

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for January 2023. For the fourth month in a row, both the General Fund and the Transportation Fund ended with revenue above target. The Education Fund missed its target by just under \$1.1 million. Year to date, the General Fund and the Transportation Fund remain ahead of target, while the Education Fund is slightly behind the updated consensus forecast accepted at the January 17, 2023 meeting of the Emergency Board.

Revenue collections for the month of January 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in January were a combined \$345.8 million, or 6.5%, above monthly consensus expectations. This continues the trend of the first six 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 January totaled \$248.1 million, \$21.0 million or 9.3% above the monthly consensus cash flow revenue target. Positive receipts activity over the month was mostly concentrated in the two income tax sources – personal and corporate. January Personal Income Tax receipts typically include year-end bonus tax withholdings, which generally provide a positive upswing. Corporate Income Tax receipts also remained strong for the month of January, and the two sources combined accounted for 81.3% of the January receipts that were above consensus estimates.

Revenues into the Transportation Fund beat monthly consensus expectations, bringing in \$22.8 million in January, \$1.2 million or 5.4% above the consensus cash flow target estimate. Year to date, receipts have exceeded consensus expectations by \$1.2 million, or 0.7%. The T-Fund posted a fourth consecutive positive month relative to monthly consensus expectations, with only monthly collections in the diesel tax lagging. Revenues came in better than expected in Motor Vehicles Purchase and Use, the T-Fund's principal consumption tax source. In addition, receipts in both the Gasoline Tax and Motor Vehicles Fees category were above target.

Education Fund revenues last month were -\$1.1 million, or -1.4%, below the monthly consensus cash flow target, having collected \$74.9 million in January. The downside performance in January Sales and Use Tax receipts appears to track with national and other news reports about subdued holiday retail sales during the month of December. This is due, in part, to unusually larger holiday purchases occurring during the months of October and November.

Revenue data for the first seven months of the state's fiscal year continue to show positive results in the aggregate. According to Secretary Clouser: "The actions of both Congress and the Federal Reserve to simultaneously stimulate the economy, while reigning in excess inflation, has made forecasting future revenues challenging. Vermont will continue to monitor its fiscal position accordingly and is pleased to start off the second half of its fiscal year from such a positive position."

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State of Vermont Revenue, by Major Fund **Month: January**
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)	148.72	159.72	11.00	7.40%
Corporate (2)	12.06	18.17	6.10	50.60%
Meals & Room	13.46	14.80	1.35	10.00%
Insurance Premium	1.46	1.86	0.40	27.17%
Inheritance & Estate	2.03	0.81	-1.21	-59.88%
Real Prop. Transfer	1.37	1.30	-0.06	-4.72%
State Health Care Taxes	37.94	38.73	0.79	2.08%
Other	10.05	12.73	2.67	26.60%
Total	227.08	248.12	21.04	9.26%

*Differences due to rounding

Fiscal YTD			
Target	Revenue	\$ Change	% Change
719.98	730.98	11.00	1.53%
109.84	115.94	6.10	5.56%
98.18	99.53	1.35	1.37%
21.41	21.81	0.40	1.85%
8.19	6.98	-1.21	-14.77%
13.19	13.12	-0.06	-0.49%
192.72	193.51	0.79	0.41%
62.80	65.47	2.67	4.25%
1226.31	1247.35	21.04	1.72%

YTD Restated

Revenue	\$ Change	% Change
624.07	106.91	17.13%
88.50	27.44	31.01%
90.58	8.94	9.87%
19.82	1.99	10.03%
11.15	-4.17	-37.38%
14.66	-1.54	-10.47%
174.30	19.21	11.02%
48.55	16.93	34.87%
1071.63	175.72	16.40%

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	6.05	6.27	0.22	3.62%
Diesel Fuel	1.53	1.37	-0.16	-10.70%
MV Purchase & Use	6.55	6.77	0.22	3.38%
Motor Vehicle Fees	5.81	6.52	0.71	12.27%
Other	1.72	1.91	0.19	10.79%
Total	21.66	22.84	1.18	5.43%

Note:

TIB Fuel Fees/Gasoline	1.46	1.86	0.41	27.89%
TIB Fuel Fees/Diesel	0.17	0.15	-0.02	-13.34%

*Differences due to rounding

Fiscal YTD			
Target	Revenue	\$ Change	% Change
45.45	45.67	0.22	0.48%
11.22	11.06	-0.16	-1.46%
55.17	55.40	0.22	0.40%
47.48	48.19	0.71	1.50%
12.24	12.42	0.19	1.52%
171.56	172.73	1.18	0.69%

Prior Fiscal YTD

Revenue	\$ Change	% Change
43.57	2.09	4.81%
11.17	-0.12	-1.05%
52.38	3.02	5.77%
47.37	0.82	1.72%
11.73	0.69	5.90%
166.23	6.50	3.91%
8.48	4.58	54.07%
1.19	-0.02	-1.47%

