



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
[fax] 802-828-3320

Jeb Spaulding, Secretary

PRESS RELEASE

October 18, 2011

FOR IMMEDIATE RELEASE

CONTACT: Jeb Spaulding
(802) 828-3322

Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for September 2011: General Fund On Target; Transportation Fund and Education Fund Fall Short for the Month.

General Fund

The September 2011 General Fund (GF) Revenue results were released today, by Secretary of Administration Jeb Spaulding. September is the third month of fiscal year (FY) 2012. General Fund revenues totaled \$116.94 million for September 2011, and were +\$0.09 million or +0.08% above the \$116.85 million consensus revenue forecast for the month, essentially on target. Year to date, General Fund revenues were \$293.27 million, and +\$6.09 million or +2.12% above the first quarter's target of \$287.18 million for FY 2012.

Secretary Spaulding said, "September General Fund receipts were essentially on target, allowing us to remain ahead of our cumulative first quarter FY 2012 target. However, the growth rate versus last year's receipts slowed considerably. We came into the month of September with General Fund receipts ahead of the prior year by 7.6%. After September, the revenue receipts have slipped to only 4.13% ahead of the FY 2011 results for the same three month period. Furthermore, September revenues, to a large extent, reflect economic activity that occurred pre-Irene. With the impacts from Irene on revenues still unknown, combined with continued global fiscal instability, late summer stagnation in the economy, and looming federal funding cuts, we remain very cautious going into the second quarter of FY 2012."

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.

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 September were recorded at \$58.01 million, -\$2.93 million or -4.81% short of the monthly target of \$60.94 million. Year to date, net PI Receipts were \$145.98 million, +\$2.15 million or +1.50% ahead of target.

Corporate Income Taxes are also reported net-of refunds. September Corporate receipts of \$18.25 million were +\$4.40 million or +31.77% ahead of the monthly target of \$13.85 million. Year to date Corporate receipts were \$22.22 million, +\$4.62 million or +26.25% ahead of target.

The Secretary commented, “Normally, quarterly estimated tax payments for individuals and corporation would have been due September 15, 2011. Due to Tropical Storm Irene however, the deadlines were extended to October 31st for individuals and November 1st for corporations. While it appears the extension had no real negative impact on corporate estimated payments, we will not be able to determine whether the September shortfall for individual estimated payments will become more significant until after the October 31st filing deadline.

Consumption tax results for September were, once again, mixed: Sales & Use Tax receipts of \$17.57 million were below target by -\$0.35 million (-1.96%); Rooms & Meals Tax receipts of \$12.70 million slightly exceeded target by +\$0.10 million (+0.80%). Year to date, both Sales & Use Tax (\$56.22 million or +0.34%) and Rooms & Meals Tax (\$35.49 million or +4.12%) remain above target for September, as well as being above the first quarter receipts for the prior year by +5.0% and +4.1% respectively. The Secretary noted that, “The September 2011 year to date results for the consumption taxes, as compared to the same period for 2010 has slipped from last month’s total consumption tax revenue. Total consumption tax receipts were 6.81% ahead of 2010 at the end of August; at the end of September the above prior year results have fallen to 4.65% ahead of 2010.”

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 September were as follows: Insurance Tax, \$0.83 million (-19.48%); Inheritance & Estate Tax, \$0.13 (-92.69%); Property Transfer Tax, \$0.79 million (-7.77%); and “Other”, \$8.66 million (+10.19%). The year to date September results for the remaining non-major categories were: Insurance Tax, \$8.21 million (+0.83%); Inheritance & Estate Tax, \$4.29 (-9.69%); Property Transfer Tax, \$2.32 million (-6.19%); and “Other”, \$18.53 million (-8.56%). Cumulatively, the total non-major component receipts of \$31.03 million were below the prior year total of \$37.32 million by -\$3.96 million, or -10.62%. 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	60.94	58.01	-2.93	-4.81%	143.83	145.98	2.15	1.50%
Sales & Use	17.92	17.57	-0.35	-1.96%	56.03	56.22	0.19	0.34%
Corporate	13.85	18.25	4.40	31.77%	17.60	22.22	4.62	26.25%
Meals & Room	12.60	12.70	0.10	0.80%	34.08	35.49	1.40	4.12%
Insurance Premium	1.03	0.83	-0.20	-19.48%	8.14	8.21	0.07	0.83%
Inheritance & Estate	1.80	0.13	-1.66	-92.69%	4.75	4.29	-0.46	-9.69%
Real Prop. Transfer	0.86	0.79	-0.07	-7.77%	2.48	2.32	-0.15	-6.19%
Other	7.86	8.66	0.80	10.19%	20.26	18.53	-1.73	-8.56%
Total	116.85	116.94	0.09	0.08%	287.18	293.27	6.09	2.12%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also reported on the non-dedicated Transportation Fund Revenue for September. Total non-dedicated Transportation Fund receipts of \$19.19 million for the month fell below target by -\$0.39 million (-2.01%), against the monthly target of \$19.58 million. The September year to date Transportation Fund receipts of \$54.57 million was short of the \$55.00 million target by -\$0.44 million or -0.80%. Year to date September FY 2012 Transportation Funds receipts fell below the prior year (FY 2011) by -0.36% for the same three month period.

