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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 August 2011; General Fund, Transportation Fund and Education Fund Exceed Target for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the August 2011 General Fund (GF) Revenue results today. August is the second month of fiscal year (FY) 2012. General Fund revenues totaled \$90.06 million for August 2011, and were +\$10.89 million or +13.75% above the \$79.17 million consensus revenue forecast for the month, more than covering the prior month's shortfall. Year to date, General Fund revenues were \$176.33 million, and +\$6.00 million or +3.52% above the two month target of \$170.33 million.

Secretary Spaulding commented, "August General Fund receipts allowed us to recoup a July shortfall and placed us a little ahead of our year-to-date target. In addition, the year-to-date August 2011 General Fund revenues exceeded 2010 receipts for the same period by +7.6%. While this is indeed good news, it is in the rearview mirror. Recent events, including the impacts from Tropical Storm Irene along with continuing global fiscal instability and looming federal cuts, require us to be especially cautious looking forward."

Current targets reflect the Fiscal Year 2012 Consensus Revenue Forecast adopted by the Emergency Board at their July 21, 2011 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.

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 Paid, and PI Other. Net PI Receipts for August were recorded at \$43.46 million, +\$8.67 million or +24.94% above the monthly target of \$34.78 million. Year to date, net PI Receipts were \$87.97 million, +\$5.08 million or +6.13% ahead of target.

Corporate Income Taxes are also reported net-of refunds. August Corporate receipts of \$1.99 million were +\$0.62 million or +45.61% ahead of the monthly target of \$1.37 million. Year to date Corporate receipts were \$3.97 million, +\$0.22 million or +5.86% ahead of target.

Consumption tax results for August were mixed: Sales & Use Tax receipts of \$17.34 million were slightly below target by -\$0.04 million (-0.20%); Rooms & Meals Tax receipts of \$12.42 million exceeded target by +\$1.00 million (+8.72%). Year to date, both Sales & Use Tax (\$38.66 million or +1.42%) and Rooms & Meals Tax (\$22.79 million or +6.07%) were above target for August, as well as being above the two month total receipts for the prior year by +7.2% and +6.1% 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 August were as follows: Insurance Tax, \$6.97 million (+1.80%); Inheritance & Estate Tax, \$3.78 (+188.36%); Property Transfer Tax, \$0.75 million (-2.22%); and "Other", \$3.35 million (-36.70%). The year to date August results for the remaining non-major categories were: Insurance Tax, \$7.38 million (+3.77%); Inheritance & Estate Tax, \$4.16 (+40.71%); Property Transfer Tax, \$1.53 million (-5.34%); and "Other", \$9.86 million (-20.44%). Cumulatively, the total non-major component receipts of \$22.93 million were below the prior year total of \$27.73 million by -\$4.80 million, or -17.31%. However, the shortfall versus prior year in "Other" is due to one-time extraordinary settlement activity in Bank Franchise Tax during August of the prior year.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	34.78	43.46	8.67	24.94%	82.89	87.97	5.08	6.13%
Sales & Use	17.37	17.34	-0.04	-0.20%	38.11	38.66	0.54	1.42%
Corporate	1.37	1.99	0.62	45.61%	3.75	3.97	0.22	5.86%
Meals & Room	11.42	12.42	1.00	8.72%	21.49	22.79	1.30	6.07%
Insurance Premium	6.84	6.97	0.12	1.80%	7.11	7.38	0.27	3.77%
Inheritance & Estate	1.31	3.78	2.47	188.36%	2.96	4.16	1.20	40.71%
Real Prop. Transfer	0.77	0.75	-0.02	-2.22%	1.62	1.53	-0.09	-5.34%
Other	5.30	3.35	-1.94	-36.70%	12.40	9.86	-2.53	-20.44%
Total	79.17	90.06	10.89	13.75%	170.33	176.33	6.00	3.52%

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for August was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$20.12 million for the month exceeded target by +\$0.41 million (+2.09%), against the monthly target of \$19.71 million. The excess August receipts covered most of the July shortfall, leaving August year to date Transportation Fund receipts of \$35.38 million short of the \$35.42 million target by -\$0.05 million or -0.13%. Compared to FY 2011, year to date August Transportation Funds receipts now exceed the prior year by +\$0.30 million or +0.80% for the same period.

