

## Monthly Revenue Release

Agency of Administration  
March 27, 2023

Contact: Kristin Clouser  
(802) 828-3322

Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for February 2023. For the fifth month in a row, both the General Fund and the Transportation Fund ended with revenue above target. The Education Fund bounced back from its prior month miss to surpass the February target by \$1.3 million. Year to date, all three funds remain ahead of their respective targets as adopted by the Emergency Board at its January 17, 2023 meeting.

Revenue collections for the month of February 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in February were a combined \$203.6 million, or 15.4%, above monthly consensus expectations. This continues the trend of the first eight months of the fiscal year, where combined revenues across all three funds were 6.3% above the consensus target set at the July 2022 Emergency Board meeting.

General Fund revenues collected in February totaled \$128.1 million, \$25.6 million or 25.0% above the monthly consensus cash flow revenue target. Positive receipts activity over the month was mostly concentrated on two sources – corporate income taxes and net interest earnings. February saw the results from a recent significantly higher than expected amount of activity related to mergers and acquisitions that propelled corporate income tax receipts \$21.6 million (699.3%) beyond its \$3.1 million target for total receipts of \$24.7 million. Accompanying this unforeseen level of recent mergers and acquisitions activity was the unanticipated \$7.2 million of investment earnings received by the General Fund. This accounted for 48.3% of the \$14.9 million of Other Revenues that ended the month \$6.4 million over its \$8.5 million target. Significant cash balances, due to better than anticipated State receipts and Federal Covid funds, coupled with rising short-term interest rates and adaptive cash management practices have allowed the General Fund to capitalize upon the Federal Reserve's restrictive monetary policies.

Revenues in the Transportation Fund beat monthly consensus expectations, bringing in \$19.4 million in February, \$0.4 million or 1.9% above the consensus cash flow estimated target. Year to date, receipts have exceeded consensus expectations by \$1.5 million, or 0.8%. As in prior months, the \$0.72 million Motor Vehicle Purchase and Use tax receipts continued to offset the (\$0.71) million combined downside losses incurred by the Gasoline and Diesel taxes.

Education Fund revenues last month were \$1.3 million, or 2.3%, above the monthly consensus cash flow target, having collected \$56.1 million in February. A \$0.4 million increase in investment earnings offset the (\$0.4) million downside miss in Lottery receipts. Sales and Use Tax receipts rebounded from last month's underperformance to post \$44.8 million of revenues which exceeded its \$44.2 million target by \$0.6 million.

Revenue data for the first eight months of the State's fiscal year continue to show positive results in the aggregate. According to Secretary Clouser: "The administration is pleased that Vermont continues to meet or exceed its revenue expectations. The unanticipated investment earnings represent a silver lining from the Federal Reserve's restrictive monetary policies on interest rate levels, but we must still exercise caution should those same policies cause the economy to reverse course. Vermont will continue to monitor its economic position and adapt its fiscal strategies accordingly."

\* \* \*

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

Tax Component	General Fund By Major Element (In Millions)* (1&2)				Fiscal YTD				Prior		
	Month										
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change	Revenue	\$ Change	% Change
Personal Income (1)	34.59	31.38	-3.21	-9.28%	754.57	762.36	7.79	1.03%	814.40	-52.03	-6.39%
Corporate (2)	3.09	24.69	21.60	699.34%	112.93	140.63	27.70	24.53%	51.78	88.85	171.57%
Meals & Room	13.00	14.00	1.00	7.68%	111.18	113.52	2.34	2.11%	64.47	49.06	76.09%
Insurance Premium	18.64	20.17	1.53	8.19%	40.06	41.98	1.92	4.80%	34.34	7.65	22.27%
Inheritance & Estate	1.60	0.02	-1.58	-98.97%	9.78	6.99	-1.21	-14.77%	20.71	-13.73	-66.29%
Real Prop. Transfer	1.15	0.96	-0.20	-16.93%	14.34	14.08	-0.26	-1.81%	15.25	-1.17	-7.65%
State Health Care Taxes	21.94	22.04	0.10	0.45%	214.66	215.55	0.89	0.41%	196.25	19.30	9.83%
Other	8.52	14.89	6.37	74.81%	72.92	80.38	7.46	10.24%	51.52	28.86	56.01%
<b>Total</b>	<b>102.53</b>	<b>128.14</b>	<b>25.61</b>	<b>24.98%</b>	<b>1328.84</b>	<b>1375.49</b>	<b>46.65</b>	<b>3.51%</b>	<b>1248.71</b>	<b>126.78</b>	<b>10.15%</b>

