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Jeb Spaulding, Secretary

PRESS RELEASE

April 11, 2013

FOR IMMEDIATE RELEASE

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Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for March 2013 – General Fund, Transportation Fund and Education Fund Revenue Results Fall Short for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the March 2013 General Fund (GF) Revenue results today. March is the ninth month of fiscal year (FY) 2013. General Fund revenues totaled \$80.64 million for March 2013, and were -\$2.68 million or -3.22% below the \$83.32 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$887.08 million, and -\$0.22 million or -0.03% short of the cumulative target of \$887.30 million.

Secretary Spaulding commented, “There is no way around it, March General Fund receipts were disappointing. That said, the fact we are running close to 6% ahead of last year through ¾ of the year is encouraging. And, being basically on target with projections for the year is not bad either. Going forward, we do have some concern that steps taken, or not taken, in Washington to the address their financial problems are starting to affect economic recoveries at the state level, ours included. For the month of March, net Personal Income Taxes and Net Corporate Income Taxes were favorable, but offset by less than favorable results in other General Fund categories, most notably Insurance Premium receipts. By comparison, General Fund receipts for March 2013 were -6.85% below the monthly receipts for March 2012.”

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 March were \$19.99 million against a monthly target of \$17.57 million, or

+13.74%. The year to date Net PI Receipts were \$401.61 million or +1.38% above the FY 2013 target and +5.00% ahead of the results for the same period of the prior fiscal year (FY 2012).

Corporate Income Taxes are also reported net-of refunds. March Net Corporate Income Tax receipts of \$18.10 million were +\$1.27 million or +7.52% above the monthly target of \$16.84 million. Year to date Corporate receipts were \$71.60 million or +3.57% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts exceed the prior year by 24.96%.

Consumption tax results for March both fell below target: Sales & Use Tax receipts of \$16.76 million were behind target by -\$0.34 million or -1.98%; while Rooms & Meals Tax receipts of \$12.47 million were short of target by +\$0.47 million or -3.65%. Year to date, Sales & Use Tax receipts of \$176.65 million are -0.92% below the target of \$178.28 million. Cumulative Rooms & Meals Tax of \$105.12 million remains ahead of target by +0.98%. Sales & Use Tax and Rooms & Meals Tax through March both exceed receipts for the prior year by +1.11% and +6.10%, 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 March were as follows: Insurance Tax, \$5.19 million (-39.53%); Inheritance & Estate Tax, \$0.70 (-61.15%); Property Transfer Tax, \$0.53 million (-2.38%); and "Other", \$6.89 million (-13.16%). The fiscal year to date March results for the remaining non-major categories were: Insurance Tax, \$48.71 million (-4.17%); Inheritance & Estate Tax, \$13.69 million (-16.97%); Property Transfer Tax, \$6.59 million (+0.38%); and "Other", \$63.12 million (-4.02%). Cumulatively, the total non-major component receipts of \$132.11 million exceeded the prior year total by +\$7.53 million, or +6.04%.

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	%
Personal Income	17.57	19.99	2.42	13.74%	396.15	401.61	5.46	1.38%	382.48	19.13	5.00%
Sales & Use	17.10	16.76	-0.34	-1.98%	178.28	176.65	-1.63	-0.92%	174.70	1.94	1.11%
Corporate	16.84	18.10	1.27	7.52%	69.13	71.60	2.47	3.57%	57.30	14.30	24.96%
Meals & Room	12.94	12.47	-0.47	-3.65%	104.09	105.12	1.02	0.98%	99.07	6.05	6.10%
Insurance Premium	8.59	5.19	-3.40	-39.53%	50.83	48.71	-2.12	-4.17%	48.67	0.04	0.09%
Inheritance & Estate	1.79	0.70	-1.10	-61.15%	16.49	13.69	-2.80	-16.97%	10.80	2.89	26.79%
Real Prop. Transfer	0.54	0.53	-0.01	-2.38%	6.56	6.59	0.02	0.38%	5.62	0.97	17.30%
Other	7.94	6.89	-1.04	-13.16%	65.76	63.12	-2.65	-4.02%	59.49	3.63	6.10%
Total	83.32	80.64	-2.68	-3.22%	887.30	887.08	-0.22	-0.03%	838.12	48.96	5.84%

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for March was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$18.85 million for the month fell short of the target by -\$1.52 million (-7.48%). Year to Date, non-dedicated Transportation Fund receipts of \$159.95 were -1.60% below the target of \$162.55 million. Compared to FY

2012, year to date March Transportation Funds receipts exceed the prior year by +\$1.09 million or +0.68% for the same period.

