

Monthly Revenue Release

Agency of Administration
May 24, 2023

Contact: Kristin Clouser
(802) 828-3322

Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for April 2023. For the first time this fiscal year, the General Fund, Transportation Fund and Education Fund have all failed to achieve their monthly consensus revenue expectations. Year to date, only the General Fund is exceeding the target adopted by the Emergency Board at its January 17, 2023 meeting.

Revenue collections for the month of April 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts were a combined \$443.0 million, missing the \$458.6 million monthly consensus target by -\$15.6 million, or (3.4%). Cumulative results through April 2023, however, remain \$32.0 million, or 1.8%, above the \$2,714.9 million consensus target set back in January following the January 2023 Emergency Board meeting.

General Fund revenues for April totaled \$357.9 million, -\$12.6 million, or (3.4%), below the \$370.4 million monthly consensus cash flow target. For the third month in a row, Personal Income Tax receipts failed to meet their consensus target, missing by -\$42.8 million in April. Health Care taxes missed their monthly consensus cash flow target by -\$3.5 million and there was a combined -\$0.3 million miss by the Liquor and Net Property Transfer Tax receipts. Corporate Income Tax receipts, however, bounced back from the prior month exceeding their target by \$24.1 million. Reinforcing this positive performance were the Meals and Rooms Tax, Insurance Tax, Estate Tax and Other receipts category each exceeding their monthly targets by \$0.7 million, \$0.7 million, \$3.3 million and \$5.3 million respectively. Unlike the previous three months, however, investment gains and excess receipts across multiple targets were not enough to overcome the substantial downside miss in Personal Income Tax receipts.

Revenues in the Transportation Fund also missed their \$26.2 million April consensus target by -\$3.0 million, or (11.4%), ending the month at \$23.2 million. Year to date, cumulative receipts have fallen below consensus expectations by -\$1.4 million, or (0.6%) through the tenth month of fiscal year 2023. The month of April was also the first month since the January 2023 consensus revenue forecast, where receipts in the Motor Vehicle Purchase and Use tax failed to meet its consensus target, missing on the downside by -\$1.2 million.

Education Fund revenues were slightly (\$30,000) below target for April. The -\$0.6 million Motor Vehicle Purchase and Use Tax and -\$0.3 million Sales and Use Tax misses were almost completely offset by \$0.6 million of higher-than-expected net interest revenues and a \$0.3 million better than expected performance by the Meals and Rooms Tax.

According to Secretary Clouser: "April represents the second month in a row the State has failed to achieve its combined revenue target and the first month that all three funds have simultaneously failed to achieve their individual consensus cash flow targets. The significant downside miss for April by the Personal Income Tax in the G-Fund was troubling. The downside miss in the Motor Vehicle Purchase and Use Tax was also concerning because it has been the anchor offsetting many of the previous months' categorical misses in both the Transportation and Education Funds. The State's unprecedented investment earnings are impressive but are also highly susceptible to interest rate and bank balance fluctuations—especially as COVID funds are spent down. The Administration has consistently stated the need to exercise caution and due

diligence with regard to how we spend the public's resources and, given what may be the first indicators of an economic return to a post-pandemic baseline, it is with these lenses that the recent actions of the General Assembly must be scrutinized over the coming weeks.”

**

State of Vermont Revenue, by Major Fund **Month: April**
vs. Consensus Revenue Forecast Target **FY: 2023**

General Fund By Major Element (In Millions)* (1&2)					Fiscal YTD				Prior Fiscal YTD			
Tax Component	Month		\$ Change	% Change	Target	Revenue	\$ Change	% Change		Revenue	\$ Change	% Change
	Target	Revenue										
Personal Income (1)	279.20	236.43	-42.78	-15.32%	1088.94	1046.77	-42.16	-3.87%		1046.77	0.00	0.00%
Corporate (2)	33.86	57.92	24.05	71.02%	188.82	237.79	48.97	25.93%		237.79	0.00	0.00%
Meals & Room	12.96	13.65	0.69	5.33%	138.70	142.12	3.42	2.46%		142.12	0.00	0.00%
Insurance Premium	0.63	1.31	0.68	108.29%	57.10	62.62	5.52	9.67%		55.46	7.17	12.93%
Inheritance & Estate	1.99	5.32	3.33	167.72%	13.39	13.83	0.44	3.29%		12.13	1.70	14.00%
Real Prop. Transfer	1.60	1.28	-0.32	-19.80%	17.22	18.07	0.85	4.92%		20.01	-1.94	-9.68%
State Health Care Taxes	31.53	28.00	-3.52	-11.18%	268.20	266.05	-2.14	-0.80%		266.05	0.00	0.00%
Other	8.68	13.96	5.27	60.69%	90.16	110.04	19.88	22.04%		116.97	-6.93	-5.92%
Total	370.44	357.86	-12.59	-3.40%	1862.53	1897.30	34.76	1.87%		1897.30	0.00	0.00%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD			
Tax Component	Month		\$ Change	% Change	Target	Revenue	\$ Change	% Change		Revenue	\$ Change	% Change
	Target	Revenue										
Gasoline	5.92	5.80	-0.11	-1.91%	62.72	62.36	-0.36	-0.57%		60.61	1.75	2.89%
Diesel Fuel	1.51	1.04	-0.47	-31.09%	15.55	14.78	-0.77	-4.96%		15.44	-0.67	-4.32%
MV Purchase & Use	8.36	7.17	-1.20	-14.30%	77.03	76.95	-0.08	-0.11%		73.94	3.01	4.07%
Motor Vehicle Fees	8.62	7.49	-1.14	-13.18%	69.45	68.72	-0.73	-1.05%		67.92	0.81	1.19%
Other	1.82	1.75	-0.08	-4.13%	17.04	17.60	0.56	3.27%		16.10	1.49	9.28%
Total	26.23	23.25	-2.99	-11.39%	241.79	240.41	-1.38	-0.57%		234.01	6.39	2.73%

