



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.aoa.vermont.gov

[phone] 802-828-3322
[fax] 802-828-3320

Jeb Spaulding, Secretary

PRESS RELEASE

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FOR IMMEDIATE RELEASE

CONTACT: Jeb Spaulding
(802) 828-3322

**Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's
Revenue Results for April 2013 – General Fund, Transportation Fund and Education Fund
All Exceed Monthly Revenue Targets.**

General Fund

Secretary of Administration Jeb Spaulding released the April 2013 General Fund (GF) Revenue results today. April is the tenth month of fiscal year (FY) 2013. General Fund revenues totaled \$216.66 million for April 2013, and were +\$26.95 million or +14.21% above the \$189.71 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$1,103.74 million, and +\$26.73 million or +2.48% ahead of the cumulative target of \$1,077.01 million.

Secretary Spaulding commented, "April's General Fund receipts saw a dramatic upturn in both personal and corporate income taxes. April is the largest single month of revenue receipts in any fiscal year, and this is the largest April ever. This is not a time for irrational exuberance, though, as a good deal of this increase seems to be due to decisions made by taxpayers in December and may well not repeat in the next fiscal year. With the fiscal cliff looming at that time and the uncertainty of future tax rates, it appears that individual and business taxpayers chose to recognize gains and pay taxes in tax year 2012 at known rates, rather than risk paying at increased future rates. General Fund receipts for April 2013 were +20.7% above the monthly receipts for April 2012. Cumulatively, FY 2013 General Fund receipts through April 2013 exceed collections for the same period last year by +\$86.10 million or +8.46%."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their January 23, 2013 meeting. Statutorily, the State is required to revise the Consensus Revenue Forecast two times per year, in January and July; the Emergency Board may schedule interim revisions if deemed necessary. The July 2013 meeting has not been scheduled at this time.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 48% of total GF revenue, although the percentage is likely to be higher this year. PI Tax receipts are reported Net-of-Personal Income Tax refunds. Net Personal Income Tax is comprised of PI

Withholding Tax, PI Estimated Payments, PI Refunds Paid, and PI Other. Net PI Receipts for April were \$161.33 million against a monthly target of \$134.58 million, or +19.88%. The year to date Net PI Receipts were \$562.95 million or +6.07% above the FY 2013 target and +10.71% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. April Net Corporate Income Tax receipts of \$15.15 million were +\$3.37 million or +28.62% above the monthly target of \$11.78 million. Year to date Corporate receipts were \$86.75 million or +7.21% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by 18.68%.

Consumption tax results for April were mixed against target: Sales & Use Tax receipts of \$18.73 million were behind target by -\$0.29 million or -1.55%; while Rooms & Meals Tax receipts of \$11.84 million were above target by +\$1.11 million or +10.35%. Year to date, Sales & Use Tax receipts of \$195.37 million are -0.98% below the target of \$197.30 million. Cumulative Rooms & Meals Tax of \$116.96 million are ahead of target by +1.86%. Sales & Use Tax and Rooms & Meals Tax through April both exceed receipts for the prior year by +1.41% and +6.87%, respectively.

The remaining non-major tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and "Other" (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). The results for the remaining non-major categories for April were as follows: Insurance Tax, -\$1.33 million (-1110.64%) due to insurance premium refunds; Inheritance & Estate Tax, \$0.48 (-68.94%); Property Transfer Tax, \$0.75 million (-0.32%); and "Other", \$9.72 million (-13.05%). The fiscal year to date April results for the remaining non-major categories were: Insurance Tax, \$47.38 million (-7.03%); Inheritance & Estate Tax, \$14.17 million (-21.41%); Property Transfer Tax, \$7.31 million (+0.30%); and "Other", \$72.84 million (-5.33%). Cumulatively, the total non-major component receipts of \$141.72 million exceeded the prior year total by +\$7.74 million, or +5.77%.

General Fund By Major Element (In Millions)*												
Tax Component	Month				Fiscal YTD				Prior Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change	
Personal Income	134.58	161.33	26.75	19.88%	530.73	562.95	32.21	6.07%	508.47	54.48	10.71%	
Sales & Use	19.02	18.73	-0.29	-1.55%	197.30	195.37	-1.93	-0.98%	192.66	2.71	1.41%	
Corporate	11.78	15.15	3.37	28.62%	80.91	86.75	5.84	7.21%	73.09	13.65	18.68%	
Meals & Room	10.73	11.84	1.11	10.35%	114.83	116.96	2.13	1.86%	109.44	7.52	6.87%	
Insurance Premium	0.13	-1.33	-1.46	-1110.64%	50.96	47.38	-3.58	-7.03%	48.83	-1.46	-2.98%	
Inheritance & Estate	1.54	0.48	-1.06	-68.94%	18.02	14.17	-3.86	-21.41%	12.01	2.16	18.00%	
Real Prop. Transfer	0.75	0.75	0.00	-0.32%	7.31	7.34	0.02	0.30%	6.25	1.08	17.28%	
Other	11.18	9.72	-1.46	-13.05%	76.94	72.84	-4.10	-5.33%	66.89	5.95	8.90%	
Total	189.71	216.66	26.95	14.21%	1077.01	1103.74	26.73	2.48%	1017.64	86.10	8.46%	

