0	5.02%	4.38%
February	\$19,370.6	4.14%	4.40%	\$10,995.8	17.76%	4.57%	\$30,366.4	9.07%	4.30%
March	\$18,206.8	4.05%	4.28%	\$11,340.9	3.43%	4.56%	\$29,547.7	3.81%	4.23%
April	\$18,020.6	4.07%	4.18%	\$11,638.1	7.49%	4.45%	\$29,658.7	5.41%	4.20%
May	\$19,019.0	4.06%	4.14%	\$11,906.8	-3.31%	4.61%	\$30,925.8	1.22%	4.25%
June	\$18,269.5	4.09%	4.14%	\$12,208.2	12.92%	4.43%	\$30,477.7	7.63%	4.43%
Year-to-Date Average	\$19,071.9	4.31 %	4.54%	\$10,788.5	6.16%	4.61%	\$29,860.4	4.98%	4.61%

▪ Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

▪ Unaudited.

¹ Federal Reserve Bank H.15 Release.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

⁵ The EDCP Avg. Balance, Annualized Total Return, Composite Avg. Balance, and Composite Rate were updated by Treasury as of August 21, 2024.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2025**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
August	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
September	\$2,767,047,534	\$0	\$0	\$0	\$2,767,047,534
October	\$2,767,047,534	\$0	\$0	\$30,301,470	\$2,797,349,004
November	\$2,797,349,004	\$0	\$0	\$0	\$2,797,349,004
December	\$2,797,349,004	\$0	\$0	\$0	\$2,797,349,004
January	\$2,797,349,004	\$0	\$0	\$30,054,868	\$2,827,403,872
February	\$2,827,403,872	\$0	\$0	\$0	\$2,827,403,872
March	\$2,827,403,872	\$0	\$0	\$0	\$2,827,403,872
April	\$2,827,403,872	\$0	\$0	\$28,358,694	\$2,855,762,566
May	\$2,855,762,566	\$0	\$0	\$0	\$2,855,762,566
June	\$2,855,762,566	\$0	\$0	\$26,450,337	\$2,882,212,903

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

FY 2026 Estimate
Per Chapter 725

**Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			July			Year-To-Date			% Annual Growth Req By Est
Revenue	FY 2026 Estimate	As a % of Gen Fund Rev	FY 2026	FY 2025	% Change	FY 2026	FY 2025	% Change	
Individual Income Tax:									
Withholding	\$17,940,300	57.21	\$1,568,954	\$1,409,848	11.3	\$1,568,954	\$1,409,848	11.3	2.2
Tax Dues/Estimated Payments	6,373,500	20.32	137,741	109,456	25.8	137,741	109,456	25.8	(15.2)
Gross Individual Income Tax	\$24,313,800	77.53	\$1,706,695	\$1,519,304	12.3	\$1,706,695	\$1,519,304	12.3	(3.1)
Individual and Fiduciary Income (Refunds)	(2,599,600)	(8.29)	(100,149)	(95,371)	5.0	(100,149)	(95,371)	5.0	(18.4)
Net Individual Income Tax	\$21,714,200	69.24	\$1,606,546	\$1,423,933	12.8	\$1,606,546	\$1,423,933	12.8	(0.8)
Sales and Use Tax	\$4,987,400	15.90	\$424,108	\$413,133	2.7	\$424,108	\$413,133	2.7	3.6
Corporations Income Tax	2,025,500	6.46	47,784	53,984	(11.5)	47,784	53,984	(11.5)	7.8
Wills, Suits, Deeds, Contracts	557,000	1.78	45,281	42,868	5.6	45,281	42,868	5.6	18.2
Insurance Premiums	503,700	1.61	0	0	-	0	0	-	(7.0)
Interest Income (a)	633,400	2.02	107,743	114,050	(5.5)	107,743	114,050	(5.5)	6.7
Alcoholic Beverage Sales (b)	317,500	1.01	205	200	2.5	205	200	2.5	2.9
All Other Revenues	621,700	1.98	43,200	72,566	(40.5)	43,200	72,566	(40.5)	(15.4)
Total General Fund Revenues	\$31,360,400	100.00	\$2,274,867	\$2,120,734	7.3	\$2,274,867	\$2,120,734	7.3	0.4

