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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 November 2011: General, Transportation and Education Fund Above Target for the Month.

General Fund

Today, Secretary of Administration Jeb Spaulding released the November 2011 General Fund (GF) revenue results. November is the fifth month of fiscal year (FY) 2012. General Fund revenues totaled \$78.60 million for November 2011, and were +\$2.19 million or +2.87% above the \$76.41 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$472.64 million, and +\$12.13 million or +2.63% above the target of \$460.51 million for FY 2012. Cumulatively, General Fund receipts through November 31, 2011 now exceed the prior fiscal year (FY 2011) to date receipts as of November 31, 2010 by +5.61%.

“Naturally, we are pleased that General fund revenues continued a positive trend for the month and through the first five months of the fiscal year. All four of the major tax sources - Personal Income, Sales & Use, Rooms and Meals, and Corporate Income - are ahead of target and last year's actual results, for the month and year to date,” said Secretary Spaulding.

Current targets reflect the Fiscal Year 2012 Consensus Revenue Forecast adopted by the Emergency Board at their July 21, 2011 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 is scheduled for January 18, 2012.

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 November were recorded at \$35.88 million, +\$1.80 million or +5.28% above the monthly target of \$34.08 million. Year to date, Net PI Receipts were \$231.92 million, +\$2.45 million or +1.07% ahead of target.

Corporate Income Taxes are also reported net-of refunds and account for approximately 18.9% of annual General Fund Revenue. November Net Corporate Receipts of \$0.82 million were +\$0.71



million or +624.87% ahead of the monthly target of \$0.11 million. Year to date Corporate receipts were \$31.31 million, +\$10.19 million or +48.24% ahead of target; these results are also 19.10% ahead of the same period in the prior fiscal year.

Secretary Spaulding explained, “While Net Personal Income Tax receipts are holding slightly ahead of target on a cumulative basis (+1.07%), we do have some concerns in regard to cumulative Corporate Income Tax receipts. Taking a closer look at the individual Corporate Income Tax components shows that the above target performance has been driven by lower Corporate Refund activity and higher Corporate Estimated payment receipts than projected. We believe there is a chance that a good deal of these above target receipts may be offset by higher refunds next spring.”

Consumption tax results for November were above target for the month: Sales & Use Tax receipts of \$18.53 million were above target by +\$0.72 million (+4.02%); Rooms & Meals Tax receipts of \$11.14 million exceeded target by +\$0.49 million (+4.61%). Year to date, Sales & Use Tax receipts of \$95.02 million exceeded target by +\$0.10 million or +0.11% and Rooms & Meals Tax receipts of \$57.62 are above target by +\$2.22 million or +4.01% for the current fiscal year (FY 2012). As compared to the same period for the prior fiscal year (FY 2011), cumulative November consumption taxes (Sales & Use, and Meals & Rooms) exceeded the prior year results by +5.30% and 4.01% 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 November were as follows: Insurance Tax, \$6.25 million (-6.94%); Inheritance & Estate Tax, \$1.50 (-0.62%); Property Transfer Tax, \$0.54 million (-31.48%); and “Other”, \$3.93 million (-16.90%). The year to date November results for the remaining non-major categories were: Insurance Tax, \$14.83 million (-2.41%); Inheritance & Estate Tax, \$8.09 (+1.37%); Property Transfer Tax, \$3.56 million (-11.66%); and “Other”, \$30.31 million (-6.49%). Cumulatively, the total non-major component receipts of \$56.79 million were below the prior year total of \$60.94 million by -\$4.15 million, or -6.81%. However, the shortfall versus prior year in “Other” is primarily due to one-time extraordinary settlement activity in Bank Franchise Tax during August of the prior year.

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD			
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change
Personal Income	34.08	35.88	1.80	5.28%	229.47	231.92	2.45	1.07%
Sales & Use	17.82	18.53	0.72	4.02%	94.92	95.02	0.10	0.11%
Corporate	0.11	0.82	0.71	624.87%	21.12	31.31	10.19	48.24%
Meals & Room	10.65	11.14	0.49	4.61%	55.40	57.62	2.22	4.01%
Insurance Premium	6.72	6.25	-0.47	-6.94%	15.19	14.83	-0.37	-2.41%
Inheritance & Estate	1.51	1.50	-0.01	-0.62%	7.98	8.09	0.11	1.37%
Real Prop. Transfer	0.79	0.54	-0.25	-31.48%	4.03	3.56	-0.47	-11.66%
Other	4.73	3.93	-0.80	-16.90%	32.41	30.31	-2.10	-6.49%
Total	76.41	78.60	2.19	2.87%	460.51	472.64	12.13	2.63%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for November. Total non-dedicated Transportation Fund receipts of \$17.59 million for the month exceeded target by +\$2.58 million (+17.16%), against the monthly target of \$15.01 million. The November year to date Transportation Fund receipts of \$90.24 million was ahead of the \$88.70 million target by +\$1.54 million or +1.74%. Year to date November FY 2012 non-dedicated Transportation Funds have now exceeded the prior year (FY 2011) by 1.40% for the same four month period.

