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Jeb Spaulding, Secretary

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for April 2012: General Fund and Education Fund Above Target; Transportation Fund Below Target for the Month.

General Fund

Today, Secretary of Administration Jeb Spaulding released the April 2012 General Fund (GF) revenue results. April is the tenth month of fiscal year (FY) 2012. General Fund revenues totaled \$179.52 million for April 2012, and were +\$10.60 million or +6.27% above the \$168.92 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$1,017.63 million, and +\$3.89 million or +0.38% above the target of \$1,013.70 million for FY 2012. The FY 2012 results through April also exceed the same period for the prior fiscal year (FY 2011) by 2.83%.

“April was a very good month for the General Fund; more than 10 and ½ million dollars or 6 and ¼ percent above target. We closed the shortfall from our annual target that remained at the end of March, and, in fact, are now slightly ahead of target (+0.38%) on a year to date basis. General Fund receipts are running 2.83% ahead of where they were at this point last fiscal year and we are positioned well to hit or exceed our General Fund revenue target for the year,” explained Secretary Spaulding.

The +\$10.60 million favorable results for April were primarily due to strong Net Corporate Income Tax filings (+\$6.12 million) and above target results in Net Personal Income Tax filings (+\$5.56 million). A small uptick in Insurance (+\$0.02 million) added to the favorable Net Corporate and Personal Income Tax results, but were offset by underperformance in the Consumption Taxes (-\$0.25 million) as well as the remaining other three tax receipt components (-\$0.85 million).

Current targets reflect the Fiscal Year 2012 Consensus Revenue Forecast adopted by the Emergency Board at their January 18, 2012 meeting. Statutorily, the State is required to revise the Consensus Revenue Forecast two times per year, in January and July; the Emergency Board may schedule interim revisions if deemed necessary. The next Emergency Board meeting has been tentatively scheduled on Friday July 20, 2012.

Net Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 50% of total GF revenue. PI Tax receipts are reported Net-of-Personal Income Tax refunds. Net Personal Income Tax is comprised of PI Withholding Tax, PI Estimated Payments, PI Refunds, PI Paid, and PI Other.

Net PI receipts for April were \$125.99 million, +\$5.56 million or +4.62% ahead of the monthly target of \$120.43 million. The year to date Net PI Tax receipts of \$508.47 million were -0.05% below the cumulative target of \$508.70 million. The cumulative results are +9.77% ahead of the same period for the prior fiscal year (FY 2011).

Secretary Spaulding commented, “The +\$5.56 million favorable results in Net Personal Income Tax receipts is due to very strong performance in the PI Paid component (+\$15.90 million) and above target performance in PI Estimates (+\$1.15 million). These were offset by below target results in PI Refunds (-\$11.83 million), PI Other (-\$3.96 million) and PI Withholdings (-\$3.46 million). The shortfall in PI Withholdings is concerning because this is likely an indicator that the underlying economy is not recovering as quickly, and businesses are not adding as many jobs, as projected. PI Withholdings have been below target in 3 of the last 4 months and are now -\$9.25 million below the cumulative target for the current fiscal year.”

Corporate Income Taxes are also reported net of refunds. Net Corporate Income Tax receipts for the month were \$15.79 million and +\$6.12 million or +63.26% above the monthly target of \$9.67 million. Year to date Corporate receipts were \$73.09 million, +\$9.66 million or +15.23% ahead of target.

Spaulding commented, “Continued strong performance in Net Corporate Income Tax receipts through April have helped offset other non-performing General Fund components such as Estate Tax and Property Transfer Tax. Cumulatively, Net Corporate Income Taxes remain short of the same period for the prior year (FY 2011) by -3.24%.”

Consumption tax results for April were slightly below target: Sales & Use Tax receipts of \$17.96 million were below target by -\$0.17 million (-0.92%); and Rooms & Meals Tax receipts of \$10.37 million were short of target by -\$0.08 million (-0.80%). Year to date, Sales & Use Tax receipts of \$192.66 million exceed target by +0.20%, while Rooms & Meals Tax receipts of \$109.44 million remain short of target by -0.51% for the current fiscal year (FY 2012). Compared to the results for the same period of the prior fiscal year (FY 2011), cumulative April consumption taxes (Sales & Use; Meals & Rooms) exceeded the prior year results by +4.50% and +2.80% respectively.

The remaining non-major tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and “Other” (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). The results for the remaining non-major categories for April were as follows: Insurance Tax, \$0.16 million (+16.91%); Inheritance & Estate Tax, \$1.21 million (-20.74%); Property Transfer Tax, \$0.64 million (-9.78%); and “Other”, \$7.40 million (-6.01%). The year to date April results for the remaining non-major categories were: Insurance Tax, \$48.83 million (-0.04%); Inheritance & Estate Tax, \$12.01 million (-25.20%); Property Transfer Tax, \$6.25 million (-7.74%); and “Other”, \$66.88 million (-1.05%). Cumulatively, the year to date non-major components total of \$133.97 million through April 2012, is -13.64% below the receipts for the same period of FY 2011 (reduced for a one-time settlement received in August of FY 2011).

