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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 January 2013

General Fund

Secretary of Administration Jeb Spaulding released the January 2013 General Fund (GF) Revenue results today. January is the seventh month of fiscal year (FY) 2013. General Fund revenues totaled \$148.98 million for January 2013, and were +\$2.36 million or +1.61% above the newly revised \$146.62 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$750.55 million, and +\$2.36 million or +0.32% ahead of the cumulative target of \$748.18 million.

Secretary Spaulding commented, "January was a good month for the State Treasury. Strong Personal Income Tax receipts, along with higher than projected Corporate Income Tax, Meals & Rooms Tax and Property Transfer Tax receipts pushed the General Fund results for January \$2.3 million above the newly revised monthly target. By comparison, General Fund receipts for January 2013 were 15.34% above the monthly receipts for January 2012. Cumulatively, FY 2013 General Fund receipts through January 2013 exceed collections for the same period last year by +\$52.26 million or +7.48%, consistent with the continuing economic recovery."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their January 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. The July 2013 meeting has not been scheduled at this time.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 48% 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 \$91.81 million, +\$4.17 million or +4.76% above the monthly target of \$87.64 million. Year to date, Net PI Receipts were \$385.80 million is +1.09%

above the FY 2013 target and +5.89% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. January Net Corporate Income Tax receipts of \$3.02 million were +\$0.60 million or +24.56% above the monthly target of \$2.43 million. Year to date Corporate receipts were \$52.42 million or +1.15% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by 34.93%.

Consumption tax results for January were mixed: Sales & Use Tax receipts of \$27.96 million were behind target by -\$0.87 million (-3.02%) reflecting softer than projected holiday spending; while Rooms & Meals Tax receipts of \$12.37 million were above target by +\$0.74 million (+6.38%), a result a late December snow fall boost to the winter economy. Year to date, Sales & Use Tax receipts of \$143.05 million are -0.61% below the target of \$143.92 million. Cumulative Rooms & Meals Tax of \$81.17 million exceeded target by +0.92%. Sales & Use Tax and Rooms & Meals Tax through January both exceed receipts for the prior year by +1.93% and +6.19%, 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, \$0.51 million (-10.41%); Inheritance & Estate Tax, \$1.87 (-22.08%); Property Transfer Tax, \$0.63 million (+10.37%); and "Other", \$10.81 million (-13.90%). The fiscal year to date January results for the remaining non-major categories were: Insurance Tax, \$17.66 million (-0.33%); Inheritance & Estate Tax, \$12.86 million (-3.96%); Property Transfer Tax, \$5.60 million (+1.06%); and "Other", \$51.99 million (-3.25%). Cumulatively, the total non-major component receipts of \$88.11 million exceeded the prior year total by +\$9.80 million, or +12.52%.

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	87.64	91.81	4.17	4.76%	381.62	385.80	4.17	1.09%	364.34	21.45	5.89%
Sales & Use	28.83	27.96	-0.87	-3.02%	143.92	143.05	-0.87	-0.61%	140.34	2.71	1.93%
Corporate	2.43	3.02	0.60	24.56%	51.83	52.42	0.60	1.15%	38.85	13.57	34.93%
Meals & Room	11.63	12.37	0.74	6.38%	80.43	81.17	0.74	0.92%	76.44	4.73	6.19%
Insurance Premium	0.57	0.51	-0.06	-10.41%	17.72	17.66	-0.06	-0.33%	17.35	0.31	1.78%
Inheritance & Estate	2.40	1.87	-0.53	-22.08%	13.39	12.86	-0.53	-3.96%	10.10	2.76	27.37%
Real Prop. Transfer	0.57	0.63	0.06	10.37%	5.54	5.60	0.06	1.06%	4.64	0.96	20.59%
Other	12.55	10.81	-1.74	-13.90%	53.74	51.99	-1.75	-3.25%	46.22	5.77	12.49%
Total	146.62	148.98	2.36	1.61%	748.18	750.55	2.36	0.32%	698.29	52.26	7.48%

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for January was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$17.13 million for the month exceeded the target by +\$0.13 million (+0.76%). Year to Date, non-dedicated Transportation Fund receipts of \$126.66 were +0.10% above the target of \$126.53 million. Compared to FY

2012, year to date January Transportation Funds receipts exceed the prior year by +\$3.01 million or +2.44% for the same period.

