



Monthly Revenue Release

Agency of Administration
June 19, 2019

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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's Revenue Results for May 2019. Revenue collection in the General Fund was essentially on target for the month of May and remains significantly above target for the year. The Transportation Fund performed above its monthly target for May but remains slightly below its annual target. The Education Fund was slightly below its monthly and annual targets.

Revenue collections for the month of May 2019 have been compiled. May marks the eleventh month of Fiscal Year 2019.

General Fund tax revenues collected for the month totaled \$67.74 million, or -\$0.03 million below the May consensus target. Year-to-date, fiscal year 2019 General Fund revenues are \$50.03 million, or 4.31%, above expectations. "General Fund collections in the areas of personal income tax and corporate income tax remain significantly above consensus expectations for the year, and more than offset underperformance in other areas, most notably the estate tax," noted Secretary Young. "With only two weeks left in the fiscal year, a substantial revenue surplus is expected at fiscal year-end on June 30, 2019. The surplus has been appropriated to replenishing reserves at the Agency of Human Services, increasing the balance in the General Fund Balance (Rainy Day Fund), and building the balance in the State employees' retiree health benefit trust fund, bringing us another step forward on the path to paying down our unfunded liabilities."

The Transportation Fund collected \$25.88 million for the month of May, or \$0.92 million above target. Despite the positive month, year-to-date, fiscal 2019 Transportation Fund revenues are -\$0.76 million, or -0.30%, below target.

The Education Fund collected \$38.65 million for the month, or -\$0.39 million below target. Year-to-date, fiscal 2019 Education Fund revenues are -2.71 million, or -0.56%, below target. The largest factor in the Education Fund performance is sales and use tax, which year-to-date is -\$2.63 million, or -0.69%, below target.

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 for these changes, for comparison purposes only, the year-to-date fiscal 2019 revenues represent increases of 6.17%, 1.41%, and 3.96% for the General Fund, Transportation Fund, and Education Fund, respectively, from the corresponding first eleven months of 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 Month: May FY: 2019

vs. Consensus Revenue Forecast Target

General Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD Restated (1)		
Tax Component	Month		% Change	% Change	Target	Revenue	% Change	% Change	\$		% Change
	Target	Revenue							Revenue	Change	
Personal Income	38.55	39.46	0.91	2.35%	744.34	787.18	42.84	5.76%	751.52	35.66	4.75%
Sales & Use ⁽¹⁾	*	*	*	N/A	*	*	*	N/A	*	*	N/A
Corporate	1.44	-0.08	-1.52	-105.49%	104.71	115.53	10.82	10.34%	80.85	34.68	42.89%
Meals & Room ⁽¹⁾	8.60	8.51	-0.09	-1.10%	126.53	126.82	0.29	0.23%	120.97	5.86	4.84%
Insurance Premium	7.90	8.97	1.07	13.57%	57.03	56.54	-0.49	-0.86%	57.68	-1.14	-1.97%
Inheritance & Estate	1.60	0.25	-1.35	-84.31%	17.64	11.95	-5.69	-32.28%	21.52	-9.58	-44.49%
Real Prop. Transfer	1.12	1.16	0.05	4.34%	11.97	11.26	-0.70	-5.89%	11.19	0.07	0.66%
Other	8.56	9.46	0.90	10.52%	98.02	100.98	2.96	3.02%	96.22	4.75	4.94%
Total	67.77	67.74	-0.03	-0.05%	1160.24	1210.26	50.03	4.31%	1139.95	70.31	6.17%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD		
Tax Component	Month		% Change	% Change	Target	Revenue	% Change	% Change	\$		% Change
	Target	Revenue							Revenue	Change	
Gasoline	5.69	5.86	0.17	3.04%	71.46	71.31	-0.15	-0.21%	71.47	-0.15	-0.22%
Diesel Fuel	1.39	1.27	-0.12	-8.39%	17.01	16.81	-0.21	-1.23%	17.14	-0.34	-1.96%
MV Purchase & Use	7.07	7.44	0.38	5.31%	66.18	65.59	-0.59	-0.89%	63.63	1.96	3.09%
Motor Vehicle Fees	8.88	8.19	-0.70	-7.83%	76.97	76.46	-0.51	-0.67%	77.92	-1.45	-1.87%
Other	1.94	3.12	1.18	61.10%	21.77	22.47	0.70	3.21%	18.97	3.50	18.43%
Total	24.96	25.88	0.92	3.68%	253.40	252.64	-0.76	-0.30%	249.13	3.51	1.41%

Note:

TIB Fuel Fees/Gasoline	0.99	0.95	-0.04	-4.35%	13.12	13.53	0.41	3.11%	11.69	1.85	15.79%
TIB Fuel Fees/Diesel	0.15	0.14	0.00	-3.06%	1.82	1.80	-0.02	-1.37%	1.79	0.01	0.43%

*Differences due to rounding

Education Fund By Major Element (In Millions)*					Fiscal YTD				Prior Fiscal YTD Restated (1)		
Non-Property Tax Component	Month		% Change	% Change	Target	Revenue	% Change	% Change	\$		% Change
	Target	Revenue							Revenue	Change	
Sales & Use (1)	30.38	30.17	-0.21	-0.68%	380.93	378.30	-2.63	-0.69%	365.11	13.19	3.61%
Meals & Room (1)	2.87	2.84	-0.03	-1.10%	42.18	42.27	0.10	0.23%	40.32	1.95	4.84%
MV Purchase & Use	3.53	3.72	0.19	5.31%	33.09	32.80	-0.29	-0.89%	31.82	0.98	3.09%
Lottery Transfer	2.14	1.80	-0.34	-15.88%	23.69	23.99	0.29	1.24%	22.09	1.90	8.61%
Investment Income	0.13	0.13	0.00	-1.80%	0.88	0.70	-0.18	-20.56%	0.54	0.16	30.76%
Total	39.05	38.65	-0.39	-1.00%	480.77	478.06	-2.71	-0.56%	459.87	18.19	3.96%

*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 May 31, 2019**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income Tax	751,517,282	787,179,381	4.7%
Sales & Use Tax	237,323,395	0	-100.0%
Corporate Income Tax	80,850,517	115,527,037	42.9%
Meals & Rooms Tax	161,290,261	126,824,181	-21.4%
Liquor & Wine Tax	17,691,409	18,739,105	5.9%
Insurance Premium	57,680,560	56,543,736	-2.0%
Telephone Gross Receipts	209,229	212,634	1.6%
Telephone Property Tax	4,208,927	3,893,711	-7.5%
Beverage Tax	6,417,441	6,925,178	7.9%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	21,523,159	11,948,026	-44.5%
Real Property Transfer Tax	11,189,966	11,263,264	0.7%
Bank Franchise Tax	11,968,220	11,413,945	-4.6%
All Other Taxes	1,700,650	2,023,373	19.0%
Total Taxes	1,363,571,015	1,152,493,571	-15.5%
Other Revenues			
Business Licenses	1,196,589	1,184,482	-1.0%
Fees	42,813,783	43,290,572	1.1%
Services	2,617,635	3,043,583	16.3%
Fines, Forfeits & Penalties	3,058,370	2,914,325	-4.7%
Interest, Prem	2,080,454	3,904,523	87.7%
Special Assessments	0	0	0.0%
All Other Revenues	2,262,743	3,433,289	51.7%
Total Other Revenues	54,029,574	57,770,775	6.9%
Total General Fund	1,417,600,590	1,210,264,346	-14.6%

**Comparative Statement of Revenues
Transportation Fund
As of May 31, 2019**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	71,468,123	71,314,122	-0.2%
Diesel Fuel	17,141,682	16,805,119	-2.0%
MV Purchase & Use	63,630,494	65,594,516	3.1%
Total Taxes	152,240,299	153,713,756	1.0%
Other Revenues			
Motor Vehicle Fees	77,915,833	76,461,010	-1.9%
Other	18,971,024	22,466,967	18.4%
Total Other Revenues	96,886,857	98,927,976	2.1%
Total Non-Dedicated	249,127,156	252,641,733	1.4%
Dedicated			
Federal Aid	277,245,593	241,973,610	-12.7%
Infrastructure Bond Fund Revenue	13,477,071	15,329,955	13.7%
Transportation Impact Fee	126,810	158,584	25.1%
Other	2,525,961	2,634,651	4.3%
Total Dedicated	293,375,435	260,096,800	-11.3%
Total Transportation Fund	542,502,591	512,738,532	-5.5%

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of May 31, 2019**

	<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	127,789,520	378,301,827	196.0%
Meals & Rooms Tax	0	42,274,727	100.0%
Purchase & Use Tax	31,815,167	32,797,258	3.1%
Lottery Transfer	22,085,995	23,986,704	8.6%
Investment Income	535,717	700,516	30.8%
Total estimated revenues	182,226,399	478,061,032	162.3%
Other Revenues:			
Education Property Taxes	146,644,620	161,015,614	9.8%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	1,182,561	1,744,468	47.5%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	882,362	623,828	-29.3%
Total other revenues	148,709,543	163,383,910	9.9%
Total Education Fund	330,935,942	641,444,942	93.8%