

Monthly Revenue Release

Agency of Administration
January 20, 2021

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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's revenue results for December 2020. General Fund, Transportation Fund, and Education Fund revenues continue to come in substantially above target. Emergency Board upgrades forecast for FY21 and FY22.

Revenue collections for the month of December 2020 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts were a combined \$54.33 million, or 30.6% above consensus expectations. On August 12, 2020, the consensus revenue expectations were downgraded for fiscal year 2021 by \$278 million across the three major funds because of the COVID-19 pandemic. The December and fiscal year to date revenues were measured against the August 2020 forecast.

General Fund revenues collected for the month totaled \$159.81 million, or \$40.0 million above the monthly consensus revenue forecast from August 2020. In this fiscal year, FY 2021, General Fund revenues have exceeded their initial targets by \$110.28 million, or 13.03%. Administration Secretary Susanne Young explained: "Halfway through the fiscal year, the General Fund has significantly exceeded expectations. Through December, revenues replaced more than 60% of the August downgrade. Though this is a welcome development, these receipts are still below the pre-pandemic expectations. We remain concerned about the State's revenue flow as the pandemic continues to surge, though we are encouraged by the ongoing vaccination campaign and the new relief bill passed by Congress at the end of December."

The Transportation Fund was \$4.03 million, or 20.34%, above consensus expectations for the month, bringing in \$23.83 million. Though monthly total cash flows in September, October, and November were each positive compared to August 2020 revenue targets, December receipts were above monthly target by the largest margin so far in FY 2021. Year-to-date, the Transportation Fund revenue was \$11.58 million, or 9.15% above the cumulative consensus cash flow target.

The Education Fund was \$10.27 million, or 26.83%, above the monthly consensus target, having collected \$48.53 million for the month. The largest portion of this additional revenue came from the Sales and Use Tax, which came in \$8.98 million, or 28.50%, above consensus expectations, driven by e-commerce sales and larger household goods. Year-to-date, the Education Fund is \$41.85 million, or 16.20%, above its cumulative consensus forecast target.

In the first six months of the fiscal year, the State's three major Funds have exceeded cumulative consensus revenue expectations by \$163.71 million. According to Secretary Young, "Income tax receipts and taxable consumption expenditures have been consistently higher than expected due to the unprecedented amount of federal support through the CARES Act, with significant assistance from the State's targeted approach to individuals and businesses."

On January 19, 2021, the Emergency Board met and approved the consensus recommendation from the Administration's and Legislature's economists, which upgraded the State's revenue forecasts for the remainder of fiscal year 2021, fiscal year 2022 and fiscal year 2023. A mid-year adjustment to general fund revenues expected in the current fiscal year increased by \$159.8 million compared to the August 2020 forecast; the Transportation fund forecast was increased by \$16.4 million; and the

Education Fund was increased by \$78.2 million. “This mid-fiscal year upgrade is welcome and driven primarily by increased personal and corporate income taxes and consumption tax activity,” stated Secretary Young. “This one-time money will be carefully considered in the development of the FY22 Budget that will be submitted to the Legislature next week. The Governor’s proposal will recommend strategic investments that will continue to grow our economy, so we are fiscally sound when federal stimulus dollars are no longer available,” Secretary Young added

Additionally, the Emergency Board approved an upgrade, or increase, to the revenues expected in fiscal year 2022 that begins on July 1, 2021. Compared to the August 2020 forecast, the General Fund revenue forecast was increased by \$155.7 million, the Transportation Fund by \$9.4 million and the Education Fund by \$70.2 million. “The updated estimates are again primarily due to the federal stimulus coupled with optimism that the federal government will provide additional stimulus and emergency relief under the Biden administration,” stated Secretary Young. “This forecast will inform decisions made in final development of the FY22 budget and will be available to use in our base operations budget in lieu of one-time money. Put in the context of pre-pandemic expectations that were adopted in January of 2020, the Education Fund is \$31.5 million ahead of the January target, the General Fund is \$51.8 million ahead, and the Transportation Fund still lags by \$6.1 million.”

