



Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's Revenue Results for November 2018. All three major funds - General Fund, Transportation Fund, and Education Fund - were above their monthly target.

Revenue collections for the month of November 2018 have been compiled. General Fund tax revenues collected for the month totaled \$84.97 million, or \$8.52 million, above the monthly consensus revenue target. Year-to-date, fiscal year 2019 General Fund revenues are \$30.36 million, or 6.63% above forecast.

"General Fund performance, particularly in the personal income and corporate income tax, continued to be very strong through November," stated Secretary Young. "The key question is whether these results are sustainable through fiscal year 2019 and into fiscal year 2020. The significant state and federal tax changes passed last year introduce a layer of uncertainty in the timing of revenues and in taxpayer behavior. For instance, it is difficult to predict how much of the increase can be attributed to over-estimated withholding and tax payments that could be offset during the tax refund cycle later this fiscal year."

The Transportation Fund collected \$21.53 million for the month of November, or \$0.84 million above target. All Transportation Fund sources exceeded - or were close to - their targets; with only the motor vehicle purchase and use tax slightly falling below target. This fiscal year-to-date, the Transportation Fund is above target by \$2.25 million, or 1.93%.

The Education Fund collected \$43.18 million for the month, or \$2.33 million above target. The strong performance in November reduced the Education Fund's year-to-date under-performance; currently the Education Fund is -\$2.23 million, or -1.01%, below forecast. "It was good news to see the Sales and Use Tax bounce back and exceed its target in November after missing its target earlier in the year," noted Young. "We look forward to how it performs during the traditional higher level of retail activity we come to expect in December."

The State's three largest funds, in the aggregate, are above the consensus forecast by \$30.38 million over the first five 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 12.66%, 3.30%, and 3.68% for the General Fund, Transportation Fund, and Education Fund, respectively, from the corresponding first five months of fiscal 2018. Personal Income tax - the largest component of the General Fund - increased by 8.82% over the corresponding period in fiscal 2018.

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 vs. Consensus Revenue Forecast Target

Month: November
FY: 2019

General Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income	45.48	50.01	4.53	9.96%
Sales & Use ⁽¹⁾	*	*	*	N/A
Corporate	0.18	3.27	3.09	1675.75%
Meals & Room ⁽¹⁾	11.70	11.88	0.18	1.55%
Insurance Premium	7.43	7.94	0.51	6.86%
Inheritance & Estate	1.59	4.11	2.52	158.62%
Real Prop. Transfer	1.26	1.12	-0.14	-10.91%
Other	8.81	6.64	-2.17	-24.60%
Total	76.45	84.97	8.52	11.15%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Personal Income	296.04	315.76	19.72	6.66%
Sales & Use ⁽¹⁾	*	*	*	N/A
Corporate	26.48	37.20	10.72	40.49%
Meals & Room ⁽¹⁾	61.64	62.14	0.50	0.81%
Insurance Premium	16.35	17.17	0.82	5.01%
Inheritance & Estate	8.40	8.07	-0.34	-4.01%
Real Prop. Transfer	6.00	6.11	0.11	1.85%
Other	42.78	41.61	-1.17	-2.73%
Total	457.69	488.06	30.36	6.63%

Tax Component	Prior Fiscal YTD Restated (1)		
	Revenue	\$ Change	% Change
Personal Income	290.18	25.58	8.82%
Sales & Use ⁽¹⁾	*	*	N/A
Corporate	9.22	27.97	303.23%
Meals & Room ⁽¹⁾	59.81	2.33	3.89%
Insurance Premium	16.05	1.12	6.99%
Inheritance & Estate	9.03	-0.96	-10.65%
Real Prop. Transfer	5.53	0.58	10.51%
Other	43.38	-1.76	-4.07%
Total	433.20	54.86	12.66%

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	6.32	6.55	0.23	3.69%
Diesel Fuel	1.60	1.86	0.26	16.20%
MV Purchase & Use	5.52	5.37	-0.16	-2.87%
Motor Vehicle Fees	5.78	6.11	0.33	5.75%
Other	1.46	1.64	0.17	11.91%
Total	20.69	21.53	0.84	4.06%

Note:

TIB Fuel Fees/Gasoline	1.21	1.28	0.07	5.98%
TIB Fuel Fees/Diesel	0.19	0.18	-0.0045	-2.44%

*Differences due to rounding

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Gasoline	34.14	34.09	-0.04	-0.12%
Diesel Fuel	7.91	8.17	0.26	3.25%
MV Purchase & Use	31.71	31.60	-0.11	-0.35%
Motor Vehicle Fees	33.83	34.64	0.82	2.41%
Other	8.58	9.90	1.33	15.47%
Total	116.16	118.41	2.25	1.93%

Tax Component	Prior Fiscal YTD Restated (1)		
	Revenue	\$ Change	% Change
Gasoline	34.16	-0.07	-0.20%
Diesel Fuel	8.14	0.03	0.35%
MV Purchase & Use	29.85	1.75	5.88%
Motor Vehicle Fees	34.38	0.26	0.75%
Other	8.09	1.81	22.43%
Total	114.62	3.79	3.30%

