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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 December Revenue Figures – General Fund Above Target; Transportation and Education Funds Fall Below Target for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the December 2010 General Fund Revenue results today. December is the sixth month of fiscal year (FY) 2011. General Fund revenues totaled \$104.16 million for December 2010, and were +\$5.76 million or +5.85% above the \$98.40 million consensus revenue forecast for the month. Year-to-date December General Fund Revenue reported in the table below and on Attachment 1 has been reduced by \$2.30 million in the “Other” category. This adjustment reflects a special one-year only revenue receipt not included in the Consensus Revenue Forecast; the \$2.3 million was received during the first four months of fiscal year 2011 and has not impacted the December current month results. Adjusting for this amount allows for a more accurate comparison to the target. **As adjusted, year-to-date General Fund receipts of \$549.38 million were +\$19.93 million, or +3.76% ahead of year to date target of \$529.45 million.**

The monthly targets reflect the revised Fiscal Year 2011 Consensus Revenue Forecast approved by the Emergency Board at their July 14, 2010 meeting. December 2010 is the last month that will be compared to the July 2010 Consensus Revenue Forecast. The Emergency Board will be adopting a revised Consensus Revenue Forecast at their meeting scheduled for January 14, 2011. 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, and are reported Net-of-Personal Income Tax refunds. Personal Income Tax receipts for December were recorded at \$52.88 million, or +\$1.53 million or +2.98% above the monthly target of \$51.35 million.

Corporate Income Taxes for December are also reported net-of refunds. The December receipts were recorded at \$18.34 million, or +\$8.16 million or +80.19% above the monthly target of \$10.18 million. Secretary Spaulding noted that "The increase in Corporate Estimates activity over the first half of fiscal year 2011 was a surprise in that it did not appear to be tied to any discrete improvement in corporate profitability or any other macroeconomic factor that is currently understood. This activity therefore represented an unusual increase that needs to prove itself sustainable over time before these revenues are to be incorporated into the revenue forecast baseline."

The consumption taxes experienced mixed results for December; Sales & Use Tax receipts of \$16.98 million fell short of the monthly target by -\$0.36 million (-2.10%), while Rooms & Meals Tax receipts of \$7.83 million exceeded target by +\$0.09 million (+1.15%).

The year to date results for the four major General Fund categories are as follows: Personal Income Tax, \$267.53 million (+1.16%); Sales & Use Tax, \$107.22 million (-0.12%); Meals & Rooms Tax, \$63.22 million (+0.13%); and Corporate, \$44.62 million (+68.85%).

The remaining 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 month of December were as follows: Insurance Tax, \$1.32 million (-13.23%); Estate Tax, \$0.49 million (-66.83%); Property Transfer Tax, \$0.68 million (-18.45%); and "Other", \$5.66 million (-29.08%). As adjusted, year to date results for these categories were: Insurance Tax, \$17.45 million (+6.29%); Estate Tax, \$5.68 million (-29.11%); Property Transfer Tax, \$4.13 million (-13.79%); and "Other", \$37.22 million (-4.21%).

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	51.35	52.88	1.53	2.98%	264.45	267.53	3.08	1.16%
Sales & Use	17.34	16.98	-0.36	-2.10%	107.35	107.22	-0.13	-0.12%
Corporate	10.18	18.34	8.16	80.19%	26.43	44.62	18.19	68.85%
Meals & Room	7.74	7.83	0.09	1.15%	63.14	63.22	0.08	0.13%
Insurance Premium	1.52	1.32	-0.20	-13.23%	16.42	17.45	1.03	6.29%
Inheritance & Estate	1.48	0.49	-0.99	-66.83%	8.02	5.68	-2.33	-29.11%
Real Prop. Transfer	0.83	0.68	-0.15	-18.45%	4.79	4.13	-0.66	-13.79%
Other	7.98	5.66	-2.32	-29.08%	38.86	37.22	-1.64	-4.21%
Total	98.40	104.16	5.76	5.85%	529.45	549.38	19.93	3.76%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also reported on the results for the non-dedicated Transportation Fund Revenue for December. Total non-dedicated Transportation Fund receipts of \$15.62 million for the month were below target by -\$1.16 million (-6.94%), against the monthly target of \$16.78 million. The year to date non-dedicated Transportation revenue was \$104.62 million versus the target of \$104.60 million (+\$0.01 million, +0.01%).