Individual Transportation Fund revenue receipts components for September were mixed: Gasoline Tax, \$5.68 million or -1.26% below target; Diesel Tax, \$0.88 million or -36.36% below target; Motor Vehicle Purchase & Use Tax, \$4.84 million or -8.34% behind target; Motor Vehicle Fees, \$6.25 million or +9.78% ahead of target; and Other Fees, \$1.53 million or +4.59% above the monthly target. Year to date results for the individual Transportation Fund revenue components for September were: Gasoline Tax, \$16.31 million or -0.13% short of target; Diesel Tax, \$3.20 million or -7.97% below target; Motor Vehicle Purchase & Use Tax, \$13.16 million or -6.69% behind target; Motor Vehicle Fees, \$17.88 million or +4.86% ahead of target; and Other Fees, \$4.01 million or -0.59% short of the monthly target.

Secretary Spaulding said, “The Transportation Fund reversed the forward progress made in August, falling behind both the cumulative first quarter FY 2012 target, as well as the prior year. It is difficult to predict where the Transportation Fund is headed considering the economic stagnation and the unknown impact from Tropical Storm Irene.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for September were \$2.07 million or +21.03% in excess of target; year to date TIB Gas receipts were \$5.65 million or +15.38% ahead of target. TIB Fund Diesel receipts for the month were \$0.11 million or -39.40% short of the monthly target; year to date TIB Diesel receipts were \$0.38 million or -23.35% short of target. 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	5.75	5.68	-0.07	-1.26%	16.33	16.31	-0.02	-0.13%
Diesel Fuel	1.39	0.88	-0.50	-36.36%	3.48	3.20	-0.28	-7.97%
MV Purchase & Use	5.28	4.84	-0.44	-8.34%	14.11	13.16	-0.94	-6.69%
Motor Vehicle Fees	5.70	6.25	0.56	9.78%	17.05	17.88	0.83	4.86%
Other	1.46	1.53	0.07	4.59%	4.04	4.01	-0.02	-0.59%
Total	19.58	19.19	-0.39	-2.01%	55.00	54.57	-0.44	-0.80%

Note:

TIB Fuel Fees/Gasoline	1.71	2.07	0.36	21.03%	4.89	5.65	0.75	15.38%
TIB Fuel Fees/Diesel	0.17	0.11	-0.07	-39.40%	0.50	0.38	-0.12	-23.35%

*Differences due to rounding

Education Fund

Secretary Spaulding 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 September totaled \$12.85 million, or -\$0.62 million (-4.61%) below the \$13.47 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$39.11 million, or -1.21% short of the year to date target. The individual Education Fund revenue component results for September were: Sales & Use Tax, \$8.78 million, or -1.96% below target; Motor Vehicle Purchase & Use Tax, \$2.47 million or -6.25%; Lottery Transfer, \$1.57 million or -15.86% behind target; Education Fund Interest for September was under \$0.02 million against a target of below \$0. Year to date receipts by component were: Sales & Use Tax, \$28.11 million, or +0.34% above target; Motor Vehicle Purchase & Use Tax, \$6.58 million or -6.69%; Lottery Transfer, \$4.40 million or -2.59% below target; year to date Education Fund Interest for September was under \$0.02 million against a target of below \$0. As compared to prior year, FY 2012 year to date non-Property Tax Education Fund receipts are 4.9% 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	8.96	8.78	-0.18	-1.96%	28.02	28.11	0.09	0.34%
MV Purchase & Use	2.64	2.47	-0.17	-6.25%	7.05	6.58	-0.47	-6.69%
Lottery Transfer	1.87	1.57	-0.30	-15.86%	4.52	4.40	-0.12	-2.59%
Investment Income	0.00	0.02	0.01	NM	0.00	0.02	0.02	NM
Total	13.47	12.85	-0.62	-4.61%	39.59	39.11	-0.48	-1.21%

