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*Neale F. Lunderville, Secretary*

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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**Montpelier, VT - Secretary of Administration Neale F. Lunderville Announces Vermont's August Revenue Figures – General Fund, Transportation Fund, and Education Fund Fall Below Revenue Target for Month.**

**General Fund**

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of August, the second month of fiscal year 2009. General Fund revenues totaled \$69.93 million for August 2008, -\$8.94 million or -11.34% below the \$78.87 million consensus revenue forecast for the month. Cumulatively, General Fund revenues year to date were \$166.59 million or -\$0.87 million (-0.52%) below the consensus revenue forecast for fiscal year 2009.

The monthly targets reflect the most recent fiscal year 2009 consensus revenue forecast that was agreed to by the Emergency Board on July 29, 2008. The state's consensus revenue forecast is normally updated two times per year in January and July. However, with the uncertainty of the national economy, the Emergency Board is considering an interim review of the consensus revenue forecast in November 2008.

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 August were \$31.19 million, -\$3.88 million or -11.08% below the monthly target. Sales & Use Tax was below target by -\$1.79 million (-10.09%) and Rooms & Meals Tax was -\$0.54 million (-4.70%) below target for August. Corporate Income Tax was also below target for the month of August; net Corporate Tax receipts were \$0.04 million, which was -\$0.95 million or -95.34% below target for the month. "We continue to remain cautious regarding the performance of the consumption taxes in the current economic environment," noted Secretary Lunderville.

**General Fund By Major Element (In Millions)\***

<b>Tax Component</b>	<b>Cumulative YTD FY 2009 Target</b>	<b>Cumulative YTD FY2009 Actual</b>	<b>Difference Between Target and Actual</b>	<b>August 2008 Monthly Target</b>	<b>August 2008 Monthly Actual</b>	<b>Difference Between Target And Actual</b>
Personal Income	81.85	83.39	1.54	35.07	31.19	-3.88
Sales & Use	37.63	36.71	-0.92	17.76	15.97	-1.79
Corporate	3.52	1.89	-1.63	0.99	0.04	-0.94
Meals & Room	21.52	21.35	-0.17	11.62	11.07	-0.54
Insurance Premium	6.78	6.03	-0.75	6.47	5.60	-0.87
Inheritance & Estate Real Property Transfer	2.42	1.64	-0.78	1.13	0.18	-0.95
Other	2.07	2.06	-0.01	0.97	0.89	-0.08
	11.64	13.50	1.86	4.85	4.97	0.12
<b>Total General Fund</b>	<b>167.46</b>	<b>166.58</b>	<b>-0.87</b>	<b>78.87</b>	<b>69.93</b>	<b>-8.94</b>

\*Differences due to rounding

**Transportation Fund**

Secretary Lunderville also reported on the results for the non-dedicated Transportation Fund revenue. “The Transportation Fund revenue was \$17.93 million, which was -\$1.88 million or -9.51% below the monthly target for August,” said Lunderville. Cumulatively, Transportation Fund revenues year to date were \$34.30 million or -\$1.93 million (-5.34%) below the consensus revenue forecast for fiscal year 2009.

For the month of August, revenue from the Gasoline Tax was slightly above estimates; actual revenues from the Gasoline Tax were \$5.51 million, which was above the consensus revenue estimate of \$5.49 million by +\$0.02 million or 0.43%. The Diesel Tax, Other Fees, Motor Vehicle Purchase & Use Tax, and Motor Vehicle Fees were all below their monthly targets. The Transportation Fund revenue results for August were: Diesel Tax, \$1.10 million or -17.66% below the monthly target; Other Fees, \$1.45 million or -20.53% below the monthly target; Motor Vehicle Purchase & Use Tax, \$4.10 million or -19.26% below the monthly target; and Motor Vehicle Fees, \$5.75 million or -5.24% below the monthly target.

