



State of Vermont

**Agency of Administration
Office of the Secretary**
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

[phone] 802-828-3322
Secretary
[fax] 802-828-3320

Jeb Spaulding,

PRESS RELEASE

August 15, 2012

FOR IMMEDIATE RELEASE

CONTACT: Jeb Spaulding
(802) 828-3322

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

General Fund

Today, Secretary of Administration Jeb Spaulding released the July 2012 General Fund (GF) revenue results. July is the first month of fiscal year (FY) 2013. General Fund revenues totaled \$92.33 million for July 2012, \$5.65 million or \$6.52% ahead of July 2011. They were -\$0.79 million or -0.85% below the \$93.13 million consensus revenue forecast for the month and year to date.

Secretary Spaulding explained, "The fact that General Fund revenues for this July were six and a half percent over last July has to be seen as good news. While it would have been ideal to have achieved or exceeded the current month's target as well, given the very small level of underperformance and the knowledge that, while last July was 5.4% under projection, the fiscal year ended with a small surplus, I don't see any cause for alarm. It is important to keep in mind, that historically, July is not predictive of the fiscal year's revenue trend. It is not uncommon that years with under target performance in July end up with a surplus by year end."

Current targets reflect the Fiscal Year 2012 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. A date for the January 2013 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 July were recorded at \$48.95 million, +\$0.81 million or +1.69% ahead of the monthly target of \$48.13 million.

Corporate Income Taxes are also reported net of refunds. Corporate Refunds for the month were \$1.62 million, -\$1.00 million short of the monthly target of \$2.62 million. Secretary Spaulding

commented, “We will wait to see future Corporate Income Tax results in the coming months before additional results before becoming concerned about one volatile month.”

Consumption tax results for July were mixed: Sales & Use Tax receipts of \$20.98 million were short of target by -\$0.90 million (-4.12%); and Rooms & Meals Tax receipts of \$11.19 million were above target by +\$0.24 million (+2.20%). Compared to the results for the same month of the prior fiscal year (FY 2012), July Sales & Use Tax fell below prior year by -2.34%, and Meals & Rooms exceeded the prior year results by +6.88%.

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 July were as follows: Insurance Tax, \$0.42 million (+2.01%); Inheritance & Estate Tax, \$0.97 (-36.55%); Property Transfer Tax, \$0.93 million (+11.65%); and “Other”, \$7.27 million (+7.54%). July non-major components total of \$77.18 million through July 2012, is +\$1.24 million or +1.63% ahead of receipts for the same period of FY 2012.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change
Personal Income	48.13	48.95	0.81	1.69%	48.13	48.95	0.81	1.69%
Sales & Use	21.89	20.98	-0.90	-4.12%	21.89	20.98	-0.90	-4.12%
Corporate	2.62	1.62	-1.00	-38.17%	2.62	1.62	-1.00	-38.17%
Meals & Room	10.95	11.19	0.24	2.20%	10.95	11.19	0.24	2.20%
Insurance Premium	0.41	0.42	0.01	2.01%	0.41	0.42	0.01	2.01%
Inheritance & Estate	1.53	0.97	-0.56	-36.55%	1.53	0.97	-0.56	-36.55%
Real Prop. Transfer	0.83	0.93	0.10	11.65%	0.83	0.93	0.10	11.65%
Other	6.76	7.27	0.51	7.54%	6.76	7.27	0.51	7.54%
Total	93.13	92.33	-0.79	-0.85%	93.13	92.33	-0.79	-0.85%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for July. Total non-dedicated Transportation Fund receipts of \$15.93 million for the month fell short of target by -\$0.46 million (-2.79%), against the monthly target of \$16.39 million. July 2012 non-dedicated Transportation Funds have exceeded the prior year (FY 2012) by 6.04% for the same period.

Four of five non-dedicated Transportation Fund revenue components fell short of target for July; the lone exception being the “Other” component. Individual Transportation Fund revenue components for July were: Gasoline Tax, \$5.03 million or -0.63% behind target; Diesel Tax, \$0.36 million or -40.93% below target; Motor Vehicle Purchase & Use Tax, \$3.46 million or -1.88% behind target; Motor Vehicle Fees, \$5.65 million or -3.92% below; and Other Fees, \$1.43 million or +9.24% above the monthly target.

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for July were \$1.80 million or +0.73% in excess of target. TIB Fund Diesel receipts for the month were \$0.04 million or -46.86% below the monthly target. Net total TIB receipts for July of \$1.84 million exceed the results for the same period in the prior fiscal year (FY 2012) by +5.79%. 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	5.07	5.03	-0.03	-0.63%	5.07	5.03	-0.03	-0.63%
Diesel Fuel	0.61	0.36	-0.25	-40.93%	0.61	0.36	-0.25	-40.91%
MV Purchase & Use	3.53	3.46	-0.07	-1.88%	3.53	3.46	-0.07	-1.88%
Motor Vehicle Fees	5.88	5.65	-0.23	-3.92%	5.88	5.65	-0.23	-3.92%
Other	1.31	1.43	0.12	9.24%	1.31	1.43	0.12	9.24%
Total	16.39	15.93	-0.46	-2.79%	16.39	15.93	-0.46	-2.79%

