

## Monthly Revenue Release

Agency of Administration  
August 1, 2023

Contact: Kristin Clouser  
(802) 828-3322

Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for June 2023 and fiscal year-end. June was an underperforming month for the Transportation Fund, however, both the General Fund and the Education Fund exceeded their respective monthly targets. As of the close of the fiscal year, only the General Fund exceeded its cumulative annual target as derived from the annual fiscal year 2023 consensus revenue forecast adopted by the Emergency Board at its January 17, 2023 meeting.

Revenue collections for the month of June 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts were a combined \$304.1 million, exceeding the \$294.9 million monthly consensus target by \$9.2 million, or +3.1%. The cumulative fiscal year-end annual results closed \$39.3 million, or +1.2%, above the \$3,209.2 million consensus target set back in January following the January 2023 Emergency Board meeting.

General Fund revenues for June totaled \$210.0 million, \$10.9 million, or 5.5%, above the \$199.1 million monthly consensus cash flow target. For the fifth month in a row, Personal Income Tax receipts failed to meet their monthly consensus cash flow target, missing by -\$9.0 million in June. Health Care revenues missed their monthly consensus cash flow target by -\$2.0 million and there was a combined -\$0.9 million miss by the Meals and Rooms Tax, Insurance Tax, Liquor Tax and Net Property Transfer Tax receipts. The Corporate Income Tax and Other Receipts category, however, exceeded their consensus June targets by \$6.5 million and \$15.4 million, respectively, as did the Estate Tax, by \$0.9 million. As in previous months, the Other Receipts category was the beneficiary of unprecedented investment earnings due to the State's cash position and favorable interest rates.

Fiscal year 2023's General Fund underperformance was concentrated predominantly in the Personal Income and Health Care Tax receipt categories which ended the year -\$52.6 million (or -4.2%) and -\$7.5 million (or -2.3%) below target, respectively. The Liquor Tax also failed to achieve its annual target by a marginal -\$0.2 million (or -3.2%). These downside misses were more than offset by the Corporate Income Taxes and Other Receipts Category's \$60.0 million (or +27.1%) and \$36.2 million (or +34.6%) above target performance, respectively. An additional \$7.4 million supplemented these results from cumulative above target earnings in the Meals and Rooms Tax, Insurance Tax, Estate Tax and Net Property Transfer Tax receipts. On a net basis, the General Fund ended fiscal year 2023 at \$43.3 million (or +2.0%) above its \$2,014.6 million target.

Revenues in the Transportation Fund fell short of their \$31.1 million June consensus target by -\$2.6 million (or -8.2%). The \$0.2 million (or +3.2%) above target performance, relative to its \$6.0 million target, by the Gasoline Tax was directly offset by a -\$0.2 million (or -10.8%) below target performance by the Diesel Tax, relative to its \$1.8 million target. Other Fees exceeded their \$2.0 million target by less than \$0.1 million (or +1.6%) but it was not enough to overcome the -\$1.9 million (or -16.7%) downside miss by the Motor Vehicle Purchase and Use Tax relative to its \$11.6 million target. Motor Vehicle Fees revenues also missed their \$9.6 million target by -\$0.6 million (or -6.7%).

The Transportation Fund's fiscal year 2023 year-end results were -\$3.9 million (or -1.3%) below the \$299.1 million target. Only the Other Fees category achieved its annual target of \$21.1 million

exceeding this value by \$0.3 million (or +1.4%). Gasoline Taxes were -\$0.4 million (or -0.5%) short of their \$74.2 million target; Diesel Taxes were -\$1.1 million (or -5.8%) short of their \$18.7 million target, Motor Vehicle Purchase and Use Taxes were -\$2.5 million (or -2.6%) short of their \$97.3 million target; and Motor Vehicle Fees were -\$0.3 million (or -0.3%) short of their \$87.8 million target.

Education Fund revenues exceeded their \$64.7 million June consensus target by \$0.9 million, or +1.4%. The -\$1.0 million (or -16.7%) Motor Vehicle Purchase and Use Tax miss, relative to its \$5.8 million target, was offset by above target performances in each of the Education Fund's other categories except for a less than -\$0.1 million (or -0.8%) marginal miss by the Meals & Rooms Tax relative to its \$4.1 million target. The Sales & Use Tax exceeded its \$49.4 million target by \$0.4 million (or +0.7%); the Lottery Transfer exceeded its \$5.4 million target by \$0.6 million (or +11.1%); and Interest Earnings exceeded their less than \$0.1 million target by \$1.0 million.

Fiscal year 2023 year-end results for the Education Fund fell just short of its \$728.9 million target by -\$0.1 million (or -0.0%). The Sales & Use Tax revenues were -\$5.3 million (or -0.9%) below its \$589.3 million target; and the Motor Vehicle Purchase & Use Tax was -\$1.2 million (or -2.6%) short of its \$48.6 million target. These downside misses were offset by the Meals & Rooms Tax which was \$1.4 million (or +2.4%) above its \$58.1 million target; the Lottery Transfer was also \$1.0 million (or +3.3%) above its \$31.1 million target; and Interest Earnings were \$4.0 million (or +220.9%) above their \$1.8 million target.