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

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

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

FY 2026 Estimate
Per Chapter 725

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2026	As a %					Year-To-Date		% Annual
Revenue	Estimate	of Total	FY 2026	FY 2025	%	FY 2026	FY 2025	%	Growth
		Gen Fund Rev			Change			Change	Req By Est
Taxes:									
Individual Income Tax - Withholding	\$17,940,300	57.21	\$1,568,954	\$1,409,848	11.3	\$1,568,954	\$1,409,848	11.3	2.2
Tax Dues/Estimated Payments	6,373,500	20.32	137,741	109,456	25.8	137,741	109,456	25.8	(15.2)
Gross Individual Income Tax	\$24,313,800	77.53	\$1,706,695	\$1,519,304	12.3	\$1,706,695	\$1,519,304	12.3	(3.1)
Individ and Fiduc Income (Refunds)	(2,599,600)	(8.29)	(100,149)	(95,371)	5.0	(100,149)	(95,371)	5.0	(18.4)
Net Individual Income Tax	\$21,714,200	69.24	\$1,606,546	\$1,423,933	12.8	\$1,606,546	\$1,423,933	12.8	(0.8)
Sales and Use Tax	4,987,400	15.90	424,108	413,133	2.7	424,108	413,133	2.7	3.6
Corporations Income	2,025,500	6.46	47,784	53,984	(11.5)	47,784	53,984	(11.5)	7.8
Public Service Corporations	109,900	0.35	8,608	8,052	6.9	8,608	8,052	6.9	(4.0)
Insurance Premiums	503,700	1.61	0	0	-	0	0	-	(7.0)
Alcoholic Beverage Excise	278,400	0.89	0	0	-	0	0	-	2.3
Beer and Beverage Excise	39,100	0.12	205	200	2.5	205	200	2.5	7.8
Wills, Suits, Deeds, Contracts	557,000	1.78	45,281	42,868	5.6	45,281	42,868	5.6	18.2
Inheritance, Gift, and Estate	0	0.00	0	0	-	0	0	-	(100.0)
Bank Franchise	29,700	0.09	23	(131)	117.6	23	(131)	117.6	(22.1)
Other Taxes	87,600	0.28	6,560	3,941	66.5	6,560	3,941	66.5	12.6
Total Taxes	\$30,332,500	96.72	\$2,139,115	\$1,945,980	9.9	\$2,139,115	\$1,945,980	9.9	0.7
Rights and Privileges:									
Licenses and Permits	\$3,800	0.01	\$166	\$206	(19.4)	\$166	\$206	(19.4)	(4.3)
Corp. Franchise and Charters	82,200	0.26	792	628	26.1	792	628	26.1	(6.8)
Fees for Misc. Privileges & Services	19,200	0.07	347	291	19.2	347	291	19.2	(16.8)
Total Rights and Privileges	\$105,200	0.34	\$1,305	\$1,125	16.0	\$1,305	\$1,125	16.0	(8.7)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$259	\$0	-	\$259	\$0	-	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	25	4	525.0	25	4	525.0	37.5
Institutional Revenue	3,600	0.01	100	25	300.0	100	25	300.0	(0.1)
Interest (a)	633,400	2.02	107,743	114,050	(5.5)	107,743	114,050	(5.5)	6.7
Dividends and Rent	200	0.00	13	12	8.3	13	12	8.3	39.9
Fines, Forfeitures & Fees	263,200	0.84	21,266	21,447	(0.8)	21,266	21,447	(0.8)	1.6
Other Revenue	21,100	0.07	4,579	38,123	(88.0)	4,579	38,123	(88.0)	(82.5)
Excess Fees	(5,000)	(0.02)	0	(328)	100.0	0	(328)	100.0	(8.8)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	5,800	0.02	462	296	56.1	462	296	56.1	5.9
Total Other Revenues	\$922,700	2.94	\$134,447	\$173,629	(22.6)	\$134,447	\$173,629	(22.6)	(6.0)
Total General Fund Revenues	\$31,360,400	100.00	\$2,274,867	\$2,120,734	7.3	\$2,274,867	\$2,120,734	7.3	0.4

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

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)