* * *

| State of Vermont Revenue, by Major Fund vs. Consensus Revenue Forecast Target | | | | | Month: December FY: 2021 | | | | | | |
|---|---------------|---------------|--------------|---------------|--------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------|
| General Fund By Major Element (In Millions)* (1&2) | | | | | | | | | | | |
| Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Rerated | | |
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Personal Income (1) | 64.44 | 84.57 | 20.13 | 31.23% | 566.00 | 636.25 | 70.25 | 12.41% | 402.49 | 233.75 | 58.08% |
| Corporate (2) | 12.85 | 28.02 | 15.17 | 118.03% | 21.63 | 39.46 | 17.83 | 82.45% | 46.13 | -6.68 | -14.47% |
| Meals & Room | 6.04 | 6.06 | 0.02 | 0.26% | 48.25 | 48.59 | 0.34 | 0.70% | 72.75 | -24.16 | -33.21% |
| Insurance Premium | 1.44 | 0.05 | -1.40 | -96.65% | 17.94 | 18.03 | 0.08 | 0.46% | 17.28 | 0.75 | 4.33% |
| Inheritance & Estate | 1.54 | 4.08 | 2.54 | 164.97% | 9.53 | 20.73 | 11.19 | 117.42% | 11.33 | 9.39 | 82.89% |
| Real Prop. Transfer | 1.25 | 2.54 | 1.29 | 103.33% | 7.58 | 12.66 | 5.09 | 67.12% | 7.50 | 5.16 | 68.87% |
| State Health Care Taxes | 24.85 | 27.35 | 2.50 | 10.07% | 136.09 | 142.49 | 6.40 | 4.70% | 139.55 | 2.95 | 2.11% |
| Other | 7.35 | 7.14 | -0.21 | -2.88% | 39.14 | 38.24 | -0.90 | -2.31% | 44.23 | -5.99 | -13.55% |
| Total | 119.77 | 159.81 | 40.04 | 33.43% | 846.16 | 956.44 | 110.28 | 13.03% | 741.26 | 215.18 | 29.03% |
| *Differences due to rounding | | | | | | | | | | | |
| 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 | 5.24 | 5.01 | -0.24 | -4.52% | 34.51 | 34.88 | 0.37 | 1.08% | 40.12 | -5.24 | -13.05% |
| Diesel Fuel | 1.73 | 1.71 | -0.02 | -1.05% | 9.01 | 9.15 | 0.15 | 1.62% | 9.67 | -0.71 | -7.23% |
| MV Purchase & Use | 4.85 | 8.09 | 3.24 | 66.88% | 33.06 | 42.16 | 9.10 | 27.51% | 37.56 | 4.60 | 12.23% |
| Motor Vehicle Fees | 5.81 | 6.47 | 0.66 | 11.37% | 39.21 | 41.72 | 2.50 | 6.38% | 40.92 | 0.80 | 1.96% |
| Other | 2.17 | 2.55 | 0.38 | 17.49% | 10.71 | 10.17 | -0.54 | -5.05% | 10.35 | -0.18 | -1.75% |
| Total | 19.80 | 23.83 | 4.03 | 20.34% | 126.50 | 138.08 | 11.58 | 9.15% | 138.81 | -0.73 | -0.53% |
| Note: | | | | | | | | | | | |
| TIB Fuel Fees/Gasoline | 0.94 | 0.68 | -0.26 | -27.40% | 5.75 | 5.16 | -0.60 | -10.37% | 7.25 | -2.09 | -28.84% |
| TIB Fuel Fees/Diesel | 0.19 | 0.18 | 0.00 | -2.55% | 0.98 | 0.97 | 0.00 | -0.42% | 1.05 | -0.08 | -7.55% |
| *Differences due to rounding | | | | | | | | | | | |
| Education Fund By Major Element (In Millions) * | | | | | | | | | | | |
| Non-Property Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Rerated | | |
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Sales & Use | 31.50 | 40.48 | 8.98 | 28.50% | 212.58 | 249.18 | 36.59 | 17.21% | 221.12 | 28.05 | 12.69% |
| Meals & Room | 2.19 | 2.19 | 0.01 | 0.26% | 17.48 | 17.60 | 0.12 | 0.70% | 25.20 | -7.60 | -30.14% |
| MV Purchase & Use | 2.42 | 4.05 | 1.62 | 66.88% | 16.53 | 21.08 | 4.55 | 27.51% | 18.78 | 2.30 | 12.23% |
| Lottery Transfer | 2.08 | 1.79 | -0.29 | -13.76% | 11.39 | 12.34 | 0.95 | 8.37% | 11.74 | 0.60 | 5.11% |
| Investment Income | 0.07 | 0.01 | -0.05 | -78.29% | 0.44 | 0.07 | -0.36 | -83.52% | 0.63 | -0.56 | -88.63% |
| Total | 38.26 | 48.53 | 10.27 | 26.83% | 258.42 | 300.27 | 41.85 | 16.20% | 277.48 | 22.79 | 8.21% |
| *Differences due to rounding | | | | | | | | | | | |
| (1) FY21 Personal Income includes \$162M in deferred payments from FY20 | | | | | | | | | | | |
| (2) FY21 Corporate Income Tax includes \$19.2M in deferred payments from FY20 | | | | | | | | | | | |

