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Jeb Spaulding, Secretary

PRESS RELEASE

January 14, 2013

FOR IMMEDIATE RELEASE

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Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for December 2012; General Fund Exceeds Monthly Target; Transportation and Education Funds Fall Short of Target for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the December 2012 General Fund (GF) Revenue results today. December is the sixth month of fiscal year (FY) 2013. General Fund revenues totaled \$113.93 million for December 2012, and were +\$4.63 million or +4.23% above the \$109.30 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$601.57 million, and +\$4.58 million or +0.77% ahead of the cumulative target of \$596.99 million.

Secretary Spaulding commented, "Very strong performance in Corporate Income Tax receipts in December propelled the total General Fund receipts above target for both the month and year-to-date. That good news is tempered somewhat by underperformance in Personal Income and Sales & Use taxes for the month. Most importantly, FY 2013 General Fund receipts through first six months of the year exceed collections for the same period last year by 5.7%, consistent with continuing economic recovery."

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. The next Emergency Board meeting is scheduled for January 23, 2013.

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 December were recorded at \$56.53 million, -\$2.14 million or -3.64% below the monthly target of \$58.67 million. Year to date, Net PI Receipts were \$293.98 million, -\$8.47

million or -2.80% behind the FY 2013 target and +3.55% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. December Net Corporate Income Tax receipts of \$22.50 million were +\$9.49 million or +72.98% above the monthly target of \$13.01 million. Year to date Corporate receipts were \$49.40 million, +\$12.40 million or +33.50% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by 30.05%.

Consumption tax results for December were both short of target: Sales & Use Tax receipts of \$17.28 million were behind target by -\$1.68 million (-8.88%); Rooms & Meals Tax receipts of \$7.71 million were behind target by -\$0.42 million (-5.15%). Year to date, Sales & Use Tax receipts of \$115.09 million are -\$2.19 million below the target of \$117.28 million. Cumulative Rooms & Meals Tax of \$68.80 million remain just above target by +0.06%. Sales & Use Tax and Rooms & Meals Tax both exceed receipts for the prior year by +1.51% and +5.18% 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 December were as follows: Insurance Tax, \$1.50 million (-13.41%); Inheritance & Estate Tax, \$0.13 (-92.59%); Property Transfer Tax, \$0.88 million (+26.29%); and "Other", \$7.39 million (+16.70%). The fiscal year to date December results for the remaining non-major categories were: Insurance Tax, \$17.15 million (+3.54%); Inheritance & Estate Tax, \$10.99 (+15.09%); Property Transfer Tax, \$4.97 million (+8.31%); and "Other", \$41.19 million (+0.91%). Cumulatively, the total non-major component receipts of \$74.30 million exceeded the prior year total by +\$5.85 million, or +8.54%.

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	58.67	56.53	-2.14	-3.64%	302.45	293.98	-8.47	-2.80%	283.90	10.08	3.55%	
Sales & Use	18.97	17.28	-1.68	-8.88%	117.28	115.09	-2.19	-1.87%	113.38	1.72	1.51%	
Corporate	13.01	22.50	9.49	72.98%	37.00	49.40	12.40	33.50%	37.99	11.41	30.05%	
Meals & Room	8.13	7.71	-0.42	-5.15%	68.74	68.80	0.06	0.09%	65.41	3.39	5.18%	
Insurance Premium	1.74	1.50	-0.23	-13.41%	16.56	17.15	0.59	3.54%	16.56	0.59	3.54%	
Inheritance & Estate	1.76	0.13	-1.63	-92.59%	9.55	10.99	1.44	15.09%	9.41	1.58	16.84%	
Real Prop. Transfer	0.70	0.88	0.18	26.29%	4.59	4.97	0.38	8.31%	4.19	0.78	18.57%	
Other	6.33	7.39	1.06	16.70%	40.81	41.19	0.37	0.91%	38.28	2.90	7.58%	
Total	109.30	113.93	4.63	4.23%	596.99	601.57	4.58	0.77%	569.12	32.45	5.70%	

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for December was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$16.25 million for the month fell short of the target by -\$0.98 million (-5.69%), against the monthly target of \$17.23 million. Year to Date, non-dedicated Transportation Fund receipts of \$109.53 were -\$1.94 million or -1.74% below the target of \$111.47 million. Compared to FY 2012, year to date December Transportation Funds receipts exceed the prior year by +\$1.94 million or +1.80% for the same period.

