

Monthly Revenue Release

Agency of Administration
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Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for February 2022. General Fund and Transportation Fund revenues were below target for February while Education Fund revenues exceeded the target for the month.

Revenue collections for the month of February 2022 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in February were a combined \$170.6 million, or 6.8%, below upwardly revised monthly consensus expectations. Cumulative revenues remain 0.2% above revised consensus expectations for the first eight months of the state's fiscal year.

General Fund revenues collected for the month totaled \$102.0 million, or \$12.5 million below the monthly consensus cash flow revenue target. Fiscal year to date, General Fund revenues were \$1,173.6 million, exceeding their target by \$3.9 million or 0.3%. This month's lagging performance in the General Fund was underpinned by a faster than expected start to the 2022 personal income tax filing season resulting in an accelerated rate of personal income tax refunds. We would expect this to be balanced out by lower-than-target refund activity later in the fiscal year, meaning February's performance may be more of a timing issue than the beginning of a trend. This month's higher refund activity was partially offset by another upbeat month for receipts in the major consumption-based tax revenue sources.

Revenues into the Transportation Fund continued to lag expectations, bringing in \$16.7 million in February compared to the consensus cash flow target estimate of \$19.3 million. Fiscal year-to-date, the T-Fund brought in \$183.0 million which was \$3.0 million or 1.6% below the consensus cash flow target. While the two fuel taxes – gas and diesel – have struggled all year to keep up with consensus expectations, it appears the larger-than-normal shortfall this month may be due to a “short month” timing issue. A good amount of the fuel tax transactions that would typically have been posted prior to month-end “spilled over” into March. As a result, receipts in March are expected to bounce back.

The Education Fund revenues were \$2.6 million, or 5.3%, above the monthly consensus cash flow target, having collected \$51.9 million in February. For the first eight months of the fiscal year, the Ed Fund received \$457.4 million, which is 0.7% higher than the consensus cash flow target. Monthly receipts into the Ed Fund continued the same above target trend, particularly in the two largest revenue components – Sales and Use, and Meals and Rooms – which more than offset slight underperformance in two other components - Motor Vehicle Purchase and Use, and Lottery. Overall, revenues into the Ed Fund have been healthy over the course of the 2022 fiscal year.

With a few minor exceptions, revenue remains on track to meet or exceed consensus expectations in fiscal year 2022. According to Administration Secretary Clouser: “February may prove to be an asterisk, with earlier than anticipated personal income tax refunds affecting the General Fund and calendar quirks pulling revenue out of the T-Fund. We will be watching carefully in March to ensure our revenue streams normalize.”

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State of Vermont Revenue, by Major Fund **Month: February**
vs. Consensus Revenue Forecast Target **FY: 2022**

General Fund By Major Element (In Millions)* (1&2)

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD Restated		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Personal Income (1)	51.61	36.93	-14.68	-28.45%	660.03	661.00	0.97	0.15%	814.40	-153.40	-18.84%
Corporate (2)	3.90	3.52	-0.38	-9.86%	87.52	92.02	4.50	5.14%	51.78	40.23	77.69%
Meals & Room	10.05	12.35	2.30	22.89%	97.75	102.93	5.18	5.30%	64.47	38.47	59.67%
Insurance Premium	19.03	18.70	-0.33	-1.74%	38.43	38.52	0.09	0.24%	34.34	4.19	12.19%
Inheritance & Estate	1.75	1.57	-0.18	-10.51%	15.13	12.71	-2.42	-15.97%	20.71	-7.99	-38.61%
Real Prop. Transfer	1.23	1.22	-0.02	-1.22%	15.71	15.88	0.16	1.04%	15.25	0.63	4.13%
State Health Care Taxes	20.44	20.68	0.24	1.19%	200.30	194.98	-5.32	-2.66%	196.25	-1.27	-0.65%
Other	6.47	7.01	0.53	8.22%	54.87	55.55	0.69	1.25%	51.52	4.03	7.83%
Total	114.49	101.97	-12.52	-10.93%	1169.74	1173.60	3.85	0.33%	1248.71	-75.11	-6.02%

*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	5.26	3.60	-1.66	-31.59%	48.85	47.17	-1.68	-3.43%	43.10	4.08	9.46%
Diesel Fuel	1.28	1.03	-0.25	-19.74%	12.53	12.20	-0.32	-2.58%	11.43	0.77	6.76%
MV Purchase & Use	5.53	5.71	0.18	3.32%	58.17	58.09	-0.09	-0.15%	51.00	7.08	13.89%
Motor Vehicle Fees	5.73	5.25	-0.48	-8.38%	52.83	52.62	-0.22	-0.41%	53.07	-0.45	-0.85%
Other	1.49	1.16	-0.34	-22.47%	13.57	12.89	-0.68	-5.03%	12.66	0.23	1.78%
Total	19.29	16.75	-2.55	-13.21%	185.96	182.97	-2.98	-1.60%	171.26	11.71	6.84%

Note:

TIB Fuel Fees/Gasoline	1.15	0.82	-0.33	-28.93%	9.68	9.30	-0.39	-4.01%	6.34	2.96	46.60%
TIB Fuel Fees/Diesel	0.14	0.10	-0.04	-27.52%	1.35	1.29	-0.05	-3.99%	1.21	0.08	6.48%