			July			Year-To-Date				% Annual Growth Required		
	FY 2026 Estimate	(b)	FY 2026	(c)	FY 2025	% Change	FY 2026	(c)	FY 2025	% Change	(d)	By Estimate
Lottery Collections (a)												
Total Lottery Sales	\$6,181,914		\$505,083		\$453,798	11.3	\$505,083		\$453,798	11.3		7.1
Other Income	7,000		360		504	(28.6)	360		504	(28.6)		(20.3)
Total Income	<u>\$6,188,914</u>		<u>\$505,443</u>		<u>\$454,302</u>	11.3	<u>\$505,443</u>		<u>\$454,302</u>	11.3		7.1
Less:												
Prize Expenses	\$4,902,229		\$409,930		\$351,054	16.8	\$409,930		\$351,054	16.8		8.4
Retailer Commissions	147,770		10,450		10,665	(2.0)	10,450		10,665	(2.0)		15.5
Operating Expenses	263,580		21,071		16,064	31.2	21,071		16,064	31.2		15.5
Total Expenses	<u>\$5,313,579</u>		<u>\$441,451</u>		<u>\$377,783</u>	16.9	<u>\$441,451</u>		<u>\$377,783</u>	16.9		8.9
Net Proceeds from Operations												
Net Lottery Ticket Profits	\$875,335		\$63,992		\$76,519	(16.4)	\$63,992		\$76,519	(16.4)		(2.9)
Prior Year Residual Profit Transfer	0		0		0	-	0		0	-		-
Available to Lottery Proceeds Fund	<u>\$875,335</u>		<u>\$63,992</u>		<u>\$76,519</u>	(16.4)	<u>\$63,992</u>		<u>\$76,519</u>	(16.4)		(10.4)

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

- (a) Amounts represent the activity associated with profit transfers to the Lottery Proceeds Fund. These amounts do not include revenues related to sports betting and casino gaming licensing fees per Chapters 1197 and 1256, 2020 Virginia Acts of Assembly.
- (b) Estimate established by Chapter 725, 2025 Virginia Acts of Assembly. The Prior Year Residual Profit Transfer will be reflected after the final APA audit is complete and the transfer is made in August. The FY 2026 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2026 sales and profits, as well as the residual transfer from FY 2025.
- (c) Amounts reported are accrual-based estimates (unaudited closing).
- (d) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)

Revenue	FY 2026 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2026	FY 2025	% Change	FY 2026	FY 2025	% Change	
Motor Fuel Taxes	\$1,640,200	19.67	\$166,341	\$143,916	15.6	\$166,341	\$143,916	15.6	4.1
Insurance Premiums Tax	256,704	3.08	14,420	26,296	(45.2)	14,420	26,296	(45.2)	12.3
Motor Vehicle Sales and Use Tax	1,298,200	15.56	135,840	130,583	4.0	135,840	130,583	4.0	(2.5)
State Sales and Use Tax	1,477,000	17.71	125,209	121,938	2.7	125,209	121,938	2.7	4.6
Motor Vehicle License Fees	222,400	2.67	23,790	28,206	(15.7)	23,790	28,206	(15.7)	(1.6)
Highway Use Fee	104,700	1.25	8,872	8,528	4.0	8,872	8,528	4.0	24.8
International Registration Plan	115,900	1.39	11,577	16,225	(28.6)	11,577	16,225	(28.6)	(0.6)
Recordation Tax	63,600	0.76	6,029	5,210	15.7	6,029	5,210	15.7	6.2
Interest Earnings	32,900	0.39	3	55	(94.5)	3	55	(94.5)	(39.8)
Misc. Taxes, Fees, and Revenues	18,900	0.23	1,966	1,884	4.4	1,966	1,884	4.4	(16.2)
Total State Taxes and Fees	\$5,230,504	62.71	\$494,047	\$482,841	2.3	\$494,047	\$482,841	2.3	2.3