\*Differences due to rounding

Tax Component	Transportation Fund By Major Element (In Millions)*				Fiscal YTD				Prior Fiscal YTD		
	Month										
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change	Revenue	\$ Change	% Change
Gasoline	5.22	4.56	-0.66	-12.68%	50.67	50.23	-0.44	-0.87%	43.10	7.13	16.54%
Diesel Fuel	1.27	1.22	-0.05	-4.01%	12.49	12.28	-0.21	-1.72%	11.43	0.85	7.43%
MV Purchase & Use	5.64	6.37	0.72	12.82%	60.82	61.76	0.94	1.55%	51.00	10.76	21.09%
Motor Vehicle Fees	5.60	5.63	0.03	0.55%	53.07	53.82	0.74	1.40%	53.07	0.75	1.41%
Other	1.30	1.63	0.32	24.76%	13.54	14.05	0.51	3.76%	12.66	1.39	10.95%
<b>Total</b>	<b>19.04</b>	<b>19.40</b>	<b>0.36</b>	<b>1.91%</b>	<b>190.59</b>	<b>192.13</b>	<b>1.54</b>	<b>0.81%</b>	<b>171.26</b>	<b>20.87</b>	<b>12.19%</b>

Note:

TIB Fuel Fees/Gasoline	1.21	1.25	0.04	3.36%	13.86	14.31	0.45	3.22%	6.34	7.97	125.62%
TIB Fuel Fees/Diesel	0.14	0.13	-0.01	-7.34%	1.33	1.30	-0.03	-2.45%	1.21	0.09	7.23%

\*Differences due to rounding

Tax Component	Education Fund By Major Element (In Millions)*				Fiscal YTD				Prior		
	Non-Property Tax										
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change	Revenue	\$ Change	% Change
Sales & Use	44.21	44.76	0.55	1.25%	404.46	402.17	-2.29	-0.57%	340.41	61.76	18.14%
Meals & Room	4.71	5.07	0.36	7.68%	40.28	41.13	0.85	2.11%	23.36	17.77	76.09%
MV Purchase & Use	2.82	3.18	0.36	12.82%	30.41	30.88	0.47	1.55%	25.50	5.38	21.09%
Lottery Transfer	3.12	2.69	-0.44	-13.96%	18.08	18.04	-0.04	-0.20%	19.48	-1.44	-7.37%
Investment Income	-0.02	0.40	0.42	-2175.66%	1.25	2.45	1.20	96.23%	0.08	2.38	3121.33%
<b>Total</b>	<b>54.85</b>	<b>56.11</b>	<b>1.26</b>	<b>2.30%</b>	<b>494.48</b>	<b>494.68</b>	<b>0.20</b>	<b>0.04%</b>	<b>408.82</b>	<b>85.85</b>	<b>21.00%</b>

