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Jeb Spaulding, Secretary

PRESS RELEASE

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Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for January 2012: General Fund, Transportation Fund and Education Fund below Target for the Month.

General Fund

Today, Secretary of Administration Jeb Spaulding released the January 2012 General Fund (GF) revenue results. January is the seventh month of fiscal year (FY) 2012. General Fund revenues totaled \$129.17 million for January 2012, and were -\$4.67 million or -3.49% below the \$133.84 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$698.29 million, and -\$4.67 million or 0.66% short of the target of \$702.95 million for FY 2012.

Secretary Spaulding explained, "The January revenue results against target were disappointing, but not terribly surprising. The lack of snow is having an impact on consumption tax receipts and personal income tax withholding was less than predicted. I caution against using the results of one month to project whether the FY 2012 revenue targets are in jeopardy and do not believe January's performance is an indicator of the underlying strength of Vermont's economy."

"On a positive note, despite January 2012 General Fund revenues being below the monthly target, they do exceed the prior year results by 1.28%, indicative of our modest, but steady recovery," continued Spaulding.

Current targets reflect the Fiscal Year 2012 Consensus Revenue Forecast adopted by the Emergency Board at their January 18, 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. A date for the July 2012 Emergency Board has not been selected at this time.

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 January were recorded at \$80.45 million, -\$2.99 million or -3.58% below the monthly target of \$83.43 million. The year to date Net PI Tax receipts were \$364.34 million, or -0.81% below the cumulative target and 6.80% ahead of the prior fiscal year.



Corporate Income Taxes are also reported net of refunds. Corporate Refunds for the month were \$0.86 million, ahead of the -\$0.73 million monthly target by +\$1.60 million. Year to date Corporate receipts were \$38.85 million, +\$1.60 million or +4.29% ahead of target, but -18.95% below results through January of the prior fiscal year. Secretary Spaulding commented, “If there is an area of concern with the revenue forecast for the remainder of FY 2012, it is with Corporate Income Tax. Indications are that larger refunds than forecast may be on the horizon, due to what we believe are over payments in Corporate Estimates. For corporations which file taxes on a calendar year, the filing deadline is March 15, 2012. We will know a good deal more by the end of March.”

Consumption tax results for January were below target for the month. Sales & Use Tax receipts of \$26.97 million were short of target by -\$0.94 million (-3.35%); Rooms & Meals Tax receipts of \$11.03 million were below target by -\$0.54 million (-4.65%). Year to date, Sales & Use Tax receipts of \$140.34 million were behind target by -0.66% and Rooms & Meals Tax receipts of \$76.44 were short of target by -0.70% for the current fiscal year (FY 2012). Compared to the results for the same period of the prior fiscal year (FY 2011), cumulative January consumption taxes (Sales & Use, and Meals & Rooms) exceeded the prior year results by +5.90% and +3.62% 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 January were as follows: Insurance Tax, \$0.79 million (+30.78%); Inheritance & Estate Tax, \$0.69 (-59.83%); Property Transfer Tax, \$0.45 million (-40.55%); and “Other”, \$7.94 million (-7.58%). The year to date January results for the remaining non-major categories were: Insurance Tax, \$17.35 million (+1.08%); Inheritance & Estate Tax, \$10.10 (-9.27%); Property Transfer Tax, \$4.64 million (-6.20%); and “Other”, \$46.22 million (-1.39%). Cumulatively, the year to date non-major components total of \$78.3 million through January 2012, is \$10.85 million or -12.17% below the receipts for the same period of FY 2011 (reduced for a one-time settlement received in August 2010).

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	83.43	80.45	-2.99	-3.58%	367.33	364.34	-2.99	-0.81%
Sales & Use	27.90	26.97	-0.94	-3.35%	141.28	140.34	-0.94	-0.66%
Corporate	-0.73	0.86	1.60	-217.64%	37.25	38.85	1.60	4.29%
Meals & Room	11.57	11.03	-0.54	-4.65%	76.97	76.44	-0.54	-0.70%
Insurance Premium	0.60	0.79	0.19	30.78%	17.16	17.35	0.19	1.08%
Inheritance & Estate	1.72	0.69	-1.03	-59.83%	11.13	10.10	-1.03	-9.27%
Real Prop. Transfer	0.76	0.45	-0.31	-40.55%	4.95	4.64	-0.31	-6.20%
Other	8.59	7.94	-0.65	-7.58%	46.87	46.22	-0.65	-1.39%
Total	133.84	129.17	-4.67	-3.49%	702.95	698.29	-4.67	-0.66%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for January. Total non-dedicated Transportation Fund receipts of \$16.04 million for the month fell short of target by -\$0.57 million (-3.43%), against the monthly target of \$16.61 million. The January year to date Transportation Fund receipts of \$123.63 million was below the \$124.20 million

