

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for October 2022. 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 October 2022 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in October were a combined \$253.9 million, or 2.0%, above monthly consensus expectations. For the first four months of the state's fiscal year, combined revenues across all three funds were 6.7% above combined consensus target.

General Fund revenues collected in October totaled \$160.8 million, \$3.4 million above the monthly consensus cash flow revenue target. Year to date, General Fund revenues were \$59.6 million, or 9.6%, above consensus. Positive receipts activity over the month was mostly due to substantial strength in personal income taxes and, to a lesser extent, solid receipts in meals and rooms taxes. Corporate income taxes were actually negative for the month, which is largely the result of a "trueing up" with September's outsized gains. Corporate tax receipts are worth watching carefully as rising interest rates may take their toll on retail sales and corporate profits.

Revenues into the Transportation Fund beat monthly consensus expectations, bringing in \$27.1 million in October, \$0.6 million above the consensus cash flow target estimate. Year to date, receipts are still below consensus expectations by \$2.3 million, or -2.2%. October revenues were upbeat in the T-Fund's two fuel tax sources - gas tax and diesel tax - with receipts coming in above target, balanced out by a slight miss in the monthly purchase and use tax, which is tied to vehicle sales. The latest data shows vehicle sales and leasing activity may be starting to soften, just as vehicle inventories have begun to recover—mostly tied to high vehicle prices and increased financing costs for leases and credit-based sales.

Education Fund revenues last month were \$1.1 million, or 1.7%, above the monthly consensus cash flow target, having collected \$66.0 million in October. For the first four months of the fiscal year, the Education Fund comfortably outperformed the consensus estimate by \$7.7 million, or 3.2%. Last month's outperformance was primarily the result of positive October revenue receipts in two of the three consumption tax sources in this fund aggregate. First, was the above monthly consensus target performance by the sales and use tax. The other was the good performance by the Education Fund's portion of October meals and rooms tax receipts.

Revenue data for the first four months of the state's fiscal year continue to show positive results in the aggregate. According to Secretary Clouser: "This performance appears to offer at least some assurance that the strong first quarter receipts activity was not a fluke, and the underlying receipts momentum is holding up. This occurs even as some revenue generating economic activities in sectors such as housing, financial services and technology have recently begun to soften under the pressure of interest rate increases."

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

Month: October
FY: 2023

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

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income (1)	93.94	107.66	13.73	14.61%
Corporate (2)	8.57	-2.81	-11.38	-132.77%
Meals & Room	14.56	15.15	0.59	4.04%
Insurance Premium	0.60	0.91	0.31	51.18%
Inheritance & Estate	1.95	1.59	-0.37	-18.83%
Real Prop. Transfer	2.32	2.13	-0.20	-8.51%
State Health Care Taxes	27.87	28.13	0.26	0.94%
Other	7.59	8.03	0.44	5.82%
Total	157.41	160.79	3.38	2.15%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	6.95	7.95	1.00	14.34%
Diesel Fuel	1.62	1.92	0.30	18.65%
MV Purchase & Use	8.75	8.59	-0.16	-1.82%
Motor Vehicle Fees	7.47	7.20	-0.27	-3.66%
Other	1.70	1.46	-0.25	-14.44%
Total	26.50	27.12	0.62	2.34%

Note:

TIB Fuel Fees/Gasoline	1.88	2.32	0.44	23.28%
TIB Fuel Fees/Diesel	0.17	0.20	0.04	20.80%

*Differences due to rounding

Education Fund By Major Element (In Millions)*

Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	52.80	55.03	2.23	4.22%
Meals & Room	5.28	5.49	0.21	4.04%
MV Purchase & Use	4.38	4.30	-0.08	-1.82%
Lottery Transfer	2.38	1.02	-1.36	-57.05%
Investment Income	0.09	0.19	0.10	114.37%
Total	64.93	66.03	1.10	1.70%

*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
347.87	403.68	55.82	16.05%
58.30	64.31	6.01	10.30%
59.28	59.61	0.33	0.56%
10.33	10.36	0.03	0.30%
8.40	5.26	-3.14	-37.38%
7.63	7.80	0.17	2.20%
103.07	102.21	-0.86	-0.84%
28.54	29.81	1.27	4.44%
623.42	683.04	59.62	9.56%

YTD Restated

Revenue	\$ Change	% Change
325.84	77.84	23.89%
48.77	15.54	31.87%
54.23	5.38	9.92%
9.54	0.82	8.56%
8.47	-3.21	-37.92%
8.58	-0.77	-9.03%
96.12	6.09	6.34%
26.96	2.85	10.58%
578.50	104.53	18.07%