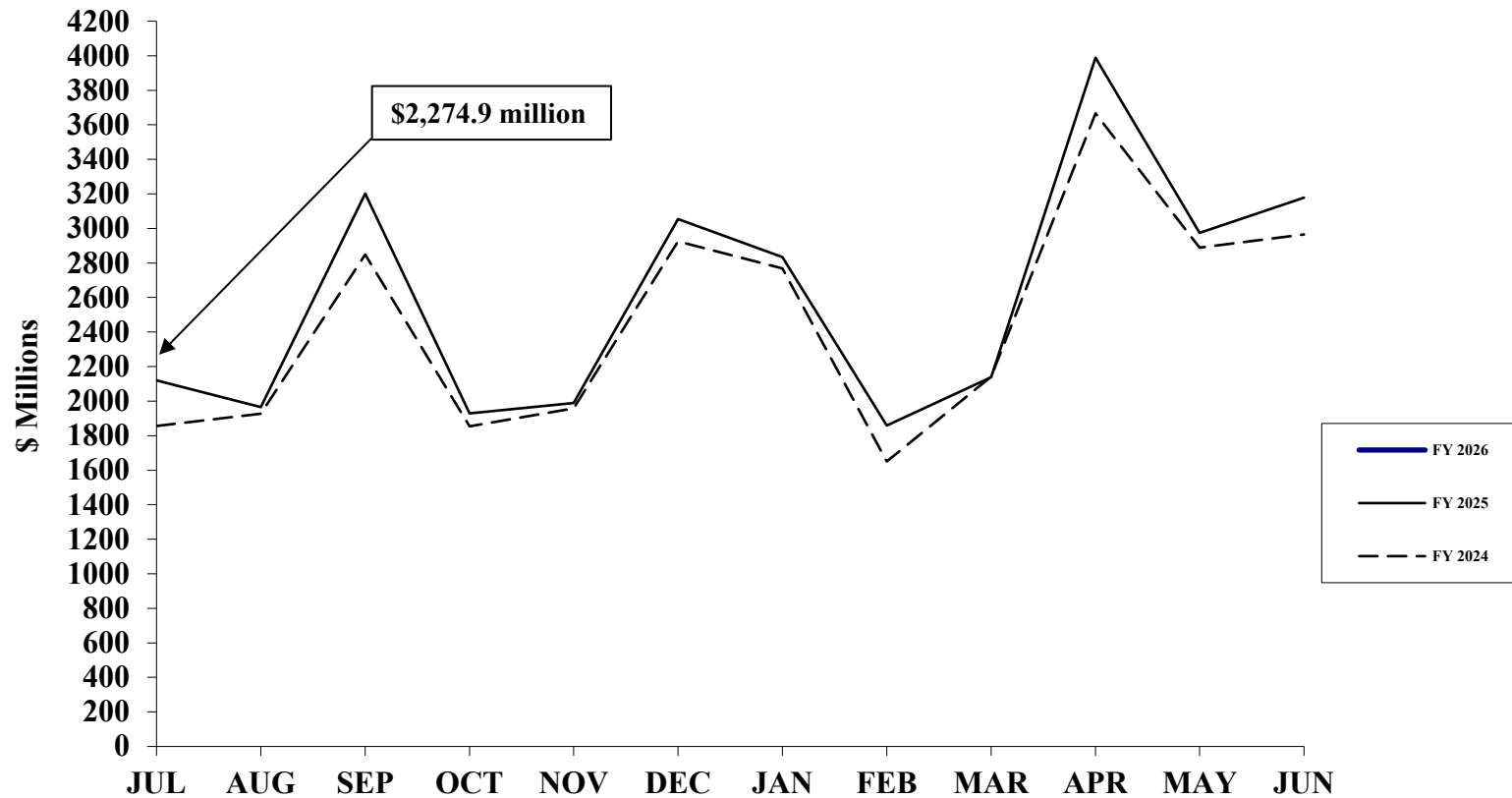
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Commonwealth Transportation Fund
Statement of Revenue Estimates & Collections
For the Fiscal Years 2025 and 2026
(Dollars in Thousands)