According to Secretary Clouser: "June was the only month during the fourth quarter of fiscal year 2023 that the State achieved its combined monthly consensus revenue target. These results were predominantly due to favorable interest rates and the State's unusually large cash position providing historically high investment earnings. Although this short-term windfall is a welcome benefit, it is not a reliable component of long-term future revenue generation. As the Federal Reserve begins easing its monetary policy position and the appropriated pandemic relief funds are disbursed from the State's treasury, interest earnings will decline. Unanticipated events, such as the recent flood that has devastated homes and businesses in various regions of the State, also present challenges. The State needs to remain focused on these realities in anticipation of the fiscal year 2025 budget cycle."

###

**State of Vermont Revenue, by Major Fund** Month: June  
 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)	117.15	108.14	-9.01	-7.69%
Corporate (2)	30.23	36.73	6.50	21.50%
Meals & Room	11.34	11.25	-0.09	-0.78%
Insurance Premium	0.53	0.21	-0.33	-61.51%
Inheritance & Estate	1.25	2.16	0.91	72.28%
Real Prop. Transfer	2.24	1.75	-0.50	-22.11%
State Health Care Taxes	26.37	24.38	-1.99	-7.53%
Other	9.99	25.34	15.35	153.60%
<b>Total</b>	<b>199.11</b>	<b>209.97</b>	<b>10.85</b>	<b>5.45%</b>

\*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	1262.60	1209.97	-52.63	-4.17%
Corporate (2)	221.40	281.37	59.97	27.09%
Meals & Room	160.22	163.98	3.77	2.35%
Insurance Premium	67.70	68.84	1.14	1.68%
Inheritance & Estate	16.40	18.63	2.23	13.60%
Real Prop. Transfer	21.27	21.57	0.30	1.41%
State Health Care Taxes	321.81	314.34	-7.47	-2.32%
Other	109.87	145.88	36.01	32.78%
<b>Total</b>	<b>2181.27</b>	<b>2224.58</b>	<b>43.31</b>	<b>1.99%</b>

**YTD Restated  
Prior Fiscal  
YTD**

Tax Component	Revenue	\$ Change	% Change
Personal Income (1)	1103.50	106.47	9.65%
Corporate (2)	178.90	102.47	57.28%
Meals & Room	136.34	27.64	20.27%
Insurance Premium	60.30	8.54	14.16%
Inheritance & Estate	22.60	-3.97	-17.57%
Real Prop. Transfer	23.25	-1.68	-7.22%
State Health Care Taxes	290.05	24.29	8.37%
Other	82.90	62.98	75.97%
<b>Total</b>	<b>1897.84</b>	<b>326.74</b>	<b>17.22%</b>

**Transportation Fund By Major Element (In Millions)\***

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	6.04	6.23	0.19	3.18%
Diesel Fuel	1.79	1.59	-0.19	-10.77%
MV Purchase & Use	11.64	9.70	-1.94	-16.67%
Motor Vehicle Fees	9.59	8.94	-0.64	-6.73%
Other	2.01	2.05	0.03	1.60%
<b>Total</b>	<b>31.07</b>	<b>28.51</b>	<b>-2.55</b>	<b>-8.22%</b>

**Note:**

TIB Fuel Fees/Gasoline	1.45	1.55	0.10	6.77%
TIB Fuel Fees/Diesel	0.19	0.17	-0.02	-11.97%

\*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Gasoline	74.20	73.84	-0.36	-0.48%
Diesel Fuel	18.70	17.62	-1.08	-5.77%
MV Purchase & Use	97.27	94.78	-2.49	-2.56%
Motor Vehicle Fees	87.80	87.51	-0.29	-0.33%
Other	21.10	21.39	0.29	1.38%
<b>Total</b>	<b>299.07</b>	<b>295.14</b>	<b>-3.93</b>	<b>-1.31%</b>

Tax Component	Revenue	\$ Change	% Change
Gasoline	72.40	1.44	1.99%
Diesel Fuel	18.80	-1.18	-6.27%
MV Purchase & Use	94.20	0.58	0.61%
Motor Vehicle Fees	88.90	-1.39	-1.57%
Other	21.80	-0.41	-1.88%
<b>Total</b>	<b>296.10</b>	<b>-0.96</b>	<b>-0.32%</b>

**Education Fund By Major Element (In Millions)\***

Non-Property Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	49.40	49.75	0.35	0.71%
Meals & Room	4.11	4.08	-0.03	-0.78%
MV Purchase & Use	5.82	4.85	-0.97	-16.67%
Lottery Transfer	5.40	6.01	0.60	11.14%
Investment Income	0.01	0.99	0.98	12951.48%
<b>Total</b>	<b>64.74</b>	<b>65.66</b>	<b>0.93</b>	<b>1.43%</b>

