



Monthly Revenue Release

Agency of Administration
January 18, 2019

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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's Revenue Results for December 2018. The General Fund and Transportation Fund were below their monthly targets, but both funds remain above their cumulative target. The Education Fund was above its monthly target but remains slightly below its cumulative annual target.

Revenue collections for the month of December 2018 have been compiled. General Fund tax revenues collected for the month totaled \$108.91 million, or -\$9.95 million below the monthly consensus revenue target. Year-to-date, fiscal year 2019 General Fund revenues are \$20.41 million, or 3.54%, above expectations.

"General Fund performance was lower than forecast in December, primarily as a result of lower-than-expected personal income tax estimated payments," stated Secretary Young. "General fund collections remain above the cumulative consensus cash flow target, but we will be watching January collections closely with particular attention to personal income tax estimated payments. The Administration looks forward to meeting with the economists from the State and Legislature at the Emergency Board meeting on January 22 and hearing their assessment of the State's overall revenue picture for the current and next fiscal years."

The Transportation Fund collected \$21.28 million for the month of December, or -\$0.40 million below target. The under-performance in receipts relative to the December monthly consensus cash flow target in Motor Vehicle Fees and Purchase & Use Tax receipts were primarily responsible for the lower-than-expected performance. This fiscal year-to-date, however, the Transportation Fund remains above target by \$1.84 million, or 1.34%.

The Education Fund collected \$41.49 million for the month, or \$1.99 million above target. The strong performance in December further reduced the Education Fund's year-to-date under-performance; currently the Education Fund is -\$0.24 million, or -0.09%, slightly below expectations. "Once again, it was good news to see the Sales and Use Tax bounce back and exceed its target in December after missing its target earlier in the year," noted Young. "At this point in the year, the Sales and Use tax is within -0.55% of its cumulative consensus cash flow target."

The State's three largest funds, in the aggregate, are above their cumulative consensus target by \$22.01 million over the first six 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. Adjusting these changes, for comparison purposes only, the year-to-date fiscal 2019 revenues represent increases of 8.37%, 2.03%, and 5.13% for the General Fund, Transportation Fund, and Education Fund, respectively, from the corresponding first six months of fiscal 2018. Personal Income tax - the largest component of the General Fund - increased by 3.05% over the corresponding period in fiscal 2018.

The Emergency Board will meet on Tuesday, January 22, 2019 at 1:00 p.m. in the Governor's Ceremonial office at the Vermont State House.

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.

State of Vermont Revenue, by Major Fund

Month: December

vs. Consensus Revenue Forecast Target

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	79.25	67.58	-11.67	-14.73%	375.28	383.34	8.05	2.15%	371.97	11.36	3.05%
Sales & Use (1)	*	*	*	N/A	*	*	*	N/A	*	*	N/A
Corporate	17.16	18.79	1.64	9.54%	43.63	55.99	12.36	28.32%	24.20	31.78	131.31%
Meals & Room (1)	8.67	9.03	0.35	4.07%	70.32	71.17	0.85	1.21%	67.89	3.27	4.82%
Insurance Premium	1.53	0.06	-1.46	-95.91%	17.88	17.23	-0.65	-3.61%	17.89	-0.66	-3.70%
Inheritance & Estate	1.67	1.06	-0.61	-36.43%	10.07	9.13	-0.94	-9.37%	10.04	-0.91	-9.08%
Real Prop. Transfer	1.25	1.16	-0.09	-7.40%	7.25	7.27	0.02	0.26%	6.69	0.58	8.72%
Other	9.35	11.24	1.89	20.22%	52.13	52.85	0.72	1.38%	52.17	0.69	1.32%
Total	118.87	108.91	-9.95	-8.37%	576.56	596.97	20.41	3.54%	550.86	46.11	8.37%

*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	6.01	6.44	0.43	7.22%	40.14	40.54	0.39	0.98%	39.91	0.63	1.58%
Diesel Fuel	1.89	1.71	-0.18	-9.35%	9.80	9.88	0.08	0.82%	10.12	-0.23	-2.31%
MV Purchase & Use	5.67	5.16	-0.51	-8.92%	37.38	36.77	-0.62	-1.65%	35.24	1.52	4.32%
Motor Vehicle Fees	6.04	5.57	-0.47	-7.79%	39.87	40.21	0.35	0.87%	40.85	-0.64	-1.57%
Other	2.08	2.40	0.31	15.10%	10.66	12.30	1.64	15.40%	10.80	1.50	13.89%
Total	21.69	21.28	-0.40	-1.87%	137.85	139.69	1.84	1.34%	136.92	2.78	2.03%

Note:

TIB Fuel Fees/Gasoline	1.29	1.31	0.01	1.16%	7.98	7.74	-0.24	-3.06%	6.38	1.35	21.22%
TIB Fuel Fees/Diesel	0.20	0.18	-0.0162	-8.14%	0.99	1.05	0.06	5.81%	1.02	0.03	2.93%

*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)	31.67	34.26	2.59	8.17%	207.50	206.35	-1.15	-0.55%	197.22	9.12	4.62%
Meals & Room (1)	2.89	3.01	0.12	4.07%	23.44	23.72	0.28	1.21%	22.63	1.09	4.82%
MV Purchase & Use	2.83	2.58	-0.25	-8.92%	18.69	18.38	-0.31	-1.65%	17.62	0.76	4.32%
Lottery Transfer	2.04	1.55	-0.49	-23.97%	11.19	12.11	0.93	8.27%	10.43	1.69	16.18%
Investment Income	0.06	0.09	0.03	45.58%	0.39	0.40	0.01	3.26%	0.33	0.07	22.53%
Total	39.50	41.49	1.99	5.04%	261.21	260.97	-0.24	-0.09%	248.23	12.73	5.13%

*Differences due to rounding

(1) Act 11 of 2018 changed State revenue and expense distributions to: (1) Sales and Use tax to the Education Fund, (2) 25% of the Meals and Rooms tax to the Education Fund; Both previously distributed to the General Fund; and (3) eliminating the General Fund transfer to the Education Fund. Prior Year (FY 2018) restated accordingly.

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income Tax	371,973,410	383,336,343	3.1%
Sales & Use Tax	128,196,108	0	-100.0%
Corporate Income Tax	24,204,843	55,988,565	131.3%
Meals & Rooms Tax	90,526,360	71,166,123	-21.4%
Liquor & Wine Tax	9,887,966	10,158,601	2.7%
Insurance Premium	17,891,983	17,230,295	-3.7%
Telephone Gross Receipts	105,890	107,843	1.8%
Telephone Property Tax	2,194,848	2,017,528	-8.1%
Beverage Tax	3,660,386	3,691,724	0.9%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	10,038,340	9,126,432	-9.1%
Real Property Transfer Tax	6,686,011	7,268,943	8.7%
Bank Franchise Tax	6,494,438	6,153,330	-5.3%
All Other Taxes	750,851	1,395,061	85.8%
Total Taxes	<u>672,611,434</u>	<u>567,640,789</u>	<u>-15.6%</u>
Other Revenues			
Business Licenses	52,454	14,241	-72.9%
Fees	23,282,569	23,553,382	1.2%
Services	1,405,147	1,837,704	30.8%
Fines, Forfeits & Penalties	1,514,492	1,543,060	1.9%
Interest, Prem	972,738	2,351,364	141.7%
Special Assessments	0	0	0.0%
All Other Revenues	1,855,685	29,247	-98.4%
Total Other Revenues	<u>29,083,084</u>	<u>29,328,998</u>	<u>0.8%</u>
Total General Fund	<u><u>701,694,519</u></u>	<u><u>596,969,786</u></u>	<u><u>-14.9%</u></u>

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

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	39,905,794	40,536,538	1.6%
Diesel Fuel	10,115,528	9,881,553	-2.3%
MV Purchase & Use	35,243,434	36,765,809	4.3%
Total Taxes	85,264,756	87,183,900	2.3%
Other Revenues			
Motor Vehicle Fees	40,854,768	40,212,207	-1.6%
Other	10,796,823	12,296,976	13.9%
Total Other Revenues	51,651,592	52,509,183	1.7%
Total Non-Dedicated	136,916,348	139,693,083	2.0%
Dedicated			
Federal Aid	195,666,920	168,195,130	-14.0%
Infrastructure Bond Fund Revenue	7,403,911	8,788,589	18.7%
Transportation Impact Fee	79,964	86,546	8.2%
Other	1,798,892	911,269	-49.3%
Total Dedicated	204,949,688	177,981,535	-13.2%
Total Transportation Fund	341,866,035	317,674,618	-7.1%

**Comparative Statement of Revenues
Education Fund
As of December 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	69,028,674	206,345,637	198.9%
Meals & Rooms Tax	0	23,722,041	100.0%
Purchase & Use Tax	17,621,762	18,382,904	4.3%
Lottery Transfer	10,427,442	12,114,499	16.2%
Investment Income	328,404	402,382	22.5%
Total estimated revenues	<u>97,406,282</u>	<u>260,967,464</u>	<u>167.9%</u>
Other Revenues:			
Education Property Taxes	84,107,452	92,045,921	9.4%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	336,884	699,466	107.6%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	706,305	354,639	-49.8%
Total other revenues	<u>85,150,640</u>	<u>93,100,026</u>	<u>9.3%</u>
Total Education Fund	<u><u>182,556,922</u></u>	<u><u>354,067,490</u></u>	<u><u>93.9%</u></u>