*Differences due to rounding

NM = Not Meaningful

Conclusion

Secretary Spaulding concluded, “We are pleased to have come through the first quarter slightly ahead of target in the General Fund. However, with all of the uncertainties on a global, national, and state level, we must remain in a very cautious mode about future revenue expectations for all of our major funds.”

Attachments

The detailed schedules of the September 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 September 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	133,670,725	145,984,866	9.21%
Sales & Use	53,553,521	56,222,993	4.98%
Corporate	23,006,910	22,220,148	-3.42%
Meals & Room	34,083,918	35,488,537	4.12%
Liquor & Wine	3,849,020	4,078,566	5.96%
Insurance Premium	8,281,835	8,208,771	-0.88%
Telephone Gross Receipts	66,677	52,468	-21.31%
Telephone Property	2,252,129	2,247,446	-0.21%
Beverage	1,628,589	1,668,692	2.46%
Electric Generating	728,646	732,053	0.47%
Inheritance & Estate	2,671,372	4,293,413	60.72%
Real Property Transfer	2,048,236	2,323,406	13.43%
Bank Franchise	7,722,083	2,638,242	-65.84%
All Other Taxes	1,865,986	345,825	-81.47%
Total Taxes	<u>275,429,648</u>	<u>286,505,425</u>	<u>4.02%</u>
Other Revenues			
Business Licenses	287,093	320,206	11.53%
Fees	4,853,501	4,389,250	-9.57%
Services	319,927	485,686	51.81%
Fines, Forfeits & Penalties	777,202	1,385,325	78.25%
Interest, Prem	(211,006)	(60,454)	71.35%
Special Assessments	0	0	0.00%
All Other Revenues	177,561	245,335	38.17%
Total Other Revenues	<u>6,204,278</u>	<u>6,765,348</u>	<u>9.04%</u>
Total General Fund	<u>281,633,925</u>	<u>293,270,773</u>	<u>4.13%</u>

Date: October 07, 2011

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

T Fund Detail Schedule 2

	Total to Date	Total to Date	% of
	Last Year	This Year	Change
Non-Dedicated Taxes			
Gasoline	16,099,305	16,311,192	1.32%
Diesel Fuel	3,562,384	3,204,778	-10.04%
MV Purchase & Use	<u>12,609,347</u>	<u>13,161,992</u>	4.38%
Total Taxes	<u>32,271,036</u>	<u>32,677,961</u>	1.26%
Other Revenues			
Motor Vehicle Fees	18,130,932	17,875,624	-1.41%
Other	<u>4,362,056</u>	<u>4,012,216</u>	-8.02%
Total Other Revenues	<u>22,492,988</u>	<u>21,887,840</u>	-2.69%
Total Non-Dedicated	<u>54,764,024</u>	<u>54,565,801</u>	-0.36%
Dedicated			
Federal Aid	101,417,978	77,418,565	-23.66%
Infrastructure Fuel Fees	4,690,288	6,025,690	28.47%
Other	<u>843,346</u>	<u>1,697,401</u>	101.27%
Total Dedicated	<u>106,951,613</u>	<u>85,141,656</u>	-20.39%
Total Transportation Fund	<u>161,715,637</u>	<u>139,707,457</u>	-13.61%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 07, 2011

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

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	26,776,294	28,111,075	4.98%
Purchase & Use	6,212,279	6,580,996	5.94%
Lottery Transfer	4,278,387	4,403,131	2.92%
Investment Income	19,125	17,154	-10.30%
Total estimated revenues	<u>37,286,084</u>	<u>39,112,356</u>	<u>4.90%</u>
Other Revenues:			
Education Property Taxes	(1,690,529)	(795,630)	52.94%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(1,690,529)</u>	<u>(795,630)</u>	<u>52.94%</u>
Total Education Fund	<u><u>35,595,555</u></u>	<u><u>38,316,726</u></u>	<u><u>7.64%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 07, 2011