Education Fund By Major Element (In Millions)*

Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	64.92	62.08	-2.84	-4.38%
Meals & Room	4.88	5.36	0.49	10.00%
MV Purchase & Use	3.28	3.39	0.11	3.38%
Lottery Transfer	2.57	2.97	0.40	15.52%
Investment Income	0.30	1.07	0.78	262.95%
Total	75.94	74.87	-1.07	-1.41%

*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

Fiscal YTD			
Target	Revenue	\$ Change	% Change
360.25	357.41	-2.84	-0.79%
35.57	36.06	0.49	1.37%
27.59	27.70	0.11	0.40%
14.96	15.36	0.40	2.67%
1.27	2.05	0.78	61.29%
439.64	438.57	-1.07	-0.24%

YTD Restated

Revenue	\$ Change	% Change
331.14	26.27	7.93%
32.82	3.24	9.87%
26.19	1.51	5.77%
15.27	0.09	0.59%
0.06	1.98	3225.35%
405.47	33.09	8.16%

State of Vermont
Comparative Statement of Revenues
General Fund
As of January 31, 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	624,071,533	730,980,744	17.1%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	88,499,151	115,942,745	31.0%
Meals & Rooms Tax	90,581,972	99,526,676	9.9%
Liquor & Wine Tax	2,990,330	3,045,815	1.9%
Insurance Premium	19,822,070	21,810,384	10.0%
Telephone Gross Receipts	114,394	176,585	54.4%
Telephone Property Tax	1,266,898	1,102,888	-12.9%
Beverage Tax	4,439,358	4,575,857	3.1%
Cannabis Excise Tax	0	1,661,017	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	11,147,172	6,976,595	-37.4%
Real Property Transfer Tax	14,658,111	13,122,719	-10.5%
Bank Franchise Tax	9,700,049	10,836,196	11.7%
All Other Taxes	889,303	891,509	0.2%
Total Taxes	<u>868,180,342</u>	<u>1,010,649,730</u>	<u>16.4%</u>
Other Revenues			
Business Licenses	770,055	88,385	-88.5%
Fees	23,912,915	25,145,901	5.2%
Services	1,621,327	2,049,214	26.4%
Fines, Forfeits & Penalties	1,425,943	1,375,971	-3.5%
Interest, Prem	545,182	13,697,591	2412.5%
Special Assessments	0	0	0.0%
All Other Revenues	875,081	830,901	-5.0%
Total Other Revenues	<u>29,150,502</u>	<u>43,187,964</u>	<u>48.2%</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>174,298,682</u>	<u>193,511,857</u>	<u>11.0%</u>
Total General Fund	<u><u>1,071,629,526</u></u>	<u><u>1,247,349,551</u></u>	<u><u>16.4%</u></u>

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of January 31, 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	331,138,037	357,407,718	7.9%
Meals & Rooms Tax	32,819,555	36,060,390	9.9%
Purchase & Use Tax	26,187,912	27,698,133	5.8%
Lottery Transfer	15,267,724	15,357,179	0.6%
Investment Income	61,535	2,046,255	3225.4%
Total estimated revenues	<u>405,474,763</u>	<u>438,569,675</u>	<u>8.2%</u>
Other Revenues:			
Education Property Taxes	103,026,455	114,441,137	11.1%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	572,712	537,493	-6.1%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,139,458	1,343,878	17.9%
Total other revenues	<u>104,738,626</u>	<u>116,322,508</u>	<u>11.1%</u>
Total Education Fund	<u>510,213,389</u>	<u>554,892,183</u>	<u>8.8%</u>

State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of January 31, 2023

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	43,573,814	45,667,731	4.8%
Diesel Fuel	11,173,396	11,055,860	-1.1%
MV Purchase & Use	52,375,825	55,396,265	5.8%
Total Taxes	<u>107,123,034</u>	<u>112,119,856</u>	<u>4.7%</u>
Other Revenues			
Motor Vehicle Fees	47,372,323	48,187,917	1.7%
Other	11,730,697	12,423,277	5.9%
Total Other Revenues	<u>59,103,019</u>	<u>60,611,194</u>	<u>2.6%</u>
Total Non-Dedicated	<u>166,226,054</u>	<u>172,731,050</u>	<u>3.9%</u>
Dedicated			
Federal Aid	186,369,124	266,915,620	43.2%
Infrastructure Bond Fund Revenue	9,665,565	14,231,033	47.2%
Transportation Impact Fee	96,132	64,151	-33.3%
Other	1,657,799	3,386,383	104.3%
Total Dedicated	<u>197,788,620</u>	<u>284,597,188</u>	<u>43.9%</u>
Total Transportation Fund	<u>364,014,673</u>	<u>457,328,238</u>	<u>25.6%</u>