Individual Transportation Fund revenue receipts components for December were: Gasoline Tax, \$4.78 million or -8.49% behind target; Diesel Tax, \$1.20 million or -33.73% below target; Motor Vehicle Purchase & Use Tax, \$3.98 million or +12.76% above target; Motor Vehicle Fees, \$4.59 million or -0.20% short of target; and Other Fees, \$1.07 million or -34.02% below the monthly target. The December year to date Transportation Fund revenue results were: Gasoline Tax, \$31.62 million or -1.47% short of target, Diesel Tax, \$7.37 million or -4.56% behind target; Motor Vehicle Purchase & Use Tax, \$24.38 million or +1.79% ahead of target; Motor Vehicle Fees, \$33.21 million or +3.15% above target; and Other Fees, \$8.03 million or -7.00% short of target.

Secretary Spaulding also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for December were \$1.21 million or -9.89% below target; year to date receipts of \$8.30 million were -1.40% short of target. TIB Fund Diesel receipts were \$0.15 million or -32.59% behind target for the month; year to date TIB Diesel receipts were \$0.87 million or -6.28% short of the 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	5.23	4.78	-0.44	-8.49%	32.09	31.62	-0.47	-1.47%
Diesel Fuel	1.81	1.20	-0.61	-33.73%	7.73	7.37	-0.35	-4.56%
MV Purchase & Use	3.53	3.98	0.45	12.76%	23.95	24.38	0.43	1.79%
Motor Vehicle Fees	4.60	4.59	-0.01	-0.20%	32.20	33.21	1.01	3.15%
Other	1.62	1.07	-0.55	-34.02%	8.64	8.03	-0.60	-7.00%
Total	16.78	15.62	-1.16	-6.94%	104.60	104.62	0.01	0.01%

Note:

TIB Fuel

Fees/Gasoline	1.34	1.21	-0.13	-9.89%	8.42	8.30	-0.12	-1.40%
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TIB Fuel Fees/Diesel	0.22	0.15	-0.07	-32.59%	0.93	0.87	-0.06	-6.28%
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*Differences due to rounding

Education Fund

The “non-Property Tax” Education Fund revenues (which constitute approximately 11.9% of the total Education Fund sources) were released today by Secretary Spaulding. The non-Property Tax Education Fund receipts for December totaled \$11.93 million, or -\$0.06 million (-0.47%) short of the \$11.99 million target for the month. Year to date Education Fund revenues were \$74.97 million or -0.39% behind the year to date target of \$75.26 million.

The individual Education Fund revenue component results for December were: Sales & Use Tax, \$8.49 million, or -2.10% below target; Motor Vehicle Purchase & Use Tax, \$1.99 million or +12.76%; Lottery Transfer, \$1.45 million or -5.31%; and Education Fund Interest, under \$0.01 million against a target of \$0.02 million (-78.11%). Year-to-date results were: Sales & Use Tax, \$53.61 million or -0.12%; Motor Vehicle Purchase & Use Tax, \$12.19 million or +1.79%; Lottery Transfer, \$9.14 million or -3.76%; and Education Fund Interest, \$0.03 against a target of \$0.11 million (-75.90%).

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				%	Fiscal YTD			
	Target	Revenue	\$ Change	% Change		Target	Revenue	\$ Change	% Change
Sales & Use	8.67	8.49	-0.18	-2.10%		53.68	53.61	-0.07	-0.12%
MV Purchase & Use	1.76	1.99	0.23	12.76%		11.98	12.19	0.21	1.79%
Lottery Transfer	1.53	1.45	-0.08	-5.31%		9.50	9.14	-0.36	-3.76%
Investment Income	0.02	0.01	-0.02	-78.11%		0.11	0.03	-0.08	-75.90%
Total	11.99	11.93	-0.06	-0.47%		75.26	74.97	-0.29	-0.39%

*Differences due to rounding

Conclusion

Secretary Spaulding explained that, “Comments and analysis on the state of the economy and revenue results will be presented in detail by the State’s two economists at this weeks’ Emergency Board Meeting on Friday, January 14, 2011. In summary, we are pleased to see improvement in the General Fund and we await Friday’s revised revenue outlook.”