Individual Transportation Fund revenue receipts components for August were mixed: Gasoline Tax, \$5.52 million or +0.25% ahead of target; Diesel Tax, \$1.82 million or +39.25% above

target; Motor Vehicle Purchase & Use Tax, \$5.04 million or -3.78% behind target; Motor Vehicle Fees, \$6.57 million or +5.11% ahead of target; and Other Fees, \$1.17 million or -16.74% short of the monthly target. Year to date results for the individual Transportation Fund revenue components for August were: Gasoline Tax, \$10.63 million or +0.48% ahead of target; Diesel Tax, \$2.32 million or +10.84% above target; Motor Vehicle Purchase & Use Tax, \$8.32 million or -5.70% behind target; Motor Vehicle Fees, \$11.62 million or +2.39% ahead of target; and Other Fees, \$2.48 million or -3.54% short of the monthly target.

Secretary Spaulding said, “The Transportation Fund revenue seems to be holding its own and is, in fact, slightly ahead of the receipts at this point last year, although two months is not sufficient to project a trend and the after effects of Irene will impact T-fund revenues as well.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for August were \$1.98 million or +19.10% in excess of target; year to date TIB Gas receipts were \$3.58 million or +12.34% ahead of target. TIB Fund Diesel receipts for the month were \$0.22 million or -9.60% short of the monthly target; year to date TIB Diesel receipts were \$0.28 million or -14.69% short of target. TIB Fund receipts are noted below the following table:

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

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	5.51	5.52	0.01	0.25%	10.58	10.63	0.05	0.48%
Diesel Fuel	1.31	1.82	0.51	39.25%	2.09	2.32	0.23	10.84%
MV Purchase & Use	5.24	5.04	-0.20	-3.78%	8.83	8.32	-0.50	-5.70%
Motor Vehicle Fees	6.25	6.57	0.32	5.11%	11.35	11.62	0.27	2.39%
Other	1.40	1.17	-0.23	-16.74%	2.57	2.48	-0.09	-3.54%
Total	19.71	20.12	0.41	2.09%	35.42	35.38	-0.05	-0.13%

Note:

TIB Fuel								
Fees/Gasoline	1.66	1.98	0.32	19.10%	3.19	3.58	0.39	12.34%
TIB Fuel Fees/Diesel	0.24	0.22	-0.02	-9.60%	0.32	0.28	-0.05	-14.69%

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for August totaled \$12.97 million, or +\$0.01 million (+0.06%) above the \$12.96 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$26.26 million, or 0.55% ahead of the year to date target. The individual Education Fund revenue component results for August were: Sales & Use Tax, \$8.67 million, or -0.21% below target; Motor Vehicle Purchase & Use Tax, \$2.47 million or -5.88%; Lottery Transfer, \$1.83 million or +10.88% above target; Education Fund Interest for August was essentially \$0. Year to date receipts by component were: Sales & Use Tax, \$19.33 million, or +1.42% above target; Motor Vehicle Purchase & Use Tax, \$4.11 million or -6.95%; Lottery Transfer, \$2.83 million or +6.78% above target; year to date Education Fund Interest was essentially \$0. As compared to prior year, FY 2012 year to date non-Property Tax Education Fund receipts are 7.9% 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	8.69	8.67	-0.02	-0.21%	19.06	19.33	0.27	1.42%
MV Purchase & Use	2.62	2.47	-0.15	-5.88%	4.41	4.11	-0.31	-6.95%
Lottery Transfer	1.65	1.83	0.18	10.88%	2.65	2.83	0.18	6.78%
Investment Income	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Total	12.96	12.97	0.01	0.06%	26.12	26.26	0.14	0.55%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Vermont’s August revenue results continued in line with the slow but steady recovery we had been experiencing. The future, however, is far from certain. We have yet to fully assess the recovery costs and economic impact of Irene on Vermont’s citizens, businesses and State operations. Additionally, global fiscal instability, paralysis in Washington, and unknown federal cuts continue to loom on the horizon. President Obama’s proposed Jobs Bill and the influx of federal disaster funds into Vermont may well have some positive economic impact on Vermont, although, it is too soon to tell how much and how the Jobs Bill will fair in Congress. We will continue our efforts to assess Irene’s impact, keep a close eye on our revenue performance over the next couple of months, and closely watch the wrangling in Washington over federal funding cuts and the Jobs Bill.”