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for April was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$21.08 million for the month exceeded the target by +\$0.78 million (+3.85%). Year to Date, non-dedicated Transportation Fund receipts of \$181.03 were -1.00% below the target of \$182.85 million. Compared to FY 2012, year to date April Transportation Funds receipts exceed the prior year by +\$2.85 million or +1.60% for the same period.

Individual Transportation Fund revenue receipts components for April all fell below target: Gasoline Tax, \$4.66 million or +1.66% above target; Diesel Tax, \$1.19 million or +3.39% ahead of target; Motor Vehicle Purchase & Use Tax, \$5.58 million or +8.99% above target; Motor Vehicle Fees, \$7.93 million or +2.09% above target; and Other Fees, \$1.72 million or +2.67% above target for the month. Year to date results for the individual Transportation Fund revenue components for April were: Gasoline Tax, \$49.03 million or -1.37% below target; Diesel Tax, \$12.04 million or -3.04% below target; Motor Vehicle Purchase & Use Tax, \$43.65 million or +0.42% above target; Motor Vehicle Fees, \$60.74 million or -1.25% short of target; and Other Fees, \$15.56 million or -1.15% below the monthly target.

Secretary Spaulding said, “It was a welcome relief to have a positive month for the Transportation Fund, although it was not enough to eliminate the year to date shortfall. The underlying issues in the Transportation Fund have been addressed in the current legislative session, at least for the near term, and the increased gas tax will impact receipts for the remainder of FY 2013. We do expect to see improvement, but it may not be enough to completely make up the shortfall in the two remaining months of FY 2013.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for April were \$1.70 million or +2.93% above the monthly target; year to date TIB Gas receipts were \$17.78 million or -0.88% below target. TIB Fund Diesel receipts for the month were \$0.14 million or -13.02% behind the monthly target; year to date TIB Diesel receipts were \$1.33 million or -8.84% below target. The year to date TIB Gas and Diesel results were +2.08% ahead and -12.47% behind the TIB Fund Gas receipts and TIB Diesel receipts, respectively, from the prior year (FY 2012). TIB Fund receipts are noted below the following table:

*Transportation Fund By Major Element (In Millions)**

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Gasoline	4.58	4.66	0.08	1.66%	49.71	49.03	-0.68	-1.37%	49.98	-0.94	-1.89%
Diesel Fuel	1.15	1.19	0.04	3.39%	12.42	12.04	-0.38	-3.04%	12.62	-0.58	-4.60%
MV Purchase & Use	5.12	5.58	0.46	8.99%	43.47	43.65	0.18	0.42%	43.11	0.55	1.27%
Motor Vehicle Fees	7.77	7.93	0.16	2.09%	61.51	60.74	-0.77	-1.25%	57.00	3.74	6.56%
Other	1.67	1.72	0.04	2.67%	15.74	15.56	-0.18	-1.15%	15.47	0.09	0.55%
Total	20.30	21.08	0.78	3.85%	182.85	181.03	-1.82	-1.00%	178.18	2.85	1.60%

Note:

TIB Fuel											
Fees/Gasoline	1.65	1.70	0.05	2.93%	17.94	17.78	-0.16	-0.88%	17.42	0.36	2.08%
TIB Fuel Fees/Diesel	0.16	0.14	-0.02	-13.02%	1.46	1.33	-0.13	-8.84%	1.52	-0.19	-12.47%

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for April totaled \$14.38 million, or +\$0.04 million (+0.28%) above the \$14.34 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$136.88 million, or -1.01% short of the year to date target. The individual Education Fund revenue component results for April were: Sales & Use Tax, \$9.36 million, or -1.55% below target; Motor Vehicle Purchase & Use Tax, \$2.79 million or +8.99%; Lottery Transfer, \$2.21 million or -2.32%; and Education Fund Interest for April was less than \$.00 million against a

target of less than \$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$97.69 million, or -0.98% short of target; Motor Vehicle Purchase & Use Tax, \$21.83 million or +0.42%; Lottery Transfer, \$17.29 million or -2.84% below target; year to date Education Fund Interest was less than \$0.08 million against a target under \$0.09 million or -13.94%. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +0.99% ahead of the FY 2012 results for the same period.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD			%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	Change	
Sales & Use	9.51	9.36	-0.15	-1.55%	98.65	97.69	-0.97	-0.98%	96.33	1.36	1.41%	
MV Purchase & Use	2.56	2.79	0.23	8.99%	21.74	21.83	0.09	0.42%	21.55	0.27	1.27%	
Lottery Transfer	2.26	2.21	-0.05	-2.32%	17.80	17.29	-0.51	-2.84%	17.61	-0.32	-1.81%	
Investment Income	0.00	0.01	0.01	243.83%	0.09	0.08	-0.01	-13.94%	0.04	0.04	87.86%	
Total	14.34	14.38	0.04	0.28%	138.27	136.88	-1.39	-1.01%	135.53	1.34	0.99%	

