

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for May 2023. May was another underperforming month for the General Fund, however, both the Transportation Fund and the Education Fund achieved their respective monthly targets. Year to date, only the General Fund has exceeded its cumulative target through May which was 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 May 2023 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts were a combined \$197.5 million, missing the \$199.4 million monthly consensus target by -\$1.9 million, or (1.0%). Cumulative results through May 2023, however, remained \$30.0 million, or 1.0%, above the \$2,914.3 million consensus target set back in January following the January 2023 Emergency Board meeting.

General Fund revenues for May totaled \$117.3 million, -\$2.3 million, or (1.9%), below the \$119.6 million monthly consensus cash flow target. For the fourth month in a row, Personal Income Tax receipts failed to meet their monthly consensus cash flow target, missing by -\$1.5 million in May. Health Care revenues missed their monthly consensus cash flow target by -\$3.3 million- and included a combined -\$4.1 million miss by Insurance Tax and Net Property Transfer Tax receipts. Both the Corporate Income Tax and the Meals and Rooms Tax, however, remained strong during the month of May, and exceeded their consensus targets by a combined \$4.9 million. The Estate Tax, Liquor Tax and Other category also provided an additional \$1.7 million of combined receipts above their May consensus expectations.

Revenues in the Transportation Fund achieved their \$26.2 million May consensus target. Year to date, cumulative receipts remained below consensus expectations by -\$1.4 million, or (0.5%) through the eleventh month of fiscal year 2023. May results showed a combined -\$1.1 million downside miss, relative to target, for the Gasoline Tax, Diesel Tax, Motor Vehicle Purchase and Use Tax, and the Other Fees category. That under-performance was essentially offset by an above target performance in the Motor Vehicle Fees revenues during May, which exceeded their consensus target by \$1.1 million.

Education Fund revenues exceeded their \$53.6 million May consensus target by \$0.3 million, or 0.6%. The downside -\$0.2 million Motor Vehicle Purchase and Use Tax and -\$0.8 million Sales and Use Tax misses were more than offset by \$0.8 million of higher-than-expected net interest revenues and a combined \$0.5 million above target receipts during May in the Meals and Rooms Tax and Lottery receipts components.

According to Secretary Clouser: "May represents the third month in a row the State has failed to achieve its combined monthly consensus revenue target. Although the administration is confident the General Fund will exceed its fiscal year-end goal, it remains to be seen by how much. June will be critical for determining whether the Transportation and Education Funds meet their respective annual consensus forecast targets as approved by the Emergency Board. That being said, the fact that the Transportation Fund only achieved its May target due to higher than expected motor vehicle fees offsetting losses in every other revenue component and revenues in the Education Fund having met its target almost solely due to investment earnings, is reason for

concern. Given these concerns and the current uncertainty regarding the future performance of global, national, and local economies, the upcoming July consensus revenue forecast will be vital for determining how Vermont invests its future resources in a fiscally responsible and sustainable manner. The results of that July consensus forecast update and how revenues actually fare over the first half of next fiscal year in a highly uncertain environment will also determine the size and direction of any prospective budget adjustments that may be necessary in January.”

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**State of Vermont Revenue, by Major Fund
vs. Consensus Revenue Forecast Target**

**Month: May
FY: 2023**

General Fund By Major Element (In Millions)* (1&2)

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	56.52	55.06	-1.46	-2.58%
Corporate (2)	2.35	6.85	4.50	191.48%
Meals & Room	10.18	10.61	0.44	4.29%
Insurance Premium	10.06	6.01	-4.06	-40.31%
Inheritance & Estate	1.76	2.64	0.88	49.84%
Real Prop. Transfer	1.81	1.75	-0.05	-2.88%
State Health Care Taxes	27.25	23.90	-3.35	-12.28%
Other	9.71	10.50	0.79	8.17%
Total	119.63	117.32	-2.31	-1.93%

Fiscal YTD			
Target	Revenue	\$ Change	% Change
1145.45	1101.83	-43.62	-3.81%
191.17	244.64	53.47	27.97%
148.88	152.73	3.85	2.59%
67.17	68.63	1.46	2.18%
15.15	13.83	-1.32	-8.71%
19.03	19.83	0.80	4.18%
295.44	289.95	-5.49	-1.86%
99.87	123.18	23.31	23.34%
1982.16	2014.62	32.46	1.64%

YTD Restated

Prior Fiscal YTD		
Revenue	\$ Change	% Change
1000.67	101.16	10.11%
153.24	91.40	59.65%
127.43	25.30	19.85%
59.85	8.78	14.68%
21.19	-7.36	-34.73%
20.76	-0.93	-4.48%
268.56	21.39	7.96%
75.66	47.52	62.81%
1727.35	287.26	16.63%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	5.43	5.24	-0.19	-3.50%
Diesel Fuel	1.37	1.25	-0.11	-8.38%
MV Purchase & Use	8.60	8.13	-0.47	-5.44%
Motor Vehicle Fees	8.76	9.84	1.08	12.34%
Other	2.05	1.75	-0.30	-14.57%
Total	26.21	26.22	0.01	0.04%

Fiscal YTD			
Target	Revenue	\$ Change	% Change
68.16	67.61	-0.55	-0.81%
16.91	16.03	-0.89	-5.24%
85.63	85.08	-0.55	-0.64%
78.21	78.56	0.35	0.45%
19.09	19.34	0.26	1.36%
268.00	266.63	-1.37	-0.51%