Attachments

The detailed schedules of the August 2011 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 August 31, 2011**

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	77,909,754	87,974,329	12.92%
Sales & Use	36,043,305	38,654,974	7.25%
Corporate	749,706	3,968,893	429.39%
Meals & Room	21,488,695	22,792,642	6.07%
Liquor & Wine	2,722,886	2,906,180	6.73%
Insurance Premium	7,792,278	7,378,758	-5.31%
Telephone Gross Receipts	66,677	52,468	-21.31%
Telephone Property	11,631	82	-99.29%
Beverage	1,095,230	1,109,057	1.26%
Electric Generating	0	0	0.00%
Inheritance & Estate	2,121,110	4,162,169	96.23%
Real Property Transfer	1,366,929	1,530,977	12.00%
Bank Franchise	7,704,047	2,619,497	-66.00%
All Other Taxes	1,774,504	268,677	-84.86%
Total Taxes	<u>160,846,753</u>	<u>173,418,703</u>	<u>7.82%</u>
Other Revenues			
Business Licenses	165,352	203,877	23.30%
Fees	2,240,190	1,859,249	-17.00%
Services	220,014	156,916	-28.68%
Fines, Forfeits & Penalties	460,569	497,903	8.11%
Interest, Prem	(178,894)	(5,210)	97.09%
Special Assessments	0	0	0.00%
All Other Revenues	168,559	195,611	16.05%
Total Other Revenues	<u>3,075,790</u>	<u>2,908,347</u>	<u>-5.44%</u>
Total General Fund	<u>163,922,543</u>	<u>176,327,050</u>	<u>7.57%</u>

Prepared by Department of Finance & Management

Date: September 06, 2011

**Comparative Statement of Revenues
Transportation Fund
As of August 31, 2011**

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	10,854,274	10,632,525	-2.04%
Diesel Fuel	2,135,337	2,321,185	8.70%
MV Purchase & Use	<u>7,657,867</u>	<u>8,322,610</u>	8.68%
Total Taxes	<u>20,647,478</u>	<u>21,276,320</u>	3.05%
Other Revenues			
Motor Vehicle Fees	12,155,188	11,621,390	-4.39%
Other	<u>2,762,257</u>	<u>2,481,172</u>	-10.18%
Total Other Revenues	<u>14,917,445</u>	<u>14,102,562</u>	-5.46%
Total Non-Dedicated	<u>35,564,923</u>	<u>35,378,882</u>	-0.52%
Dedicated			
Federal Aid	63,578,685	41,971,249	-33.99%
Infrastructure Fuel Fees	3,111,402	3,853,066	23.84%
Other	<u>674,252</u>	<u>1,116,571</u>	65.60%
Total Dedicated	<u>67,364,338</u>	<u>43,087,820</u>	-36.04%
Total Transportation Fund	<u>102,929,261</u>	<u>78,466,702</u>	-23.77%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 02, 2011

Time: 08:23

State of Vermont
Comparative Statement of Revenues
Education Fund
As of August 31, 2011

Education Fund Schedule 2

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	18,020,567	19,327,197	7.25%
Purchase & Use	3,699,352	4,106,333	11.00%
Lottery Transfer	2,614,299	2,829,737	8.24%
Investment Income	7,833	78	-99.01%
Total estimated revenues	<u>24,342,050</u>	<u>26,263,344</u>	<u>7.89%</u>
Other Revenues:			
Education Property Taxes	(1,318,056)	(1,313,811)	0.32%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(1,318,056)</u>	<u>(1,313,811)</u>	<u>0.32%</u>
Total Education Fund	<u>23,023,994</u>	<u>24,949,534</u>	<u>8.36%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 06, 2011

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