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	120.43	125.99	5.56	4.62%	508.70	508.47	-0.23	-0.05%
Sales & Use	18.13	17.96	-0.17	-0.92%	192.29	192.66	0.38	0.20%
Corporate	9.67	15.79	6.12	63.26%	63.43	73.09	9.66	15.23%
Meals & Room	10.45	10.37	-0.08	-0.80%	110.00	109.44	-0.56	-0.51%
Insurance Premium	0.14	0.16	0.02	16.91%	48.85	48.83	-0.02	-0.04%
Inheritance & Estate	1.53	1.21	-0.32	-20.74%	16.05	12.01	-4.04	-25.20%
Real Prop. Transfer	0.71	0.64	-0.07	-9.78%	6.78	6.25	-0.52	-7.74%
Other	7.87	7.40	-0.47	-6.01%	67.60	66.88	-0.71	-1.05%
Total	168.92	179.52	10.60	6.27%	1013.70	1017.63	3.89	0.38%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for April. Total non-dedicated Transportation Fund receipts of \$19.39 million for the month fell short of target by -\$0.82 million (-4.04%), compared to the monthly target of \$20.21 million. The cumulative April Transportation Fund receipts of \$178.18 million were below the \$179.24 million target by -0.59%. Year to date April FY 2012 non-dedicated Transportation Funds have exceeded the prior year (FY 2011) by 2.48% for the same period.

Of the 5 individual tax components of the Transportation Fund revenue, only Gasoline Tax was above target for the month of April. Individual Transportation Fund revenue components for April were: Gasoline Tax, \$4.72 million or +0.81% above target; Diesel Tax, \$1.04 million or -11.99% below target; Motor Vehicle Purchase & Use Tax, \$4.96 million or 5.36% below target; Motor Vehicle Fees, \$7.11 million or -4.65% below target; and Other Fees, \$1.56 million or -5.14% behind the monthly target. Year to date results for the individual Transportation Fund revenue components for April were: Gasoline Tax, \$49.98 million or -1.36% short of target; Diesel Tax, \$12.62 million or -0.45% behind target; Motor Vehicle Purchase & Use Tax, \$43.11 million or +1.52% above target; Motor Vehicle Fees, \$57.00 million or -1.80% behind target; and Other Fees, \$15.47 million or +0.60% above the monthly target.

Spaulding commented, “Cumulative Transportation Fund receipts are less than 1% below target. Two months remain in this fiscal year, over which time we could make up some of the below target results. While we are hopeful that we can regain some or all the shortfall, continued high energy prices will work against that possibility.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for April were \$1.59 million or +3.43% above target; year to date TIB Gas receipts were \$17.42 million or +0.49% ahead of target. TIB Fund Diesel receipts for the month were \$0.13 million or -24.23% below the monthly target; year to date TIB Diesel receipts were \$1.52 million or -7.76% short of target. The TIB Fund receipts are noted on the following table:

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	4.68	4.72	0.04	0.81%	50.67	49.98	-0.69	-1.36%
Diesel Fuel	1.19	1.04	-0.14	-11.99%	12.67	12.62	-0.06	-0.45%
MV Purchase & Use	5.24	4.96	-0.28	-5.36%	42.46	43.11	0.64	1.52%
Motor Vehicle Fees	7.46	7.11	-0.35	-4.65%	58.05	57.00	-1.05	-1.80%
Other	1.64	1.56	-0.08	-5.14%	15.38	15.47	0.09	0.60%
Total	20.21	19.39	-0.82	-4.04%	179.24	178.18	-1.06	-0.59%

Note:

TIB Fuel								
Fees/Gasoline	1.53	1.59	0.05	3.43%	17.34	17.42	0.09	0.49%
TIB Fuel Fees/Diesel	0.17	0.13	-0.04	-24.23%	1.65	1.52	-0.13	-7.76%

