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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 2012; General Fund, Transportation Fund and Education Fund Exceed Target for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the August 2012 General Fund (GF) Revenue results today. August is the second month of fiscal year (FY) 2013. General Fund revenues totaled \$88.86 million for August 2012, and were +\$1.03 million or +1.17% above the \$87.83 million consensus revenue forecast for the month, more than covering the prior month's shortfall. Year to date, General Fund revenues were \$181.19 million, and +\$0.23 million or +0.13% above the two month target of \$180.96 million.

Secretary Spaulding commented, "August General Fund receipts allowed us to recoup a July shortfall and placed us slightly ahead of our year-to-date target. In addition, the year-to-date August 2012 General Fund revenues exceeded 2011 receipts for the same period by +2.80%. While this is indeed good news, it is too early to tell what it means for Fiscal Year 2013. Revenue components as a whole are performing well, but remain volatile individually."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their July 20, 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.

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 \$37.76 million, -\$4.63 million or -10.91% below the monthly target of \$42.38 million. Year to date, net PI Receipts were \$86.70 million, -\$3.81 million or -4.21% behind target.

Corporate Income Taxes are also reported net-of refunds. August Corporate refunds exceeded receipts, representing a return of -\$0.61 million, -\$2.31 million or -135.79% behind of the monthly target of \$1.70 million. Year to date Corporate receipts were \$1.01 million, -\$3.31 million or -76.57% below target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts were -77.48% below the prior year.

Consumption tax results for August were higher than targeted: Sales & Use Tax receipts of \$19.44 million were ahead of target by +\$1.51 million (+8.44%); Rooms & Meals Tax receipts of \$13.28 million exceeded target by +\$0.48 million (+3.77%). Year to date, both Sales & Use Tax (\$40.43 million or +1.54%) and Rooms & Meals Tax (\$24.47 million or +3.05%) were above target for August, as well as being above the two month total receipts for the prior year by +4.58% and +7.34% 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, \$6.82 million (-2.08%); Inheritance & Estate Tax, \$6.30 (+321.94%); Property Transfer Tax, \$0.87 million (+5.12%); and "Other", \$5.01 million (+33.81%). The year to date August results for the remaining non-major categories were: Insurance Tax, \$7.24 million (-1.85%); Inheritance & Estate Tax, \$7.27 (+140.21%); Property Transfer Tax, \$1.80 million (+8.40%); and "Other", \$12.27 million (+16.89%). Cumulatively, the total non-major component receipts of \$26.79 million fell short of the prior year total by -\$5.71 million, or -25.0%.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	42.38	37.76	-4.63	-10.91%	90.52	86.70	-3.81	-4.21%
Sales & Use	17.93	19.44	1.51	8.44%	39.81	40.43	0.61	1.54%
Corporate	1.70	-0.61	-2.31	-135.79%	4.32	1.01	-3.31	-76.57%
Meals & Room	12.79	13.28	0.48	3.77%	23.74	24.47	0.72	3.05%
Insurance Premium	6.97	6.82	-0.14	-2.08%	7.38	7.24	-0.13	-1.85%
Inheritance & Estate	1.49	6.30	4.80	321.94%	3.03	7.27	4.24	140.21%
Real Prop. Transfer	0.83	0.87	0.04	5.12%	1.66	1.80	0.14	8.40%
Other	3.74	5.01	1.27	33.81%	10.50	12.27	1.77	16.89%
Total	87.83	88.86	1.03	1.17%	180.96	181.19	0.23	0.13%

*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 \$21.43 million for the month exceeded target by +\$0.30 million (+1.42%), against the monthly target of \$21.13 million. The excess August receipts covered most of the July shortfall, leaving August year to date Transportation Fund receipts of \$37.36 million short of the \$37.52 million target by -\$0.16 million or -0.42%. Compared to FY 2011, year to date August Transportation Funds receipts now exceed the prior year by +\$2.09 million or +5.93% for the same period.

Individual Transportation Fund revenue receipts components for August were mixed: Gasoline Tax, \$5.47 million or -0.69% behind target; Diesel Tax, \$1.85million or +6.52% above target;

Motor Vehicle Purchase & Use Tax, \$5.23 million or -0.24% behind target; Motor Vehicle Fees, \$7.27 million or +4.98% ahead of target; and Other Fees, \$1.61 million or -6.22% short of the monthly target. Year to date results for the individual Transportation Fund revenue components for August were: Gasoline Tax, \$10.50 million or -0.66% below target; Diesel Tax, \$2.21 million or -5.81% behind target; Motor Vehicle Purchase & Use Tax, \$8.69 million or -0.90% short of target; Motor Vehicle Fees, \$12.92 million or +0.89% ahead of target; and Other Fees, \$3.04 million or +0.47% above 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 yearly trend.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for August were \$1.93 million or -0.49% behind target; year to date TIB Gas receipts were \$3.72 million, essentially on target. TIB Fund Diesel receipts for the month were \$0.11 million or -49.71% short of the monthly target; year to date TIB Diesel receipts were \$0.15 million or -48.94% 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	5.47	-0.04	-0.69%	10.57	10.50	-0.07	-0.66%
Diesel Fuel	1.74	1.85	0.11	6.52%	2.35	2.21	-0.14	-5.81%
MV Purchase & Use	5.24	5.23	-0.01	-0.24%	8.77	8.69	-0.08	-0.90%
Motor Vehicle Fees	6.92	7.27	0.34	4.98%	12.80	12.92	0.11	0.89%
Other	1.72	1.61	-0.11	-6.22%	3.02	3.04	0.01	0.47%
Total	21.13	21.43	0.30	1.42%	37.52	37.36	-0.16	-0.42%