		As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
Revenue	FY 2026 Estimate		FY 2026	FY 2025	% Change	FY 2026	FY 2025	% Change	
COMMONWEALTH TRANSPORTATION FUND									
Motor Vehicle Fuels Taxes (Includes Aviation & Road Taxes)	\$1,640,200	19.67	\$166,341	\$143,916	15.6	\$166,341	\$143,916	15.6	4.1
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	1,298,200	15.56	135,840	130,583	4.0	135,840	130,583	4.0	(2.5)
State Sales and Use Tax	1,477,000	17.71	125,209	121,938	2.7	125,209	121,938	2.7	4.6
Motor Vehicle License Fees	222,400	2.67	23,790	28,206	(15.7)	23,790	28,206	(15.7)	(1.6)
Highway Use Fee	104,700	1.25	8,872	8,528	4.0	8,872	8,528	4.0	24.8
International Registration Plan	115,900	1.39	11,577	16,225	(28.6)	11,577	16,225	(28.6)	(0.6)
Insurance Premiums Tax	256,704	3.08	14,420	26,296	(45.2)	14,420	26,296	(45.2)	12.3
Recordation Tax	63,600	0.76	6,029	5,210	15.7	6,029	5,210	15.7	6.2
Total Commonwealth Transportation Fund	\$5,178,704	62.09	\$492,078	\$480,902	2.3	\$492,078	\$480,902	2.3	2.9
HIGHWAY MAINTENANCE AND OPERATING FUND									
Misc. Taxes, Fees, and Revenues	\$18,900	0.23	\$1,966	\$1,884	4.4	\$1,966	\$1,884	4.4	(16.2)
Other Miscellaneous Revenues	302,212	3.62	14,126	2,291	516.6	14,126	2,291	516.6	(38.8)
Federal Grants and Contracts	0	0.00	3,527	4,344	(18.8)	3,527	4,344	(18.8)	(100.0)
Transfer (to) / from Transportation Trust Fund	532,639	6.39	0	0	-	0	0	-	1.1
Total Highway Maintenance and Operating Fund	\$853,751	10.24	\$19,619	\$8,519	130.3	\$19,619	\$8,519	130.3	(22.9)
TRANSPORTATION TRUST FUND									
Interest Earnings	\$32,900	0.39	\$3	\$55	(94.5)	\$3	\$55	(94.5)	(39.8)
Federal Grants and Contracts	1,657,155	19.87	103,125	67,622	52.5	103,125	67,622	52.5	21.7
Receipts from Cities/Counties	1,044,700	12.53	87,956	32,239	172.8	87,956	32,239	172.8	77.6
Toll Revenues	92,526	1.11	3,906	4,270	(8.5)	3,906	4,270	(8.5)	42.2
Miscellaneous Revenues	13,467	0.16	34,855	8,625	304.1	34,855	8,625	304.1	(96.6)
Transfer (to) / from Highway Maintenance and Operating Fund	(532,639)	(6.39)	0	0	-	0	0	-	(1.1)
Total Transportation Trust Fund	\$2,308,109	27.67	\$229,845	\$112,811	103.7	\$229,845	\$112,811	103.7	19.1
TOTAL COMMONWEALTH TRANSPORTATION FUND, HIGHWAY MAINTENANCE AND OPERATING FUND, AND TRANSPORTATION TRUST FUND									
	\$8,340,564	100.00	\$741,542	\$602,232	23.1	\$741,542	\$602,232	23.1	3.2

