

Monthly Revenue Release

Agency of Administration
August 31, 2023

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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for July 2023. July is the first month of the new 2024 State fiscal year. The General Fund, Transportation Fund and Education Fund all failed to achieve their respective consensus targets as derived from the annual fiscal year 2024 consensus revenue forecast adopted by the Emergency Board at its July 31, 2023 meeting. At least part of those downside receipts misses appeared tied to the State's July flooding event.

Revenue collections for the month of July 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts were a combined \$229.5 million, missing the \$235.0 million monthly consensus target by \$5.5 million, or -2.3%.

General Fund revenues for July totaled \$143.9 million, (\$3.9) million, or -2.7%, below the \$147.8 million monthly consensus cash flow target. Personal Income Tax receipts failed to meet their \$81.4 million monthly consensus cash flow target, missing by -\$5.3 million or -6.5%, which marked the sixth month where monthly Personal Income Tax receipts failed to meet their monthly target. Corporate Income Tax revenues missed their \$7.3 million monthly consensus cash flow target by -\$1.2 million, or -15.9%. Revenues in the Meals and Rooms Tax also missed its \$14.3 million target by -\$0.8) million, or -5.8%. Other Receipts missed their \$11.7 million target on the downside by -\$2.4 million or -20.1%. In contrast, July revenues in the Health Care Taxes component showed positive results, finishing the month of July at +\$0.5 million (or +0.6%) ahead of its \$29.3 million monthly consensus cash flow target. The Insurance Tax also exceeded its \$0.8 million target by \$0.2 million, 22.0%, and the Estate Tax surpassed its \$1.8 million target by \$3.7 million, 212.9%.

Revenues in the Transportation Fund fell short of their \$22.7 million July consensus target by -\$0.5 million, or -2.2%. While revenues for both the Gasoline and Diesel Taxes were essentially on target for July, at \$6.1 million and \$1.4 million, respectively; receipts in the Motor Vehicle Purchase and Use Tax's tracked at +\$0.2 million, or +2.3%, above its \$6.6 million target. However, those positive receipts performances during July were not enough to overcome the downside misses experienced by the Transportation Fund's two Fee revenue categories. Motor Vehicle Fees were -\$0.6 million, or -8.0%, below their \$7.1 million monthly consensus cash flow target and Other Fees were -\$0.1 million, or -8.5%, below their \$1.4 million consensus monthly target for July.

Education Fund revenues missed their \$64.5 million July consensus cash flow target by -\$1.1 million, or -1.7%. Receipts in the Sales and Use tax exceeded the \$55.0 million consensus cash flow target by \$0.1 million, 0.2%. Revenues in the Motor Vehicle Purchase and Use Tax were essentially on-target for the month (at +\$0.1 million or +2.3%) relative to its \$3.3 million monthly consensus cash flow. Neither of these, however, were enough to overcome the -\$0.3 million, or -5.8% downside miss by the Meals and Rooms tax relative to its \$5.2 million monthly consensus cash flow target and the failure of the Lottery transfer to make its long-standing July transfer of \$1.0 million in receipts.

According to Secretary Clouser: “This month’s data has to be viewed skeptically given the tax filing and tax payment forbearance measures associated with the July flooding event. As state and federal aid is disbursed to those in need, and administrative processes return to standard operations, the impacts of this event will gain more clarity. Nonetheless, the State must invest its resources prudently and balance the immediate needs from the current disaster with the investments necessary to prosper in fiscal year 2025 and beyond.”

State of Vermont Revenue, by Major Fund **Month: July**
vs. Consensus Revenue Forecast Target **FY: 2024**

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)	81.42	76.16	-5.27	-6.47%	81.42	76.16	-5.27	-6.47%	80.21	-4.06	-5.06%
Corporate (2)	7.29	6.13	-1.16	-15.92%	7.29	6.13	-1.16	-15.92%	6.97	-0.84	-12.11%
Meals & Room	14.31	13.49	-0.83	-5.79%	14.31	13.49	-0.83	-5.79%	13.02	0.47	3.57%
Insurance Premium	0.78	0.95	0.17	22.02%	0.78	0.95	0.17	22.02%	0.97	-0.02	-2.41%
Inheritance & Estate	1.75	5.46	3.72	212.93%	1.75	5.46	3.72	212.93%	0.91	4.55	497.35%
Real Prop. Transfer	0.74	2.13	1.39	187.52%	0.74	2.13	1.39	187.52%	1.25	0.88	70.74%
State Health Care Taxes	29.34	29.80	0.46	1.56%	29.34	29.80	0.46	1.56%	27.98	1.82	6.50%
Other	12.17	9.77	-2.40	-19.71%	12.17	9.77	-2.40	-19.71%	5.27	4.50	85.29%
Total	147.80	143.88	-3.92	-2.65%	147.80	143.88	-3.92	-2.65%	136.59	7.29	5.33%

*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	6.10	6.08	-0.01	-0.20%	6.10	6.08	-0.01	-0.20%	5.98	0.10	1.67%
Diesel Fuel	1.44	1.50	0.06	3.84%	1.44	1.50	0.06	3.84%	1.54	-0.05	-3.07%
MV Purchase & Use	6.63	6.79	0.15	2.33%	6.63	6.79	0.15	2.33%	7.45	-0.66	-8.90%
Motor Vehicle Fees	7.13	6.57	-0.57	-7.95%	7.13	6.57	-0.57	-7.95%	6.88	-0.31	-4.53%
Other	1.45	1.32	-0.12	-8.46%	1.45	1.32	-0.12	-8.46%	1.70	-0.37	-22.02%
Total	22.75	22.26	-0.49	-2.16%	22.75	22.26	-0.49	-2.16%	23.55	-1.30	-5.50%