Note:

TIB Fuel								
Fees/Gasoline	1.94	1.93	-0.01	-0.49%	3.72	3.72	0.00	0.09%
TIB Fuel Fees/Diesel	0.22	0.11	-0.11	-49.71%	0.30	0.15	-0.14	-48.94%

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 13% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for August totaled \$14.08 million, or +\$0.73 million (+5.45%) above the \$13.35 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$27.30 million, or +0.90% ahead of the year to date target. The individual Education Fund revenue component results for August were: Sales & Use Tax, \$9.72 million, or +8.46 % above target; Motor Vehicle Purchase & Use Tax, \$2.62 million or -0.25%; Lottery Transfer, \$1.73 million or -2.14% below target; Education Fund Interest for August was less than -\$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$20.21 million, or +1.54% above target; Motor Vehicle Purchase & Use Tax, \$4.35 million or -0.90%; Lottery Transfer, \$2.73 million or -1.37% below target; year to date Education Fund Interest was less than -\$0.01 million. As compared to prior year, FY 2012 year to date non-Property Tax Education Fund receipts are 3.94% 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	8.96	9.72	0.76	8.46%	19.91	20.21	0.31	1.54%
MV Purchase & Use	2.62	2.62	-0.01	-0.25%	4.39	4.35	-0.04	-0.90%
Lottery Transfer	1.77	1.73	-0.04	-2.14%	2.77	2.73	-0.04	-1.37%
Investment Income	0.00	0.01	0.01	n/d	0.00	0.01	0.01	n/d
Total	13.35	14.08	0.73	5.45%	27.06	27.30	0.24	0.90%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “It is nice to be on target and ahead of last year's revenue collections, but two months into the fiscal year, especially with significant volatility in specific revenue components, is too soon to speculate about what the rest of the fiscal year will look like. I look forward to the September results.”

Attachments

The detailed schedules of the August 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 August 31, 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	87,974,329	86,703,426	-1.44%
Sales & Use	38,654,974	40,426,236	4.58%
Corporate	3,968,893	1,012,816	-74.48%
Meals & Room	22,792,642	24,465,471	7.34%
Liquor & Wine	2,906,180	2,991,438	2.93%
Insurance Premium	7,378,758	7,242,285	-1.85%
Telephone Gross Receipts	52,468	50,823	-3.13%
Telephone Property	82	0	-100.00%
Beverage	1,109,057	1,121,985	1.17%
Electric Generating	0	0	0.00%
Inheritance & Estate	4,162,169	7,269,345	74.65%
Real Property Transfer	1,483,114	1,798,810	21.29%
Bank Franchise	2,619,497	2,610,205	-0.35%
All Other Taxes	268,677	539,719	100.88%
Total Taxes	<u>173,370,840</u>	<u>176,232,561</u>	<u>1.65%</u>
Other Revenues			
Business Licenses	203,877	154,631	-24.15%
Fees	1,859,249	2,984,973	60.55%
Services	156,916	466,457	197.26%
Fines, Forfeits & Penalties	498,113	1,148,009	130.47%
Interest, Prem	(18,674)	24,439	230.88%
Special Assessments	0	0	0.00%
All Other Revenues	195,611	182,122	-6.90%
Total Other Revenues	<u>2,895,093</u>	<u>4,960,631</u>	<u>71.35%</u>
Total General Fund	<u>176,265,934</u>	<u>181,193,192</u>	<u>2.80%</u>

Date: September 10, 2012

**Comparative Statement of Revenues
Transportation Fund
As of August 31, 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	10,632,525	10,499,999	-1.25%
Diesel Fuel	2,321,185	2,214,447	-4.60%
MV Purchase & Use	<u>8,212,666</u>	<u>8,691,986</u>	5.84%
Total Taxes	<u>21,166,376</u>	<u>21,406,431</u>	1.13%
Other Revenues			
Motor Vehicle Fees	11,621,390	12,916,613	11.15%
Other	<u>2,481,925</u>	<u>3,037,410</u>	22.38%
Total Other Revenues	<u>14,103,315</u>	<u>15,954,023</u>	13.12%
Total Non-Dedicated	<u>35,269,690</u>	<u>37,360,455</u>	5.93%
Dedicated			
Federal Aid	41,911,555	70,767,891	68.85%
Infrastructure Bond Fund Revenue	3,853,285	3,873,708	0.53%
Other	<u>1,116,571</u>	<u>907,532</u>	-18.72%
Total Dedicated	<u>46,881,411</u>	<u>75,549,131</u>	61.15%
Total Transportation Fund	<u><u>82,151,101</u></u>	<u><u>112,909,585</u></u>	<u><u>37.44%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 10, 2012

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of August 31, 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	19,327,197	20,212,815	4.58%
Purchase & Use	4,106,333	4,345,993	5.84%
Lottery Transfer	2,829,737	2,730,724	-3.50%
Investment Income	6,961	14,474	107.93%
Total estimated revenues	<u>26,270,228</u>	<u>27,304,006</u>	<u>3.94%</u>
Other Revenues:			
Education Property Taxes	(1,313,811)	(690,640)	47.43%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(1,313,811)</u>	<u>(690,640)</u>	<u>47.43%</u>
Total Education Fund	<u>24,956,417</u>	<u>26,613,366</u>	<u>6.64%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 10, 2012