**Transportation Fund By Major Element (In Millions)\***

<b>Tax Component</b>	<b>Cumulative YTD FY 2009 Target</b>	<b>Cumulative YTD FY2009 Actual</b>	<b>Difference Between Target and Actual</b>	<b>August 2008 Monthly Target</b>	<b>August 2008 Monthly Actual</b>	<b>Difference Between Target And Actual</b>
Gasoline	10.71	10.42	-0.29	5.49	5.51	0.02
Diesel Fuel	2.79	2.39	-0.4	1.34	1.11	-0.23
MV Purchase & Use	8.46	7.59	-0.87	5.08	4.11	-0.97
Motor Vehicle Fees	11.09	11.09	0	6.07	5.76	-0.31
Other	3.17	2.79	-0.38	1.81	1.44	-0.37
<b>Total Transportation Fund</b>	<b>36.23</b>	<b>34.30</b>	<b>-1.93</b>	<b>19.82</b>	<b>17.93</b>	<b>-1.88</b>

\*Differences due to rounding

**Education Fund**

Secretary Lunderville released revenue results for the “the non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund receipts). “The Education Fund receipts totaled \$11.43 million for the month of August, or -\$1.72 million below the \$13.15 million consensus revenue target for the month,” said Lunderville. Cumulatively, Education Fund revenues year to date were \$24.55 million or -\$1.22 million (-4.76%) below the consensus revenue forecast for fiscal year 2009.

The Secretary stated, “The portions of the Education Fund derived from the consumption taxes, namely the Sales & Use Tax and the Motor Vehicle Purchase & Use Tax, were both below expectations for the month of August. In addition, Lottery receipts were also below expectations.”

Specifically, the Sales & Use Tax that supports the Education Fund was \$7.98 million and \$0.89 million (-10.09%) below the monthly target; the MV Purchase & Use Tax was \$2.05 million and -\$0.48 million (-19.26%) below the monthly target; and the Lottery Transfer Tax was \$1.39 million and -\$0.31 million (-18.67%) below the monthly target.

**Education Fund By Major Element (In Millions)\***

<b>Non-Property Tax Component</b>	<b>Cumulative YTD FY 2009 Target</b>	<b>Cumulative YTD FY2009 Actual</b>	<b>Difference Between Target and Actual</b>	<b>August 2008 Monthly Target</b>	<b>August 2008 Monthly Actual</b>	<b>Difference Between Target and Actual</b>
Sales & Use	18.81	18.35	-0.46	8.88	7.98	-0.9
Purchase & Use	4.23	3.79	-0.44	2.54	2.05	-0.49
Lottery Transfer Investment	2.71	2.39	-0.32	1.71	1.39	-0.32
Income	0.01	-	-0.01	0.01	-	-0.01
<b>Total</b>	<b>25.77</b>	<b>24.55</b>	<b>-1.22</b>	<b>13.15</b>	<b>11.43</b>	<b>-1.72</b>

\*Differences due to rounding

## **Conclusion**

Secretary Lunderville concluded that, “We continue to remain cautious about the 2009 fiscal year. Not only are the first two months of the fiscal year historically volatile, they also tend to be low revenue months, and as a result are poor predictors of the year to come as a whole. However, despite the volatility in the General Fund of the past two months – the General Fund was above target by +\$8.0 million in July, but August was below target by -\$8.9 million – the two month results indicate that the General Fund is slightly below target relative to the consensus revenue forecast through August. We will continue to monitor future revenues very closely.”

