



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 12, 2012

FOR IMMEDIATE RELEASE

CONTACT: Jeb Spaulding
(802) 828-3322

Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for September 2012; General Fund Exceeds Target; Transportation Fund and Education Fund Fall Below Exceed Target for the Month.

General Fund

Secretary of Administration Jeb Spaulding released the September 2012 General Fund (GF) Revenue results today. September is the third month of fiscal year (FY) 2013. General Fund revenues totaled \$121.29 million for September 2012, and were +\$0.03 million or +0.03% above the \$121.26 million consensus revenue forecast for the month. Year to date, General Fund revenues were \$302.48 million, and +\$0.27 million or +0.09% above the target for the first quarter of \$302.22 million.

Secretary Spaulding commented, "September General Fund receipts were slightly above target for the month and that puts us a tad over target for the first quarter of this fiscal year. In addition, first quarter FY 2013 General Fund revenues are up from FY 2012 receipts for the same period by +3.14%."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their July 20, 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.

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 \$59.66 million, -\$3.48 million or -5.51% below the monthly target of \$63.14 million. Year to date, net PI Receipts were \$146.36 million, -\$7.29 million or -4.75% behind target.

Secretary Spaulding explained, "The underperformance in Net Personal Income Tax receipts for the first quarter of FY 2013 bears watching, but, according to State economists, appears to result largely from one time and timing occurrences in the withholding category and probably are not an indicator of

underlying economic conditions. I am encouraged that receipts from Personal Income Tax Estimates for the quarter are up almost 18 percent over the previous year, because that could be a positive forward looking indicator. I am also pleased that the Sales Tax and Rooms and Meals Tax are up almost 5% and 6% respectively over last year in the first quarter.”

Corporate Income Taxes are also reported net-of refunds. September Net Corporate Income Tax receipts were \$20.71 million, +\$5.36 million or +34.92% above the monthly target of \$15.35 million. Year to date Corporate receipts were \$21.72 million, +\$2.05 million or +10.42% above target. Compared to the same period for the prior fiscal year (FY 2012), Corporate Income Tax receipts were -2.25% below the prior year.

Consumption tax results for September were mixed: Sales & Use Tax receipts of \$18.58 million were ahead of target by +\$0.12 million (+0.63%); Rooms & Meals Tax receipts of \$13.15 million fell short of target by -\$0.56 million (-4.09%). Year to date, both Sales & Use Tax (\$59.01 million or +1.25%) and Rooms & Meals Tax (\$37.62 million or +0.44%) remain above target for September, as well as being above the two month total receipts for the prior year by +4.96% and +5.99% 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 September were as follows: Insurance Tax, \$1.10 million (+32.79%); Inheritance & Estate Tax, \$0.20 (-88.58%); Property Transfer Tax, \$0.69 million (-19.90%); and “Other”, \$7.20 million (-0.31%). The year to date September results for the remaining non-major categories were: Insurance Tax, \$8.34 million (+1.65%); Inheritance & Estate Tax, \$7.47 (+57.33%); Property Transfer Tax, \$2.49 million (-1.30%); and “Other”, \$19.48 million (+10.17%). Cumulatively, the total non-major component receipts of \$37.78 million exceeded the prior year total by +\$4.43 million, or +13.28%.