Fiscal YTD			
Target	Revenue	\$ Change	% Change
28.58	26.72	-1.86	-6.49%
6.48	6.33	-0.15	-2.28%
33.09	33.33	0.24	0.72%
29.64	29.25	-0.39	-1.32%
6.60	6.47	-0.13	-1.97%
104.39	102.11	-2.29	-2.19%

Prior Fiscal YTD

Revenue	\$ Change	% Change
25.58	1.14	4.45%
6.51	-0.18	-2.74%
32.48	0.85	2.62%
29.30	-0.05	-0.16%
6.28	0.19	2.99%
100.15	1.95	1.95%

7.46	7.53	0.07	0.97%
0.69	0.67	-0.02	-2.85%

YTD Restated

Revenue	\$ Change	% Change
184.77	19.60	10.61%
19.65	1.95	9.92%
16.24	0.43	2.62%
8.48	-1.06	-12.47%
0.03	0.65	2164.85%
229.17	21.57	9.41%

State of Vermont
Comparative Statement of Revenues
General Fund
As of October 31, 2022

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax	325,840,377	403,681,452	23.9%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	48,770,220	64,312,102	31.9%
Meals & Rooms Tax	54,231,096	59,610,063	9.9%
Liquor & Wine Tax	1,644,721	1,660,054	0.9%
Insurance Premium	9,540,108	10,356,440	8.6%
Telephone Gross Receipts	58,044	105,637	82.0%
Telephone Property Tax	732,279	625,635	-14.6%
Beverage Tax	2,618,252	2,749,306	5.0%
Cannabis Excise Tax	0	59	100.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	8,472,552	3,898,837	-54.0%
Real Property Transfer Tax	8,577,483	7,802,957	-9.0%
Bank Franchise Tax	5,333,351	5,813,345	9.0%
All Other Taxes	627,988	507,161	-19.2%
Total Taxes	<u>466,446,470</u>	<u>561,123,048</u>	<u>20.3%</u>
Other Revenues			
Business Licenses	36,831	48,548	31.8%
Fees	13,473,108	13,587,995	0.9%
Services	963,792	1,152,242	19.6%
Fines, Forfeits & Penalties	711,846	917,048	28.8%
Interest, Prem	215,672	2,890,530	1240.2%
Special Assessments	0	0	0.0%
All Other Revenues	552,130	1,113,488	101.7%
Total Other Revenues	<u>15,953,380</u>	<u>19,709,851</u>	<u>23.5%</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>96,115,221</u>	<u>102,206,210</u>	<u>6.3%</u>
Total General Fund	<u>578,515,071</u>	<u>683,039,109</u>	<u>18.1%</u>

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of October 31, 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	184,772,299	204,373,271	10.6%
Meals & Rooms Tax	19,648,948	21,597,849	9.9%
Purchase & Use Tax	16,240,729	16,666,123	2.6%
Lottery Transfer	8,479,612	7,422,441	-12.5%
Investment Income	30,086	681,403	2164.8%
Total estimated revenues	<u>229,171,674</u>	<u>250,741,088</u>	<u>9.4%</u>
Other Revenues:			
Education Property Taxes	(225,561)	(436,868)	-93.7%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	37,886	60,503	59.7%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	789,334	443,091	-43.9%
Total other revenues	<u>601,659</u>	<u>66,726</u>	<u>-88.9%</u>
Total Education Fund	<u>229,773,333</u>	<u>250,807,814</u>	<u>9.2%</u>

**State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of October 31, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	25,581,711	26,720,222	4.5%
Diesel Fuel	6,512,009	6,333,578	-2.7%
MV Purchase & Use	32,481,459	33,332,247	2.6%
Total Taxes	<u>64,575,179</u>	<u>66,386,047</u>	<u>2.8%</u>
Other Revenues			
Motor Vehicle Fees	29,299,482	29,253,667	-0.2%
Other	6,279,436	6,477,329	3.2%
Total Other Revenues	<u>35,578,918</u>	<u>35,730,996</u>	<u>0.4%</u>
Total Non-Dedicated	<u>100,154,097</u>	<u>102,117,044</u>	<u>2.0%</u>
Dedicated			
Federal Aid	130,398,923	181,333,635	39.1%
Infrastructure Bond Fund Revenue	5,432,806	8,201,329	51.0%
Transportation Impact Fee	86,950	55,076	-36.7%
Other	1,367,601	2,743,666	100.6%
Total Dedicated	<u>137,286,280</u>	<u>192,333,706</u>	<u>40.1%</u>
Total Transportation Fund	<u>237,440,377</u>	<u>294,450,750</u>	<u>24.0%</u>