



Monthly Revenue Release

Agency of Administration
July 24, 2020

Contact: Susanne Young
(802) 828-3322

Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's final revenue results for June 2020, the final month of Fiscal Year 2020. As anticipated, revenues collected for the year were below the forecast in all three funds due to the economic impact of the COVID-19 pandemic and the delay in tax filing deadlines.

Revenue collections for the month of June 2020, the final month of Fiscal Year 2020, have been compiled. General Fund tax revenues collected for the month totaled \$121.20 million, or -\$20.61 million below the June consensus cash flow expectations. For the year, General Fund revenue collections were lower than forecasted by -\$135.45 million, or -8.49%.

“As expected, results were significantly lower than the economists’ consensus forecast adopted by the Emergency Board in January 2020 due to the economic impact of the COVID-19 pandemic and the associated delay in tax filing deadlines. Tax obligations normally due prior to fiscal year-end, that are now being collected in July and August, will reduce the difference between collections and forecasts to some degree,” noted Secretary Young. “To what degree will be determined once the final data on FY20 revenues shifted to FY21 is available in early August.”

“Thanks to a combination of strong public health actions to moderate the impact of COVID-19 in Vermont – and strong fiscal discipline from the Administration and the Legislature – the General Fund will likely end fiscal 2020 in solid financial shape after deferred fiscal 2020 tax receipts are recognized on a modified accrual basis. Vermont is also benefiting from the relative strength of our economy reflected in 2019 personal and corporate tax earnings,” continued Young. “The outlook for FY21 remains grim and the latest operating estimates foreshadow a revenue downgrade of over \$200 million when the Emergency Board meets in August.”

The Transportation Fund collected \$28.14 million for the month of June, or -\$1.89 million below target. For the year, Transportation Fund collections were -\$20.39 million, or -7.17%, below expectations. For the year, all Transportation Fund sources, including fuel taxes and fees, ended below their respective cumulative consensus targets. Stronger than expected June revenue receipts helped reduce the spring expectation that the fund would underperform by an estimated -\$31.5 million.”

The Education Fund collected \$48.19 million for the month, or -\$1.89 million below the monthly target. For the year, Education Fund collections were -\$21.33 million, or -3.83%, below the cumulative consensus forecast. Secretary Young noted that, as with General Fund and Transportation Fund, stronger than expected June revenue receipts in the Education Fund has reduced the spring expectations for a larger underperformance in that fund.

The [Emergency Board](#) will meet on Wednesday, August 12, 2020 to receive the consensus revenue forecasts for Fiscal years 2021 and 2022 from the Administration and Legislative economists.

Note: Adjusting for redirection of certain healthcare-related taxes under Act 6 of 2019 and redistribution of the meals and rooms tax under Act 76 of 2019, for comparison purposes only, in the accompanying General Fund tables, fiscal year 2020 revenues represent changes of -9.07%, -5.90%, and +2.04% for the General Fund, Transportation Fund, and Education Fund, respectively, from FY 2019.

[Monthly and Year-to-Date results continue on page 2.]

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

Month: June
FY: 2020

General Fund By Major Element (In Millions)*

| Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Restated (1&2) | | |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------------------------|----------------|---------------|
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Personal Income | 85.92 | 72.43 | -13.49 | -15.70% | 893.60 | 763.88 | -129.72 | -14.52% | 875.43 | -111.54 | -12.74% |
| Corporate | 15.64 | 12.24 | -3.40 | -21.76% | 108.40 | 128.76 | 20.36 | 18.78% | 134.19 | -5.43 | -4.05% |
| Meals & Room ⁽¹⁾ | 9.38 | 4.61 | -4.77 | -50.83% | 136.24 | 116.06 | -20.18 | -14.81% | 128.66 | -12.60 | -9.79% |
| Insurance Premium | 0.43 | 1.53 | 1.10 | 256.64% | 57.20 | 58.04 | 0.84 | 1.47% | 56.86 | 1.18 | 2.07% |
| Inheritance & Estate | 1.45 | 0.02 | -1.43 | -98.88% | 20.90 | 15.17 | -5.73 | -27.42% | 12.63 | 2.54 | 20.10% |
| Real Prop. Transfer | 1.44 | 1.12 | -0.33 | -22.59% | 13.78 | 12.86 | -0.92 | -6.66% | 12.48 | 0.38 | 3.03% |
| State Health Care Taxes ⁽²⁾ | 20.01 | 21.74 | 1.73 | 8.64% | 274.51 | 280.86 | 6.34 | 2.31% | 272.35 | 8.51 | 3.12% |
| Other | 7.54 | 7.52 | -0.02 | -0.26% | 90.04 | 83.59 | -6.45 | -7.16% | 112.20 | -28.61 | -25.50% |
| Total | 141.81 | 121.20 | -20.61 | -14.53% | 1594.67 | 1459.22 | -135.45 | -8.49% | 1604.80 | -145.58 | -9.07% |