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 | % Change |
| Personal Income | 63.14 | 59.66 | -3.48 | -5.51% | 153.65 | 146.36 | -7.29 | -4.75% | 145.98 | 0.37 | 0.26% |
| Sales & Use | 18.47 | 18.58 | 0.12 | 0.63% | 58.28 | 59.01 | 0.73 | 1.25% | 56.22 | 2.79 | 4.96% |
| Corporate | 15.35 | 20.71 | 5.36 | 34.92% | 19.67 | 21.72 | 2.05 | 10.42% | 22.22 | -0.50 | -2.25% |
| Meals & Room | 13.71 | 13.15 | -0.56 | -4.09% | 37.45 | 37.62 | 0.16 | 0.44% | 35.49 | 2.13 | 5.99% |
| Insurance Premium | 0.83 | 1.10 | 0.27 | 32.79% | 8.21 | 8.34 | 0.14 | 1.65% | 8.21 | 0.14 | 1.65% |
| Inheritance & Estate | 1.72 | 0.20 | -1.52 | -88.58% | 4.75 | 7.47 | 2.72 | 57.33% | 4.29 | 3.17 | 73.88% |
| Real Prop. Transfer | 0.87 | 0.69 | -0.17 | -19.90% | 2.53 | 2.49 | -0.03 | -1.30% | 2.32 | 0.17 | 7.27% |
| Other | 7.18 | 7.20 | 0.02 | 0.31% | 17.68 | 19.48 | 1.80 | 10.17% | 18.53 | 0.95 | 5.12% |
| Total | 121.26 | 121.29 | 0.03 | 0.03% | 302.22 | 302.48 | 0.27 | 0.09% | 293.27 | 9.21 | 3.14% |

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund Revenue for September was also reported on by Secretary Spaulding. Total non-dedicated Transportation Fund receipts of \$18.20 million for the month fell short of the target by -\$1.98 million (-9.79%), against the monthly target of \$20.17

million. September year to date Transportation Fund receipts of \$55.56 million remain short of the \$57.69 million target by -\$2.13 million or -3.70%. Compared to FY 2012, year to date September Transportation Funds receipts exceed the prior year by +\$0.99 million or +1.82% for the same period.

Individual Transportation Fund revenue receipts components for September were mixed: Gasoline Tax, \$4.95 million or -12.58% behind target; Diesel Tax, \$1.23million or +4.90% above target; Motor Vehicle Purchase & Use Tax, \$4.90 million or -8.47% behind target; Motor Vehicle Fees, \$5.72 million or -11.31% behind target; and Other Fees, \$1.41 million or -8.96% short of the monthly target. Year to date results for the individual Transportation Fund revenue components for September were below target across the board: Gasoline Tax, \$15.45 million or -4.82% below target; Diesel Tax, \$3.45 million or -2.24% behind target; Motor Vehicle Purchase & Use Tax, \$13.59 million or -3.77% short of target; Motor Vehicle Fees, \$18.63 million or -3.19% short of target; and Other Fees, \$4.44 million or -2.72% below the monthly target.

Secretary Spaulding said, “It seems very likely that high gas prices are changing behavior in terms of miles and the kind of vehicles driven. However, the fact that the Purchase and Use Tax is up over 3% for the first quarter compared to last year is good news. Although behind target for the first quarter, the Transportation Fund revenue is slightly ahead of the receipts at this point last year by 1.82%. Should October results continue below target, we may have to reevaluate the current year target.”

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for September were \$1.98 million or -0.75% behind target; year to date TIB Gas receipts were \$5.70 million or -0.20% compared to target. TIB Fund Diesel receipts for the month were \$0.15 million or -0.07% short of the monthly target; year to date TIB Diesel receipts were \$0.30 million or -32.64% short of target. The year to date TIB results were +0.95% above and -21.33% behind the TIB Fund Gas receipts and TIB Diesel receipts, respectively for 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 | 5.66 | 4.95 | -0.71 | -12.58% | 16.23 | 15.45 | -0.78 | -4.82% | 16.31 | -0.86 | -5.30% |
| Diesel Fuel | 1.17 | 1.23 | 0.06 | 4.90% | 3.53 | 3.45 | -0.08 | -2.24% | 3.20 | 0.24 | 7.55% |
| MV Purchase & Use | 5.35 | 4.90 | -0.45 | -8.47% | 14.12 | 13.59 | -0.53 | -3.77% | 13.16 | 0.43 | 3.23% |
| Motor Vehicle Fees | 6.45 | 5.72 | -0.73 | -11.31% | 19.25 | 18.63 | -0.61 | -3.19% | 17.88 | 0.76 | 4.24% |
| Other | 1.54 | 1.41 | -0.14 | -8.96% | 4.57 | 4.44 | -0.12 | -2.72% | 4.01 | 0.43 | 10.72% |
| Total | 20.17 | 18.20 | -1.98 | -9.79% | 57.69 | 55.56 | -2.13 | -3.70% | 54.57 | 0.99 | 1.82% |