Individual Transportation Fund revenue receipts components for January were mixed: Gasoline Tax, \$4.60 million or -8.19% below target; Diesel Tax, \$1.57 million or +14.52% ahead of target; Motor Vehicle Purchase & Use Tax, \$4.10 million or +5.72% above target; Motor Vehicle Fees, \$ 5.15 million or -1.57% below target; and Other Fees, \$1.72 million or +13.35% in excess of the monthly target. Year to date results for the individual Transportation Fund revenue components for January were: Gasoline Tax, \$35.18 million or -1.15% below target; Diesel Tax, \$8.99 million or +2.31% above target; Motor Vehicle Purchase & Use Tax, \$30.73 million or +0.73% above target; Motor Vehicle Fees, \$40.84 million or -0.20% short of target; and Other Fees, \$10.92 million or +1.90% above the monthly target.

Secretary Spaulding said, “Once again, the gas tax is producing less revenue than projected, even with the newly revised target, and is also producing less revenue than last year. This reflects the underlying issues in the Transportation Fund, which are being addressed in the current legislative session. Energy efficient vehicles and efforts to drive fewer miles, while good for climate change and reducing our dependence on foreign oil, have a negative impact on our ability to generate sufficient revenue to maintain our transportation infrastructure.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for January were \$1.64 million or -8.70% behind the monthly target; year to date TIB Gas receipts were \$12.71 million or -1.21% below target. TIB Fund Diesel receipts for the month were \$0.20 million or +6.33% ahead of the monthly target; year to date TIB Diesel receipts were \$0.96 million or 1.22% ahead of target. The year to date TIB Gas and Diesel results were -0.15% and -11.98% behind 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	5.01	4.60	-0.41	-8.19%	35.59	35.18	-0.41	-1.15%	36.05	-0.87	-2.42%
Diesel Fuel	1.37	1.57	0.20	14.52%	8.79	8.99	0.20	2.31%	9.09	-0.11	-1.17%
MV Purchase & Use	3.88	4.10	0.22	5.72%	30.50	30.73	0.22	0.73%	29.96	0.76	2.55%
Motor Vehicle Fees	5.23	5.15	-0.08	-1.57%	40.92	40.84	-0.08	-0.20%	38.23	2.61	6.83%
Other	1.52	1.72	0.20	13.35%	10.72	10.92	0.20	1.90%	10.31	0.62	5.97%
Total	17.00	17.13	0.13	0.76%	126.53	126.66	0.13	0.10%	123.65	3.01	2.44%
Note:											
TIB Fuel Fees/Gasoline	1.80	1.64	-0.16	-8.70%	12.87	12.71	-0.16	-1.21%	12.73	-0.02	-0.15%
TIB Fuel Fees/Diesel	0.18	0.20	0.01	6.33%	0.95	0.96	0.01	1.22%	1.09	-0.13	-11.98%

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for January totaled \$18.46 million, or -\$0.02 million (-0.10%) below the

\$18.48 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$98.94 million, or -0.02% short of the year to date target. The individual Education Fund revenue component results for January were: Sales & Use Tax, \$13.98 million, or -3.02% below target; Motor Vehicle Purchase & Use Tax, \$2.05 million or +5.72%; Lottery Transfer, \$2.43 million or +15.05% above target; Education Fund Interest for January was less than \$.01 million against a target of less than \$0.00 million. Year to date receipts by component were: Sales & Use Tax, \$71.53 million, or -0.61% short of target; Motor Vehicle Purchase & Use Tax, \$15.36 million or +0.73%; Lottery Transfer, \$11.99 million or +2.72% below target; year to date Education Fund Interest was less than \$0.05 million against a target under \$0.07 million. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +2.30% 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	14.42	13.98	-0.44	-3.02%	71.96	71.53	-0.44	-0.61%	70.17	1.36	1.94%
MV Purchase & Use	1.94	2.05	0.11	5.72%	15.25	15.36	0.11	0.73%	14.98	0.38	2.55%
Lottery Transfer	2.11	2.43	0.32	15.05%	11.68	11.99	0.32	2.72%	11.54	0.46	3.96%
Investment Income	0.01	0.00	-0.01	-86.27%	0.07	0.05	-0.01	-18.45%	0.02	0.04	184.81%
Total	18.48	18.46	-0.02	-0.10%	98.95	98.94	-0.02	-0.02%	96.71	2.23	2.30%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Overall, January was a good month from a revenue collection stand point and many state and national economic indicators look pretty positive. However, there is still a lot of uncertainty looking forward. The biggest wildcard determining our economic and revenue prospects in the near term is how Congress will deal with upcoming rounds of budget and fiscal cliff decisions. If Congress can address those in a moderate and collaborative fashion, the chances for strong and sustained growth in Vermont are good.”

