

Monthly Revenue Release

Agency of Administration
January 20, 2023

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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for December 2022. For the third month in a row, all three major funds - the General Fund, the Transportation Fund and the Education Fund - ended with revenue above target. Year to date, the General Fund and the Education Fund remain ahead of target while the Transportation Fund is slightly behind.

Revenue collections for the month of December 2022 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in December were a combined \$266.2 million, or 5.3%, above monthly consensus expectations. For the first six months of the state's fiscal year, combined revenues across all three funds were 6.3% above combined consensus target.

General Fund revenues collected in December totaled \$186.5 million, \$12.1 million above the monthly consensus cash flow revenue target. Year to date, General Fund revenues were \$80.6 million, or 8.8%, above consensus. Positive receipts activity over the month were mostly concentrated in the two income tax sources – personal and corporate. In a period of persistently high asset prices, strong corporate profitability, and upbeat consumption spending, personal and corporate income tax liabilities have moved substantially higher, and revenues for most consumption taxes have also moved up.

Revenues into the Transportation Fund beat monthly consensus expectations, bringing in \$24.3 million in December, \$0.5 million above the consensus cash flow target estimate. Year to date, receipts are still below consensus expectations by -\$1.0 million, or -0.7%. The T-Fund posted a third consecutive positive month relative to monthly consensus expectations. This occurred despite another lagging month for the gasoline tax. In contrast, revenues came in better than expected in the T-Fund's principal consumption tax source – Motor Vehicles Purchase and Use. In addition, receipts in the Motor Vehicles Fees category were above target.

Education Fund revenues last month were \$0.9 million, or 1.6%, above the monthly consensus cash flow target, having collected \$55.4 million in December. For the first six months of the fiscal year, the Education Fund comfortably outperformed the consensus estimate by \$10.4 million, or 2.9%. Results last month and year to date are primarily driven by the various consumption taxes that underpin revenues in this fund. These results reflect the enduring resiliency of consumption activity across the economy, even as Federal Reserve policymakers have sharply raised short-term interest rates as they attempt to slow inflation-accelerating increases in household and business consumption.

Revenue data for the first six months of the state's fiscal year continue to show positive results in the aggregate. According to Secretary Clouser: "The economy and revenues continue to reflect the push and pull of the exceptional federal fiscal stimulus and the Federal Reserve's historically harsh tightening moves that are designed to tame the recent rise in inflation. This dynamic is inserting an unusually high level of uncertainty into the revenue outlook, but we are pleased that we enter the second half of the state's fiscal year from a position of strength."

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State of Vermont Revenue, by Major Fund **Month: December**
vs. Consensus Revenue Forecast Target **FY: 2022**

General Fund By Major Element (In Millions)* (1&2)					Fiscal YTD				YTD Restated		
Tax Component	Month				Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
	Target	Revenue	\$ Change	% Change							
Personal Income (1)	89.26	101.39	12.13	13.59%	499.81	571.26	71.45	14.29%	475.85	95.41	20.05%
Corporate (2)	31.16	31.41	0.25	0.81%	90.72	97.78	7.06	7.78%	77.61	20.16	25.98%
Meals & Room	10.18	10.04	-0.15	-1.44%	83.58	84.73	1.15	1.37%	77.51	7.22	9.31%
Insurance Premium	1.66	0.35	-1.31	-79.17%	20.60	19.95	-0.65	-3.16%	18.06	1.89	10.47%
Inheritance & Estate	2.03	1.61	-0.42	-20.67%	12.43	6.16	-6.26	-50.40%	11.14	-4.98	-44.70%
Real Prop. Transfer	2.44	1.77	-0.67	-27.39%	12.18	11.82	-0.36	-2.97%	12.99	-1.17	-9.00%
State Health Care Taxes	29.21	29.38	0.18	0.60%	155.20	154.78	-0.42	-0.27%	141.98	12.81	9.02%
Other	8.48	10.54	2.06	24.29%	44.10	52.75	8.65	19.61%	40.67	12.08	29.71%
Total	174.42	186.49	12.07	6.92%	918.62	999.23	80.61	8.77%	855.81	143.42	16.76%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD		
Tax Component	Month				Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
	Target	Revenue	\$ Change	% Change							
Gasoline	6.40	6.16	-0.24	-3.75%	42.01	39.40	-2.61	-6.22%	37.55	1.85	4.94%
Diesel Fuel	1.82	1.89	0.08	4.27%	9.93	9.69	-0.24	-2.39%	9.67	0.02	0.21%
MV Purchase & Use	7.21	7.94	0.74	10.20%	46.96	48.62	1.67	3.55%	46.31	2.31	4.99%
Motor Vehicle Fees	6.14	5.78	-0.36	-5.88%	41.77	41.67	-0.10	-0.25%	41.30	0.36	0.88%
Other	2.20	2.53	0.33	14.81%	10.25	10.51	0.26	2.55%	10.16	0.36	3.50%
Total	23.76	24.30	0.54	2.27%	150.92	149.89	-1.03	-0.68%	144.99	4.90	3.38%