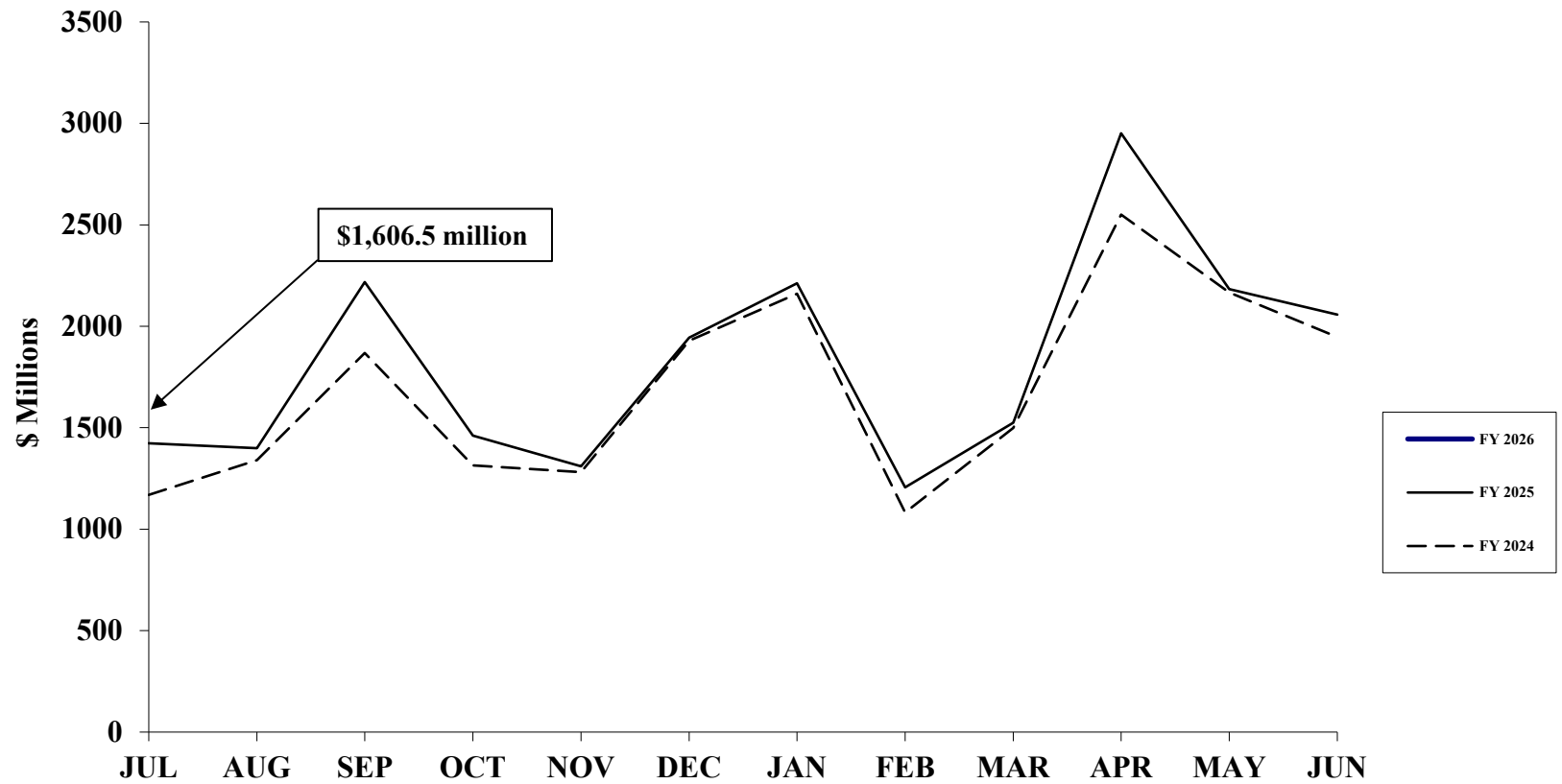
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



