

Monthly Revenue Release

Agency of Administration
October 20, 2022

Contact: Kristin Clouser
(802) 828-3322

Montpelier, VT - Secretary of Administration Kristin Clouser releases Vermont's revenue results for September 2022. The General Fund ended the month and the state's first fiscal quarter with revenue above target. The Education Fund fell slightly below consensus estimates for the month but was well ahead for the quarter. Transportation Fund revenues fell short for both the month and the quarter.

Revenue collections for the month of September 2022 have been compiled. The State's General Fund, Transportation Fund, and Education Fund receipts in August were a combined \$314.9 million, or 8.4%, above monthly consensus expectations. For the first quarter of the state's fiscal year, combined revenues across all three funds were 8.3% above target.

General Fund revenues collected for the month totaled \$231.3 million, \$29.0 million above the monthly consensus cash flow revenue target. For the first quarter, General Fund revenues were \$56.2 million, or 12.1%, above consensus. Positive receipts activity over the month and the quarter were paced by two income tax sources - personal income taxes and corporate income taxes. Both sources registered substantial gains, enough to bury minor misses in estate taxes and health care revenues.

Revenues into the Transportation Fund lagged monthly consensus expectations, bringing in \$24.4 million in September, \$4.1 million below the consensus cash flow target estimate. For the quarter, receipts underperformed consensus expectations by \$2.9 million, or -3.7%. Although revenues from the T-Fund's two major fuel tax components were weak across the entire first quarter, the downside misses in the non-fuel revenue sources (motor vehicle purchase & use taxes, and fees) came late in the quarter and may signal the beginning of a Federal Reserve-induced slowdown in the broader economy.

Education Fund revenues last month were \$0.4 million, or 0.7%, below the monthly consensus cash flow target, having collected \$59.2 million in September. Over the quarter, however, the Education Fund comfortably outperformed the consensus estimate by \$6.5 million, or 3.7%. Last month appeared to be a lull in what otherwise was a very strong quarter for the Ed Fund. Whether this represents a new, more modest trend in consumption taxes, or merely a break in the action prior to the holiday season, remains to be seen.

Revenue data for the first quarter of the state's fiscal year show positive receipts performance in the aggregate, while ending on a cautionary note for the Transportation Fund. According to Secretary Clouser: "Despite the overall upbeat assessment of state revenues over the first quarter, receipts activity was not without stains, most notably in the T-Fund, but also with a few of the sub-categories in the other funds. That said, the state came through the first important milestone of the fiscal year on a high note despite uncertainty in the economic and revenue outlook in the remaining three quarters of the fiscal year."

* * *

State of Vermont Revenue, by Major Fund vs. Consensus Revenue Forecast Target **Month: September**
FY: 2023

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)	111.44	126.66	15.22	13.66%	253.93	296.02	42.09	16.58%	243.85	52.17	21.40%
Corporate (2)	39.14	55.89	16.74	42.78%	49.73	67.12	17.39	34.96%	44.89	22.23	49.53%
Meals & Room	15.82	15.74	-0.09	-0.54%	44.72	44.46	-0.26	-0.58%	40.47	3.99	9.87%
Insurance Premium	0.89	-0.02	-0.91	-102.73%	9.72	9.44	-0.28	-2.86%	8.75	0.69	7.94%
Inheritance & Estate	2.53	0.06	-2.47	-97.58%	2.53	2.31	-0.22	-8.69%	8.02	-5.71	-71.16%
Real Prop. Transfer	2.08	2.16	0.08	3.70%	5.31	5.68	0.37	6.89%	5.89	-0.21	-3.63%
State Health Care Taxes	23.53	22.22	-1.31	-5.58%	75.20	74.07	-1.13	-1.50%	70.25	3.82	5.44%
Other	6.85	8.59	1.73	25.31%	24.87	23.14	-1.73	-6.94%	19.99	3.15	15.76%
Total	202.29	231.28	28.99	14.33%	466.01	522.25	56.24	12.07%	442.10	80.15	18.13%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD Restated		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Gasoline	7.63	5.79	-1.84	-24.14%	21.63	18.77	-2.85	-13.19%	19.47	-0.69	-3.56%
Diesel Fuel	1.86	1.44	-0.42	-22.66%	4.86	4.41	-0.45	-9.26%	4.92	-0.51	-10.30%
MV Purchase & Use	9.73	8.66	-1.07	-11.05%	24.34	24.74	0.40	1.64%	23.75	0.99	4.16%
Motor Vehicle Fees	7.53	6.91	-0.62	-8.23%	22.17	22.06	-0.12	-0.53%	21.99	0.06	0.29%
Other	1.83	1.65	-0.19	-10.15%	4.89	5.01	0.12	2.38%	4.87	0.14	2.90%
Total	28.58	24.44	-4.14	-14.50%	77.90	74.99	-2.91	-3.73%	75.00	-0.01	-0.01%

Note:

TIB Fuel Fees/Gasoline	1.96	1.70	-0.26	-13.43%	5.57	5.20	-0.37	-6.57%	3.56	1.65	46.25%
TIB Fuel Fees/Diesel	0.20	0.15	-0.04	-22.40%	0.52	0.47	-0.05	-10.50%	0.52	-0.05	-10.50%

*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	46.16	46.85	0.69	1.50%	143.56	149.34	5.78	4.03%	135.33	14.02	10.36%
Meals & Room	5.73	5.70	-0.03	-0.54%	16.20	16.11	-0.09	-0.58%	14.66	1.45	9.87%
MV Purchase & Use	4.87	4.33	-0.54	-11.05%	12.17	12.37	0.20	1.64%	11.88	0.49	4.16%
Lottery Transfer	2.62	1.99	-0.63	-24.13%	6.04	6.40	0.36	6.02%	6.21	0.19	2.98%
Investment Income	0.20	0.31	0.11	56.39%	0.20	0.49	0.29	149.72%	0.01	0.48	4370.79%
Total	59.58	59.18	-0.40	-0.67%	178.16	184.71	6.55	3.68%	168.09	16.62	9.89%

State of Vermont
Comparative Statement of Revenues
General Fund
As of September 30, 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	243,840,356	296,020,297	21.4%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	44,888,926	67,121,152	49.5%
Meals & Rooms Tax	40,465,486	44,458,881	9.9%
Liquor & Wine Tax	1,274,512	1,281,445	0.5%
Insurance Premium	8,748,944	9,443,682	7.9%
Telephone Gross Receipts	56,985	60,528	6.2%
Telephone Property Tax	560,526	469,166	-16.3%
Beverage Tax	1,974,805	2,103,902	6.5%
Cannabis Excise Tax	0	0	0.0%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	8,019,073	2,312,503	-71.2%
Real Property Transfer Tax	5,889,738	5,675,930	-3.6%
Bank Franchise Tax	3,980,300	4,336,474	8.9%
All Other Taxes	531,816	335,093	-37.0%
Total Taxes	360,231,467	433,619,052	20.4%
Other Revenues			
Business Licenses	26,879	31,504	17.2%
Fees	9,827,090	9,719,457	-1.1%
Services	708,076	864,719	22.1%
Fines, Forfeits & Penalties	370,524	706,916	90.8%
Interest, Prem	143,653	2,354,009	1538.7%
Special Assessments	0	0	0.0%
All Other Revenues	520,610	879,889	69.0%
Total Other Revenues	11,596,832	14,556,493	25.5%
Health Care Revenues			
Health Care Taxes and Assessments	70,246,430	74,071,278	5.4%
Total General Fund	442,074,729	522,246,824	18.1%

State of Vermont
Comparative Statement of Revenues
Education Fund
As of September 30, 2022

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	135,325,565	149,341,856	10.4%
Meals & Rooms Tax	14,661,408	16,108,290	9.9%
Purchase & Use Tax	11,876,089	12,370,105	4.2%
Lottery Transfer	6,213,782	6,399,138	3.0%
Investment Income	22,986	491,742	2039.3%
Total estimated revenues	<u>168,099,830</u>	<u>184,711,130</u>	<u>9.9%</u>
Other Revenues:			
Education Property Taxes	(171,524)	(366,252)	-113.5%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	31,192	47,956	53.7%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	9,092,722	291,547	-96.8%
Total other revenues	<u>8,952,390</u>	<u>(26,749)</u>	<u>-100.3%</u>
Total Education Fund	<u>177,052,221</u>	<u>184,684,381</u>	<u>4.3%</u>

**State of Vermont
Comparative Statement of Revenues
Transportation Fund
As of September 30, 2022**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% Change</u>
Non-Dedicated			
Taxes			
Gasoline	19,468,252	18,774,619	-3.6%
Diesel Fuel	4,923,596	4,410,320	-10.4%
MV Purchase & Use	23,752,178	24,740,209	4.2%
Total Taxes	<u>48,144,027</u>	<u>47,925,149</u>	<u>-0.5%</u>
Other Revenues			
Motor Vehicle Fees	21,992,847	22,056,134	0.3%
Other	4,869,118	5,009,369	2.9%
Total Other Revenues	<u>26,861,965</u>	<u>27,065,503</u>	<u>0.8%</u>
Total Non-Dedicated	<u>75,005,992</u>	<u>74,990,651</u>	<u>0.0%</u>
Dedicated			
Federal Aid	96,765,671	158,572,488	63.9%
Infrastructure Bond Fund Revenue	4,082,535	5,673,457	39.0%
Transportation Impact Fee	68,310	55,003	-19.5%
Other	1,318,026	2,588,481	96.4%
Total Dedicated	<u>102,234,542</u>	<u>166,889,429</u>	<u>63.2%</u>
Total Transportation Fund	<u><u>177,240,534</u></u>	<u><u>241,880,080</u></u>	<u><u>36.5%</u></u>