| Comparative Statement of Revenues General Fund As of December 31, 2020 | | | |
|--|----------------------------|----------------------------|---------------|
| | Total to Date Last Year | Total to Date This Year | % of Change |
| Taxes | | | |
| Personal Income Tax | 402,494,464 | 636,247,967 | 58.1% |
| Sales & Use Tax | 0 | 0 | 0.0% |
| Corporate Income Tax | 46,131,834 | 39,456,630 | -14.5% |
| Meals & Rooms Tax | 72,745,438 | 48,585,360 | -33.2% |
| Liquor & Wine Tax | 1,373,097 | 2,489,602 | 81.3% |
| Insurance Premium | 17,278,403 | 18,027,313 | 4.3% |
| Telephone Gross Receipts | 104,220 | 109,767 | 5.3% |
| Telephone Property Tax | 1,591,143 | 638,384 | -59.9% |
| Beverage Tax | 3,800,391 | 3,849,464 | 1.3% |
| Electric Generating | 0 | 0 | 0.0% |
| Inheritance & Estate Tax | 11,333,196 | 20,727,558 | 82.9% |
| Real Property Transfer Tax | 7,498,931 | 12,663,509 | 68.9% |
| Bank Franchise Tax | 6,219,685 | 6,429,745 | 3.4% |
| All Other Taxes | 368,930 | 205,637 | -44.3% |
| Total Taxes | 570,939,733 | 789,430,936 | 38.3% |
| Other Revenues | | | |
| Business Licenses | 57,246 | 148,720 | 159.8% |
| Fees | 22,448,516 | 20,873,313 | -7.0% |
| Services | 1,507,211 | 1,438,636 | -4.5% |
| Fines, Forfeits & Penalties | 4,629,076 | 1,337,030 | -71.1% |
| Interest, Prem | 2,074,307 | 271,468 | -86.9% |
| Special Assessments | 0 | 9 | 100.0% |
| All Other Revenues | 67,621 | 448,782 | 563.7% |
| Total Other Revenues | 30,783,977 | 24,517,958 | -20.4% |
| Health Care Revenues | | | |
| Health Care Taxes and Assessments | 139,547,396 | 142,493,044 | 2.1% |
| Total General Fund | 741,271,106 | 956,441,937 | 29.0% |
| Date: January 06, 2021 Time: 07:06 | | | |

