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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 May 2012: General, Transportation and Education Funds Above Target for the Month.

General Fund

Today, Secretary of Administration Jeb Spaulding released the May 2012 General Fund (GF) revenue results. May is the eleventh month of fiscal year (FY) 2012. General Fund revenues totaled \$68.24 million for May 2012, and were +\$6.12 million or +9.85% above the \$62.12 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$1,085.88 million, and +\$10.01 million or +0.93% above the target of \$1,075.87 million for FY 2012. The FY 2012 results through May also exceed the same period for the prior fiscal year (FY 2011) by 3.01%.

Results for May were favorable by a total of +\$9.20 million in six (6) of the eight (8) General Fund revenue components. The remaining two (2) components, Net Corporate Income Tax and Inheritance & Estate Tax, fell below the monthly target by -\$2.38 million and -\$0.70 million, respectively.

“The 4th quarter results to date have been trending up after a negative 3rd quarter. With only one month to go in the current fiscal year (FY 2012) we are approximately 1% (\$10.01 Million) above the target through May. These year to date results also exceed the prior year for the same period. We remain well positioned to meet or exceed the General Fund revenue target for fiscal year 2012,” explained Secretary 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. The next Emergency Board meeting has been tentatively scheduled on Friday July 20, 2012.

Net 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, PI Paid, and PI Other.

Net PI receipts for May were \$29.11 million, +\$5.45 million or +23.04% ahead of the monthly target of \$23.66 million. The year to date Net PI Tax receipts of \$537.58 million were +5.22% above the cumulative target of \$532.36 million. The cumulative results are +8.75% ahead of the same period for the prior fiscal year (FY 2011).

Secretary Spaulding commented, "We are pleased to see Net PI receipts exceeding the target for the month by +\$5.45 million after below target performance through April. Favorable results in PI Withholdings, PI Refunds and PI Other accounted for the overall favorable results. Although PI Withholdings may continue to improve in June, it is unlikely that this component will end the year favorable to target."

Corporate Income Taxes are also reported net of refunds. Net Corporate Income Tax receipts posted a negative result for the month of -\$1.48 million or -264.52% short of the monthly target of \$0.90 million. Year to date Corporate receipts were \$71.61 million, +\$7.28 million or +11.31% ahead of target.

Spaulding explained, "Net Corporate Income Tax receipts have been positive overall and are projected to remain above target through the final month of this fiscal year (FY 2012). Cumulatively, Net Corporate Income Taxes remain short of the same period for the prior year (FY 2011) by -2.51%."

Consumption tax results for May rebounded slightly: Sales & Use Tax receipts of \$17.04 million were above target by +\$0.63 million (+3.83%); and Rooms & Meals Tax receipts of \$8.16 million exceeded target by +\$0.59 million (+7.83%). Year to date, Sales & Use Tax receipts of \$209.70 million exceed target by +0.48%, while Rooms & Meals Tax receipts of \$117.60 million was +0.02% ahead of the target for the current fiscal year (FY 2012). Compared to the results for the same period of the prior fiscal year (FY 2011), cumulative May consumption taxes (Sales & Use; Meals & Rooms) exceeded the prior year results by +5.18% and +3.25% 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 May were as follows: Insurance Tax, \$7.23 million (+23.19%); Inheritance & Estate Tax, \$1.29 million (-35.11%); Property Transfer Tax, \$0.71 million (+0.04%); and "Other", \$6.20 million (+23.21%). The year to date May results for the remaining non-major categories were: Insurance Tax, \$56.06 million (+2.45%); Inheritance & Estate Tax, \$13.29 million (-26.29%); Property Transfer Tax, \$6.96 million (-7.00%); and "Other", \$73.08 million (+0.56%). Cumulatively, the year to date non-major components total of \$149.37 million through May 2012, is -13.64% below the receipts for the same period of FY 2011 (reduced for a one-time settlement received in August of FY 2011).