Note:

| | | | | | | | | | | | |
|------------------------|------|------|-------|--------|------|------|-------|---------|------|-------|---------|
| TIB Fuel Fees/Gasoline | 1.99 | 1.98 | -0.01 | -0.75% | 5.71 | 5.70 | -0.01 | -0.20% | 5.65 | 0.05 | 0.95% |
| TIB Fuel Fees/Diesel | 0.15 | 0.15 | 0.00 | -0.07% | 0.44 | 0.30 | -0.15 | -32.64% | 0.38 | -0.08 | -21.33% |

*Differences due to rounding

Education Fund

Secretary Spaulding also released the “non-Property Tax” Education Fund revenues (which constitute approximately 13% of the total Education Fund sources) today. The non-Property Tax Education Fund receipts for September totaled \$13.32 million, or -\$0.58 million (-4.18%) below the \$13.90 million target for the month. Year to date, non-Property Tax Education Fund receipts were \$40.63 million, or -0.82% short of the year to date target. The individual Education Fund revenue component results for September were: Sales & Use Tax, \$9.29 million, or +0.63 % above target; Motor Vehicle Purchase & Use Tax, \$2.40 million or -10.14%; Lottery Transfer, \$1.61 million or -19.50% below target; Education Fund Interest for September was less than \$0.02 million. Year to date receipts by component were: Sales & Use Tax, \$29.50 million, or +1.25% ahead of target; Motor Vehicle Purchase & Use Tax, \$6.75 million or -4.40%; Lottery Transfer, \$4.34 million or -8.97% below target; year to date Education Fund Interest was less than \$0.03 million. As compared to prior year, FY 2013 year to date non-Property Tax Education Fund receipts are 3.87% 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 | 9.23 | 9.29 | 0.06 | 0.63% | 29.14 | 29.50 | 0.36 | 1.25% | 28.11 | 1.39 | 4.96% |
| MV Purchase & Use | 2.67 | 2.40 | -0.27 | -10.14% | 7.06 | 6.75 | -0.31 | -4.40% | 6.58 | 0.17 | 2.55% |
| Lottery Transfer | 2.00 | 1.61 | -0.39 | -19.50% | 4.77 | 4.34 | -0.43 | -8.97% | 4.40 | -0.06 | -1.40% |
| Investment Income | -0.01 | 0.02 | 0.02 | -420.75% | -0.01 | 0.03 | 0.04 | -694.34% | 0.02 | 0.01 | 83.74% |
| Total | 13.90 | 13.32 | -0.58 | -4.18% | 40.96 | 40.63 | -0.34 | -0.82% | 39.11 | 1.51 | 3.87% |

*Differences due to rounding

NM = Not Meaningful

Conclusion

Secretary Spaulding concluded, “All in all, we are pleased to be on target with our General Fund revenues, especially given the volatility and uncertainty in the national and global economy. We appear to be maintaining our positive trajectory.”