Note:

TIB Fuel								
Fees/Gasoline	1.78	1.80	0.01	0.73%	1.78	1.80	0.01	0.73%
TIB Fuel Fees/Diesel	0.08	0.04	-0.04	-46.86%	0.08	0.04	-0.04	-46.86%

*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 July totaled \$13.22 million, or -\$0.48 million (-3.54%) below the \$13.71 million target for the month. The individual Education Fund revenue component results for July were: Sales & Use Tax, \$10.49 million, or -4.13% below target; Motor Vehicle Purchase & Use Tax, \$1.73 million or -1.86%; Lottery Transfer of \$1.00 million was exactly on target; and Education Fund Interest was \$0.00 for both receipts and target. The July 2012 non-property tax Education Fund receipts are -0.58% behind the July 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	10.94	10.49	-0.45	-4.13%	10.94	10.49	-0.45	-4.13%
MV Purchase & Use	1.76	1.73	-0.03	-1.86%	1.76	1.73	-0.03	-1.86%
Lottery Transfer	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%
Investment Income	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Total	13.71	13.22	-0.48	-3.54%	13.71	13.22	-0.48	-3.54%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “July, one of the smaller months for revenue, is often volatile and should not be relied on as an indicator of revenue trend for the remainder of the year. That being said, despite a slowdown in the national economy, July’s healthy increase in year over year revenue seems to suggest our economic recovery is continuing.”

Attachments

The detailed schedules of the July 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 July 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	44,667,972	48,947,720	9.58%
Sales & Use	21,486,144	20,983,889	-2.34%
Corporate	1,973,954	1,621,552	-17.85%
Meals & Room	10,469,450	11,190,237	6.88%
Liquor & Wine	1,319,930	1,499,251	13.59%
Insurance Premium	411,045	419,303	2.01%
Telephone Gross Receipts	52,468	50,823	-3.13%
Telephone Property	82	0	-100.00%
Beverage	565,148	558,374	-1.20%
Electric Generating	0	0	0.00%
Inheritance & Estate	384,778	973,329	152.96%
Real Property Transfer	780,937	930,955	19.21%
Bank Franchise	2,618,929	2,609,649	-0.35%
All Other Taxes	143,211	416,156	190.59%
Total Taxes	<u>84,874,048</u>	<u>90,201,239</u>	<u>6.28%</u>
Other Revenues			
Business Licenses	62,941	67,659	7.50%
Fees	1,379,598	1,372,125	-0.54%
Services	155,740	263,137	68.96%
Fines, Forfeits & Penalties	186,477	327,832	75.80%
Interest, Prem	(42,447)	(55,223)	-30.10%
Special Assessments	0	0	0.00%
All Other Revenues	68,888	157,995	129.35%
Total Other Revenues	<u>1,811,197</u>	<u>2,133,525</u>	<u>17.80%</u>
Total General Fund	<u><u>86,685,246</u></u>	<u><u>92,334,765</u></u>	<u><u>6.52%</u></u>

Date: August 07, 2012

**Comparative Statement of Revenues
Transportation Fund
As of July 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	4,624,244	5,032,999	8.84%
Diesel Fuel	1,126,447	360,897	-67.96%
MV Purchase & Use	<u>1,877,254</u>	<u>3,460,989</u>	84.36%
Total Taxes	<u>7,627,945</u>	<u>8,854,886</u>	16.08%
Other Revenues			
Motor Vehicle Fees	6,009,651	5,650,175	-5.98%
Other	<u>1,389,006</u>	<u>1,429,057</u>	2.88%
Total Other Revenues	<u>7,398,656</u>	<u>7,079,232</u>	-4.32%
Total Non-Dedicated	<u>15,026,601</u>	<u>15,934,117</u>	6.04%
Dedicated			
Federal Aid	18,738,209	32,956,527	75.88%
Infrastructure Bond Fund Revenue	1,737,192	1,837,856	5.79%
Other	<u>687,781</u>	<u>170,938</u>	-75.15%
Total Dedicated	<u>21,163,181</u>	<u>34,965,321</u>	65.22%
Total Transportation Fund	<u>36,189,782</u>	<u>50,899,438</u>	40.65%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: August 07, 2012

State of Vermont
Comparative Statement of Revenues
Education Fund
As of July 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	10,658,091	10,490,647	-1.57%
Purchase & Use	1,639,802	1,730,742	5.55%
Lottery Transfer	1,000,000	1,000,000	0.00%
Investment Income	78	0	-100.00%
Total estimated revenues	<u>13,297,970</u>	<u>13,221,389</u>	<u>-0.58%</u>
Other Revenues:			
Education Property Taxes	(1,438,691)	(1,731,729)	-20.37%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(1,438,691)</u>	<u>(1,731,729)</u>	<u>-20.37%</u>
Total Education Fund	<u>11,859,280</u>	<u>11,489,661</u>	<u>-3.12%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: August 07, 2012