



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us2

Neale F. Lunderville, Secretary

[phone] 802-828-3322
[fax] 802-828-3320

PRESS RELEASE

October 16, 2009

FOR IMMEDIATE RELEASE

CONTACT: Neale F. Lunderville
(802) 828-3322

Montpelier, VT - Secretary of Administration Neale F. Lunderville Announces Vermont's September Revenue Figures – General Fund, Transportation Fund, and Education Fund Exceed Target for the Month.

General Fund

September General Fund Revenues were released by Secretary of Administration Neale F. Lunderville today. September marks the end of the first quarter of FY 2010. General Fund revenues totaled \$105.64 million for September 2009, +\$5.09 million or +5.06% above the \$100.55 million consensus revenue forecast for the month. Year to date, General Fund revenues of \$263.00 million were +\$6.09 million and +2.37% above the year to date FY 2010 target.

The monthly targets reflect the recently revised Fiscal Year 2010 Consensus Revenue Forecast that was adjusted downward by the Emergency Board on July 16, 2009. The State's Consensus Revenue Forecast is normally updated two times per year in January and July. However, with the continuation of this recession, the Emergency Board has been scheduling interim quarterly revenue reviews. The next consensus forecast is scheduled to be reviewed by the Emergency Board on November 12, 2009.

Personal Income Tax receipts are the largest single state revenue source, and are reported Net-of-Personal Income Tax refunds. Personal Income Tax receipts for September were \$52.65 million, +\$0.32 million or +0.61% ahead of the monthly target. Sales & Use Tax, at \$16.69 million was +\$0.02 million or +0.14% above target. Rooms & Meals Tax was \$12.64 million, +\$1.06 million or +9.13% above target for September. The largest favorable result was in Corporate Income Tax receipts, which are also reported net-of refunds. Corporate Tax receipts for September were \$12.43 million or +\$2.90 million (+30.36%) above the target for the month. However, as the September Corporate increase is based on estimated taxes, we will not know if the above target results are subject to refund until the actual tax returns are filed. The year to date results for the four major General Fund categories are as follows: Personal Income Tax, \$129.85 million (+0.57%); Sales & Use Tax, \$51.32 million (-0.18%); Corporate, \$14.64 million (+21.87%); and Meals & Rooms, \$33.05 million (+4.34%).

The remaining tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and “Other” (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). Results for the month of September were as follows: Insurance Tax, \$0.71 million (-39.51%); Estate Tax, \$2.51 million (+96.43%); Property Transfer Tax, \$0.81 million (+21.44%); and other, \$7.21 million (-1.66%). Year to date results for these categories were: Insurance Tax, \$8.41 million (+7.87%); Estate Tax, \$4.94 million (+43.32%); Property Transfer Tax, \$2.16 million (+12.74%); and Other, \$18.63 million (-4.61%).

Tax Component	Month				FY 2010 YTD			
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change
Personal Income	52.33	52.65	0.32	0.61%	129.12	129.85	0.73	0.57%
Sales & Use	16.67	16.69	0.02	0.14%	51.41	51.32	-0.09	-0.18%
Corporate	9.54	12.43	2.90	30.36%	12.01	14.64	2.63	21.87%
Meals & Room	11.58	12.64	1.06	9.13%	31.68	33.05	1.37	4.34%
Insurance Premium	1.17	0.71	-0.46	-39.51%	7.79	8.41	0.62	7.87%
Inheritance & Estate	1.28	2.51	1.23	96.43%	3.45	4.94	1.49	43.32%
Real Prop. Transfer	0.67	0.81	0.14	21.44%	1.92	2.16	0.24	12.74%
Other	7.33	7.21	-0.12	-1.66%	19.53	18.63	-0.90	-4.61%
Total	100.55	105.64	5.09	5.06%	256.91	263.00	6.09	2.37%

*Differences due to rounding

Transportation Fund

Secretary Lunderville also reported on the results for the non-dedicated Transportation Fund Revenue, revenue of \$20.16 million for the month or +\$1.67 million (+9.05%), above the monthly target for September. The year to date non-dedicated Transportation revenue was \$55.05 million versus the target of \$53.00 million (+\$2.05 million, +3.87%).