target by -0.46%. Year to date January FY 2012 non-dedicated Transportation Funds have exceeded the prior year (FY 2011) by 1.99% for the same period.

Gasoline Tax, Diesel Fuel Tax and Motor Vehicle Fees all fell short of target for the month, with Motor Vehicle Purchase & Use and “Other” exceeding target. Individual Transportation Fund revenue components for January were: Gasoline Tax, \$4.89 million or -4.81% behind target; Diesel Tax, \$1.29 million or -4.49% below target; Motor Vehicle Purchase & Use Tax, \$3.85 million or +3.39% ahead of target; Motor Vehicle Fees, \$4.56 million or -8.18% above; and Other Fees, \$1.44 million or +1.36% above the monthly target. Year to date results for the individual Transportation Fund revenue components for January were: Gasoline Tax, \$36.04 million or -0.68% short of target; Diesel Tax, \$9.09 million or -0.66% below target; Motor Vehicle Purchase & Use Tax, \$29.96 million or +0.42% above target; Motor Vehicle Fees, \$38.23 million or -1.05% behind target; and Other Fees, \$10.31 million or +0.19% above the monthly target.

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for January were \$1.76 million or +5.33% in excess of target; year to date TIB Gas receipts were \$12.73 million or +0.71% ahead of target. TIB Fund Diesel receipts for the month were \$0.15 million or -20.25% below the monthly target; year to date TIB Diesel receipts were \$1.09 million or -3.45% short of target. The 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	5.14	4.89	-0.25	-4.81%	36.28	36.04	-0.25	-0.68%
Diesel Fuel	1.35	1.29	-0.06	-4.49%	9.15	9.09	-0.06	-0.66%
MV Purchase & Use	3.73	3.85	0.13	3.39%	29.84	29.96	0.13	0.42%
Motor Vehicle Fees	4.97	4.56	-0.41	-8.18%	38.64	38.23	-0.41	-1.05%
Other	1.42	1.44	0.02	1.36%	10.29	10.31	0.02	0.19%
Total	16.61	16.04	-0.57	-3.43%	124.20	123.63	-0.57	-0.46%

Note:

TIB Fuel								
Fees/Gasoline	1.67	1.76	0.09	5.33%	12.64	12.73	0.09	0.71%
TIB Fuel Fees/Diesel	0.19	0.15	-0.04	-20.25%	1.13	1.09	-0.04	-3.45%

*Differences due to rounding

Education Fund

Today, Secretary Spaulding released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources). The non-Property Tax Education Fund receipts for January totaled \$17.55 million, or -\$0.27 million (-1.53%) below the \$17.82 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$96.71 million, or -0.28% short of the year to date target. The individual Education Fund revenue component results for January were: Sales & Use Tax, \$13.48 million, or -3.35% below target; Motor Vehicle Purchase & Use Tax, \$1.93 million or +3.39%; Lottery Transfer, \$2.14 million or +8.02%; Education Fund Interest for January was immaterial for the month. Year to date receipts by component were: Sales & Use Tax, \$70.17 million, or -0.66% short of target; Motor Vehicle Purchase & Use Tax, \$14.98 million or +0.42%; Lottery Transfer, \$11.54 million or +1.40% ahead of target; year to date Education Fund Interest for January was \$0.02 million against a target of below \$0.05 million. Although the non-property tax Education Fund receipts

are below the current year target, they are 6.49% 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	13.95	13.48	-0.47	-3.35%	70.64	70.17	-0.47	-0.66%
MV Purchase & Use	1.86	1.93	0.06	3.39%	14.92	14.98	0.06	0.42%
Lottery Transfer	1.98	2.14	0.16	8.02%	11.38	11.54	0.16	1.40%
Investment Income	0.02	0.00	-0.03	-109.91%	0.05	0.02	-0.03	-59.35%
Total	17.82	17.55	-0.27	-1.53%	96.98	96.71	-0.27	-0.28%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Although the results for all three major funds (General, Transportation and Education Funds) were below the recently revised Consensus Revenue Forecast targets for the month, we see no reason to ring alarm bells at this time. We will carefully watch as results of the spring tax filing season come in and the rest of the winter recreational season plays out to get a clearer picture of where revenue results for the year are headed.”