\*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 February 28, 2023

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% Change</u>
<b>Taxes</b>			
Personal Income Tax	660,997,447	762,364,435	15.3%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	92,018,212	140,629,739	52.8%
Meals & Rooms Tax	102,933,961	113,523,000	10.3%
Liquor & Wine Tax	3,387,147	3,448,823	1.8%
Insurance Premium	38,521,777	41,981,573	9.0%
Telephone Gross Receipts	169,044	176,585	4.5%
Telephone Property Tax	1,449,319	1,261,204	-13.0%
Beverage Tax	4,891,166	5,049,736	3.2%
Cannabis Excise Tax	0	2,509,670	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	12,713,861	6,992,963	-45.0%
Real Property Transfer Tax	15,877,448	14,080,955	-11.3%
Bank Franchise Tax	11,069,693	12,187,323	10.1%
All Other Taxes	998,081	967,250	-3.1%
<b>Total Taxes</b>	<b><u>945,027,154</u></b>	<b><u>1,105,173,256</u></b>	<b><u>16.9%</u></b>
<b>Other Revenues</b>			
Business Licenses	836,070	104,328	-87.5%
Fees	27,718,001	28,809,086	3.9%
Services	1,842,552	2,397,030	30.1%
Fines, Forfeits & Penalties	1,674,948	1,702,022	1.6%
Interest, Prem	671,658	20,919,296	3014.6%
Special Assessments	0	0	0.0%
All Other Revenues	820,430	833,719	1.6%
<b>Total Other Revenues</b>	<b><u>33,563,660</u></b>	<b><u>54,765,481</u></b>	<b><u>63.2%</u></b>
<b>Health Care Revenues</b>			
Health Care Taxes and Assessments	<u>194,981,711</u>	<u>215,547,169</u>	<u>10.5%</u>
<b>Total General Fund</b>	<b><u>1,173,572,525</u></b>	<b><u>1,375,485,905</u></b>	<b><u>17.2%</u></b>

State of Vermont  
 Comparative Statement of Revenues  
 Education Fund  
 As of February 28, 2023

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
<b>Non-Dedicated</b>			
<b>Estimated Revenues:</b>			
Sales & Use Tax	372,180,933	402,171,887	8.1%
Meals & Rooms Tax	37,294,913	41,131,522	10.3%
Purchase & Use Tax	29,044,029	30,881,438	6.3%
Lottery Transfer	18,792,428	18,043,457	-4.0%
Investment Income	68,956	2,451,171	3454.7%
<b>Total estimated revenues</b>	<b><u>457,381,260</u></b>	<b><u>494,679,474</u></b>	<b><u>8.2%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	103,092,661	92,312,547	-10.5%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	718,714	684,903	-4.7%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,298,239	1,892,248	45.8%
<b>Total other revenues</b>	<b><u>105,109,613</u></b>	<b><u>94,889,698</u></b>	<b><u>-9.7%</u></b>
<b>Total Education Fund</b>	<b><u>562,490,873</u></b>	<b><u>589,569,173</u></b>	<b><u>4.8%</u></b>

State of Vermont  
 Comparative Statement of Revenues  
 Transportation Fund  
 As of February 28, 2023

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
<b>Non-Dedicated</b>			
<b>Taxes</b>			
Gasoline	47,174,292	50,225,912	6.5%
Diesel Fuel	12,202,431	12,278,970	0.6%
MV Purchase & Use	58,088,059	61,762,876	6.3%
<b>Total Taxes</b>	<b><u>117,464,782</u></b>	<b><u>124,267,758</u></b>	<b><u>5.8%</u></b>
<b>Other Revenues</b>			
Motor Vehicle Fees	52,617,696	53,816,507	2.3%
Other	12,889,851	14,050,050	9.0%
<b>Total Other Revenues</b>	<b><u>65,507,547</u></b>	<b><u>67,866,557</u></b>	<b><u>3.6%</u></b>
<b>Total Non-Dedicated</b>	<b><u>182,972,328</u></b>	<b><u>192,134,315</u></b>	<b><u>5.0%</u></b>
<b>Dedicated</b>			
Federal Aid	205,779,622	282,843,729	37.4%
Infrastructure Bond Fund Revenue	10,588,994	15,608,789	47.4%
Transportation Impact Fee	96,149	64,481	-32.9%
Other	1,720,979	3,435,657	99.6%
<b>Total Dedicated</b>	<b><u>218,185,744</u></b>	<b><u>301,952,656</u></b>	<b><u>38.4%</u></b>
<b>Total Transportation Fund</b>	<b><u>401,158,072</u></b>	<b><u>494,086,971</u></b>	<b><u>23.2%</u></b>