

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for August 2022. The General Fund, Transportation Fund and Education Fund all finished the month with revenue above target, continuing a show of strength early in the fiscal year.

Revenue collections for the month of August 2022 have been compiled. The State's General Fund, Transportation Fund (T-Fund), and Education Fund receipts in August were a combined \$240.1 million, or 13.8%, above monthly consensus expectations. For the first two months of the fiscal year, combined revenues across all three funds were 8.2% above target.

General Fund revenues collected for the month totaled \$154.4 million, \$26.7 million above the monthly consensus cash flow revenue target. The August numbers reflect a continuation of the above forecast trend in personal income taxes and corporate income taxes, which handily offset slight misses in meals & rooms tax and estate tax receipts. The magnitude of the better than expected performance of personal income taxes sets up the General Fund very well for a strong showing through the first quarter of the fiscal year.

Revenues into the Transportation Fund exceeded monthly consensus expectations, bringing in \$27.0 million in August, \$0.46 million above the consensus cash flow target estimate. Receipts activity continued to be mixed versus consensus expectations, with the two fuel taxes generally underperforming and other sources – motor vehicle fees and motor vehicle purchase and use tax receipts - generally performing well. Year to date, revenue collections in the T-Fund remained slightly ahead of target, which reverses a lagging trend from the previous year.

Education Fund revenues last month were \$2.1 million, or 3.6%, above the monthly consensus cash flow target, having collected \$58.7 million in August. The Education Fund had strong performance against target in virtually every revenue category, paced by the \$1.0 million higher than expected lottery transfer last month. The recent upbeat nature of Education Fund receipts activity overall was the result of continued buoyancy in consumption taxes which was likely a reflection of the continued positive nature of consumption activity by Vermonters and visitors to the state.

Revenue data for the first two months of the fiscal year show the upbeat level of receipts activity in the General Fund and the generally positive character of all revenue collections year to date. According to Secretary Clouser: "This clearly represents a strong start to fiscal 2023. While receipts activity has continued to exceed expectations, it's still early in the fiscal year and with persisting uncertainty in the economy, we remain wary of drawing conclusions about prospects in the months ahead."

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State of Vermont Revenue, by Major Fund

Month: August

vs. Consensus Revenue Forecast Target

FY: 2023

General Fund By Major Element (In Millions)* (1&2)

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	64.69	89.14	24.46	37.81%
Corporate (2)	4.70	4.26	-0.43	-9.22%
Meals & Room	15.39	15.70	0.31	2.00%
Insurance Premium	8.08	8.50	0.42	5.17%
Inheritance & Estate	1.96	1.34	-0.63	-31.90%
Real Prop. Transfer	2.29	2.27	-0.02	-0.79%
State Health Care Taxes	23.49	23.87	0.38	1.62%
Other	7.08	9.28	2.20	31.09%
Total	127.69	154.37	26.69	20.90%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	142.49	169.36	26.87	18.86%
Corporate (2)	10.59	11.23	0.64	6.07%
Meals & Room	28.89	28.72	-0.17	-0.60%
Insurance Premium	8.83	9.47	0.64	7.19%
Inheritance & Estate	3.91	2.25	-1.66	-42.49%
Real Prop. Transfer	3.23	3.52	0.29	8.94%
State Health Care Taxes	51.67	51.85	0.19	0.36%
Other	14.10	14.56	0.45	3.22%
Total	263.72	290.97	27.24	10.33%

Tax Component	Prior Fiscal YTD Restated		
	Revenue	\$ Change	% Change
Personal Income (1)	129.93	39.43	30.35%
Corporate (2)	10.37	0.87	8.36%
Meals & Room	25.72	3.00	11.67%
Insurance Premium	8.60	0.87	10.14%
Inheritance & Estate	7.72	-5.47	-70.83%
Real Prop. Transfer	3.57	-0.05	-1.45%
State Health Care Taxes	48.82	3.03	6.21%
Other	12.34	2.22	17.98%
Total	247.07	43.90	17.77%

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	7.38	7.00	-0.37	-5.07%
Diesel Fuel	1.50	1.43	-0.08	-5.15%
MV Purchase & Use	8.30	8.63	0.34	4.06%
Motor Vehicle Fees	7.72	8.27	0.56	7.21%
Other	1.65	1.67	0.02	0.96%
Total	26.55	27.00	0.46	1.72%

Note:

TIB Fuel Fees/Gasoline	1.90	2.03	0.14	7.20%
TIB Fuel Fees/Diesel	0.16	0.15	-0.01	-5.62%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Gasoline	14.00	12.99	-1.01	-7.22%
Diesel Fuel	3.00	2.97	-0.03	-0.93%
MV Purchase & Use	14.61	16.08	1.47	10.08%
Motor Vehicle Fees	14.65	15.15	0.50	3.42%
Other	3.06	3.36	0.30	9.88%
Total	49.32	50.55	1.24	2.51%

