



Monthly Revenue Release

Agency of Administration
November 20, 2018

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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's Revenue Results for October 2018. In total, the three major funds - General Fund, Transportation Fund, and Education Fund - were above their monthly target, with the General Fund and Transportation Funds exceeding their targets and the Education Fund falling below its target.

Revenue collections for the month of October 2018 have been compiled. General Fund tax revenues collected for the month totaled \$100.13 million, or \$6.48 million above the monthly consensus revenue target, according to Secretary of Administration Susanne Young. "General Fund performance, particularly in the personal income tax, continues to be very strong through October," stated Secretary Young. "Year-to-date, fiscal year 2019 revenues are \$21.84 million, or 5.73% above forecast. Whether these results are sustainable through the 2019 fiscal year and into fiscal 2020 is the key question; especially given the under-performance of the corporate income tax this month." Corporate income tax collections were below forecast by -\$4.76 million for the month of October but remain above forecast by \$7.63 million for the year-to-date.

The Transportation Fund collected \$28.34 million for the month of October, or \$4.15 million above target. The Fuel Tax receipts, including the Gas Tax and Diesel Tax, and the Motor Vehicle Purchase and Use Tax, exceeded monthly projections for October - offsetting lower-than-expected collections in September, which may be attributable to end-of-month timing of collections in September. This fiscal year-to-date, the Transportation Fund is above target by \$1.41 million, or 1.47%.

The Education Fund collected \$46.77 million for the month, or -\$1.52 million below target. For the year, the fund is -\$4.56 million, or -2.52%, below forecast. "As we noted last month, underperformance in the Sales and Use Tax, which is now directed one hundred percent to the Education Fund, may be attributable to a slower than expected e-commerce sales tax collections required by the June 2018 U.S. Supreme Court decision in the *Wayfair* case. We will continue to monitor performance in the Sales and Use Tax," stated Young.

The State's three largest funds, in the aggregate, are above the consensus forecast by \$18.69 million over the first four months of fiscal year 2019. On a year-over-year basis, after adjusting for legislative changes noted below, the three funds in aggregate continue to reflect solid gains in a broad range of tax categories. Of note, Act 11 of 2018 made several key changes to existing State revenue and expenditure distributions effective July 1 and implemented in the current fiscal year. The most significant changes were the shift of the entirety of the Sales and Use tax and 25% of the Meals and Rooms tax from the General Fund to the Education Fund offset by the elimination of a lump sum annual transfer of General Fund dollars to the Education Fund. Adjusting these changes, for comparison purposes only, the year-to-date fiscal 2019 revenues represent increases of 14.31%, 3.53%, and 2.12% for the General Fund, Transportation Fund, and Education Fund, respectively, from the corresponding first four months of fiscal 2018. Personal Income tax - the largest component of the General Fund - increased by 11.49% over the corresponding period in fiscal 2018.

State of Vermont Revenue, by Major Fund
vs. Consensus Revenue Forecast Target

Month: October
FY: 2019

General Fund By Major Element (In Millions)*

| Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Restated (1) | | |
|----------------------|--------------|---------------|-------------|--------------|---------------|---------------|--------------|--------------|-------------------------------|--------------|---------------|
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Personal Income | 65.97 | 75.62 | 9.65 | 14.63% | 250.55 | 265.75 | 15.19 | 6.06% | 238.37 | 27.38 | 11.49% |
| Sales & Use (1) | * | * | * | N/A | * | * | * | N/A | * | * | N/A |
| Corporate | 3.83 | -0.93 | -4.76 | -124.38% | 26.29 | 33.92 | 7.63 | 29.03% | 13.42 | 20.51 | 152.83% |
| Meals & Room (1) | 12.10 | 12.20 | 0.10 | 0.80% | 49.95 | 50.26 | 0.32 | 0.63% | 48.18 | 2.08 | 4.32% |
| Insurance Premium | 0.48 | 1.28 | 0.80 | 165.28% | 8.92 | 9.23 | 0.31 | 3.47% | 8.77 | 0.45 | 5.16% |
| Inheritance & Estate | 1.53 | 1.58 | 0.05 | 3.48% | 6.82 | 3.96 | -2.86 | -41.92% | 4.95 | -0.99 | -20.03% |
| Real Prop. Transfer | 1.35 | 1.72 | 0.38 | 27.94% | 4.74 | 4.99 | 0.25 | 5.24% | 4.30 | 0.69 | 16.08% |
| Other | 8.39 | 8.66 | 0.27 | 3.16% | 33.98 | 34.97 | 1.00 | 2.94% | 34.63 | 0.34 | 0.99% |
| Total | 93.65 | 100.13 | 6.48 | 6.92% | 381.24 | 403.08 | 21.84 | 5.73% | 352.62 | 50.46 | 14.31% |