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “We are buoyed by the remarkable General Fund results for April. With only two months remaining in the fiscal year, we are confident we will finish positive to target for the year. We might reasonably expect revenues above projections to be in the range of \$16 – 20 million, but that could change for a number of reasons in the next month and a half. Any surplus funds will be used to build General Fund reserves and reduce property taxes.”

Attachments

The detailed schedules of the April 2013 year to date revenue results comparing the current periods with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of April 30, 2013**

General Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income	508,469,701	562,945,479	10.71%
Sales & Use	192,662,074	195,373,337	1.41%
Corporate	73,090,600	86,745,653	18.68%
Meals & Room	109,437,535	116,959,466	6.87%
Liquor & Wine	13,773,206	14,042,863	1.96%
Insurance Premium	48,830,577	47,376,258	-2.98%
Telephone Gross Receipts	208,063	203,498	-2.19%
Telephone Property	7,087,043	7,108,397	0.30%
Beverage	4,991,089	5,167,362	3.53%
Electric Generating	2,197,131	8,920,873	306.02%
Inheritance & Estate	12,005,032	14,165,694	18.00%
Real Property Transfer	6,253,796	7,335,232	17.29%
Bank Franchise	10,675,368	9,820,422	-8.01%
All Other Taxes	999,569	1,589,528	59.02%
Total Taxes	<u>990,680,784</u>	<u>1,077,754,061</u>	<u>8.79%</u>
Other Revenues			
Business Licenses	2,795,328	2,402,272	-14.06%
Fees	16,997,802	17,353,219	2.09%
Services	1,878,434	1,110,015	-40.91%
Fines, Forfeits & Penalties	4,223,176	3,603,282	-14.68%
Interest, Prem	303,588	175,904	-42.06%
Special Assessments	0	0	0.00%
All Other Revenues	760,163	1,341,649	76.49%
Total Other Revenues	<u>26,958,491</u>	<u>25,986,340</u>	<u>-3.61%</u>
Total General Fund	<u>1,017,639,274</u>	<u>1,103,740,402</u>	<u>8.46%</u>

Date: May 06, 2013

**Comparative Statement of Revenues
Transportation Fund
As of April 30, 2013**

T Fund Detail Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	49,979,147	49,034,785	-1.89%
Diesel Fuel	12,617,793	12,037,152	-4.60%
MV Purchase & Use	<u>43,107,297</u>	<u>43,654,456</u>	1.27%
Total Taxes	<u>105,704,237</u>	<u>104,726,393</u>	-0.93%
Other Revenues			
Motor Vehicle Fees	57,001,123	60,741,844	6.56%
Other	<u>15,474,390</u>	<u>15,559,711</u>	0.55%
Total Other Revenues	<u>72,475,513</u>	<u>76,301,555</u>	5.28%
Total Non-Dedicated	<u>178,179,751</u>	<u>181,027,948</u>	1.60%
Dedicated			
Federal Aid	301,239,825	241,826,540	-19.72%
Infrastructure Bond Fund Revenue	18,935,824	19,112,398	0.93%
Other	<u>4,497,477</u>	<u>2,168,850</u>	-51.78%
Total Dedicated	<u>324,673,126</u>	<u>263,107,787</u>	-18.96%
Total Transportation Fund	<u><u>502,852,877</u></u>	<u><u>444,135,736</u></u>	<u>-11.68%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: May 06, 2013

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of April 30, 2013**

Education Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	96,328,581	97,685,203	1.41%
Purchase & Use	21,553,648	21,827,228	1.27%
Lottery Transfer	17,608,757	17,289,296	-1.81%
Investment Income	39,841	74,845	87.86%
Total estimated revenues	<u>135,530,828</u>	<u>136,876,573</u>	<u>0.99%</u>
Other Revenues:			
Education Property Taxes	74,073,005	72,198,239	-2.53%
Electric Energy Educ Prop Tax	1,068,977	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>75,141,981</u>	<u>72,198,239</u>	<u>-3.92%</u>
Total Education Fund	<u>210,672,809</u>	<u>209,074,812</u>	<u>-0.76%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: May 06, 2013