Note:

TIB Fuel Fees/Gasoline	1.44	1.57	0.13	9.14%	17.00	17.57	0.57	3.37%		12.36	5.22	42.21%
TIB Fuel Fees/Diesel	0.17	0.11	-0.06	-33.76%	1.67	1.57	-0.10	-6.12%		1.64	-0.07	-4.37%

*Differences due to rounding

Education Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD			
Component	Month		\$ Change	% Change	Target	Revenue	\$ Change	% Change		Revenue	\$ Change	% Change
	Target	Revenue										
Sales & Use	50.12	49.80	-0.31	-0.63%	496.94	492.12	-4.83	-0.97%		459.33	32.79	7.14%
Meals & Room	4.69	4.94	0.25	5.33%	50.25	51.49	1.24	2.46%		46.80	4.70	10.03%
MV Purchase & Use	4.18	3.58	-0.60	-14.30%	38.51	38.47	-0.04	-0.11%		36.97	1.50	4.07%
Lottery Transfer	2.77	2.79	0.02	0.65%	23.25	23.31	0.06	0.28%		23.48	-0.17	-0.71%
Investment Income	0.19	0.80	0.61	327.78%	1.60	3.77	2.17	135.65%		0.10	3.67	3687.58%
Total	61.95	61.92	-0.03	-0.05%	610.56	609.17	-1.39	-0.23%		566.67	42.49	7.50%

*Differences due to rounding

State of Vermont
Comparative Statement of Revenues
General Fund
As of April 30, 2023

	<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	1,072,760,278	1,046,772,106	-2.4%
Sales & Use Tax	(3,072)	0	100.0%
Corporate Income Tax	181,205,860	237,788,745	31.2%
Meals & Rooms Tax	129,159,992	142,120,473	10.0%
Liquor & Wine Tax	4,190,144	4,278,491	2.1%
Insurance Premium	55,455,880	62,623,896	12.9%
Telephone Gross Receipts	170,077	227,390	33.7%
Telephone Property Tax	1,979,620	1,827,388	-7.7%
Beverage Tax	5,956,184	6,129,269	2.9%
Cannabis Excise Tax	0	4,479,312	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	12,131,319	13,831,458	14.0%
Real Property Transfer Tax	20,008,988	18,071,866	-9.7%
Bank Franchise Tax	13,995,385	14,597,606	4.3%
All Other Taxes	1,108,559	1,136,444	2.5%
Total Taxes	<u>1,498,119,212</u>	<u>1,553,884,445</u>	<u>3.7%</u>
Other Revenues			
Business Licenses	1,192,455	426,538	-64.2%
Fees	34,237,781	37,325,101	9.0%
Services	2,066,408	2,727,773	32.0%
Fines, Forfeits & Penalties	2,917,483	2,049,961	-29.7%
Interest, Prem	852,121	33,924,973	3881.2%
Special Assessments	0	0	0.0%
All Other Revenues	925,673	904,633	-2.3%
Total Other Revenues	<u>42,191,921</u>	<u>77,358,979</u>	<u>83.4%</u>
Health Care Revenues			
Health Care Taxes and Assessments	244,265,001	266,052,456	8.9%
Total General Fund	<u>1,784,576,135</u>	<u>1,897,295,880</u>	<u>6.3%</u>

State of Vermont
 Comparative Statement of Revenues
 Education Fund
 As of April 30, 2023

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	459,330,477	492,117,498	7.1%
Meals & Rooms Tax	46,797,099	51,492,925	10.0%
Purchase & Use Tax	36,970,371	38,474,056	4.1%
Lottery Transfer	23,480,411	23,313,878	-0.7%
Investment Income	99,575	3,771,479	3687.6%
Total estimated revenues	<u>566,677,934</u>	<u>609,169,836</u>	<u>7.5%</u>
Other Revenues:			
Education Property Taxes	103,029,015	92,304,845	-10.4%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	1,269,931	1,422,213	12.0%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,559,150	3,122,172	100.2%
Total other revenues	<u>105,858,096</u>	<u>96,849,230</u>	<u>-8.5%</u>
Total Education Fund	<u><u>672,536,030</u></u>	<u><u>706,019,066</u></u>	<u><u>5.0%</u></u>

State of Vermont
 Comparative Statement of Revenues
 Transportation Fund
 As of April 30, 2023

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	60,608,353	62,362,530	2.9%
Diesel Fuel	15,443,118	14,776,017	-4.3%
MV Purchase & Use	73,940,743	76,948,112	4.1%
Total Taxes	<u>149,992,214</u>	<u>154,086,659</u>	2.7%
Other Revenues			
Motor Vehicle Fees	67,917,898	68,723,168	1.2%
Other	16,101,742	17,595,693	9.3%
Total Other Revenues	<u>84,019,640</u>	<u>86,318,861</u>	2.7%
Total Non-Dedicated	<u>234,011,854</u>	<u>240,405,520</u>	2.7%
Dedicated			
Federal Aid	234,337,056	339,245,660	44.8%
Infrastructure Bond Fund Revenue	13,996,374	19,140,733	36.8%
Transportation Impact Fee	98,436	65,137	-33.8%
Other	2,136,263	3,786,106	77.2%
Total Dedicated	<u>250,568,128</u>	<u>362,237,635</u>	44.6%
Total Transportation Fund	<u>484,579,982</u>	<u>602,643,155</u>	24.4%