Revenue from the Gasoline Tax, Diesel Tax, Motor Vehicle Purchase & Use Tax, Motor Vehicle Fees, and Other were all above the September monthly target. The Transportation Fund revenue results for September were: Gasoline, \$5.75 million or +0.36% above target; Diesel Tax, \$2.01 million or +68.81% above target; Motor Vehicle Purchase & Use Tax, \$4.64 million or +9.09% above target; Motor Vehicle Fees, \$5.94 million or +0.87% above target; and Other Fees, \$1.83 million or +27.62% above the monthly target. “Looking at the national vehicle sales for September, we see that the number of units sold has fallen back to the rate of sales that existed before the ‘Cash for Clunkers program’. We are not yet certain that the increased number of vehicles sold in July and August were in fact additional sales or merely a compression of sales that would have occurred over the next several months anyway,” said Secretary Lunderville.

The September year to date Transportation Fund revenue results were: Gasoline, \$16.57 million or +3.11% above target; Diesel Tax, \$3.95 million or +31.07% above target; Motor Vehicle Purchase & Use Tax, \$12.07 million or +4.52% above target; Motor Vehicle Fees, \$17.70 million or +0.01% above target; and Other Fees, \$4.75 million or +1.88% above target.

Secretary Lunderville also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”) (see Act 50 of the 2009 session). Receipts in the TIB Fund are generated by a motor fuel (gas and diesel) assessment on distributors. The TIB Fund receipts are dedicated first to pay principal, interest and related costs on any Transportation Infrastructure Bonds. After payment of the related bond costs, any remaining TIB monies may be used to fund qualifying

Transportation capital projects. These potential remaining monies could be used to offset any unforeseen non-dedicated Transportation Fund Revenue shortfalls. TIB Fund receipts for September were \$1.06 million or -15.23%; year to date, TIB Fund receipts were \$3.12 million or -12.17%. The TIB Fund receipts are noted at the bottom of the following table:

Transportation Fund By Major Element (In Millions)*

Non-Dedicated Tax Component	Month				FY 2010 YTD			
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change
Gasoline	5.73	5.75	0.02	0.36%	16.07	16.57	0.50	3.11%
Diesel Fuel	1.19	2.01	0.82	68.81%	3.02	3.95	0.94	31.07%
MV Purchase & Use	4.25	4.64	0.39	9.09%	11.55	12.07	0.52	4.52%
Motor Vehicle Fees	5.88	5.94	0.05	0.87%	17.69	17.70	0.00	0.01%
Other	1.43	1.83	0.40	27.62%	4.67	4.75	0.09	1.88%
Total	18.49	20.16	1.67	9.05%	53.00	55.05	2.05	3.87%

Note:

TIB Fuel Fees	1.25	1.06	-0.19	-15.23%	3.55	3.12	-0.43	-12.17%
---------------	------	------	-------	---------	------	------	-------	---------

*Differences due to rounding

Education Fund

Secretary Lunderville released revenue results for the “the non-Property Tax” Education Fund revenues (which constitute approximately 11% of the total Education Fund sources). Education Fund receipts for September totaled \$12.59 million, or +\$0.33 million (+2.66%) above the \$18.49 million consensus revenue target for the month.

The individual Education Fund revenue component results for September were: Sales & Use Tax, \$8.34 or +0.14%; Motor Vehicle Purchase & Use Tax, \$2.32 million or +9.09%; Lottery Transfer, \$1.90 million or +4.61%; and Education Fund Interest, \$0.02 million or -279.57%. Year-to-date results were: Sales & Use Tax, \$25.66 or -0.18%; Motor Vehicle Purchase & Use Tax, \$6.04 million or +4.52%; Lottery Transfer, \$4.37 million or -1.43%; and Education Fund Interest, \$0.02 million or -305.37%.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				FY 2010 YTD			
	Target	Revenue	Change	% Change	Target	Revenue	Change	% Change
Sales & Use	8.33	8.34	0.01	0.14%	25.71	25.66	-0.05	-0.18%
MV Purchase & Use	2.13	2.32	0.19	9.09%	5.78	6.04	0.26	4.52%
Lottery Transfer	1.82	1.90	0.08	4.61%	4.43	4.37	-0.06	-1.43%
Investment Income	-0.01	0.02	0.04	-279.57%	-0.01	0.02	0.04	-305.37%
Total	12.26	12.59	0.33	2.66%	35.90	36.09	0.19	0.52%

*Differences due to rounding

Conclusion

“We are hopeful that our current consensus revenue forecast appears to be holding up,” commented Secretary Lunderville. “Although September’s numbers were better than expected, it is important to remember these revenues are compared against significantly downgraded expectations. The economists continue to remind us that even when the recession is over it will take many years to regain the jobs and revenue lost during this downturn.”