Attachments

The detailed schedules of the January 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 January 31, 2012**

General Fund Schedule 2

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of</u> <u>Change</u>
Taxes			
Personal Income	341,133,927	364,344,012	6.80%
Sales & Use	132,525,351	140,342,797	5.90%
Corporate	47,935,192	38,851,076	-18.95%
Meals & Room	73,765,583	76,436,625	3.62%
Liquor & Wine	9,134,681	9,961,794	9.05%
Insurance Premium	17,892,547	17,348,730	-3.04%
Telephone Gross Receipts	170,015	157,614	-7.29%
Telephone Property	4,454,714	4,479,505	0.56%
Beverage	3,578,543	3,645,705	1.88%
Electric Generating	1,457,293	1,464,106	0.47%
Inheritance & Estate	19,219,832	10,098,754	-47.46%
Real Property Transfer	5,211,491	4,643,753	-10.89%
Bank Franchise	12,791,149	8,136,665	-36.39%
All Other Taxes	3,156,099	733,206	-76.77%
Total Taxes	<u>672,426,416</u>	<u>680,644,342</u>	<u>1.22%</u>
Other Revenues			
Business Licenses	1,277,385	1,297,367	1.56%
Fees	11,343,157	11,573,754	2.03%
Services	651,503	1,075,760	65.12%
Fines, Forfeits & Penalties	2,931,088	2,983,498	1.79%
Interest, Prem	(136,829)	104,907	176.67%
Special Assessments	0	0	0.00%
All Other Revenues	968,731	607,231	-37.32%
Total Other Revenues	<u>17,035,035</u>	<u>17,642,517</u>	<u>3.57%</u>
Total General Fund	<u><u>689,461,451</u></u>	<u><u>698,286,859</u></u>	<u><u>1.28%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

**Comparative Statement of Revenues
Transportation Fund
As of January 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	36,771,127	36,036,621	-2.00%
Diesel Fuel	8,994,247	9,093,873	1.11%
MV Purchase & Use	<u>27,922,521</u>	<u>29,962,465</u>	7.31%
Total Taxes	<u>73,687,896</u>	<u>75,092,959</u>	1.91%
Other Revenues			
Motor Vehicle Fees	37,910,066	38,228,754	0.84%
Other	<u>9,616,095</u>	<u>10,305,640</u>	7.17%
Total Other Revenues	<u>47,526,160</u>	<u>48,534,394</u>	2.12%
Total Non-Dedicated	<u>121,214,056</u>	<u>123,627,352</u>	1.99%
Dedicated			
Federal Aid	199,879,762	203,456,453	1.79%
Infrastructure Fuel Fees	10,701,876	13,822,530	29.16%
Other	<u>8,372,232</u>	<u>3,500,972</u>	-58.18%
Total Dedicated	<u>218,953,870</u>	<u>220,779,955</u>	0.83%
Total Transportation Fund	<u><u>340,167,926</u></u>	<u><u>344,407,307</u></u>	1.25%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

State of Vermont
Comparative Statement of Revenues
Education Fund
As of January 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	66,261,682	70,170,346	5.90%
Purchase & Use	13,961,261	14,981,232	7.31%
Lottery Transfer	10,557,955	11,537,394	9.28%
Investment Income	31,204	18,536	-40.60%
Total estimated revenues	<u>90,812,101</u>	<u>96,707,508</u>	<u>6.49%</u>
Other Revenues:			
Education Property Taxes	81,677,110	66,735,256	-18.29%
Electric Energy Educ Prop Tax	1,064,037	1,068,977	0.46%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>82,741,147</u>	<u>67,804,232</u>	<u>-18.05%</u>
Total Education Fund	<u>173,553,247</u>	<u>164,511,740</u>	<u>-5.21%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management