*Differences due to rounding

Education Fund

Today, Secretary Spaulding released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources). The non-Property Tax Education Fund receipts for April totaled \$14.18 million, or +\$0.50 million (+3.66%) above the \$13.68 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$135.53 million, or +0.74% in excess of the year to date target. The individual Education Fund revenue component results for April were: Sales & Use Tax, \$8.98 million, or -0.93% below target; Motor Vehicle Purchase & Use Tax, \$2.48 million or -5.36%; Lottery Transfer, \$2.71 million or +35.92%; Education Fund Interest for April was immaterial for the month. Year to date receipts by component were: Sales & Use Tax, \$96.33 million, or +0.19% above target; Motor Vehicle Purchase & Use Tax, \$21.55 million or +1.52%; Lottery Transfer, \$17.61 million or +3.10% ahead of target; year to date Education Fund Interest for April was under \$0.04 million against a target of approximately \$0.08 million. The non-property tax current fiscal year to date Education Fund receipts are 5.59% ahead of the FY 2011 results for the same period.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Sales & Use	9.06	8.98	-0.08	-0.93%	96.14	96.33	0.19	0.19%
MV Purchase & Use	2.62	2.48	-0.14	-5.36%	21.23	21.55	0.32	1.52%
Lottery Transfer	1.99	2.71	0.72	35.92%	17.08	17.61	0.53	3.10%
Investment Income	0.00	0.01	0.01	294.08%	0.08	0.04	-0.04	-49.78%
Total	13.68	14.18	0.50	3.66%	134.53	135.53	1.00	0.74%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “We are very pleased that April was positive enough to not only “catch us up” to our year-to-date General Fund revenue target, but to exceed it slightly. Barring any major negative economic events, the General Fund should meet or exceed the current FY 2012 target for the year. For the longer run, we must remain vigilant about impacts to Vermont’s economy from global economic turbulence and efforts to address structural federal deficits.”

Attachments

The detailed schedules of the April 2012 year to date revenue results comparing the current periods with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of April 30, 2012**

General Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income	463,230,040	508,469,701	9.77%
Sales & Use	184,372,791	192,662,074	4.50%
Corporate	75,535,152	73,090,600	-3.24%
Meals & Room	106,454,622	109,437,535	2.80%
Liquor & Wine	12,512,884	13,773,698	10.08%
Insurance Premium	47,749,847	48,830,577	2.26%
Telephone Gross Receipts	223,440	208,063	-6.88%
Telephone Property	6,997,588	7,087,043	1.28%
Beverage	4,874,083	4,991,089	2.40%
Electric Generating	2,189,345	2,197,131	0.36%
Inheritance & Estate	33,363,443	12,005,032	-64.02%
Real Property Transfer	6,800,824	6,253,796	-8.04%
Bank Franchise	15,406,159	10,675,368	-30.71%
All Other Taxes	3,425,529	999,569	-70.82%
Total Taxes	<u>963,135,747</u>	<u>990,681,276</u>	<u>2.86%</u>
Other Revenues			
Business Licenses	2,688,103	2,795,328	3.99%
Fees	16,776,691	16,997,802	1.32%
Services	902,131	1,878,434	108.22%
Fines, Forfeits & Penalties	5,107,408	4,223,176	-17.31%
Interest, Prem	59,915	295,829	393.75%
Special Assessments	0	0	0.00%
All Other Revenues	994,579	762,042	-23.38%
Total Other Revenues	<u>26,528,827</u>	<u>26,952,610</u>	<u>1.60%</u>
Total General Fund	<u><u>989,664,574</u></u>	<u><u>1,017,633,887</u></u>	<u><u>2.83%</u></u>

Date: May 04, 2012

**Comparative Statement of Revenues
Transportation Fund
As of April 30, 2012**

T Fund Detail Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	51,027,303	49,979,147	-2.05%
Diesel Fuel	12,349,100	12,617,793	2.18%
MV Purchase & Use	<u>39,781,521</u>	<u>43,107,297</u>	8.36%
Total Taxes	<u>103,157,925</u>	<u>105,704,237</u>	2.47%
Other Revenues			
Motor Vehicle Fees	56,201,381	57,001,123	1.42%
Other	<u>14,505,480</u>	<u>15,474,390</u>	6.68%
Total Other Revenues	<u>70,706,862</u>	<u>72,475,513</u>	2.50%
Total Non-Dedicated	<u>173,864,787</u>	<u>178,179,751</u>	2.48%
Dedicated			
Federal Aid	250,379,566	301,239,825	20.31%
Infrastructure Bond Fund Revenue	14,961,847	18,940,837	26.59%
Other	<u>9,730,815</u>	<u>4,497,478</u>	-53.78%
Total Dedicated	<u>275,072,228</u>	<u>324,678,140</u>	18.03%
Total Transportation Fund	<u>448,937,015</u>	<u>502,857,890</u>	12.01%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: May 04, 2012

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of April 30, 2012**

Education Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	92,185,364	96,328,581	4.49%
Purchase & Use	19,890,761	21,553,648	8.36%
Lottery Transfer	16,231,218	17,608,757	8.49%
Investment Income	45,120	39,841	-11.70%
Total estimated revenues	<u>128,352,462</u>	<u>135,530,828</u>	<u>5.59%</u>
Other Revenues:			
Education Property Taxes	82,568,555	74,073,005	-10.29%
Electric Energy Educ Prop Tax	1,064,037	1,068,977	0.46%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>83,632,592</u>	<u>75,141,981</u>	<u>-10.15%</u>
Total Education Fund	<u>211,985,055</u>	<u>210,672,809</u>	<u>-0.62%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: May 04, 2012