Individual Transportation Fund revenue receipts components for March all fell below target: Gasoline Tax, \$5.11 million or -2.47% below target; Diesel Tax, \$0.97 million or -23.06% behind target; Motor Vehicle Purchase & Use Tax, \$4.27 million or -6.12% below target; Motor Vehicle Fees, \$6.97 million or -5.05% below target; and Other Fees, \$1.53 million or -22.99% below target for the month. Year to date results for the individual Transportation Fund revenue components for March were: Gasoline Tax, \$44.38 million or -1.67% below target; Diesel Tax, \$10.85 million or -3.70% below target; Motor Vehicle Purchase & Use Tax, \$38.07 million or -0.73% below target; Motor Vehicle Fees, \$52.81 million or -1.73% short of target; and Other Fees, \$13.84 million or -1.59% below the monthly target.

Secretary Spaulding said, “For the third month since the targets were revised, the transportation related taxes and fees have resulted in receipts below the projections. The underlying issues in the Transportation Fund are being addressed in the current legislative session, however this will have no impact for FY 2013. It appears unlikely that we will be able to make up the shortfall in the three remaining months of FY 2013. As we have stated before, 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 March were \$1.87 million or -0.38% behind the monthly target; year to date TIB Gas receipts were \$16.08 million or -1.27% below target. TIB Fund Diesel receipts for the month were \$0.13 million or -28.52% behind the monthly target; year to date TIB Diesel receipts were \$1.19 million or -8.32% below target. The year to date TIB Gas and Diesel results were +1.56% ahead and -14.17% 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	5.24	5.11	-0.13	-2.47%	45.13	44.38	-0.75	-1.67%	45.26	-0.88	-1.95%
Diesel Fuel	1.26	0.97	-0.29	-23.06%	11.26	10.85	-0.42	-3.70%	11.65	-0.80	-6.86%
MV Purchase & Use	4.55	4.27	-0.28	-6.12%	38.35	38.07	-0.28	-0.73%	38.15	-0.08	-0.20%
Motor Vehicle Fees	7.34	6.97	-0.37	-5.05%	53.74	52.81	-0.93	-1.73%	49.89	2.92	5.85%
Other	1.98	1.53	-0.46	-22.99%	14.07	13.84	-0.23	-1.59%	13.92	-0.07	-0.54%
Total	20.37	18.85	-1.52	-7.48%	162.55	159.95	-2.61	-1.60%	158.86	1.09	0.68%

Note:

TIB Fuel Fees/Gasoline	1.88	1.87	-0.01	-0.38%	16.29	16.08	-0.21	-1.27%	15.84	0.25	1.56%
TIB Fuel Fees/Diesel	0.18	0.13	-0.05	-28.52%	1.30	1.19	-0.11	-8.32%	1.39	-0.20	-14.17%

*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 March totaled \$12.12 million, or -\$0.42 million (-3.37%) below the \$12.54 million target for the month. Year to date, non-Property Tax Education Fund receipts

were \$122.50 million, or -1.16% short of the year to date target. The individual Education Fund revenue component results for March were: Sales & Use Tax, \$8.38 million, or -1.98% below target; Motor Vehicle Purchase & Use Tax, \$2.14 million or -6.12%; Lottery Transfer, \$1.60 million or -6.88%; and Education Fund Interest for March was less than \$.00 million against a target of less than \$0.01 million. Year to date receipts by component were: Sales & Use Tax, \$88.32 million, or -0.92% short of target; Motor Vehicle Purchase & Use Tax, \$19.04 million or -0.73%; Lottery Transfer, \$15.08 million or -2.92% below target; year to date Education Fund Interest was less than \$0.06 million against a target under \$0.08 million. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are +0.95% 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	8.55	8.38	-0.17	-1.98%	89.14	88.32	-0.82	-0.92%	87.35	0.97	1.11%
MV Purchase & Use	2.27	2.14	-0.14	-6.12%	19.18	19.04	-0.14	-0.73%	19.07	-0.04	-0.20%
Lottery Transfer	1.71	1.60	-0.12	-6.88%	15.53	15.08	-0.45	-2.92%	14.90	0.18	1.21%
Investment Income	0.00	0.01	0.00	98.56%	0.08	0.06	-0.02	-25.33%	0.03	0.03	125.89%
Total	12.54	12.12	-0.42	-3.37%	123.93	122.50	-1.43	-1.16%	121.35	1.15	0.95%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “April is the big month for the General Fund and likely will set the stage for how the fiscal year will turn out. If income tax receipts continue strong, we should be okay for this year. As for the Transportation Fund, as stated earlier, it does not appear likely we will be able to make up the shortfall in the three remaining months of FY 2013. Continued decreases in gallons of fuel sold and in vehicle purchase and use tax receipts, underscore the necessity of legislative action to secure adequate funding for roads and bridges in the future.”