Attachments

The detailed schedules of the December 2010 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 December 31, 2010**

General Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year ^(a)</u>	<u>% of Change</u>
Taxes			
Personal Income	255,325,786	267,528,240	4.78%
Sales & Use	103,256,050	107,222,039	3.84%
Corporate	29,659,141	44,621,916	50.45%
Meals & Room	61,000,450	63,222,898	3.64%
Liquor & Wine	7,671,124	7,585,677	-1.11%
Insurance Premium	16,890,220	17,450,743	3.32%
Telephone Gross Receipts	117,784	118,787	0.85%
Telephone Property	2,876,916	2,550,885	-11.33%
Beverage	2,936,635	3,018,992	2.80%
Electric Generating	1,440,356	1,457,293	1.18%
Inheritance & Estate	8,012,430	5,684,792	-29.05%
Real Property Transfer	4,342,558	4,130,302	-4.89%
Bank Franchise	4,979,500	10,271,324	106.27%
All Other Taxes	267,701	3,055,947	1041.55%
Total Taxes	<u>498,776,648</u>	<u>537,919,835</u>	<u>7.85%</u>
Other Revenues			
Business Licenses	530,444	542,467	2.27%
Fees	9,277,956	9,870,715	6.39%
Services	597,640	560,943	-6.14%
Fines, Forfeits & Penalties	4,793,347	2,049,591	-57.24%
Interest, Prem	202,163	(192,722)	-195.33%
Special Assessments	(116)	0	100.00%
All Other Revenues	227,982	928,778	307.39%
Total Other Revenues	<u>15,629,415</u>	<u>13,759,771</u>	<u>-11.96%</u>
Total General Fund	<u>514,406,063</u>	<u>551,679,606</u>	<u>7.25%</u>
Adjust Gross Receipts		<u>(2,300,000)</u> (a)	
Total General Fund, Consensus Revenue Basis		<u>549,379,606</u>	

(a) FY 2011 year-to-date is adjusted by \$2,300,000 in Gross Receipts Tax. These receipts are not included in the Consensus Revenue Forecast and are reported on a separate line item on the General Fund Operating Statement for budget presentation purposes. These receipts were deposited into the General Fund on a one-time only basis in FY 2011 in accordance with Act 156 Sec. D.105 of the 2010 session. Adjusting for this inconsistency allows for a more accurate comparison to the Consensus Revenue targets. This adjustment is for budget presentation purposes only and will not impact the revenue as recorded in the VISION statewide financial system nor as will be presented in the FY 2011 CAFR when issued.

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 06, 2011

Revised: January 11, 2011

Time: 15:13

**Comparative Statement of Revenues
Transportation Fund
As of December 31, 2010**

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	32,051,951	31,619,916	-1.35%
Diesel Fuel	7,330,676	7,372,474	0.57%
MV Purchase & Use	<u>22,532,298</u>	<u>24,380,217</u>	8.20%
Total Taxes	<u>61,914,925</u>	<u>63,372,607</u>	2.35%
Other Revenues			
Motor Vehicle Fees	33,053,717	33,209,836	0.47%
Other	<u>8,537,752</u>	<u>8,034,295</u>	-5.90%
Total Other Revenues	<u>41,591,469</u>	<u>41,244,132</u>	-0.84%
Total Non-Dedicated	<u>103,506,393</u>	<u>104,616,739</u>	1.07%
Dedicated			
Federal Aid	132,232,747	186,002,383	40.66%
Infrastructure Fuel Fees	6,329,771	9,170,725	44.88%
Other	<u>1,178,089</u>	<u>1,034,600</u>	-12.18%
Total Dedicated	<u>139,740,607</u>	<u>187,036,983</u>	33.85%
Total Transportation Fund	<u>243,247,000</u>	<u>291,653,722</u>	19.90%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 06, 2011

Time: 15:14

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of December 31, 2010**

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	51,627,250	53,610,215	3.84%
Purchase & Use	11,266,074	12,190,108	8.20%
Lottery Transfer	9,134,406	9,142,430	0.09%
Investment Income	57,146	25,847	-54.77%
Total estimated revenues	<u>72,084,876</u>	<u>74,968,601</u>	<u>4.00%</u>
Other Revenues:			
Education Property Taxes	80,386,598	81,592,685	1.50%
Electric Energy Educ Prop Tax	1,051,758	1,064,037	1.17%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>81,438,356</u>	<u>82,656,722</u>	<u>1.50%</u>
Total Education Fund	<u>153,523,232</u>	<u>157,625,323</u>	<u>2.67%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 06, 2011

Time: 15:14