Individual Transportation Fund revenue receipts components for November all exceeded target for the month: Gasoline Tax, \$4.86 million or +1.31% above target; Diesel Tax, \$1.58 million or +51.57% above target; Motor Vehicle Purchase & Use Tax, \$4.31 million or +18.64% ahead of target; Motor Vehicle Fees, \$5.47 million or +17.96% above; and Other Fees, \$1.37 million or +51.74% above the monthly target. Year to date results for the individual Transportation Fund revenue components for November were: Gasoline Tax, \$26.16 million or -0.08% short of target; Diesel Tax, \$6.35 million or +6.58% above target; Motor Vehicle Purchase & Use Tax, \$22.04 million or -1.82% behind target; Motor Vehicle Fees, \$28.81 million or +3.74% ahead of target; and Other Fees, \$6.88 million or +8.58% above the monthly target.

Secretary Spaulding said, “November was by far the best month the Transportation Fund has experienced to date this fiscal year (FY 2012), recouping all of the below target receipts through October and more. The fact that each individual Transportation Fund tax component was favorable to target for the month was especially good news. Cumulatively, the non-dedicated Transportation Fund receipts through November are +1.40% ahead of the prior fiscal year (FY 2011) but remains -4.20% below the FY 2008 total for the same five-month period.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for November were \$1.74 million or +18.12% in excess of target; year to date TIB Gas receipts were \$9.19 million or +16.39% ahead of target. TIB Fund Diesel receipts for the month were \$0.21 million or +26.87% above the monthly target; year to date TIB Diesel receipts were \$0.77 million or +6.08% ahead of target. The Secretary reiterated his comments from last month by stating that, “Our access to additional bonding capacity due to the cumulative above target results for TIB, is important to remember, should it be needed for Tropical Storm Irene related transportation infrastructure.” The 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	4.80	4.86	0.06	1.31%	26.18	26.16	-0.02	-0.08%
Diesel Fuel	1.04	1.58	0.54	51.57%	5.96	6.35	0.39	6.58%
MV Purchase & Use	3.63	4.31	0.68	18.64%	22.45	22.04	-0.41	-1.82%
Motor Vehicle Fees	4.63	5.47	0.83	17.96%	27.77	28.81	1.04	3.74%
Other	0.90	1.37	0.47	51.74%	6.34	6.88	0.54	8.58%
Total	15.01	17.59	2.58	17.16%	88.70	90.24	1.54	1.74%
Note:								
TIB Fuel Fees/Gasoline	1.47	1.74	0.27	18.12%	7.90	9.19	1.29	16.39%
TIB Fuel Fees/Diesel	0.16	0.21	0.04	26.87%	0.72	0.77	0.04	6.08%

*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 November totaled \$13.47 million, or +\$0.84 million (+6.65%) above the \$12.63 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$66.44 million, or -0.57% short of the year to date target. The individual Education Fund revenue component results for November were: Sales & Use Tax, \$9.27 million, or +4.02% above target; Motor Vehicle Purchase & Use Tax, \$2.16 million or +18.64%; Lottery Transfer, \$2.05 million or +7.49% above; Education Fund Interest for November was under \$0.01 million against a similar target. Year to date receipts by component were: Sales & Use Tax, \$47.51 million, or +0.11% ahead of target; Motor Vehicle Purchase & Use Tax, \$11.02 million or -1.82%; Lottery Transfer, \$7.89 million or -3.07% below target; year to date Education Fund Interest for November was under \$0.02 million against a target of below \$0.01 million. As compared to prior year, FY 2012 year to date non-Property Tax Education Fund receipts are 5.40% 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	8.91	9.27	0.36	4.02%	47.46	47.51	0.05	0.11%
MV Purchase & Use	1.82	2.16	0.34	18.64%	11.23	11.02	-0.20	-1.82%
Lottery Transfer	1.91	2.05	0.14	7.49%	8.14	7.89	-0.25	-3.07%
Investment Income	0.00	0.00	0.00	N/M	0.00	0.02	0.02	N/M
Total	12.63	13.47	0.84	6.65%	66.83	66.44	-0.38	-0.57%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “It is definitely good news that the General Fund has exceeded target for the fourth consecutive month. However, uncertainty from the continuing global economic instability and the unknown extent of federal budget cuts require us to remain cautious. While the current results indicate a positive note for the current fiscal year (FY 2012), there remains a good deal of uncertainty for FY 2013. We look towards the January Consensus Revenue Forecast revision, scheduled for consideration by the Emergency Board on January 18, 2012, with interest and what we hope will be a clearer picture of the revenue future for our three major funds.”

