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Jeb Spaulding, Secretary

PRESS RELEASE

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Montpelier, VT - Secretary of Administration Jeb Spaulding Releases Vermont's Revenue Results for August 2013: All Three Major Funds Close to Target for the Month.

General Fund

Today, Secretary of Administration Jeb Spaulding released the August 2013 General Fund (GF) revenue results. August is the second month of fiscal year (FY) 2014. General Fund revenues totaled \$84.21 million for August 2013, -\$0.10 million or -0.12% below the monthly target. Year to date, General Fund receipts were \$187.67 million, -\$0.43 million or -0.23% below the cumulative target, but \$6.47 million (+3.57%) ahead of the same period for the prior fiscal year (FY 2013).

Secretary Spaulding explained, "Overall, we are essentially on target for the month and year. Looking at the individual revenue components may be more interesting for observers. While Corporate Income Taxes are somewhat below target, Personal Income Tax, Sales & Use, and Rooms & Meals revenues were ahead of the current target. That is positive, but two months of performance for the fiscal year is not enough to indicate a trend, and some specific events, such as employee separations at a few large employers, may influence collections going forward."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their July 23, 2013 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. A date for the January 2014 Emergency Board has not been selected at this time.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 52% 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 \$40.60 million, +\$1.28 million or +3.27% ahead of the monthly target of \$39.31 million. Year to date, Net PI Tax receipts were \$90.91 million, +\$0.69 million or +0.77% above the two month target of \$90.22 million.

Corporate Income Taxes are also reported net of refunds. Net Corporate Income Taxes were \$0.01 million for the month, -\$0.75 million or -98.24% below the monthly target of \$0.76 million. Year to date, Net Corporate revenues were \$0.22 million, -\$2.40 million below the cumulative August target of \$2.62 million, and -\$0.80 million below the prior fiscal year.

Secretary Spaulding commented, “There is a small variance due to the timing of transfers between tax categories, similar to last month in Corporate. Historically, August is one of the smallest months for Net Corporate receipts. It is too early in the year to identify a trend from the below target performance, but it does bear watching.”

Consumption tax results for August were favorable: Sales & Use Tax receipts of \$18.29 million exceeded target by +\$0.50 million (+2.80%); and Rooms & Meals Tax receipts of \$13.52 million were above target by +\$0.38 million (+2.92%). Year to date, the Consumption Taxes have exceeded target: Sales & Use Tax receipts of \$39.38 million exceeded target by +\$0.02 million (+0.04%); and Rooms & Meals Tax receipts of \$25.56 million were above target by +\$1.09 million (+4.45%). Compared to the results for the same period of the prior fiscal year (FY 2013), Sales & Use Tax fell short of by -2.58%, and Meals & Rooms exceeded the prior year results by +4.47%.

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, \$6.38 million (+7.26%); Inheritance & Estate Tax, \$-0.13 million (-113.14%); Property Transfer Tax, \$1.08 million (+20.03%); and “Other”, \$4.46 million (-19.14%). Cumulatively, the results for the remaining non-major categories were: Insurance Tax, \$6.81 million (+9.29%); Inheritance & Estate Tax, \$8.79 million (-10.34%); Property Transfer Tax, \$2.11 million (+6.88%); and “Other”, \$13.89 million (3.56%). The non-major components total of \$31.60 million, is +\$3.01 million or +10.53% ahead of receipts for the same period of the prior fiscal year (FY 2013). This increase over prior year was primarily due to an estate settlement received last month and timing on the receipt of an energy generating payment.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Personal Income	39.31	40.60	1.28	3.27%	90.22	90.91	0.69	0.77%	86.70	4.21	4.86%
Sales & Use	17.79	18.29	0.50	2.80%	39.37	39.38	0.02	0.04%	40.43	-1.04	-2.58%
Corporate	0.76	0.01	-0.75	-98.24%	2.62	0.22	-2.40	-91.72%	1.01	-0.80	-78.58%
Meals & Room	13.14	13.52	0.38	2.92%	24.47	25.56	1.09	4.45%	24.47	1.09	4.47%
Insurance Premium	5.95	6.38	0.43	7.26%	6.23	6.81	0.58	9.29%	7.24	-0.43	-5.97%
Inheritance & Estate	0.95	-0.13	-1.08	-113.14%	9.80	8.79	-1.01	-10.34%	7.27	1.52	20.91%
Real Prop. Transfer	0.90	1.08	0.18	20.03%	1.97	2.11	0.14	6.88%	1.80	0.31	17.01%
Other	5.52	4.46	-1.06	-19.14%	13.41	13.89	0.48	3.56%	12.28	1.61	13.13%
Total	84.32	84.21	-0.10	-0.12%	188.09	187.67	-0.43	-0.23%	181.19	6.47	3.57%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for August. Total non-dedicated Transportation Fund receipts of \$22.85 million for the month fell short of target by -\$0.49 million (-2.14%), against the monthly target of \$23.34 million. Year to date, the receipts through August were \$41.15 million, or -\$0.12 million or (-0.298) below the cumulative target of \$41.27 million. Compared to the same period in the prior fiscal year (FY 2013) the non-dedicated Transportation Funds exceeded the prior year by +10.15%.