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use (1)	32.22	33.37	1.15	3.56%
Meals & Room (1)	3.90	3.96	0.06	1.55%
MV Purchase & Use	2.76	2.68	-0.08	-2.87%
Lottery Transfer	1.96	3.15	1.19	60.58%
Investment Income	-0.0035	0.0120	0.0154	-443.88%
Total	40.84	43.18	2.33	5.71%

*Differences due to rounding

Non-Property Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Sales & Use (1)	175.83	172.09	-3.74	-2.13%
Meals & Room (1)	20.55	20.71	0.17	0.81%
MV Purchase & Use	15.86	15.80	-0.06	-0.35%
Lottery Transfer	9.15	10.56	1.42	15.47%
Investment Income	0.33	0.31	-0.02	-4.62%
Total	221.70	219.48	-2.23	-1.01%

Non-Property Tax Component	Prior Fiscal YTD Restated (1)		
	Revenue	\$ Change	% Change
Sales & Use (1)	167.57	4.52	2.69%
Meals & Room (1)	19.94	0.78	3.89%
MV Purchase & Use	14.92	0.88	5.88%
Lottery Transfer	8.99	1.57	17.49%
Investment Income	0.26	0.05	20.47%
Total	211.68	7.79	3.68%

(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 November 30, 2018**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income Tax	290,177,691	315,758,331	8.8%
Sales & Use Tax	108,920,683	0	-100.0%
Corporate Income Tax	9,224,224	37,195,067	303.2%
Meals & Rooms Tax	79,750,691	62,141,053	-22.1%
Liquor & Wine Tax	8,021,600	7,827,754	-2.4%
Insurance Premium	16,046,698	17,167,811	7.0%
Telephone Gross Receipts	105,890	107,843	1.8%
Telephone Property Tax	1,828,183	1,683,684	-7.9%
Beverage Tax	3,124,967	3,123,351	-0.1%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	9,029,291	8,067,428	-10.7%
Real Property Transfer Tax	5,530,881	6,112,432	10.5%
Bank Franchise Tax	5,533,745	5,096,153	-7.9%
All Other Taxes	660,839	1,213,873	83.7%
Total Taxes	<u>537,955,381</u>	<u>465,494,780</u>	<u>-13.5%</u>
Other Revenues			
Business Licenses	46,184	172,924	274.4%
Fees	19,053,954	18,090,981	-5.1%
Services	1,168,691	1,142,721	-2.2%
Fines, Forfeits & Penalties	1,212,085	998,042	-17.7%
Interest, Prem	851,417	2,177,583	155.8%
Special Assessments	0	0	0.0%
All Other Revenues	1,771,183	(19,964)	-101.1%
Total Other Revenues	<u>24,103,514</u>	<u>22,562,285</u>	<u>-6.4%</u>
Total General Fund	<u><u>562,058,895</u></u>	<u><u>488,057,065</u></u>	<u><u>-13.2%</u></u>

**Comparative Statement of Revenues
Transportation Fund
As of November 30, 2018**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	34,161,525	34,093,690	-0.2%
Diesel Fuel	8,139,277	8,168,125	0.4%
MV Purchase & Use	29,848,429	31,602,906	5.9%
Total Taxes	<u>72,149,231</u>	<u>73,864,720</u>	<u>2.4%</u>
Other Revenues			
Motor Vehicle Fees	34,384,956	34,643,690	0.8%
Other	8,087,490	9,901,467	22.4%
Total Other Revenues	<u>42,472,446</u>	<u>44,545,157</u>	<u>4.9%</u>
Total Non-Dedicated	<u>114,621,677</u>	<u>118,409,877</u>	<u>3.3%</u>
Dedicated			
Federal Aid	172,714,610	152,116,654	-11.9%
Infrastructure Bond Fund Revenue	6,300,566	7,296,940	15.8%
Transportation Impact Fee	69,437	86,265	24.2%
Other	1,677,739	824,949	-50.8%
Total Dedicated	<u>180,762,353</u>	<u>160,324,808</u>	<u>-11.3%</u>
Total Transportation Fund	<u>295,384,030</u>	<u>278,734,685</u>	<u>-5.6%</u>

**Comparative Statement of Revenues
Education Fund
As of November 30, 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	58,649,599	172,085,516	193.4%
Meals & Rooms Tax	0	20,713,684	100.0%
Purchase & Use Tax	14,924,214	15,801,453	5.9%
Lottery Transfer	8,989,413	10,561,334	17.5%
Investment Income	260,029	313,254	20.5%
Total estimated revenues	<u>82,823,255</u>	<u>219,475,241</u>	<u>165.0%</u>
Other Revenues:			
Education Property Taxes	65,517,803	58,986,535	-10.0%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	337,010	663,155	96.8%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	663,855	324,200	-51.2%
Total other revenues	<u>66,518,668</u>	<u>59,973,890</u>	<u>-9.8%</u>
Total Education Fund	<u><u>149,341,924</u></u>	<u><u>279,449,131</u></u>	<u>87.1%</u>