Individual Transportation Fund revenue receipts components for December all fell below target with the exception of the “Other” category: Gasoline Tax, \$4.61 million or -7.43% below target; Diesel Tax, \$1.38 million or -2.34% below target; Motor Vehicle Purchase & Use Tax, \$3.80 million or -8.18% behind target; Motor Vehicle Fees, \$4.79 million or -8.86% below target; and Other Fees, \$1.67 million or +15.75% in excess of the monthly target. Year to date results for the individual Transportation Fund revenue components for December were below target in all but the “Other” category: Gasoline Tax, \$30.58 million or -2.28% below target; Diesel Tax, \$7.42 million or -6.40% behind target; Motor Vehicle Purchase & Use Tax, \$26.63 million or -2.43% short of target; Motor Vehicle Fees, \$35.69 million or -1.64% short of target; and Other Fees, \$9.20 million or +6.20% above the monthly target.

Secretary Spaulding said, “It is disappointing to have the Transportation Fund fall back from the gains made last month. Clearly, with the gas tax producing less revenue than last year, there are underlying issues in the Transportation Fund which need to be addressed in the upcoming legislative session. People are driving fewer miles and in more fuel efficient cars, and that is putting stress on our traditional revenue generation model for the maintenance of our transportation infrastructure.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for December were \$1.64 million or -4.48% behind the monthly target; year to date TIB Gas receipts were \$11.07 million or +1.45% above target. TIB Fund Diesel receipts for the month were \$0.17 million or -6.48% short of the monthly target; year to date TIB Diesel receipts were \$0.77 million or -22.59% short of target. The year to date TIB results were +80.10% and +321.3% above the TIB Fund Gas receipts and TIB Diesel receipts, respectively, from the prior year (FY 2012). TIB Fund receipts are noted below the following table:

*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	4.98	4.61	-0.37	-7.43%	31.30	30.58	-0.71	-2.28%	31.14	-0.56	-1.80%
Diesel Fuel	1.42	1.38	-0.03	-2.34%	7.93	7.42	-0.51	-6.40%	7.81	-0.38	-4.89%
MV Purchase & Use	4.14	3.80	-0.34	-8.18%	27.29	26.63	-0.66	-2.43%	26.11	0.52	1.98%
Motor Vehicle Fees	5.25	4.79	-0.46	-8.86%	36.28	35.69	-0.59	-1.64%	33.67	2.02	6.01%
Other	1.44	1.67	0.23	15.75%	8.67	9.20	0.54	6.20%	8.86	0.34	3.86%
Total	17.23	16.25	-0.98	-5.69%	111.47	109.53	-1.94	-1.74%	107.59	1.94	1.80%

Note:

TIB Fuel Fees/Gasoline	1.72	1.64	-0.08	-4.48%	10.92	11.07	0.16	1.45%	6.15	4.93	80.10%
TIB Fuel Fees/Diesel	0.18	0.17	-0.01	-6.48%	0.99	0.77	-0.22	-22.59%	0.18	0.59	321.30%

*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 December totaled \$12.29 million, or -\$0.86 million (-6.52%) below the \$13.14 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$80.47 million, or -2.18% short of the year to date target. The individual Education Fund revenue component results for December were: Sales & Use Tax, \$8.64 million, or -8.88% below target; Motor Vehicle Purchase & Use Tax, \$1.90 million or -8.18%; Lottery Transfer,

\$1.73 million or +9.86% above target; Education Fund Interest for December was less than \$.01 million against a target of less than \$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$57.54 million, or -1.87% short of target; Motor Vehicle Purchase & Use Tax, \$13.31 million or -2.43%; Lottery Transfer, \$9.56 million or -3.69% below target; year to date Education Fund Interest was less than \$0.05 million against a target under \$0.05 million. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +1.65% ahead of the FY 2012 results for the same period.