Prior Fiscal YTD

Revenue	\$ Change	% Change
66.34	1.26	1.91%
16.96	-0.93	-5.51%
82.52	2.56	3.11%
79.02	-0.45	-0.57%
19.62	-0.28	-1.42%
264.46	2.16	0.82%

Note:

TIB Fuel Fees/Gasoline	1.35	1.29	-0.06	-4.14%
TIB Fuel Fees/Diesel	0.14	0.13	-0.01	-4.47%

*Differences due to rounding

Education Fund By Major Element (In Millions)*

Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	42.96	42.18	-0.78	-1.81%
Meals & Room	3.69	3.85	0.16	4.29%
MV Purchase & Use	4.30	4.07	-0.23	-5.44%
Lottery Transfer	2.45	2.80	0.36	14.57%
Investment Income	0.19	1.02	0.83	431.25%
Total	53.58	53.92	0.33	0.62%

Fiscal YTD			
Target	Revenue	\$ Change	% Change
539.90	534.30	-5.60	-1.04%
53.94	55.34	1.40	2.59%
42.82	42.54	-0.27	-0.64%
25.70	26.12	0.42	1.64%
1.79	4.79	3.00	167.31%
664.15	663.09	-1.06	-0.16%

YTD Restated

Revenue	\$ Change	% Change
493.56	40.74	8.25%
46.17	9.17	19.85%
41.26	1.28	3.11%
26.67	-0.55	-2.06%
0.10	4.69	4713.14%
607.76	55.33	9.10%

*Differences due to rounding

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax	1,139,532,710	1,101,829,573	-3.3%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	187,962,094	244,636,756	30.2%
Meals & Rooms Tax	138,986,280	152,734,041	9.9%
Liquor & Wine Tax	4,541,872	4,742,700	4.4%
Insurance Premium	65,515,856	68,630,186	4.8%
Telephone Gross Receipts	224,230	227,390	1.4%
Telephone Property Tax	2,135,812	1,987,917	-6.9%
Beverage Tax	6,467,451	6,635,360	2.6%
Cannabis Excise Tax	0	5,514,332	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	12,264,641	16,469,721	34.3%
Real Property Transfer Tax	22,580,297	19,826,210	-12.2%
Bank Franchise Tax	15,396,524	16,288,654	5.8%
All Other Taxes	1,210,426	1,217,446	0.6%
Total Taxes	<u>1,596,818,192</u>	<u>1,640,740,287</u>	<u>2.8%</u>
Other Revenues			
Business Licenses	1,246,495	533,780	-57.2%
Fees	38,499,254	41,664,253	8.2%
Services	2,556,503	3,412,221	33.5%
Fines, Forfeits & Penalties	3,182,871	2,584,927	-18.8%
Interest, Prem	1,052,954	33,917,575	3121.2%
Special Assessments	0	0	0.0%
All Other Revenues	1,043,707	1,809,890	73.4%
Total Other Revenues	<u>47,581,784</u>	<u>83,922,647</u>	<u>76.4%</u>
Health Care Revenues			
Health Care Taxes and Assessments	268,235,080	289,952,264	8.1%
Total General Fund	<u>1,912,635,056</u>	<u>2,014,615,198</u>	<u>5.3%</u>

State of Vermont
 Comparative Statement of Revenues
 Education Fund
 As of May 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			
Estimated Revenues:			
Sales & Use Tax	500,973,768	534,297,582	6.7%
Meals & Rooms Tax	50,357,348	55,338,421	9.9%
Purchase & Use Tax	41,126,383	42,541,133	3.4%
Lottery Transfer	25,929,751	26,117,689	0.7%
Investment Income	133,633	4,791,494	3485.6%
Total estimated revenues	<u>618,520,883</u>	<u>663,086,320</u>	<u>7.2%</u>
Other Revenues:			
Education Property Taxes	193,531,059	176,271,647	-8.9%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	1,867,089	2,045,183	9.5%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	1,682,205	3,929,940	133.6%
Total other revenues	<u>197,080,353</u>	<u>182,246,770</u>	<u>-7.5%</u>
Total Education Fund	<u><u>815,601,236</u></u>	<u><u>845,333,089</u></u>	<u><u>3.6%</u></u>

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	65,841,325	67,606,942	2.7%
Diesel Fuel	16,751,665	16,027,268	-4.3%
MV Purchase & Use	82,252,766	85,082,267	3.4%
Total Taxes	<u>164,845,756</u>	<u>168,716,477</u>	<u>2.3%</u>
Other Revenues			
Motor Vehicle Fees	77,299,912	78,564,542	1.6%
Other	18,255,297	19,343,987	6.0%
Total Other Revenues	<u>95,555,209</u>	<u>97,908,529</u>	<u>2.5%</u>
Total Non-Dedicated	<u>260,400,965</u>	<u>266,625,006</u>	<u>2.4%</u>
Dedicated			
Federal Aid	267,666,477	370,838,827	38.5%
Infrastructure Bond Fund Revenue	15,424,429	20,568,870	33.4%
Transportation Impact Fee	216,300	126,815	-41.4%
Other	2,443,519	4,036,452	65.2%
Total Dedicated	<u>285,750,725</u>	<u>395,570,965</u>	<u>38.4%</u>
Total Transportation Fund	<u><u>546,151,691</u></u>	<u><u>662,195,971</u></u>	<u><u>21.2%</u></u>