Note:

TIB Fuel Fees/Gasoline	1.22	1.44	0.22	18.00%	1.22	1.44	0.22	18.00%	1.47	-0.03	-2.16%
TIB Fuel Fees/Diesel	0.16	0.16	0.00	0.21%	0.16	0.16	0.00	0.21%	0.16	-0.01	-3.16%

*Differences due to rounding

Education Fund By Major Element (In Millions)*					Fiscal YTD				YTD Restated		
Non-Property Tax Component	Month				Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
	Target	Revenue	\$ Change	% Change							
Sales & Use	54.97	55.09	0.13	0.23%	54.97	55.09	0.13	0.23%	57.40	-2.30	-4.01%
Meals & Room	5.19	4.89	-0.30	-5.79%	5.19	4.89	-0.30	-5.79%	4.72	0.17	3.57%
MV Purchase & Use	3.32	3.39	0.08	2.33%	3.32	3.39	0.08	2.33%	3.73	-0.33	-8.90%
Lottery Transfer	1.00	0.00	-1.00	-100.00%	1.00	0.00	-1.00	-100.00%	1.00	-1.00	-100.00%
Investment Income	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total	64.47	63.38	-1.10	-1.70%	64.47	63.38	-1.10	-1.70%	66.84	-3.47	-5.18%

*Differences due to rounding

State of Vermont
Comparative Statement of Revenues
General Fund
As of July 31, 2023

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax	80,214,251	76,155,760	-5.1%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	6,970,530	6,126,377	-12.1%
Meals & Rooms Tax	13,019,920	13,485,363	3.6%
Liquor & Wine Tax	410,304	400,696	-2.3%
Insurance Premium	972,565	949,130	-2.4%
Telephone Gross Receipts	60,528	1,610	-97.3%
Telephone Property Tax	156,227	150,793	-3.5%
Beverage Tax	664,609	700,144	5.3%
Cannabis Excise Tax	0	1,264,874	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	914,443	5,462,458	497.4%
Real Property Transfer Tax	1,247,050	2,129,265	70.7%
Bank Franchise Tax	1,272,742	1,406,426	10.5%
All Other Taxes	149,954	80,433	-46.4%
Total Taxes	<u>106,053,124</u>	<u>108,313,330</u>	<u>2.1%</u>
Other Revenues			
Business Licenses	9,806	9,568	-2.4%
Fees	2,052,271	3,073,599	49.8%
Services	285,545	320,948	12.4%
Fines, Forfeits & Penalties	207,884	97,478	-53.1%
Interest, Prem	16,875	2,167,162	12742.6%
Special Assessments	0	0	0.0%
All Other Revenues	158,916	97,169	-38.9%
Total Other Revenues	<u>2,731,297</u>	<u>5,765,924</u>	<u>111.1%</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>27,981,390</u>	<u>29,798,168</u>	<u>6.5%</u>
Total General Fund	<u>136,765,812</u>	<u>143,877,422</u>	<u>5.2%</u>

State of Vermont
 Comparative Statement of Revenues
 Education Fund
 As of July 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	57,397,039	55,094,966	-4.0%
Meals & Rooms Tax	4,717,362	4,886,001	3.6%
Purchase & Use Tax	3,726,228	3,394,411	-8.9%
Lottery Transfer	1,000,000	0	-100.0%
Investment Income	0	0	0.0%
Total estimated revenues	<u>66,840,630</u>	<u>63,375,378</u>	<u>-5.2%</u>
Other Revenues:			
Education Property Taxes	(295,226)	(225,242)	23.7%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	12,817	50	-99.6%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	75,696	45,463	-39.9%
Total other revenues	<u>(206,713)</u>	<u>(179,728)</u>	<u>13.1%</u>
Total Education Fund	<u>66,633,917</u>	<u>63,195,650</u>	<u>-5.2%</u>

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	5,982,977	6,082,886	1.7%
Diesel Fuel	1,542,483	1,495,167	-3.1%
MV Purchase & Use	7,452,456	6,788,823	-8.9%
Total Taxes	<u>14,977,915</u>	<u>14,366,876</u>	<u>-4.1%</u>
Other Revenues			
Motor Vehicle Fees	6,877,668	6,565,924	-4.5%
Other	1,696,652	1,323,093	-22.0%
Total Other Revenues	<u>8,574,320</u>	<u>7,889,017</u>	<u>-8.0%</u>
Total Non-Dedicated	<u>23,552,235</u>	<u>22,255,893</u>	<u>-5.5%</u>
Dedicated			
Federal Aid	36,923,457	28,978,230	-21.5%
Infrastructure Bond Fund Revenue	1,638,621	1,601,585	-2.3%
Transportation Impact Fee	0	2,717	100.0%
Other	266,258	211,847	-20.4%
Total Dedicated	<u>38,828,335</u>	<u>30,794,379</u>	<u>-20.7%</u>
Total Transportation Fund	<u>62,380,570</u>	<u>53,050,272</u>	<u>-15.0%</u>