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	9.48	8.64	-0.84	-8.88%	58.64	57.54	-1.10	-1.87%	56.69	0.86	1.52%
MV Purchase & Use	2.07	1.90	-0.17	-8.18%	13.64	13.31	-0.33	-2.43%	13.06	0.26	1.98%
Lottery Transfer	1.58	1.73	0.16	9.86%	9.93	9.56	-0.37	-3.69%	9.40	0.16	1.73%
Investment Income	0.01	0.01	0.00	-15.22%	0.05	0.05	0.00	-3.53%	0.02	0.03	146.79%
Total	13.14	12.29	-0.86	-6.52%	82.27	80.47	-1.80	-2.18%	79.16	1.31	1.65%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Six months through the fiscal year, the revenue picture is mixed, with the General Fund a little ahead of target and the Transportation and Education funds a little under target. The updated consensus forecast, scheduled for presentation next week, will be helpful looking forward.

Attachments

The detailed schedules of the December 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 December 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	283,896,671	293,984,326	3.55%
Sales & Use	113,375,266	115,090,772	1.51%
Corporate	37,986,572	49,400,254	30.05%
Meals & Room	65,409,686	68,797,927	5.18%
Liquor & Wine	8,763,007	8,633,888	-1.47%
Insurance Premium	16,562,641	17,148,287	3.54%
Telephone Gross Receipts	106,169	101,181	-4.70%
Telephone Property	4,479,505	4,656,820	3.96%
Beverage	3,093,093	3,229,048	4.40%
Electric Generating	1,464,106	3,239,613	121.27%
Inheritance & Estate	9,406,464	10,989,812	16.83%
Real Property Transfer	4,193,982	4,972,738	18.57%
Bank Franchise	5,433,682	5,281,056	-2.81%
All Other Taxes	651,621	961,601	47.57%
Total Taxes	<u>554,822,466</u>	<u>586,487,323</u>	<u>5.71%</u>
Other Revenues			
Business Licenses	581,594	504,060	-13.33%
Fees	9,732,902	10,054,682	3.31%
Services	865,305	1,097,731	26.86%
Fines, Forfeits & Penalties	2,680,780	2,162,989	-19.31%
Interest, Prem	83,015	143,803	73.22%
Special Assessments	0	0	0.00%
All Other Revenues	349,660	1,118,490	219.88%
Total Other Revenues	<u>14,293,256</u>	<u>15,081,755</u>	<u>5.52%</u>
Total General Fund	<u><u>569,115,723</u></u>	<u><u>601,569,078</u></u>	<u><u>5.70%</u></u>

Date: January 07, 2013

**Comparative Statement of Revenues
Transportation Fund
As of December 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	31,144,231	30,584,329	-1.80%
Diesel Fuel	7,804,740	7,423,030	-4.89%
MV Purchase & Use	<u>26,110,917</u>	<u>26,626,722</u>	1.98%
Total Taxes	<u>65,059,888</u>	<u>64,634,081</u>	-0.65%
Other Revenues			
Motor Vehicle Fees	33,665,840	35,687,676	6.01%
Other	<u>8,861,879</u>	<u>9,204,087</u>	3.86%
Total Other Revenues	<u>42,527,719</u>	<u>44,891,763</u>	5.56%
Total Non-Dedicated	<u>107,587,607</u>	<u>109,525,844</u>	1.80%
Dedicated			
Federal Aid	179,360,744	177,862,426	-0.84%
Infrastructure Bond Fund Revenue	11,908,678	11,842,702	-0.55%
Other	<u>3,166,199</u>	<u>1,586,256</u>	-49.90%
Total Dedicated	<u>194,435,621</u>	<u>191,291,385</u>	-1.62%
Total Transportation Fund	<u><u>302,023,228</u></u>	<u><u>300,817,229</u></u>	<u>-0.40%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 07, 2013

State of Vermont
Comparative Statement of Revenues
Education Fund
As of December 31, 2012

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	56,686,783	57,544,523	1.51%
Purchase & Use	13,055,458	13,313,361	1.98%
Lottery Transfer	9,399,199	9,561,491	1.73%
Investment Income	20,977	51,730	146.61%
Total estimated revenues	<u>79,162,417</u>	<u>80,471,105</u>	<u>1.65%</u>
Other Revenues:			
Education Property Taxes	66,944,709	72,082,570	7.67%
Electric Energy Educ Prop Tax	1,068,977	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>68,013,685</u>	<u>72,082,570</u>	<u>5.98%</u>
Total Education Fund	<u>147,176,102</u>	<u>152,553,676</u>	<u>3.65%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 07, 2013