*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 | 6.81 | 5.33 | -1.48 | -21.80% | 77.76 | 71.03 | -6.73 | -8.65% | 77.82 | -6.78 | -8.72% |
| Diesel Fuel | 1.88 | 1.69 | -0.19 | -10.00% | 19.00 | 17.91 | -1.09 | -5.73% | 18.56 | -0.64 | -3.48% |
| MV Purchase & Use | 9.37 | 9.20 | -0.18 | -1.88% | 76.73 | 70.27 | -6.46 | -8.42% | 74.54 | -4.27 | -5.73% |
| Motor Vehicle Fees | 9.47 | 9.65 | 0.17 | 1.84% | 86.80 | 83.64 | -3.16 | -3.64% | 85.41 | -1.77 | -2.07% |
| Other | 2.50 | 2.28 | -0.22 | -8.62% | 24.20 | 21.25 | -2.95 | -12.17% | 24.35 | -3.09 | -12.71% |
| Total | 30.03 | 28.14 | -1.89 | -6.29% | 284.49 | 264.11 | -20.39 | -7.17% | 280.67 | -16.56 | -5.90% |

Note:

| | | | | | | | | | | | |
|------------------------|------|------|-------|---------|-------|-------|-------|--------|-------|-------|---------|
| TIB Fuel Fees/Gasoline | 1.14 | 0.94 | -0.19 | -17.07% | 13.68 | 12.80 | -0.88 | -6.46% | 14.65 | -1.85 | -12.63% |
| TIB Fuel Fees/Diesel | 0.21 | 0.18 | -0.03 | -13.18% | 2.06 | 1.90 | -0.16 | -7.76% | 1.97 | -0.07 | -3.72% |

*Differences due to rounding

Education Fund By Major Element (In Millions)*

| Non-Property Tax Component | Month | | | | Fiscal YTD | | | | Prior Fiscal YTD Restated (1&2) | | |
|----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------------------------|--------------|--------------|
| | Target | Revenue | \$ Change | % Change | Target | Revenue | \$ Change | % Change | Revenue | \$ Change | % Change |
| Sales & Use | 36.98 | 36.97 | -0.01 | -0.03% | 441.36 | 432.47 | -8.89 | -2.01% | 412.51 | 19.96 | 4.84% |
| Meals & Room | 3.36 | 1.67 | -1.68 | -50.20% | 47.91 | 40.89 | -7.02 | -14.65% | 45.51 | -4.62 | -10.15% |
| MV Purchase & Use | 4.69 | 4.60 | -0.09 | -1.88% | 38.37 | 35.13 | -3.23 | -8.42% | 37.27 | -2.13 | -5.73% |
| Lottery Transfer | 5.07 | 4.97 | -0.10 | -1.91% | 29.20 | 26.82 | -2.38 | -8.14% | 29.47 | -2.65 | -8.99% |
| Investment Income | 0.00 | -0.01 | -0.01 | -1331.02% | 0.65 | 0.84 | 0.19 | 28.97% | 0.68 | 0.16 | 23.95% |
| Total | 50.08 | 48.19 | -1.89 | -3.78% | 557.49 | 536.16 | -21.33 | -3.83% | 525.44 | 10.72 | 2.04% |

*Differences due to rounding

(1) FY19 Meals and Rooms is restated here to reflect a 6% reduction (per Act 76) to provide a basis for comparison with fiscal year 2020 receipts.

(2) FY19 healthcare revenue is restated here to reflect a monthly distribution throughout fiscal year 2019 to provide a basis for comparison with fiscal year 2020 receipts.