*Differences due to rounding

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 | 6.63 | 8.58 | 1.94 | 29.31% | 27.81 | 27.54 | -0.27 | -0.99% | 27.69 | -0.15 | -0.52% |
| Diesel Fuel | 1.59 | 1.71 | 0.12 | 7.83% | 6.31 | 6.31 | 0.00 | -0.03% | 6.51 | -0.20 | -3.09% |
| MV Purchase & Use | 7.01 | 8.33 | 1.31 | 18.68% | 26.19 | 26.24 | 0.05 | 0.18% | 24.58 | 1.66 | 6.76% |
| Motor Vehicle Fees | 7.13 | 7.36 | 0.23 | 3.30% | 28.05 | 28.53 | 0.48 | 1.73% | 28.61 | -0.08 | -0.27% |
| Other | 1.83 | 2.37 | 0.54 | 29.41% | 7.11 | 8.26 | 1.15 | 16.20% | 6.20 | 2.06 | 33.27% |
| Total | 24.19 | 28.34 | 4.15 | 17.16% | 95.48 | 96.88 | 1.41 | 1.47% | 93.58 | 3.30 | 3.53% |

Note:

| | | | | | | | | | | | |
|-----------------------|------|------|--------|--------|------|------|-------|--------|------|------|--------|
| TB Fuel Fees/Gasoline | 1.33 | 1.64 | 0.30 | 22.82% | 5.48 | 5.14 | -0.33 | -6.06% | 4.43 | 0.71 | 16.13% |
| TB Fuel Fees/Diesel | 0.17 | 0.18 | 0.0138 | 8.18% | 0.61 | 0.69 | 0.08 | 12.88% | 0.67 | 0.02 | 2.59% |

*Differences due to rounding

Education Fund By Major Element (In Millions)*

| Non-Property Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Restated (1) | | |
|----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|-------------------------------|-------------|--------------|
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Sales & Use (1) | 38.71 | 36.02 | -2.69 | -6.94% | 143.60 | 138.71 | -4.89 | -3.40% | 136.62 | 2.10 | 1.54% |
| Meals & Room (1) | 4.03 | 4.07 | 0.03 | 0.80% | 16.65 | 16.75 | 0.11 | 0.63% | 16.06 | 0.69 | 4.32% |
| MV Purchase & Use | 3.51 | 4.16 | 0.66 | 18.68% | 13.09 | 13.12 | 0.02 | 0.18% | 12.29 | 0.83 | 6.76% |
| Lottery Transfer | 1.94 | 2.50 | 0.57 | 29.27% | 7.18 | 7.41 | 0.23 | 3.14% | 7.43 | -0.02 | -0.30% |
| Investment Income | 0.1029 | 0.0191 | -0.0838 | -81.40% | 0.33 | 0.30 | -0.03 | -9.23% | 0.24 | 0.06 | 23.33% |
| Total | 48.29 | 46.77 | -1.52 | -3.14% | 180.86 | 176.30 | -4.56 | -2.52% | 172.64 | 3.66 | 2.12% |