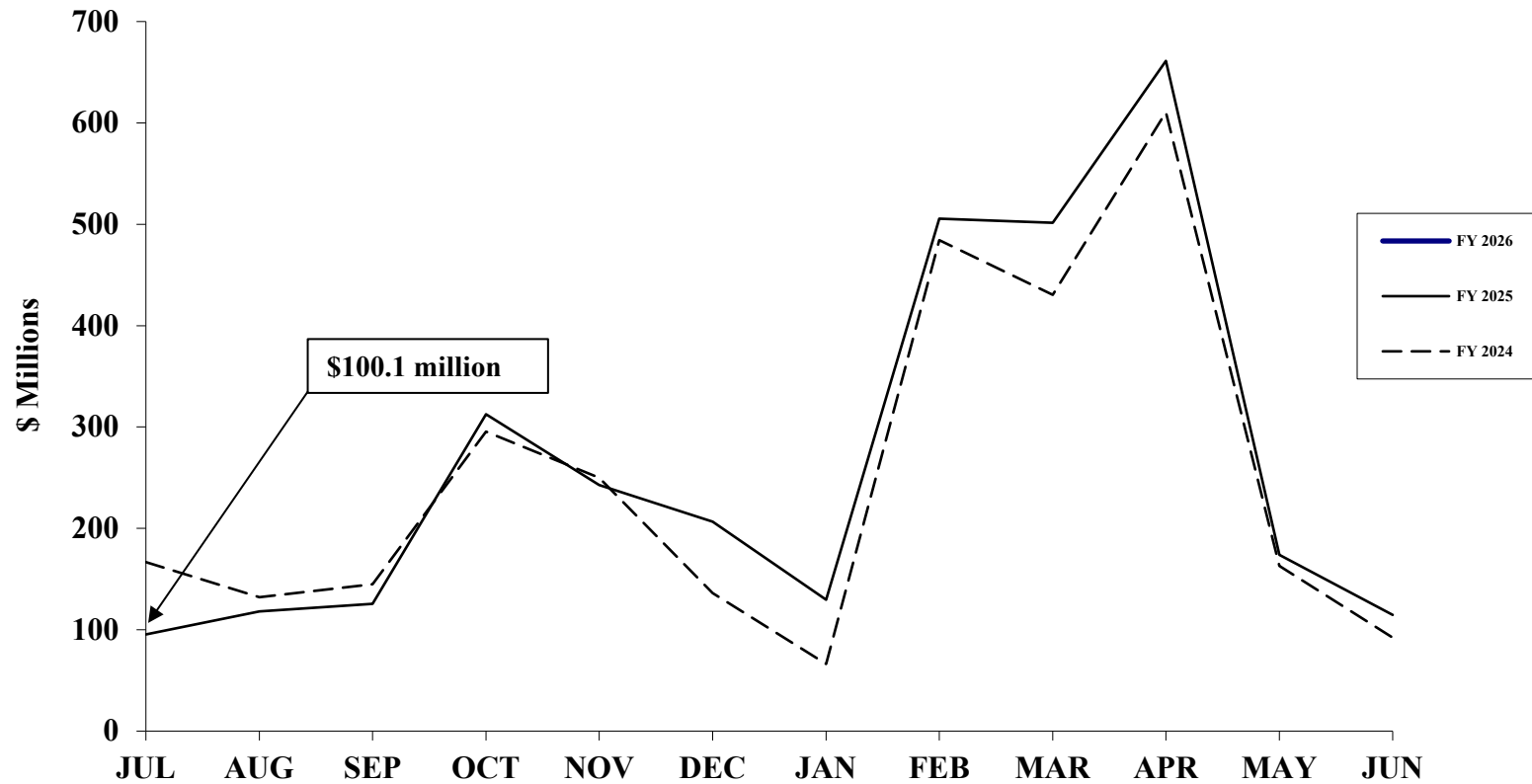
FY 2024 Actual = \$29,448.2 Million
FY 2025 Actual = \$31,233.0 Million
FY 2026 Estimate = \$31,360.4 Million

Net Individual Income Tax



FY 2024 Actual = \$20,310.4 Million
FY 2025 Actual = \$21,892.4 Million
FY 2026 Estimate = \$21,714.2 Million

Individual and Fiduciary Income Tax Refunds



FY 2024 Actual = \$2,971.5 Million
FY 2025 Actual = \$3,187.4 Million
FY 2026 Estimate = \$2,599.6 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2026

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		9 Month Rolling Avg. TREASURY 1 YR. CONSTANT MATURITY ¹	EXTERNAL MANAGEMENT EXTENDED DURATION			COMPOSITE		
	Avg. Balance	Yield		Avg. Balance	Annualized Total Return	YTM ²	Avg. Balance	Rate ³	YTM ⁴
July, 2025	\$17,394.0	4.10%	4.13%	\$12,518.8	-0.57%	4.55%	\$29,912.8	2.15%	4.29%
August									
September									
October									
November									
December									
January, 2026									
February									
March									
April									
May									
June									
Year-to-Date Average	\$17,394.0	4.10 %	4.13%	\$12,518.8	-0.57%	4.55%	\$29,912.8	2.15%	4.29%

▪ Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

▪ Unaudited.

¹ Federal Reserve Bank H.15 Release.

² Actual YTM as of EOM as reported by external managers.

³ Composite Rate is the PLP Yield blended with the EDCP Annualized Total Return.

⁴ Composite YTM based on average balance for PLP and EOM balances for EDCP.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2026**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$2,882,212,903	\$0	\$0	\$0	\$2,882,212,903
August					
September					
October					
November					
December					
January					
February					
March					
April					
May					
June					

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