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	23.66	29.11	5.45	23.04%	532.36	537.58	5.22	0.98%
Sales & Use	16.41	17.04	0.63	3.83%	208.70	209.70	1.00	0.48%
Corporate	0.90	-1.48	-2.38	-264.52%	64.33	71.61	7.28	11.31%
Meals & Room	7.57	8.16	0.59	7.83%	117.57	117.60	0.03	0.02%
Insurance Premium	5.87	7.23	1.36	23.19%	54.72	56.06	1.34	2.45%
Inheritance & Estate	1.98	1.29	-0.70	-35.11%	18.03	13.29	-4.74	-26.29%
Real Prop. Transfer	0.71	0.71	0.00	0.04%	7.49	6.96	-0.52	-7.00%
Other	5.03	6.20	1.17	23.21%	72.67	73.08	0.41	0.56%
Total	62.12	68.24	6.12	9.85%	1075.87	1085.88	10.01	0.93%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for May. Total non-dedicated Transportation Fund receipts of \$20.49 million for the month exceeded target by +\$0.13 million (+0.66%), compared to the monthly target of \$20.36 million. The cumulative May Transportation Fund receipts of \$198.67 million were below the \$199.59 million target by -0.46%. Year to date May FY 2012 non-dedicated Transportation Funds exceed the prior year (FY 2011) results by 2.78% for the same period.

Three (3) of the five (5) individual tax components of the Transportation Fund revenue were below target for the month, including Gasoline Tax, Motor Vehicle Purchase & Use Tax and Other. Individual Transportation Fund revenue components for May were: Gasoline Tax, \$4.26 million or -8.44% below target; Diesel Tax, \$1.40 million or +34.57% above target; Motor Vehicle Purchase & Use Tax, \$5.18 million or -2.82% below target; Motor Vehicle Fees, \$8.48 million or +9.42% ahead of target; and Other Fees, \$1.17 million or -26.08% below the monthly target. Year to date results for the individual Transportation Fund revenue components for May were: Gasoline Tax, \$54.24 million or -1.96% short of target; Diesel Tax, \$14.02 million or +2.21% above target; Motor Vehicle Purchase & Use Tax, \$48.29 million or +1.03% above target; Motor Vehicle Fees, \$65.48 million or -0.48% behind target; and Other Fees, \$16.65 million or -1.90% short of the target.

Spaulding commented, “Cumulative Transportation Fund receipts have been hovering just below target (-0.46%). Although May’s Transportation Fund results were positive overall, it was not enough to eliminate the year to date shortfall. With only one month remaining in the fiscal year, it seems likely that the Transportation Fund will be slightly below the full year target, although with gas prices easing, good weather, and if we get decent purchasing activity for this month, we could see that turn around.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for May were \$1.69 million or +10.74% above target; year to date TIB Gas receipts were \$19.11 million or +1.32% ahead of target. TIB Fund Diesel receipts for the month were \$0.17 million or +7.46% ahead the monthly target; year to date TIB Diesel receipts were \$1.68 million or -6.46% short of target. The TIB Fund receipts are noted on the following table:

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	4.65	4.26	-0.39	-8.44%	55.32	54.24	-1.08	-1.96%
Diesel Fuel	1.04	1.40	0.36	34.57%	13.72	14.02	0.30	2.21%
MV Purchase & Use	5.33	5.18	-0.15	-2.82%	47.80	48.29	0.49	1.03%
Motor Vehicle Fees	7.75	8.48	0.73	9.42%	65.80	65.48	-0.32	-0.48%
Other	1.59	1.17	-0.41	-26.08%	16.97	16.65	-0.32	-1.90%
Total	20.36	20.49	0.13	0.66%	199.59	198.67	-0.92	-0.46%

Note:

TIB Fuel								
Fees/Gasoline	1.52	1.69	0.16	10.74%	18.86	19.11	0.25	1.32%
TIB Fuel Fees/Diesel	0.15	0.17	0.01	7.46%	1.80	1.68	-0.12	-6.46%

*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 May totaled \$12.98 million, or +\$0.18 million (+1.37%) above the \$12.81 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$148.51 million, or +0.80% in excess of the year to date target. The individual Education Fund revenue component results for May were: Sales & Use Tax, \$8.52 million, or +3.84% above target; Motor Vehicle Purchase & Use Tax, \$2.59 million or -2.84%; Lottery Transfer, \$1.86 million or -3.91%; Education Fund Interest for May was less than \$.01 for the month against an immaterial target. Year to date receipts by component were: Sales & Use Tax, \$104.85 million, or +0.48% above target; Motor Vehicle Purchase & Use Tax, \$24.14 million or +1.03%; Lottery Transfer, \$19.47 million or +2.39% ahead of target; year to date Education Fund Interest for May was under \$0.05 million against a target of approximately \$0.08 million. The non-property tax current fiscal year to date Education Fund receipts are 5.90% 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	8.21	8.52	0.32	3.84%	104.35	104.85	0.50	0.48%
MV Purchase & Use	2.67	2.59	-0.08	-2.84%	23.90	24.14	0.25	1.03%
Lottery Transfer	1.93	1.86	-0.08	-3.91%	19.01	19.47	0.45	2.39%
Investment Income	0.00	0.01	0.01	NM	0.08	0.05	-0.03	-36.22%
Total	12.81	12.98	0.18	1.37%	147.34	148.51	1.17	0.80%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “Barring any major negative economic events, with one month remaining in the current fiscal year (FY 2012), we are quite confident that the General Fund will exceed target for the year. The beginning of the new fiscal year, FY 2013, is less than one month away and we look forward to the adoption of an updated Consensus Revenue Forecast for the next couple of years by the Emergency Board on July 20th. I would say, with the economic recovery continuing at a very modest pace, with increasing concerns once again about European economic issues, and with