Attachments

The detailed schedules of the March 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 March 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	382,480,867	401,613,239	5.00%
Sales & Use	174,701,036	176,644,933	1.11%
Corporate	57,295,733	71,596,934	24.96%
Meals & Room	99,071,381	105,117,318	6.10%
Liquor & Wine	12,540,453	12,612,713	0.58%
Insurance Premium	48,666,879	48,708,466	0.09%
Telephone Gross Receipts	157,614	151,692	-3.76%
Telephone Property	7,087,043	6,961,462	-1.77%
Beverage	4,508,332	4,682,821	3.87%
Electric Generating	2,197,131	6,555,665	198.37%
Inheritance & Estate	10,795,714	13,688,042	26.79%
Real Property Transfer	5,616,984	6,588,750	17.30%
Bank Franchise	8,158,216	7,991,143	-2.05%
All Other Taxes	878,363	1,446,007	64.63%
Total Taxes	<u>814,155,746</u>	<u>864,359,187</u>	<u>6.17%</u>
Other Revenues			
Business Licenses	2,316,600	1,815,430	-21.63%
Fees	15,199,260	15,008,570	-1.25%
Services	1,573,069	1,104,321	-29.80%
Fines, Forfeits & Penalties	3,945,308	3,278,156	-16.91%
Interest, Prem	198,721	191,408	-3.68%
Special Assessments	0	0	0.00%
All Other Revenues	727,803	1,319,015	81.23%
Total Other Revenues	<u>23,960,760</u>	<u>22,716,900</u>	<u>-5.19%</u>
Total General Fund	<u>838,116,506</u>	<u>887,076,086</u>	<u>5.84%</u>

Date: April 04, 2013

**Comparative Statement of Revenues
Transportation Fund
As of March 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	45,262,220	44,379,561	-1.95%
Diesel Fuel	11,645,625	10,847,101	-6.86%
MV Purchase & Use	<u>38,146,074</u>	<u>38,070,395</u>	-0.20%
Total Taxes	<u>95,053,918</u>	<u>93,297,057</u>	-1.85%
Other Revenues			
Motor Vehicle Fees	49,889,181	52,808,783	5.85%
Other	<u>13,914,603</u>	<u>13,840,150</u>	-0.54%
Total Other Revenues	<u>63,803,784</u>	<u>66,648,934</u>	4.46%
Total Non-Dedicated	<u>158,857,702</u>	<u>159,945,991</u>	0.69%
Dedicated			
Federal Aid	269,685,676	215,991,337	-19.91%
Infrastructure Bond Fund Revenue	17,243,582	17,272,071	0.17%
Other	<u>4,246,717</u>	<u>2,017,985</u>	-52.48%
Total Dedicated	<u>291,175,974</u>	<u>235,281,393</u>	-19.20%
Total Transportation Fund	<u>450,033,676</u>	<u>395,227,384</u>	-12.18%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: April 04, 2013

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of March 31, 2013**

Education Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	87,349,208	88,321,142	1.11%
Purchase & Use	19,073,037	19,035,198	-0.20%
Lottery Transfer	14,899,222	15,080,128	1.21%
Investment Income	27,531	62,192	125.89%
Total estimated revenues	<u>121,348,997</u>	<u>122,498,659</u>	<u>0.95%</u>
Other Revenues:			
Education Property Taxes	73,999,406	72,121,879	-2.54%
Electric Energy Educ Prop Tax	1,068,977	0	-100.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>75,068,382</u>	<u>72,121,879</u>	<u>-3.93%</u>
Total Education Fund	<u>196,417,380</u>	<u>194,620,538</u>	<u>-0.91%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: April 04, 2013