Attachments

The detailed schedules of the September 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 September 30, 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 | 145,984,866 | 146,359,796 | 0.26% |
| Sales & Use | 56,222,993 | 59,009,716 | 4.96% |
| Corporate | 22,220,148 | 21,719,334 | -2.25% |
| Meals & Room | 35,488,537 | 37,615,521 | 5.99% |
| Liquor & Wine | 4,078,097 | 4,236,062 | 3.87% |
| Insurance Premium | 8,208,771 | 8,344,440 | 1.65% |
| Telephone Gross Receipts | 52,468 | 50,823 | -3.13% |
| Telephone Property | 2,247,446 | 2,318,463 | 3.16% |
| Beverage | 1,668,692 | 1,759,929 | 5.47% |
| Electric Generating | 732,053 | 0 | -100.00% |
| Inheritance & Estate | 4,293,413 | 7,465,582 | 73.88% |
| Real Property Transfer | 2,323,406 | 2,492,355 | 7.27% |
| Bank Franchise | 2,638,242 | 2,610,205 | -1.06% |
| All Other Taxes | 345,825 | 658,821 | 90.51% |
| Total Taxes | <u>286,504,955</u> | <u>294,641,047</u> | <u>2.84%</u> |
| Other Revenues | | | |
| Business Licenses | 320,206 | 250,253 | -21.85% |
| Fees | 4,389,250 | 5,091,558 | 16.00% |
| Services | 485,686 | 905,467 | 86.43% |
| Fines, Forfeits & Penalties | 1,385,325 | 1,341,876 | -3.14% |
| Interest, Prem | (60,454) | 35,422 | 158.59% |
| Special Assessments | 0 | 0 | 0.00% |
| All Other Revenues | 245,335 | 217,360 | -11.40% |
| Total Other Revenues | <u>6,765,348</u> | <u>7,841,936</u> | <u>15.91%</u> |
| Total General Fund | <u><u>293,270,304</u></u> | <u><u>302,482,983</u></u> | <u><u>3.14%</u></u> |

Date: October 03, 2012

**Comparative Statement of Revenues
Transportation Fund
As of September 30, 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 | 16,311,192 | 15,447,493 | -5.30% |
| Diesel Fuel | 3,204,778 | 3,446,816 | 7.55% |
| MV Purchase & Use | <u>13,161,992</u> | <u>13,587,096</u> | 3.23% |
| Total Taxes | <u>32,677,961</u> | <u>32,481,405</u> | -0.60% |
| Other Revenues | | | |
| Motor Vehicle Fees | 17,875,624 | 18,634,096 | 4.24% |
| Other | <u>4,012,216</u> | <u>4,442,527</u> | 10.73% |
| Total Other Revenues | <u>21,887,840</u> | <u>23,076,623</u> | 5.43% |
| Total Non-Dedicated | <u>54,565,801</u> | <u>55,558,028</u> | 1.82% |
| Dedicated | | | |
| Federal Aid | 77,418,565 | 101,380,167 | 30.95% |
| Infrastructure Bond Fund Revenue | 6,026,385 | 5,998,145 | -0.47% |
| Other | <u>1,696,706</u> | <u>1,091,708</u> | -35.66% |
| Total Dedicated | <u>85,141,656</u> | <u>108,470,021</u> | 27.40% |
| Total Transportation Fund | <u>139,707,457</u> | <u>164,028,049</u> | 17.41% |

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 03, 2012

State of Vermont
Comparative Statement of Revenues
Education Fund
As of September 30, 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 | 28,111,075 | 29,503,988 | 4.96% |
| Purchase & Use | 6,580,996 | 6,748,972 | 2.55% |
| Lottery Transfer | 4,403,131 | 4,341,319 | -1.40% |
| Investment Income | 17,154 | 31,519 | 83.74% |
| Total estimated revenues | <u>39,112,356</u> | <u>40,625,798</u> | <u>3.87%</u> |
| Other Revenues: | | | |
| Education Property Taxes | (795,630) | (945,721) | -18.86% |
| Electric Energy Educ Prop Tax | 0 | 0 | 0.00% |
| Medicaid Reimbursement | 0 | 0 | 0.00% |
| Total other revenues | <u>(795,630)</u> | <u>(945,721)</u> | <u>-18.86%</u> |
| Total Education Fund | <u>38,316,726</u> | <u>39,680,077</u> | <u>3.56%</u> |

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 03, 2012