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of December 31, 2020**

| | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|---------------------------------|------------------------------------|------------------------------------|--------------------|
| Non-Dedicated | | | |
| Estimated Revenues: | | | |
| Sales & Use Tax | 221,123,365 | 249,176,435 | 12.7% |
| Meals & Rooms Tax | 25,199,750 | 17,603,391 | -30.1% |
| Purchase & Use Tax | 18,781,833 | 21,079,701 | 12.2% |
| Lottery Transfer | 11,739,038 | 12,338,364 | 5.1% |
| Investment Income | 633,801 | 72,040 | -88.6% |
| Total estimated revenues | <u>277,477,786</u> | <u>300,269,931</u> | <u>8.2%</u> |
| Other Revenues: | | | |
| Education Property Taxes | 93,136,731 | 97,378,086 | 4.6% |
| Electric Energy Educ Prop Tax | 0 | 0 | 0.0% |
| Uniform Capacity Tax | 519,703 | 543,054 | 4.5% |
| Medicaid Reimbursement | 0 | 0 | 0.0% |
| All Other Revenues | 258,200 | 320,345 | 24.1% |
| Total other revenues | <u>93,914,633</u> | <u>98,241,484</u> | <u>4.6%</u> |
| Total Education Fund | <u>371,392,419</u> | <u>398,511,415</u> | <u>7.3%</u> |

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Date: January 06, 2021
Time: 07:06

**Comparative Statement of Revenues
Transportation Fund
As of December 31, 2020**

| | | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|----------------------------------|--------|------------------------------------|------------------------------------|---------------------|
| Non-Dedicated | | | | |
| Taxes | | | | |
| Gasoline | | 40,117,688 | 34,881,373 | -13.1% |
| Diesel Fuel | | 9,868,267 | 9,154,409 | -7.2% |
| MV Purchase & Use | | 37,563,665 | 42,159,401 | 12.2% |
| Total Taxes | | <u>87,549,621</u> | <u>86,195,183</u> | <u>-1.5%</u> |
| Other Revenues | | | | |
| Motor Vehicle Fees | | 40,915,077 | 41,716,938 | 2.0% |
| Other | | 10,349,017 | 10,168,367 | -1.7% |
| Total Other Revenues | | <u>51,264,095</u> | <u>51,885,305</u> | <u>1.2%</u> |
| Total Non-Dedicated | | <u>138,813,715</u> | <u>138,080,489</u> | <u>-0.5%</u> |
| Dedicated | | | | |
| Federal Grants - Operating | 430000 | 187,356,534 | 191,870,244 | 2.4% |
| Federal Aid | | 187,356,534 | 191,870,244 | 2.4% |
| Motor Fuel Assess-Aviation Gas | 415484 | 8,308 | 6,773 | -18.5% |
| Motor Fuel Assessment-Gasoline | 415485 | 7,203,985 | 5,149,693 | -28.5% |
| Motor Fuel Assessment-Diesel | 415486 | 928,916 | 881,902 | -5.1% |
| Diesel TIB - IFTA VT | 415487 | 26,722 | 24,065 | -9.9% |
| Diesel TIB - IFTA From Foreign | 415488 | 96,576 | 66,846 | -30.8% |
| Interest Income - Program | 428100 | 36,700 | 1,613 | -95.6% |
| Infrastructure Bond Fund Revenue | 415484 | 8,301,206 | 6,130,892 | -26.1% |
| Transportation Impact Fee | 415470 | 154,251 | (93,361) | -160.5% |
| Other | | 2,287,397 | 1,304,987 | -42.9% |
| Total Dedicated | | <u>198,099,388</u> | <u>199,212,763</u> | <u>0.6%</u> |
| Total Transportation Fund | | <u>336,913,103</u> | <u>337,293,252</u> | <u>0.1%</u> |

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