## **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 August 31, 2008**

**General Fund Schedule 2**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
<b>Taxes</b>			
Personal Income	80,370,887	83,391,844	3.8%
Sales & Use	40,272,752	36,717,606	-8.8%
Corporate	5,285,299	1,890,720	-64.2%
Meals & Room	22,156,622	21,355,364	-3.6%
Liquor & Wine	2,547,576	2,684,600	5.4%
Insurance Premium	6,893,755	6,031,162	-12.5%
Telephone Gross Receipts	164,781	40,115	-75.7%
Telephone Property	18,936	20,707	9.3%
Beverage	1,028,090	1,051,629	2.3%
Electric Generating	0	0	0.0%
Inheritance & Estate	3,694,540	1,641,084	-55.6%
Real Property Transfer	2,378,652	2,063,890	-13.2%
Bank Franchise	2,649,168	2,719,955	2.7%
All Other Taxes	947,270	486,859	-48.6%
<b>Total Taxes</b>	<b><u>168,408,328</u></b>	<b><u>160,095,535</u></b>	<b><u>-4.9%</u></b>
<b>Other Revenues</b>			
Business Licenses	132,114	166,577	26.1%
Fees	2,182,068	2,980,509	36.6%
Services	301,613	304,146	0.8%
Fines, Forfeits & Penalties	430,522	2,681,434	522.8%
Interest, Prem	610,180	446,765	-26.8%
Special Assessments	0	0	0.0%
All Other Revenues	36,327	(86,831)	-339.0%
<b>Total Other Revenues</b>	<b><u>3,692,823</u></b>	<b><u>6,492,599</u></b>	<b><u>75.8%</u></b>
<b>Total General Fund</b>	<b><u><u>172,101,151</u></u></b>	<b><u><u>166,588,134</u></u></b>	<b><u><u>-3.2%</u></u></b>
Dept of Corrections AR	280,483	10,821	

Note: Revenue Estimates are fiscal year total estimates.

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Date: September 04, 2008

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**Comparative Statement of Revenues  
Transportation Fund  
As of August 31, 2008**

**T Fund Detail Schedule 2**

		<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
<b>Non-Dedicated</b>				
<b>Taxes</b>				
Gasoline		10,924,858	10,415,384	-4.7%
Diesel Fuel		2,055,660	2,393,125	16.4%
MV Purchase & Use		8,603,027	7,599,264	-11.7%
<b>Total Taxes</b>		<b>21,583,544</b>	<b>20,407,772</b>	-5.4%
<b>Other Revenues</b>				
Motor Vehicle Fees		11,278,732	11,093,725	-1.6%
Other		2,885,259	2,799,861	-3.0%
<b>Total Other Revenues</b>		<b>14,163,992</b>	<b>13,893,586</b>	-1.9%
<b>Total Non-Dedicated</b>		<b>35,747,536</b>	<b>34,301,359</b>	-4.0%
<b>Dedicated</b>				
Federal Aid		36,260,307	33,369,080	-8.0%
Other		890,018	392,639	-55.9%
<b>Total Dedicated</b>		<b>37,150,325</b>	<b>33,761,719</b>	-9.1%
<b>Total Transportation Fund</b>		<b>72,897,861</b>	<b>68,063,077</b>	-6.6%
Transportation Funds				
Other Revenues Non-Dedicated				
In Process	460000	1,639,372	1,092,196	
Dept of Corrections				
Accounts Receivable	110001	(8,272)	(16,120)	

Note: Revenue Estimates are fiscal year total estimates.

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**State of Vermont  
Comparative Statement of Revenues  
Education Fund  
As of August 31, 2008**

**Education Fund Schedule 2**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
<b>Non-Dedicated</b>			
<b>Estimated Revenues:</b>			
Sales & Use	20,136,074	18,358,212	-8.8%
Purchase & Use	4,301,513	3,799,632	-11.7%
Lottery Transfer	2,767,142	2,393,752	-13.5%
Investment Income	(136,043)	0	100.0%
<b>Total estimated revenues</b>	<b><u>27,068,686</u></b>	<b><u>24,551,596</u></b>	<b><u>-9.3%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	13,782	109,044,841	791112.0%
Electric Energy Educ Prop Tax	0	0	0.0%
Medicaid Reimbursement	0	0	0.0%
<b>Total other revenues</b>	<b><u>13,782</u></b>	<b><u>109,044,841</u></b>	<b><u>791112.0%</u></b>
<b>Total Education Fund</b>	<b><u><u>27,082,468</u></u></b>	<b><u><u>133,596,437</u></u></b>	<b><u>393.3%</u></b>

Note: Revenue Estimates are fiscal year total estimates.

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