Attachments

The detailed schedules of the January 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 January 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	364,344,012	385,795,693	5.89%
Sales & Use	140,342,797	143,051,872	1.93%
Corporate	38,851,076	52,421,014	34.93%
Meals & Room	76,436,625	81,167,106	6.19%
Liquor & Wine	9,961,002	9,961,914	0.01%
Insurance Premium	17,348,730	17,657,033	1.78%
Telephone Gross Receipts	157,614	151,692	-3.76%
Telephone Property	4,479,505	4,662,318	4.08%
Beverage	3,645,705	3,764,848	3.27%
Electric Generating	1,464,106	6,555,665	347.76%
Inheritance & Estate	10,098,754	12,862,810	27.37%
Real Property Transfer	4,643,753	5,600,091	20.59%
Bank Franchise	8,136,665	7,925,347	-2.60%
All Other Taxes	733,206	1,332,295	81.71%
Total Taxes	<u>680,643,550</u>	<u>732,909,700</u>	<u>7.68%</u>
Other Revenues			
Business Licenses	1,297,367	1,167,508	-10.01%
Fees	11,573,754	11,700,992	1.10%
Services	1,075,760	1,100,333	2.28%
Fines, Forfeits & Penalties	2,983,484	2,436,211	-18.34%
Interest, Prem	104,907	236,928	125.85%
Special Assessments	0	0	0.00%
All Other Revenues	607,283	996,618	64.11%
Total Other Revenues	<u>17,642,555</u>	<u>17,638,590</u>	<u>-0.02%</u>
Total General Fund	<u>698,286,105</u>	<u>750,548,290</u>	<u>7.48%</u>

Date: February 05, 2013

**Comparative Statement of Revenues
Transportation Fund
As of January 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	36,054,385	35,181,661	-2.42%
Diesel Fuel	9,093,873	8,988,019	-1.16%
MV Purchase & Use	<u>29,962,465</u>	<u>30,726,089</u>	<u>2.55%</u>
Total Taxes	<u>75,110,723</u>	<u>74,895,769</u>	<u>-0.29%</u>
Other Revenues			
Motor Vehicle Fees	38,228,754	40,838,889	6.83%
Other	<u>10,305,640</u>	<u>10,920,772</u>	<u>5.97%</u>
Total Other Revenues	<u>48,534,394</u>	<u>51,759,661</u>	<u>6.65%</u>
Total Non-Dedicated	<u>123,645,117</u>	<u>126,655,429</u>	<u>2.43%</u>
Dedicated			
Federal Aid	203,456,453	190,700,101	-6.27%
Infrastructure Bond Fund Revenue	13,824,865	13,673,183	-1.10%
Other	<u>3,498,637</u>	<u>1,632,149</u>	<u>-53.35%</u>
Total Dedicated	<u>220,779,955</u>	<u>206,005,432</u>	<u>-6.69%</u>
Total Transportation Fund	<u><u>344,425,071</u></u>	<u><u>332,660,861</u></u>	<u><u>-3.42%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: February 05, 2013

State of Vermont
Comparative Statement of Revenues
Education Fund
As of January 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	70,170,346	71,524,863	1.93%
Purchase & Use	14,981,232	15,363,044	2.55%
Lottery Transfer	11,537,394	11,994,013	3.96%
Investment Income	18,536	53,661	189.50%
Total estimated revenues	<u>96,707,508</u>	<u>98,935,582</u>	<u>2.30%</u>
Other Revenues:			
Education Property Taxes	66,735,256	71,959,070	7.83%
Electric Energy Educ Prop Tax	1,068,977	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>67,804,232</u>	<u>71,959,070</u>	<u>6.13%</u>
Total Education Fund	<u>164,511,740</u>	<u>170,894,651</u>	<u>3.88%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: February 05, 2013