

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for November 2022. For the second month in a row, all three major funds - the General Fund, the Transportation Fund and the Education Fund - ended the month with revenue above target. Year to date, the General Fund and the Education Fund remain ahead of target while the Transportation Fund is slightly behind.

Revenue collections for the month of November 2022 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in November were a combined \$210.7 million, or 5.8%, above monthly consensus expectations. For the first five months of the state's fiscal year, combined revenues across all three funds were 6.5% above combined consensus target.

General Fund revenues collected in November totaled \$129.7 million, \$8.9 million above the monthly consensus cash flow revenue target. Year to date, General Fund revenues were \$68.5 million, or 9.2%, above consensus. Positive receipts activity over the month was mostly concentrated in the two income tax sources – personal and corporate, which tracked significantly higher than consensus expectations. Revenues for most consumption taxes have also moved up, but at a lesser rate than the two income tax sources.

Revenues into the Transportation Fund were up modestly versus monthly consensus expectations, bringing in \$23.5 million in November, \$0.7 million above the consensus cash flow target. Year to date, receipts are still below consensus expectations by -\$1.6 million, or -1.2%. The T-Fund posted a second consecutive positive month relative to monthly consensus expectations, however. This occurred despite another lagging month for the two fuel taxes. In contrast, revenues came in better than expected in the T-Fund's principal consumption tax source – Motor Vehicles Purchase and Use. In addition, receipts in the Motor Vehicles Fees category were above target.

Education Fund revenues last month were \$1.9 million, or 3.3%, above the monthly consensus cash flow target, having collected \$57.6 million in November. For the first five months of the fiscal year, the Education Fund comfortably outperformed the consensus estimate by \$9.5 million, or 3.2%. Results last month and year to date are primarily driven by the various consumption taxes that underpin revenues in this fund. These results reflected the continuing resiliency of consumption activity across the economy, even as Federal Reserve policymakers have sharply raised short-term interest rates as they attempt to slow inflation-accelerating increases in household and business consumption.

Revenue data for the first five months of the state's fiscal year continue to show positive results in the aggregate. According to Secretary Clouser: "The economy and revenues continue to reflect the push and pull of the exceptional federal fiscal stimulus and the Federal Reserve's historically harsh tightening moves that are designed to tame the recent rise in inflation. This dynamic is inserting an unusually high level of uncertainty into the revenue outlook, but we are pleased that we enter this period from a position of strength."

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

Month: November
FY: 2023

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

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	62.69	66.19	3.50	5.58%
Corporate (2)	1.25	2.05	0.80	63.88%
Meals & Room	14.11	15.08	0.96	6.84%
Insurance Premium	8.62	9.25	0.63	7.32%
Inheritance & Estate	2.00	0.65	-1.34	-67.21%
Real Prop. Transfer	2.11	2.24	0.14	6.57%
State Health Care Taxes	22.93	23.19	0.27	1.17%
Other	7.08	11.04	3.96	55.89%
Total	120.78	129.70	8.92	7.38%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	410.56	469.87	59.31	14.45%
Corporate (2)	59.56	66.37	6.81	11.43%
Meals & Room	73.39	74.69	1.30	1.76%
Insurance Premium	18.94	19.61	0.66	3.49%
Inheritance & Estate	10.40	5.26	-3.14	-37.38%
Real Prop. Transfer	9.74	10.05	0.31	3.14%
State Health Care Taxes	125.99	125.40	-0.59	-0.47%
Other	37.62	41.50	3.88	10.33%
Total	744.20	812.74	68.54	9.21%

YTD Restated

Tax Component	Revenue	\$ Change	% Change
Personal Income (1)	382.77	87.10	22.76%
Corporate (2)	51.93	14.44	27.81%
Meals & Room	67.81	6.88	10.14%
Insurance Premium	18.01	1.59	8.84%
Inheritance & Estate	8.83	-3.57	-40.41%
Real Prop. Transfer	10.41	-0.37	-3.51%
State Health Care Taxes	117.35	8.05	6.86%
Other	32.80	8.70	26.52%
Total	689.91	122.83	17.80%

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	7.04	6.52	-0.52	-7.33%
Diesel Fuel	1.63	1.46	-0.17	-10.23%
MV Purchase & Use	6.66	7.35	0.69	10.37%
Motor Vehicle Fees	5.99	6.64	0.65	10.81%
Other	1.45	1.52	0.06	4.46%
Total	22.76	23.48	0.72	3.16%

Note:

TIB Fuel Fees/Gasoline	1.91	1.90	-0.01	-0.42%
TIB Fuel Fees/Diesel	0.16	0.16	0.00	-0.72%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Gasoline	35.61	33.24	-2.37	-6.66%
Diesel Fuel	8.11	7.80	-0.31	-3.88%
MV Purchase & Use	39.75	40.68	0.93	2.34%
Motor Vehicle Fees	35.63	35.89	0.26	0.72%
Other	8.05	7.98	-0.06	-0.81%
Total	127.16	125.59	-1.56	-1.23%