Washington D.C. histrionics a real possibility, there remains a good deal of uncertainty from an economic and revenue perspective.”

Attachments

The detailed schedules of the May 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 May 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	494,333,824	537,576,944	8.75%
Sales & Use	199,375,422	209,702,931	5.18%
Corporate	73,450,526	71,609,327	-2.51%
Meals & Room	113,891,970	117,598,664	3.25%
Liquor & Wine	13,903,104	14,855,750	6.85%
Insurance Premium	53,489,215	56,056,018	4.80%
Telephone Gross Receipts	223,440	208,063	-6.88%
Telephone Property	8,899,063	7,087,043	-20.36%
Beverage	5,293,808	5,409,692	2.19%
Electric Generating	2,189,345	3,266,108	49.18%
Inheritance & Estate	34,495,614	13,291,437	-61.47%
Real Property Transfer	7,442,135	6,961,461	-6.46%
Bank Franchise	15,405,398	10,658,134	-30.82%
All Other Taxes	3,434,292	1,159,016	-66.25%
Total Taxes	<u>1,025,827,156</u>	<u>1,055,440,589</u>	<u>2.89%</u>
Other Revenues			
Business Licenses	2,840,518	2,919,854	2.79%
Fees	18,120,777	18,609,865	2.70%
Services	905,049	2,090,984	131.04%
Fines, Forfeits & Penalties	5,396,595	4,566,879	-15.37%
Interest, Prem	87,877	269,001	206.11%
Special Assessments	0	0	0.00%
All Other Revenues	1,005,743	1,980,363	96.91%
Total Other Revenues	<u>28,356,559</u>	<u>30,436,946</u>	<u>7.34%</u>
Total General Fund	<u>1,054,183,715</u>	<u>1,085,877,535</u>	<u>3.01%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

**Comparative Statement of Revenues
Transportation Fund
As of May 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	55,685,472	54,236,187	-2.60%
Diesel Fuel	13,686,482	14,020,150	2.44%
MV Purchase & Use	<u>44,406,278</u>	<u>48,289,573</u>	8.74%
Total Taxes	<u>113,778,232</u>	<u>116,545,910</u>	2.43%
Other Revenues			
Motor Vehicle Fees	63,645,882	65,479,353	2.88%
Other	<u>15,865,729</u>	<u>16,646,271</u>	4.92%
Total Other Revenues	<u>79,511,611</u>	<u>82,125,624</u>	3.29%
Total Non-Dedicated	<u>193,289,843</u>	<u>198,671,534</u>	2.78%
Dedicated			
Federal Aid	267,548,650	337,295,029	26.07%
Infrastructure Bond Fund Revenue	16,580,288	20,794,620	25.42%
Other	10,228,755	4,920,156	-51.90%
Total Dedicated	<u>294,357,692</u>	<u>363,009,805</u>	23.32%
Total Transportation Fund	<u>487,647,535</u>	<u>561,681,340</u>	15.18%

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 May 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	99,686,216	104,849,893	5.18%
Purchase & Use	22,203,139	24,144,787	8.74%
Lottery Transfer	18,296,834	19,466,544	6.39%
Investment Income	48,797	50,082	2.63%
Total estimated revenues	<u>140,234,986</u>	<u>148,511,305</u>	<u>5.90%</u>
Other Revenues:			
Education Property Taxes	114,152,618	99,309,982	-13.00%
Electric Energy Educ Prop Tax	2,128,074	1,068,977	-49.77%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>116,280,692</u>	<u>100,378,958</u>	<u>-13.68%</u>
Total Education Fund	<u>256,515,678</u>	<u>248,890,263</u>	<u>-2.97%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management