Results for the five non-dedicated Transportation Fund revenue components for August were mixed. Individual Transportation Fund revenue components for August were: Gasoline Tax, \$6.72 million or -5.39% behind target; Diesel Tax, \$1.44 million or -25.38% behind target;

Motor Vehicle Purchase & Use Tax, \$6.13 million or +9.85% above target; Motor Vehicle Fees, \$6.79 million or -4.63% below; and Other Fees, \$1.77 million or 9.46% above the monthly target. Year to date, individual Transportation Fund revenue components were: Gasoline Tax, \$13.08 million or -4.55% behind target; Diesel Tax, \$2.40 million or +12.13% above target; Motor Vehicle Purchase & Use Tax, \$9.82 million or +2.81% above target; Motor Vehicle Fees, \$12.76 million or -1.09% below; and Other Fees, \$3.09 million or +4.07% above the monthly target.

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for August were \$1.76 million or -7.86% below target. TIB Fund Diesel receipts for the month were \$0.12 million or -37.71% below the monthly target. Year to date, TIB Fund Gas receipts were \$3.50 million or -5.07% below target and cumulative TIB Fund Diesel receipts were \$0.23 million or +1.28% above target. Net total TIB receipts through August of \$3.73 million were -3.62% below the same period for the prior fiscal year (FY 2013). TIB Fund receipts are noted in the table below:

The Secretary commented, “The Transportation Fund and TIB receipts were impacted by some slippage of Gasoline Tax and TIB Fund Gasoline receipts into September due to the month ending on a 3-day holiday weekend. However, we had a strong month in Motor Vehicle Purchase & Use Tax collections and that is a positive indicator.”

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

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Gasoline	7.10	6.72	-0.38	-5.39%	13.70	13.08	-0.62	-4.55%	10.50	2.58	24.55%
Diesel Fuel	1.93	1.44	-0.49	-25.38%	2.14	2.40	0.26	12.13%	2.21	0.19	8.54%
MV Purchase & Use	5.58	6.13	0.55	9.85%	9.55	9.82	0.27	2.81%	8.69	1.13	13.00%
Motor Vehicle Fees	7.12	6.79	-0.33	-4.63%	12.90	12.76	-0.14	-1.09%	12.92	-0.16	-1.23%
Other	1.62	1.77	0.16	9.46%	2.97	3.09	0.12	4.07%	3.04	0.06	1.81%
Total	23.34	22.85	-0.49	-2.14%	41.27	41.15	-0.12	-0.29%	37.36	3.79	10.15%

Note:

TIB Fuel											
Fees/Gasoline	1.91	1.76	-0.15	-7.86%	3.69	3.50	-0.19	-5.04%	3.72	-0.22	-5.98%
TIB Fuel Fees/Diesel	0.20	0.12	-0.08	-37.71%	0.23	0.23	0.00	1.28%	0.15	0.07	48.81%