Note:

TIB Fuel Fees/Gasoline	1.74	1.77	0.03	1.52%	11.11	11.20	0.09	0.82%	7.22	3.97	55.00%
TIB Fuel Fees/Diesel	0.18	0.20	0.02	9.62%	1.03	1.03	0.00	-0.34%	1.03	0.00	-0.34%

*Differences due to rounding

Education Fund By Major Element (In Millions)*					Fiscal YTD				YTD Restated		
Component	Month				Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
	Target	Revenue	\$ Change	% Change							
Sales & Use	45.13	45.97	0.84	1.86%	285.92	295.33	9.41	3.29%	272.21	23.13	8.50%
Meals & Room	3.69	3.64	-0.05	-1.44%	30.28	30.70	0.42	1.37%	28.08	2.62	9.31%
MV Purchase & Use	3.60	3.97	0.37	10.20%	23.48	24.31	0.83	3.55%	23.16	1.15	4.99%
Lottery Transfer	2.05	1.83	-0.22	-10.64%	13.29	12.38	-0.91	-6.83%	13.19	-0.81	-6.12%
Investment Income	0.05	0.00	-0.05	-100.00%	0.34	0.97	0.64	190.38%	0.05	0.92	1795.30%
Total	54.53	55.41	0.88	1.62%	353.31	363.70	10.39	2.94%	336.69	27.01	8.02%

*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

State of Vermont
Comparative Statement of Revenues
General Fund
As of December 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	475,849,428	571,260,717	20.1%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	77,614,412	97,777,377	26.0%
Meals & Rooms Tax	77,506,780	84,725,133	9.3%
Liquor & Wine Tax	2,602,128	2,641,805	1.5%
Insurance Premium	18,060,580	19,952,110	10.5%
Telephone Gross Receipts	113,465	120,352	6.1%
Telephone Property Tax	1,084,477	938,573	-13.5%
Beverage Tax	3,760,160	3,894,681	3.6%
Cannabis Excise Tax	0	861,915	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	11,144,688	6,163,653	-44.7%
Real Property Transfer Tax	12,987,396	11,818,916	-9.0%
Bank Franchise Tax	8,179,247	9,399,010	14.9%
All Other Taxes	775,500	785,563	1.3%
Total Taxes	689,678,262	810,339,806	17.5%
Other Revenues			
Business Licenses	55,626	76,392	37.3%
Fees	20,287,756	20,927,560	3.2%
Services	1,428,492	1,732,991	21.3%
Fines, Forfeits & Penalties	1,132,249	1,176,734	3.9%
Interest, Prem	417,397	9,473,940	2169.8%
Special Assessments	0	0	0.0%
All Other Revenues	833,409	719,863	-13.6%
Total Other Revenues	24,154,928	34,107,480	41.2%
Health Care Revenues			
Health Care Taxes and Assessments	141,977,510	154,783,957	9.0%
Total General Fund	855,810,701	999,231,244	16.8%

State of Vermont
Comparative Statement of Revenues
Education Fund
As of December 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	272,207,208	295,332,323	8.5%
Meals & Rooms Tax	28,082,167	30,697,512	9.3%
Purchase & Use Tax	23,156,713	24,311,581	5.0%
Lottery Transfer	13,192,112	12,384,380	-6.1%
Investment Income	51,333	972,915	1795.3%
Total estimated revenues	<u>336,689,533</u>	<u>363,698,710</u>	<u>8.0%</u>
Other Revenues:			
Education Property Taxes	103,018,604	114,397,464	11.0%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	561,089	529,731	-5.6%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,061,734	938,008	-11.7%
Total other revenues	<u>104,641,427</u>	<u>115,865,203</u>	<u>10.7%</u>
Total Education Fund	<u>441,330,960</u>	<u>479,563,913</u>	<u>8.7%</u>

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	37,545,408	39,399,377	4.9%
Diesel Fuel	9,669,913	9,690,285	0.2%
MV Purchase & Use	46,313,426	48,623,162	5.0%
Total Taxes	<u>93,528,746</u>	<u>97,712,824</u>	4.5%
Other Revenues			
Motor Vehicle Fees	41,302,765	41,665,688	0.9%
Other	10,150,829	10,514,083	3.6%
Total Other Revenues	<u>51,453,594</u>	<u>52,179,771</u>	1.4%
Total Non-Dedicated	<u>144,982,340</u>	<u>149,892,596</u>	3.4%
Dedicated			
Federal Aid	180,881,179	253,394,843	40.1%
Infrastructure Bond Fund Revenue	8,254,379	12,224,104	48.1%
Transportation Impact Fee	96,112	60,053	-37.5%
Other	1,616,019	3,304,306	104.5%
Total Dedicated	<u>190,847,690</u>	<u>268,983,306</u>	40.9%
Total Transportation Fund	<u>335,830,030</u>	<u>418,875,902</u>	24.7%