Prior Fiscal YTD

Tax Component	Revenue	\$ Change	% Change
Gasoline	31.84	1.40	4.40%
Diesel Fuel	7.98	-0.18	-2.32%
MV Purchase & Use	39.29	1.39	3.54%
Motor Vehicle Fees	35.42	0.47	1.33%
Other	7.84	0.14	1.78%
Total	122.37	3.22	2.63%

Education Fund By Major Element (In Millions)*

Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	44.42	44.99	0.57	1.27%
Meals & Room	5.11	5.46	0.35	6.84%
MV Purchase & Use	3.33	3.67	0.35	10.37%
Lottery Transfer	2.83	3.13	0.31	10.80%
Investment Income	0.00	0.29	0.29	-9853.09%
Total	55.69	57.55	1.86	3.34%

*Differences due to rounding

Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Sales & Use	240.78	249.36	8.58	3.56%
Meals & Room	26.59	27.06	0.47	1.76%
MV Purchase & Use	19.87	20.34	0.46	2.34%
Lottery Transfer	11.25	10.56	-0.69	-6.14%
Investment Income	0.28	0.97	0.69	244.51%
Total	298.78	308.29	9.51	3.18%

YTD Restated

Component	Revenue	\$ Change	% Change
Sales & Use	228.14	21.22	9.30%
Meals & Room	24.57	2.49	10.14%
MV Purchase & Use	19.64	0.70	3.54%
Lottery Transfer	11.43	-0.88	-7.66%
Investment Income	0.04	0.94	2493.82%
Total	283.82	24.47	8.62%

(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 November 30, 2022

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax	382,768,226	469,870,372	22.8%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	51,926,361	66,365,374	27.8%
Meals & Rooms Tax	67,813,542	74,688,834	10.1%
Liquor & Wine Tax	2,003,515	2,140,234	6.8%
Insurance Premium	18,013,340	19,606,362	8.8%
Telephone Gross Receipts	113,465	120,352	6.1%
Telephone Property Tax	907,262	782,348	-13.8%
Beverage Tax	3,208,024	3,302,999	3.0%
Cannabis Excise Tax	0	329,231	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	8,826,967	4,553,038	-48.4%
Real Property Transfer Tax	10,412,257	10,046,973	-3.5%
Bank Franchise Tax	6,648,557	7,368,006	10.8%
All Other Taxes	735,841	658,892	-10.5%
Total Taxes	<u>553,377,357</u>	<u>659,833,013</u>	<u>19.2%</u>
Other Revenues			
Business Licenses	46,671	60,963	30.6%
Fees	16,008,037	16,264,334	1.6%
Services	1,209,226	1,462,730	21.0%
Fines, Forfeits & Penalties	800,397	1,056,360	32.0%
Interest, Prem	316,259	7,501,656	2272.0%
Special Assessments	0	0	0.0%
All Other Revenues	(5,502,161)	1,161,580	121.1%
Total Other Revenues	<u>12,878,429</u>	<u>27,507,623</u>	<u>113.6%</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>117,350,884</u>	<u>125,399,764</u>	<u>6.9%</u>
Total General Fund	<u>683,606,670</u>	<u>812,740,400</u>	<u>18.9%</u>

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of November 30, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	228,140,340	249,361,495	9.3%
Meals & Rooms Tax	24,570,124	27,061,172	10.1%
Purchase & Use Tax	19,643,870	20,339,229	3.5%
Lottery Transfer	11,430,249	10,555,149	-7.7%
Investment Income	37,509	972,915	2493.8%
Total estimated revenues	<u>283,822,091</u>	<u>308,289,959</u>	<u>8.6%</u>
Other Revenues:			
Education Property Taxes	78,981,212	84,819,434	7.4%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	143,607	529,823	268.9%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	943,119	707,204	-25.0%
Total other revenues	<u>80,067,938</u>	<u>86,056,460</u>	<u>7.5%</u>
Total Education Fund	<u><u>363,890,029</u></u>	<u><u>394,346,420</u></u>	<u><u>8.4%</u></u>

**State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of November 30, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	31,840,342	33,242,579	4.4%
Diesel Fuel	7,981,106	7,796,190	-2.3%
MV Purchase & Use	39,287,740	40,678,459	3.5%
Total Taxes	<u>79,109,187</u>	<u>81,717,228</u>	3.3%
Other Revenues			
Motor Vehicle Fees	35,417,573	35,888,764	1.3%
Other	7,844,956	7,984,960	1.8%
Total Other Revenues	<u>43,262,528</u>	<u>43,873,723</u>	1.4%
Total Non-Dedicated	<u>122,371,716</u>	<u>125,590,951</u>	2.6%
Dedicated			
Federal Aid	156,118,060	234,656,017	50.3%
Infrastructure Bond Fund Revenue	6,889,034	10,255,735	48.9%
Transportation Impact Fee	96,094	57,667	-40.0%
Other	1,456,613	3,127,023	114.7%
Total Dedicated	<u>164,559,801</u>	<u>248,096,442</u>	50.8%
Total Transportation Fund	<u>286,931,517</u>	<u>373,687,393</u>	30.2%