State of Vermont

Comparative Statement of Revenues
General Fund
As of June 30, 2020

| | <u>Total to Date</u> <u>Last Year</u> | <u>Total to Date</u> <u>This Year</u> | <u>% of Change</u> |
|-----------------------------------|--|--|----------------------------|
| Taxes | | | |
| Personal Income Tax | 875,425,522 | 763,882,464 | -12.7% |
| Sales & Use Tax | 0 | 0 | 0.0% |
| Corporate Income Tax | 134,190,797 | 128,760,343 | -4.0% |
| Meals & Rooms Tax | 136,537,818 | 116,059,891 | -15.0% |
| Liquor & Wine Tax | 21,427,342 | 3,603,701 | -83.2% |
| Insurance Premium | 56,861,842 | 58,041,129 | 2.1% |
| Telephone Gross Receipts | 212,634 | 214,380 | 0.8% |
| Telephone Property Tax | 4,117,026 | 2,970,377 | -27.9% |
| Beverage Tax | 7,557,512 | 7,158,137 | -5.3% |
| Electric Generating | 0 | 0 | 0.0% |
| Inheritance & Estate Tax | 12,629,698 | 15,168,204 | 20.1% |
| Real Property Transfer Tax | 12,481,042 | 12,858,693 | 3.0% |
| Bank Franchise Tax | 12,478,739 | 12,108,697 | -3.0% |
| All Other Taxes | 2,447,972 | 375,064 | -84.7% |
| Total Taxes | <u>1,276,367,943</u> | <u>1,121,201,081</u> | <u>-12.2%</u> |
| Other Revenues | | | |
| Business Licenses | 1,197,288 | 1,143,327 | -4.5% |
| Fees | 46,973,264 | 44,742,417 | -4.7% |
| Services | 3,355,064 | 2,446,441 | -27.1% |
| Fines, Forfeits & Penalties | 3,568,970 | 4,827,903 | 35.3% |
| Interest, Prem | 4,313,826 | 3,254,840 | -24.5% |
| Special Assessments | 0 | 0 | 0.0% |
| All Other Revenues | 4,551,697 | 747,295 | -83.6% |
| Total Other Revenues | <u>63,960,109</u> | <u>57,162,224</u> | <u>-10.6%</u> |
| Health Care Revenues | | | |
| Health Care Taxes and Assessments | <u>271,547,207</u> | <u>280,857,345</u> | <u>3.4%</u> |
| Total General Fund | <u><u>1,611,875,258</u></u> | <u><u>1,459,220,650</u></u> | <u><u>-9.5%</u></u> |

Date: July 20, 2020

Time: 14:21

**Comparative Statement of Revenues
Transportation Fund
As of June 30, 2020**

| | <u>Total to Date Last Year</u> | <u>Total to Date This Year</u> | <u>% of Change</u> |
|----------------------------------|------------------------------------|------------------------------------|--------------------|
| Non-Dedicated | | | |
| Taxes | | | |
| Gasoline | 77,816,711 | 71,033,380 | -8.7% |
| Diesel Fuel | 18,556,358 | 17,911,433 | -3.5% |
| MV Purchase & Use | 74,538,750 | 70,269,523 | -5.7% |
| Total Taxes | 170,911,819 | 159,214,337 | -6.8% |
| Other Revenues | | | |
| Motor Vehicle Fees | 85,408,995 | 83,638,270 | -2.1% |
| Other | 24,348,000 | 21,254,296 | -12.7% |
| Total Other Revenues | 109,756,995 | 104,892,566 | -4.4% |
| Total Non-Dedicated | 280,668,814 | 264,106,903 | -5.9% |
| Dedicated | | | |
| Federal Aid | 278,932,436 | 287,275,790 | 3.0% |
| Infrastructure Bond Fund Reven | 16,619,734 | 14,697,163 | -11.6% |
| Transportation Impact Fee | 193,243 | 379,172 | 96.2% |
| Other | 3,059,733 | 3,283,395 | 7.3% |
| Total Dedicated | 298,805,145 | 305,635,520 | 2.3% |
| Total Transportation Fund | 579,473,959 | 569,742,423 | -1.7% |

Prepared by Department of Finance & Management

Date: July 20, 2020

Time: 14:21

State of Vermont
Comparative Statement of Revenues
Education Fund
As of June 30, 2020

| | <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 Tax | 412,509,226 | 432,472,348 | 4.8% |
| Meals & Rooms Tax | 45,512,606 | 40,893,392 | -10.1% |
| Purchase & Use Tax | 37,269,375 | 35,134,762 | -5.7% |
| Lottery Transfer | 29,470,435 | 26,822,401 | -9.0% |
| Investment Income | 676,347 | 838,313 | 23.9% |
| Total estimated revenues | <u>525,437,989</u> | <u>536,161,217</u> | <u>2.0%</u> |
| Other Revenues: | | | |
| Education Property Taxes | 1,105,645,158 | 1,144,044,696 | 3.5% |
| Electric Energy Educ Prop Tax | 0 | 0 | 0.0% |
| Uniform Capacity Tax | 2,007,813 | 1,830,177 | -8.8% |
| Medicaid Reimbursement | 0 | 0 | 0.0% |
| All Other Revenues | 662,982 | 455,972 | -31.2% |
| Total other revenues | <u>1,108,315,953</u> | <u>1,146,330,845</u> | <u>3.4%</u> |
| Total Education Fund | <u>1,633,753,942</u> | <u>1,682,492,062</u> | <u>3.0%</u> |

Prepared by Department of Finance & Management

Date: July 20, 2020

Time: 14:21