*Differences due to rounding

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD Restated		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Sales & Use	39.83	41.04	1.22	3.05%	370.54	372.18	1.64	0.44%	340.41	31.77	9.33%
Meals & Room	3.64	4.48	0.83	22.89%	35.42	37.29	1.88	5.30%	23.36	13.94	59.67%
MV Purchase & Use	2.76	2.86	0.09	3.32%	29.09	29.04	-0.04	-0.15%	25.50	3.54	13.89%
Lottery Transfer	3.08	3.52	0.45	14.60%	18.99	18.79	-0.20	-1.04%	19.48	-0.69	-3.53%
Investment Income	0.00	0.00	0.00	-100.00%	0.07	0.06	-0.01	-7.60%	0.08	-0.01	-19.13%
Total	49.31	51.90	2.59	5.26%	454.10	457.37	3.28	0.72%	408.82	48.55	11.88%

*Differences due to rounding

- (1) FY21 Personal Income includes \$162M in deferred payments from FY20
- (2) FY21 Corporate Income Tax includes \$19.2M in deferred payments from FY20

State of Vermont
Comparative Statement of Revenues
General Fund
As of February 28, 2022

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% Change</u>
Taxes			
Personal Income Tax (1)	814,396,369	660,997,447	-18.8
Sales & Use Tax	0	0	0.0
Corporate Income Tax (2)	51,784,427	92,018,212	77.7
Meals & Rooms Tax	64,467,495	102,933,961	59.7
Liquor & Wine Tax	3,207,240	3,387,147	5.6
Insurance Premium	34,335,510	38,521,777	12.2
Telephone Gross Receipts	162,445	169,044	4.1
Telephone Property Tax	1,078,023	1,449,319	34.4
Beverage Tax	5,024,351	4,891,166	-2.7
Cannabis Excise Tax	0	0	0.0
Electric Generating	0	0	0.0
Inheritance & Estate Tax	20,708,418	12,713,861	-38.6
Real Property Transfer Tax	15,247,484	15,877,448	4.1
Bank Franchise Tax	8,817,004	11,069,693	25.5
All Other Taxes	334,233	998,081	198.6
Total Taxes	<u>1,019,562,998</u>	<u>945,027,154</u>	<u>-7.3</u>
Other Revenues			
Business Licenses	850,516	836,070	-1.7
Fees	27,749,053	27,718,001	-0.1
Services	1,912,453	1,842,552	-3.7
Fines, Forfeits & Penalties	1,673,964	1,675,848	0.1
Interest, Prem	379,068	696,822	83.8
Special Assessments	9	0	-100.0
All Other Revenues	598,821	820,430	37.0
Total Other Revenues	<u>33,163,883</u>	<u>33,589,724</u>	<u>1.3</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>196,247,901</u>	<u>194,981,711</u>	<u>-0.6</u>
Total General Fund	<u>1,248,974,783</u>	<u>1,173,598,589</u>	<u>-6.0</u>

(1) FY21 Personal Income includes \$162M in deferred payments from FY20

(2) FY21 Corporate Income Tax includes \$19.2M in deferred payments from FY20

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of February 28, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	340,408,934	372,180,933	9.3%
Meals & Rooms Tax	23,357,788	37,294,913	59.7%
Purchase & Use Tax	25,502,283	29,044,029	13.9%
Lottery Transfer	19,479,522	18,792,428	-3.5%
Investment Income	76,092	61,535	-19.1%
Total estimated revenues	<u>408,824,619</u>	<u>457,373,839</u>	<u>11.9%</u>
Other Revenues:			
Education Property Taxes	97,461,711	103,092,661	5.8%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	721,602	718,714	-0.4%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	420,352	1,298,239	208.8%
Total other revenues	<u>98,603,664</u>	<u>105,109,613</u>	<u>6.6%</u>
Total Education Fund	<u>507,428,283</u>	<u>562,483,453</u>	<u>10.8%</u>

**State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of February 28, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	43,097,222	47,174,292	9.5%
Diesel Fuel	11,429,687	12,202,431	6.8%
MV Purchase & Use	51,004,566	58,088,059	13.9%
Total Taxes	<u>105,531,475</u>	<u>117,464,782</u>	11.3%
Other Revenues			
Motor Vehicle Fees	53,069,920	52,617,696	-0.9%
Other	12,652,366	12,889,079	1.9%
Total Other Revenues	<u>65,722,287</u>	<u>65,506,775</u>	-0.3%
Total Non-Dedicated	<u>171,253,762</u>	<u>182,971,556</u>	6.8%
Dedicated			
Federal Aid	243,699,722	205,779,622	-15.6%
Infrastructure Bond Fund Revenue	7,555,051	10,588,994	40.2%
Transportation Impact Fee	(93,537)	96,036	202.7%
Other	1,400,245	1,720,979	22.9%
Total Dedicated	<u>252,561,702</u>	<u>218,185,727</u>	-13.6%
Total Transportation Fund	<u>423,815,464</u>	<u>401,157,283</u>	-5.3%