



Monthly Revenue Release

Agency of Administration
July 25, 2019

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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's final revenue results for June 2019, the final month of Fiscal Year 2019. General Fund revenues collected for the year were \$58.37 million above forecast, while Transportation Fund revenues were \$3.4 million below forecast, and Education Fund collections were \$2.15 million below forecast.

Revenue collections for the month of June 2019, the final month of Fiscal Year 2019, have been compiled. General Fund tax revenues collected for the month totaled \$130.06 million, or \$8.34 million above the June consensus cash flow expectations. For the year, General Fund revenue collections exceeded expectations by \$58.37 million, or 4.55%. "These results were driven by collections in the personal income tax and corporate income tax components. Both finished the year significantly above consensus expectations for the second year in a row, and more than offset underperformance in other areas, most notably the estate tax," noted Secretary Young. "Pending final transfers and accounting required to close out the books on the fiscal year, a substantial General Fund surplus is expected for Fiscal Year 2019. The Legislature directed the year-end surplus to various uses including the General Fund Balance Reserve (Rainy Day Fund) and the State Employees' Retiree Health Benefit Trust Fund, bringing us another step forward on the path to paying down our unfunded liabilities."

The Transportation Fund collected \$28.03 million for the month of June, or -\$2.64 million below target. For the year, Transportation Fund collections were -\$3.4 million, or -1.2%, below expectations. For the year, all Transportation Fund sources, including fuel taxes and fees, ended below their respective cumulative consensus targets.

The Education Fund collected \$47.38 million for the month, or \$0.56 million above target. For the year, Education Fund collections were -\$2.15 million, or -0.41%, below the cumulative consensus forecast. The largest factor in the Education Fund performance is sales and use tax, which ended -\$2.57 million below target for the fiscal year. Other Education Fund sources, including Lottery transfer and Meals and Rooms tax, ended above expectations individually but did not fully offset the sales and use tax under-performance.

On a year-over-year basis, after adjusting for legislative changes noted below, all three funds ended higher than the prior year. Adjusting for these legislative changes, for comparison purposes only, the year-to-date fiscal 2019 revenues represent increases of 6.63%, 0.61%, and 4.01% for the General Fund, Transportation Fund, and Education Fund, respectively, compared to fiscal 2018.

Secretary Young stated, "The revenue growth above our expectations for FY19 is encouraging. We must build on the progress made in growing our economy. Critical to sustaining that growth is a continued focus on making Vermont more affordable for families and businesses, revitalization of our economic centers throughout the State, and meeting our demographic challenge by attracting more people to Vermont."

The [Emergency Board](#) will meet on Monday, July 29, 2019 to receive the consensus revenue forecasts for Fiscal years 2020 and 2021 from the State and Legislative economists.

Note: Act 11 of 2018 made several key changes to existing State revenue and expenditure distributions effective July 1 and implemented in the current fiscal year. The most significant changes were the shift of the entirety of the Sales and Use tax and 25% of the Meals and Rooms tax from the General Fund to the Education Fund, offset by the elimination of a lump sum annual transfer of General Fund dollars to the Education Fund.

State of Vermont Revenue, by Major Fund
vs. Consensus Revenue Forecast Target

Month: June
FY: 2019

General Fund By Major Element (In Millions)*

Tax Component	Month (2)				Fiscal YTD				Prior Fiscal YTD Restated (1)		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Personal Income	80.56	88.25	7.68	9.53%	824.90	875.43	50.53	6.13%	831.97	43.45	5.22%
Sales & Use (1)	*	*	*	N/A	*	*	*	N/A	*	*	N/A
Corporate	17.83	18.66	0.83	4.65%	122.54	134.19	11.65	9.51%	96.36	37.83	39.25%
Meals & Room (1)	9.59	9.71	0.12	1.24%	136.13	136.54	0.41	0.30%	129.92	6.62	5.10%
Insurance Premium	0.77	0.32	-0.45	-58.49%	57.80	56.86	-0.94	-1.62%	57.54	-0.67	-1.17%
Inheritance & Estate	1.46	0.68	-0.78	-53.22%	19.10	12.63	-6.47	-33.88%	22.94	-10.31	-44.93%
Real Prop. Transfer	1.49	1.22	-0.27	-18.01%	13.45	12.48	-0.97	-7.23%	12.37	0.11	0.90%
Other	10.02	11.22	1.20	12.02%	108.04	112.20	4.16	3.85%	105.92	6.28	5.93%
Total	121.72	130.06	8.34	6.85%	1281.96	1340.33	58.37	4.55%	1257.01	83.32	6.63%

*Differences due to rounding

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	6.74	6.50	-0.24	-3.50%	78.20	77.82	-0.38	-0.49%	78.19	-0.37	-0.47%
Diesel Fuel	2.09	1.75	-0.33	-16.03%	19.10	18.56	-0.54	-2.85%	18.86	-0.30	-1.62%
MV Purchase & Use	9.88	8.94	-0.94	-9.51%	76.07	74.54	-1.53	-2.01%	72.95	1.59	2.18%
Motor Vehicle Fees	9.33	8.95	-0.38	-4.05%	86.30	85.41	-0.89	-1.03%	85.99	-0.59	-0.68%
Other	2.63	1.88	-0.75	-28.53%	24.40	24.35	-0.05	-0.21%	22.97	1.38	6.00%
Total	30.67	28.03	-2.64	-8.61%	284.07	280.67	-3.40	-1.20%	278.96	1.70	0.61%

Note:

TIB Fuel Fees/Gasoline	1.18	1.11	-0.06	-5.28%	14.30	14.65	0.35	2.42%	12.88	1.76	13.69%
TIB Fuel Fees/Diesel	0.22	0.18	-0.05	-21.20%	2.05	1.97	-0.07	-3.54%	2.00	-0.03	-1.26%

*Differences due to rounding

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD Restated (1)		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Sales & Use (1)	34.15	34.21	0.06	0.17%	415.08	412.51	-2.57	-0.62%	397.79	14.72	3.70%
Meals & Room (1)	3.20	3.24	0.04	1.24%	45.38	45.51	0.14	0.30%	43.31	2.21	5.10%
MV Purchase & Use	4.94	4.47	-0.47	-9.51%	38.03	37.27	-0.76	-2.01%	36.48	0.79	2.18%
Lottery Transfer	4.51	5.48	0.98	21.66%	28.20	29.47	1.27	4.51%	27.15	2.32	8.56%
Investment Income	0.02	-0.02	-0.04	-232.52%	0.90	0.68	-0.22	-24.85%	0.49	0.19	38.11%
Total	46.81	47.38	0.56	1.20%	527.59	525.44	-2.15	-0.41%	505.20	20.24	4.01%

*Differences due to rounding

(1) Act 11 of 2018 changed State revenue and expense distributions to: (1) Sales and Use tax to the Education Fund, (2) 25% of the Meals and Rooms tax to the Education Fund; Both previously distributed to the General Fund; and (3) eliminating the General Fund transfer to the Education Fund. Prior Year (FY 2018) restated accordingly.

(2) These results reflect General Fund results - as compared to projections prior to the adjustments made to State Health Care Resource Funds in sections 64 through 76 of Act 6 of 2019 (FY 2019 Budget Adjustment Act).

Comparative Statement of Revenues
General Fund
As of June 30, 2019

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of Change</u>
Taxes			
Personal Income Tax	831,970,766	875,425,522	5.2%
Sales & Use Tax	258,560,292	0	-100.0%
Corporate Income Tax	96,363,559	134,190,797	39.3%
Meals & Rooms Tax	173,223,545	136,537,818	-21.2%
Liquor & Wine Tax	19,824,770	21,427,342	8.1%
Insurance Premium	57,535,267	56,861,842	-1.2%
Telephone Gross Receipts	209,229	212,634	1.6%
Telephone Property Tax	4,540,371	4,117,026	-9.3%
Beverage Tax	7,067,272	7,557,512	6.9%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	22,935,280	12,629,698	-44.9%
Real Property Transfer Tax	12,369,156	12,481,042	0.9%
Bank Franchise Tax	13,080,407	12,478,739	-4.6%
All Other Taxes	1,842,252	2,447,972	32.9%
Total Taxes	<u>1,499,522,165</u>	<u>1,276,367,943</u>	<u>-14.9%</u>
Other Revenues			
Business Licenses	1,209,565	1,197,288	-1.0%
Fees	47,059,301	46,973,264	-0.2%
Services	2,882,519	3,355,064	16.4%
Fines, Forfeits & Penalties	3,546,168	3,568,970	0.6%
Interest, Prem	2,296,827	4,313,826	87.8%
Special Assessments	0	0	0.0%
All Other Revenues	2,361,493	4,551,697	92.7%
Total Other Revenues	<u>59,355,873</u>	<u>63,960,109</u>	<u>7.8%</u>
Total General Fund	<u><u>1,558,878,038</u></u>	<u><u>1,340,328,052</u></u>	<u><u>-14.0%</u></u>

Date: July 16, 2019

Time: 16:02

Receivables

Accounts Receivable	117,202	2,595,666
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**Comparative Statement of Revenues
Transportation Fund
As of June 30, 2019**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	78,187,074	77,816,711	-0.5%
Diesel Fuel	18,861,134	18,556,358	-1.6%
MV Purchase & Use	72,951,922	74,538,750	2.2%
Total Taxes	170,000,130	170,911,819	0.5%
Other Revenues			
Motor Vehicle Fees	85,994,424	85,408,995	-0.7%
Other	22,969,387	24,348,000	6.0%
Total Other Revenues	108,963,811	109,756,995	0.7%
Total Non-Dedicated	278,963,941	280,668,814	0.6%
Dedicated			
Federal Aid	310,063,783	278,932,436	-10.0%
Infrastructure Bond Fund Reven	14,881,680	16,619,734	11.7%
Transportation Impact Fee	141,771	193,243	36.3%
Other	2,984,491	3,059,733	2.5%
Total Dedicated	328,071,726	298,805,145	-8.9%
Total Transportation Fund	607,035,667	579,473,959	-4.5%

State of Vermont
 Comparative Statement of Revenues
 Education Fund
 As of June 30, 2019

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	139,224,773	412,509,226	196.3%
Meals & Rooms Tax	0	45,512,606	100.0%
Purchase & Use Tax	36,475,961	37,269,375	2.2%
Lottery Transfer	27,145,779	29,470,435	8.6%
Investment Income	489,718	676,347	38.1%
Total estimated revenues	<u>203,336,230</u>	<u>525,437,989</u>	<u>158.4%</u>
Other Revenues:			
Education Property Taxes	1,058,998,749	1,105,645,158	4.4%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	1,372,378	2,007,813	46.3%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	861,169	662,982	-23.0%
Total other revenues	<u>1,061,232,296</u>	<u>1,108,315,953</u>	<u>4.4%</u>
Total Education Fund	<u><u>1,264,568,526</u></u>	<u><u>1,633,753,942</u></u>	<u><u>29.2%</u></u>