*Differences due to rounding

Education Fund

Today, Secretary Spaulding released the “non-Property Tax” Education Fund revenues (which constitute approximately 13% of the total Education Fund sources). The non-Property Tax Education Fund receipts for August totaled \$14.49 million, or +\$0.29 million (+2.80%) above the \$14.19 million target for the month. The individual Education Fund revenue component results for August were: Sales & Use Tax, \$9.85 million, or +2.80% above target; Motor Vehicle Purchase & Use Tax, \$3.07 million or +9.85%; Lottery Transfer, \$1.56 million, or -13.59%; and Education Fund Interest was less than \$0.01 for both receipts and target. Year to date Education Fund receipts of \$28.69 million were -0.37% below the target of \$28.80 million. The August 2013 non-property tax Education Fund receipts are 5.08% ahead of the results for the same period in the prior fiscal year.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Sales & Use	9.58	9.85	0.27	2.80%	21.20	21.21	0.01	0.04%	20.21	0.99	4.92%
MV Purchase & Use	2.79	3.07	0.28	9.85%	4.78	4.91	0.13	2.80%	4.35	0.57	13.00%
Lottery Transfer	1.81	1.56	-0.25	-13.59%	2.81	2.56	-0.25	-8.75%	2.73	-0.17	-6.18%
Investment Income	0.01	0.01	0.00	-21.16%	0.01	0.01	0.00	-21.16%	0.01	0.00	-24.66%
Total	14.19	14.49	0.29	2.08%	28.80	28.69	-0.11	-0.37%	27.30	1.39	5.08%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Again, we are too early into the fiscal year to identify clear trends, but from a budgetary perspective, it is always a good thing to be basically on target and, more importantly, running about 3.57% ahead of last year indicates our economy continues to grow.”

Attachments

The detailed schedules of the August 2013 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, 2013**

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	86,703,426	90,913,760	4.86%
Sales & Use	40,426,236	39,383,544	-2.58%
Corporate	1,012,816	216,947	-78.58%
Meals & Room	24,465,471	25,559,457	4.47%
Liquor & Wine	2,991,438	2,909,633	-2.73%
Insurance Premium	7,242,285	6,812,379	-5.94%
Telephone Gross Receipts	50,823	52,399	3.10%
Telephone Property	0	114,556	100.00%
Beverage	1,121,985	1,160,362	3.42%
Electric Generating	0	3,139,330	100.00%
Inheritance & Estate	7,269,345	8,788,934	20.90%
Real Property Transfer	1,798,810	2,105,077	17.03%
Bank Franchise	2,610,205	1,935,571	-25.85%
All Other Taxes	539,719	351,880	-34.80%
Total Taxes	<u>176,232,561</u>	<u>183,443,828</u>	<u>4.09%</u>
Other Revenues			
Business Licenses	154,631	8,798	-94.31%
Fees	2,984,973	3,180,067	6.54%
Services	466,457	1,730	-99.63%
Fines, Forfeits & Penalties	1,147,769	372,993	-67.50%
Interest, Prem	24,439	(63,359)	-359.25%
Special Assessments	0	0	0.00%
All Other Revenues	182,122	724,196	297.64%
Total Other Revenues	<u>4,960,391</u>	<u>4,224,426</u>	<u>-14.84%</u>
Total General Fund	<u><u>181,192,952</u></u>	<u><u>187,668,253</u></u>	<u><u>3.57%</u></u>

Date: September 09, 2013

**Comparative Statement of Revenues
Transportation Fund
As of August 31, 2013**

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	10,499,999	13,077,691	24.55%
Diesel Fuel	2,214,447	2,403,297	8.53%
MV Purchase & Use	8,691,986	9,822,038	13.00%
Total Taxes	<u>21,406,431</u>	<u>25,303,026</u>	18.20%
Other Revenues			
Motor Vehicle Fees	12,916,613	12,757,631	-1.23%
Other	3,037,410	3,091,570	1.78%
Total Other Revenues	<u>15,954,023</u>	<u>15,849,201</u>	-0.66%
Total Non-Dedicated	<u>37,360,455</u>	<u>41,152,227</u>	10.15%
Dedicated			
Federal Aid	70,767,891	64,201,169	-9.28%
Infrastructure Bond Fund Revenue	3,873,708	3,729,352	-3.73%
Other	907,532	695,584	-23.35%
Total Dedicated	<u>75,549,131</u>	<u>68,626,105</u>	-9.16%
Total Transportation Fund	<u>112,909,585</u>	<u>109,778,332</u>	-2.77%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 09, 2013

State of Vermont
Comparative Statement of Revenues
Education Fund
As of August 31, 2013

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	20,212,815	21,206,524	4.92%
Purchase & Use	4,345,993	4,911,019	13.00%
Lottery Transfer	2,730,724	2,562,267	-6.17%
Investment Income	14,474	11,412	-21.15%
Total estimated revenues	<u>27,304,006</u>	<u>28,691,222</u>	<u>5.08%</u>
Other Revenues:			
Education Property Taxes	(690,640)	(214,930)	68.88%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(690,640)</u>	<u>(214,930)</u>	<u>68.88%</u>
Total Education Fund	<u>26,613,366</u>	<u>28,476,292</u>	<u>7.00%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 09, 2013