Attachments

The detailed schedules of the November 2011 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 November 30, 2011**

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	214,652,655	231,921,087	8.04%
Sales & Use	90,241,902	95,020,461	5.30%
Corporate	26,284,904	31,304,797	19.10%
Meals & Room	55,396,755	57,616,413	4.01%
Liquor & Wine	6,092,845	6,743,074	10.67%
Insurance Premium	16,134,735	14,826,349	-8.11%
Telephone Gross Receipts	118,787	106,169	-10.62%
Telephone Property	2,252,129	2,247,446	-0.21%
Beverage	2,563,016	2,620,854	2.26%
Electric Generating	728,646	732,053	0.47%
Inheritance & Estate	5,195,102	8,091,485	55.75%
Real Property Transfer	3,452,859	3,556,587	3.00%
Bank Franchise	10,246,046	5,414,862	-47.15%
All Other Taxes	2,949,315	616,805	-79.09%
Total Taxes	<u>436,309,696</u>	<u>460,818,443</u>	<u>5.62%</u>
Other Revenues			
Business Licenses	444,530	498,112	12.05%
Fees	7,917,578	8,084,205	2.10%
Services	473,036	645,475	36.45%
Fines, Forfeits & Penalties	1,696,858	2,236,009	31.77%
Interest, Prem	(238,078)	36,555	115.35%
Special Assessments	0	0	0.00%
All Other Revenues	916,121	323,960	-64.64%
Total Other Revenues	<u>11,210,045</u>	<u>11,824,316</u>	<u>5.48%</u>
Total General Fund	<u><u>447,519,740</u></u>	<u><u>472,642,758</u></u>	<u><u>5.61%</u></u>

Date: December 06, 2011

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**Comparative Statement of Revenues
Transportation Fund
As of November 30, 2011**

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	26,837,348	26,160,399	-2.52%
Diesel Fuel	6,174,251	6,348,134	2.82%
MV Purchase & Use	<u>20,403,060</u>	<u>22,043,969</u>	8.04%
Total Taxes	<u>53,414,659</u>	<u>54,552,502</u>	2.13%
Other Revenues			
Motor Vehicle Fees	28,618,195	28,811,400	0.68%
Other	<u>6,964,907</u>	<u>6,879,094</u>	-1.23%
Total Other Revenues	<u>35,583,102</u>	<u>35,690,494</u>	0.30%
Total Non-Dedicated	<u>88,997,761</u>	<u>90,242,996</u>	1.40%
Dedicated			
Federal Aid	165,757,594	134,066,970	-19.12%
Infrastructure Fuel Fees	7,818,537	9,959,758	27.39%
Other	<u>970,848</u>	<u>3,139,010</u>	223.33%
Total Dedicated	<u>174,546,979</u>	<u>147,165,738</u>	-15.69%
Total Transportation Fund	<u>263,544,741</u>	<u>237,408,735</u>	-9.92%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: December 06, 2011

Time: 15:24

State of Vermont
Comparative Statement of Revenues
Education Fund
As of November 30, 2011

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	45,120,274	47,509,518	5.30%
Purchase & Use	10,201,530	11,021,985	8.04%
Lottery Transfer	7,695,466	7,891,288	2.54%
Investment Income	20,712	19,396	-6.35%
Total estimated revenues	<u>63,037,981</u>	<u>66,442,186</u>	<u>5.40%</u>
Other Revenues:			
Education Property Taxes	29,888,573	21,521,945	-27.99%
Electric Energy Educ Prop Tax	1,064,037	1,068,977	0.46%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>30,952,610</u>	<u>22,590,921</u>	<u>-27.01%</u>
Total Education Fund	<u><u>93,990,592</u></u>	<u><u>89,033,107</u></u>	<u><u>-5.27%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: December 06, 2011

Time: 15:24