Lunderville concluded: “As I’ve noted before, with a projected budget shortfall of over \$200 million over the next two fiscal years, our budget situation remains very difficult. For FY 2010, the general fund receipts are \$31.0 million or 10.6% *below* the same period for FY 2009, and 3.4% *below* the same period for FY 2006.”

Attachments

Detailed schedules of the year-to-date revenue results comparing the current period with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of September 30, 2009**

General Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income	150,717,278	129,852,985	-13.84%
Sales & Use	54,526,042	51,320,860	-5.88%
Corporate	14,170,711	14,638,165	3.30%
Meals & Room	33,882,730	33,052,656	-2.45%
Liquor & Wine	4,085,403	3,773,197	-7.64%
Insurance Premium	8,172,850	8,407,046	2.87%
Telephone Gross Receipts	40,115	71,132	77.32%
Telephone Property	2,198,859	2,540,620	15.54%
Beverage	1,578,530	1,569,831	-0.55%
Electric Generating	693,892	720,178	3.79%
Inheritance & Estate	1,815,500	4,939,442	172.07%
Real Property Transfer	3,058,805	2,160,217	-29.38%
Bank Franchise	8,750,170	2,552,799	-70.83%
All Other Taxes	931,066	66,047	-92.91%
Total Taxes	<u>284,621,952</u>	<u>255,665,175</u>	<u>-10.17%</u>
Other Revenues			
Business Licenses	280,893	249,822	-11.06%
Fees	4,721,330	4,054,082	-14.13%
Services	584,204	281,350	-51.84%
Fines, Forfeits & Penalties	2,930,515	2,286,966	-21.96%
Interest, Prem.	843,074	97,761	-88.40%
Special Assessments	0	0	0.00%
All Other Revenues	45,431	363,124	699.29%
Total Other Revenues	<u>9,405,447</u>	<u>7,333,105</u>	<u>-22.03%</u>
Total General Fund	<u>294,027,399</u>	<u>262,998,280</u>	<u>-10.55%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 06, 2009

**Comparative Statement of Revenues
Transportation Fund
As of September 30, 2009**

T Fund Detail Schedule 2

	Total to Date	Total to Date	% of Change
	Last Year	This Year	
Non-Dedicated			
Taxes			
Gasoline	16,388,337	16,573,519	1.13%
Diesel Fuel	3,668,623	3,953,450	7.76%
MV Purchase & Use	12,292,188	12,073,960	-1.78%
Total Taxes	32,349,147	32,600,930	0.78%
Other Revenues			
Motor Vehicle Fees	16,360,140	17,695,631	8.16%
Other	4,665,867	4,752,976	1.87%
Total Other Revenues	21,026,008	22,448,607	6.77%
Total Non-Dedicated	53,375,155	55,049,536	3.14%
Dedicated			
Federal Aid	53,790,821	69,199,017	28.64%
Infrastructure Fuel Fees	0	3,120,304	100.00%
Other	524,424	737,147	40.56%
Total Dedicated	54,315,244	69,936,164	28.76%
Total Transportation Fund	107,690,400	124,985,701	16.06%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 06, 2009

Time: 08:53

State of Vermont
Comparative Statement of Revenues
Education Fund
As of September 30, 2009

Education Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	27,262,612	25,660,045	-5.88%
Purchase & Use	6,146,024	6,036,980	-1.77%
Lottery Transfer	4,281,392	4,370,268	2.08%
Investment Income	126,918	24,676	-80.56%
Total estimated revenues	<u>37,816,945</u>	<u>36,091,969</u>	<u>-4.56%</u>
Other Revenues:			
Education Property Taxes	(797,707)	245,952	130.83%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(797,707)</u>	<u>245,952</u>	<u>130.83%</u>
Total Education Fund	<u><u>37,019,237</u></u>	<u><u>36,337,922</u></u>	<u><u>-1.84%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: October 06, 2009

Time: 08:53