**Comparative Statement of Revenues
General Fund
As of October 31, 2018**

| | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|-----------------------------|------------------------------------|------------------------------------|-----------------------------|
| Taxes | | | |
| Personal Income Tax | 238,369,035 | 265,747,026 | 11.5% |
| Sales & Use Tax | 88,800,760 | 0 | -100.0% |
| Corporate Income Tax | 13,417,880 | 33,924,365 | 152.8% |
| Meals & Rooms Tax | 64,239,918 | 50,262,857 | -21.8% |
| Liquor & Wine Tax | 6,193,624 | 6,377,071 | 3.0% |
| Insurance Premium | 8,773,221 | 9,225,745 | 5.2% |
| Telephone Gross Receipts | 105,890 | 107,843 | 1.8% |
| Telephone Property Tax | 1,502,702 | 1,347,140 | -10.4% |
| Beverage Tax | 2,572,058 | 2,549,024 | -0.9% |
| Electric Generating | 0 | 0 | 0.0% |
| Inheritance & Estate Tax | 4,950,270 | 3,958,800 | -20.0% |
| Real Property Transfer Tax | 4,299,109 | 4,990,457 | 16.1% |
| Bank Franchise Tax | 4,718,637 | 4,150,376 | -12.0% |
| All Other Taxes | 498,424 | 1,040,723 | 108.8% |
| Total Taxes | <u>438,441,527</u> | <u>383,681,427</u> | <u>-12.5%</u> |
| Other Revenues | | | |
| Business Licenses | 29,732 | 36,056 | 21.3% |
| Fees | 14,579,785 | 15,528,661 | 6.5% |
| Services | 944,628 | 938,772 | -0.6% |
| Fines, Forfeits & Penalties | 991,301 | 806,180 | -18.7% |
| Interest, Prem | 759,755 | 1,870,248 | 146.2% |
| Special Assessments | 0 | 0 | 0.0% |
| All Other Revenues | 1,735,359 | 221,593 | -87.2% |
| Total Other Revenues | <u>19,040,559</u> | <u>19,401,511</u> | <u>1.9%</u> |
| Total General Fund | <u><u>457,482,087</u></u> | <u><u>403,082,938</u></u> | <u><u>-11.9%</u></u> |

**Comparative Statement of Revenues
Transportation Fund
As of October 31, 2018**

| | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|----------------------------------|------------------------------------|------------------------------------|--------------------|
| Non-Dedicated | | | |
| Taxes | | | |
| Gasoline | 27,685,083 | 27,539,950 | -0.5% |
| Diesel Fuel | 6,513,019 | 6,311,783 | -3.1% |
| MV Purchase & Use | 24,573,408 | 26,237,274 | 6.8% |
| Total Taxes | <u>58,771,510</u> | <u>60,089,006</u> | 2.2% |
| Other Revenues | | | |
| Motor Vehicle Fees | 28,603,540 | 28,531,019 | -0.3% |
| Other | 6,049,965 | 8,263,429 | 36.6% |
| Total Other Revenues | <u>34,653,505</u> | <u>36,794,448</u> | 6.2% |
| Total Non-Dedicated | <u>93,425,015</u> | <u>96,883,454</u> | 3.7% |
| Dedicated | | | |
| Federal Aid | 140,479,795 | 127,493,355 | -9.2% |
| Infrastructure Bond Fund Revenue | 5,099,134 | 5,830,772 | 14.3% |
| Transportation Impact Fee | 54,739 | 85,989 | 57.1% |
| Other | 1,570,758 | 706,537 | -55.0% |
| Total Dedicated | <u>147,204,425</u> | <u>134,116,652</u> | -8.9% |
| Total Transportation Fund | <u>240,629,440</u> | <u>231,000,107</u> | -4.0% |

**Comparative Statement of Revenues
Education Fund
As of October 31, 2018**

| | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|---------------------------------|------------------------------------|------------------------------------|----------------------|
| Non-Dedicated | | | |
| Estimated Revenues: | | | |
| Sales & Use Tax | 47,815,794 | 138,714,701 | 190.1% |
| Meals & Rooms Tax | 0 | 16,754,286 | 100.0% |
| Purchase & Use Tax | 12,288,263 | 13,118,637 | 6.8% |
| Lottery Transfer | 7,430,280 | 7,408,355 | -0.3% |
| Investment Income | 244,298 | 301,300 | 23.3% |
| Total estimated revenues | <u>67,778,634</u> | <u>176,297,278</u> | <u>160.1%</u> |
| Other Revenues: | | | |
| Education Property Taxes | 584,439 | 191,631 | -67.2% |
| Electric Energy Educ Prop Tax | 0 | 0 | 0.0% |
| Uniform Capacity Tax | 50,773 | 184,607 | 263.6% |
| Medicaid Reimbursement | 0 | 0 | 0.0% |
| All Other Revenues | 712,390 | 277,450 | -61.1% |
| Total other revenues | <u>1,347,602</u> | <u>653,688</u> | <u>-51.5%</u> |
| Total Education Fund | <u>69,126,236</u> | <u>176,950,967</u> | <u>156.0%</u> |