Tax Component	Prior Fiscal YTD		
	Revenue	\$ Change	% Change
Gasoline	12.60	0.38	3.03%
Diesel Fuel	3.07	-0.10	-3.35%
MV Purchase & Use	14.06	2.03	14.44%
Motor Vehicle Fees	14.47	0.68	4.67%
Other	3.16	0.20	6.45%
Total	47.37	3.19	6.73%

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	44.49	45.09	0.60	1.35%
Meals & Room	5.58	5.69	0.11	2.00%
MV Purchase & Use	4.15	4.32	0.17	4.06%
Lottery Transfer	2.41	3.41	1.00	41.25%
Investment Income	0.00	0.18	0.18	744735.72%
Total	56.63	58.69	2.06	3.64%

*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

Non-Property Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Sales & Use	97.39	102.49	5.09	5.23%
Meals & Room	10.47	10.41	-0.06	-0.60%
MV Purchase & Use	7.31	8.04	0.74	10.08%
Lottery Transfer	3.41	4.41	1.00	29.17%
Investment Income	0.00	0.18	0.18	619259.45%
Total	118.58	125.53	6.95	5.86%

Non-Property Tax Component	Prior Fiscal YTD Restated		
	Revenue	\$ Change	% Change
Sales & Use	94.48	8.01	8.48%
Meals & Room	9.32	1.09	11.67%
MV Purchase & Use	7.03	1.01	14.44%
Lottery Transfer	5.47	-1.06	-19.32%
Investment Income	0.01	0.17	1571.32%
Total	116.30	9.23	7.94%

State of Vermont
Comparative Statement of Revenues
General Fund
As of August 31, 2022

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax	129,930,575	169,359,229	30.3%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	10,367,102	11,233,811	8.4%
Meals & Rooms Tax	25,720,452	28,721,496	11.7%
Liquor & Wine Tax	805,080	898,665	11.6%
Insurance Premium	8,596,269	9,467,935	10.1%
Telephone Gross Receipts	56,985	60,528	6.2%
Telephone Property Tax	354,842	312,697	-11.9%
Beverage Tax	1,351,948	1,404,652	3.9%
Cannabis Excise Tax	0	0	0.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	7,718,324	2,251,256	-70.8%
Real Property Transfer Tax	3,572,515	3,520,751	-1.4%
Bank Franchise Tax	2,543,243	2,689,629	5.8%
All Other Taxes	498,503	194,501	-61.0%
Total Taxes	191,515,838	230,115,152	20.2%
Other Revenues			
Business Licenses	18,893	22,019	16.6%
Fees	5,845,546	5,892,731	0.8%
Services	458,388	553,003	20.6%
Fines, Forfeits & Penalties	257,766	545,154	111.5%
Interest, Prem	94,284	1,765,181	1772.2%
Special Assessments	0	0	0.0%
All Other Revenues	54,643	219,152	301.1%
Total Other Revenues	6,729,520	8,997,240	33.7%
Health Care Revenues			
Health Care Taxes and Assessments	48,823,671	51,853,600	6.2%
Total General Fund	247,069,030	290,965,991	17.8%

State of Vermont
Comparative Statement of Revenues
Education Fund
As of August 31, 2022

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	94,476,261	102,487,251	8.5%
Meals & Rooms Tax	9,319,004	10,406,339	11.7%
Purchase & Use Tax	7,027,823	8,042,472	14.4%
Lottery Transfer	5,466,414	4,410,472	-19.3%
Investment Income	10,999	183,828	1571.4%
Total estimated revenues	<u>116,300,501</u>	<u>125,530,363</u>	<u>7.9%</u>
Other Revenues:			
Education Property Taxes	(155,409)	(276,919)	-78.2%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	18,411	38,488	109.0%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	8,956,878	172,800	-98.1%
Total other revenues	<u>8,819,880</u>	<u>(65,632)</u>	<u>-100.7%</u>
Total Education Fund	<u>125,120,381</u>	<u>125,464,731</u>	<u>0.3%</u>

**State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of August 31, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	12,603,478	12,985,846	3.0%
Diesel Fuel	3,072,582	2,969,670	-3.3%
MV Purchase & Use	14,055,645	16,084,945	14.4%
Total Taxes	29,731,706	32,040,461	7.8%
Other Revenues			
Motor Vehicle Fees	14,474,289	15,149,643	4.7%
Other	3,160,039	3,364,194	6.5%
Total Other Revenues	17,634,328	18,513,837	5.0%
Total Non-Dedicated	47,366,034	50,554,298	6.7%
Dedicated			
Federal Aid	52,783,980	81,292,866	54.0%
Infrastructure Bond Fund Revenue	2,560,316	3,824,760	49.4%
Transportation Impact Fee	68,295	25	-100.0%
Other	749,209	2,472,689	230.0%
Total Dedicated	56,161,800	87,590,340	56.0%
Total Transportation Fund	103,527,834	138,144,638	33.4%