\*Differences due to rounding

Non-Property Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Sales & Use	589.30	584.05	-5.25	-0.89%
Meals & Room	58.05	59.41	1.36	2.35%
MV Purchase & Use	48.63	47.39	-1.24	-2.56%
Lottery Transfer	31.10	32.12	1.02	3.29%
Investment Income	1.80	5.78	3.98	220.92%
<b>Total</b>	<b>728.88</b>	<b>728.75</b>	<b>-0.13</b>	<b>-0.02%</b>

**YTD Restated**

Non-Property Tax Component	Revenue	\$ Change	% Change
Sales & Use	538.70	45.35	8.42%
Meals & Room	49.40	10.01	20.27%
MV Purchase & Use	47.10	0.29	0.61%
Lottery Transfer	32.30	-0.18	-0.55%
Investment Income	0.10	5.68	5676.51%
<b>Total</b>	<b>667.60</b>	<b>61.15</b>	<b>9.16%</b>

State of Vermont  
Comparative Statement of Revenues  
General Fund  
As of June 30, 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	1,267,776,982	1,209,971,181	-4.6%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	223,261,485	281,369,318	26.0%
Meals & Rooms Tax	149,610,356	163,984,396	9.6%
Liquor & Wine Tax	5,026,542	5,131,120	2.1%
Insurance Premium	65,666,756	68,835,715	4.8%
Telephone Gross Receipts	224,230	227,390	1.4%
Telephone Property Tax	2,292,524	2,147,102	-6.3%
Beverage Tax	7,037,425	7,256,943	3.1%
Cannabis Excise Tax	0	6,723,737	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	13,996,959	18,629,479	33.1%
Real Property Transfer Tax	24,305,062	21,574,031	-11.2%
Bank Franchise Tax	16,938,136	17,769,488	4.9%
All Other Taxes	1,253,192	1,399,299	11.7%
<b>Total Taxes</b>	<b><u>1,777,389,649</u></b>	<b><u>1,805,019,200</u></b>	<b><u>1.6%</u></b>
<b>Other Revenues</b>			
Business Licenses	1,244,814	566,513	-54.5%
Fees	42,199,052	45,598,179	8.1%
Services	2,808,697	3,740,494	33.2%
Fines, Forfeits & Penalties	3,345,748	2,640,195	-21.1%
Interest, Prem	2,295,011	51,152,766	2128.9%
Special Assessments	0	0	0.0%
All Other Revenues	962,626	1,527,223	58.7%
<b>Total Other Revenues</b>	<b><u>52,855,948</u></b>	<b><u>105,225,371</u></b>	<b><u>99.1%</u></b>
<b>Health Care Revenues</b>			
Health Care Taxes and Assessments	292,985,005	314,336,113	7.3%
<b>Total General Fund</b>	<b><u>2,123,230,601</u></b>	<b><u>2,224,580,683</u></b>	<b><u>4.8%</u></b>

State of Vermont  
 Comparative Statement of Revenues  
 Education Fund  
 As of June 30, 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	545,181,979	584,047,535	7.1%
Meals & Rooms Tax	54,206,651	59,414,636	9.6%
Purchase & Use Tax	45,693,485	47,389,101	3.7%
Lottery Transfer	30,797,300	32,122,907	4.3%
Investment Income	289,943	5,776,510	1892.3%
<b>Total estimated revenues</b>	<b><u>676,169,359</u></b>	<b><u>728,750,690</u></b>	<b><u>7.8%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	1,228,804,806	1,203,569,904	-2.1%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	2,055,855	2,046,155	-0.5%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,231,362	1,216,754	-1.2%
<b>Total other revenues</b>	<b><u>1,232,092,023</u></b>	<b><u>1,206,832,814</u></b>	<b><u>-2.1%</u></b>
<b>Total Education Fund</b>	<b><u><u>1,908,261,382</u></u></b>	<b><u><u>1,935,583,504</u></u></b>	<b><u>1.4%</u></b>

State of Vermont  
Comparative Statement of Revenues  
Transportation Fund  
As of June 30, 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	71,894,789	73,841,283	2.7%
Diesel Fuel	18,297,696	17,621,561	-3.7%
MV Purchase & Use	91,386,971	94,778,202	3.7%
<b>Total Taxes</b>	<u>181,579,456</u>	<u>186,241,046</u>	2.6%
<b>Other Revenues</b>			
Motor Vehicle Fees	85,957,718	87,507,712	1.8%
Other	20,309,554	21,390,923	5.3%
<b>Total Other Revenues</b>	<u>106,267,272</u>	<u>108,898,636</u>	2.5%
<b>Total Non-Dedicated</b>	<u>287,846,728</u>	<u>295,139,681</u>	2.5%
<b>Dedicated</b>			
Federal Aid	310,470,867	410,728,071	32.3%
Infrastructure Bond Fund Revenue	17,085,567	22,285,325	30.4%
Transportation Impact Fee	224,927	128,141	-43.0%
Other	3,168,321	4,726,681	49.2%
<b>Total Dedicated</b>	<u>330,949,682</u>	<u>437,868,218</u>	32.3%
<b>Total Transportation Fund</b>	<u>618,796,410</u>	<u>733,007,900</u>	18.5%