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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 December Revenue Figures – General and Transportation Funds As Expected; Education Fund Above Target for the Month.**

**General Fund**

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of December, the sixth month of Fiscal Year 2009. General Fund revenues were essentially on target for the month as compared to the consensus revenue target revised the previous month. The General Fund revenues of \$99.85 million for the month of December 2008 were +\$0.05 million or +0.05% above the \$99.80 million consensus revenue forecast for the month. Cumulatively, General Fund revenues were \$555.70 million or +0.30 million (+0.05%) above the consensus revenue forecast for FY 2009.

The monthly targets reflect the most recent Fiscal Year 2009 consensus revenue forecast that was agreed to by the Emergency Board on November 18, 2008. The state's consensus revenue forecast is normally updated two times per year in January and July. However, with the downturn in the national and regional economy, the Emergency Board scheduled an interim review of the consensus revenue forecast for November.

With the exception of Personal Income Tax receipts, the four major components of General Fund Revenue exceeded the monthly target. 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 December were \$53.14 million, -\$1.77 million or -3.23% below the monthly target. Cumulatively, the Personal Income Tax receipts of \$287.52 were below target against the \$289.34 million year-to-date estimate. Corporate Tax receipts are also reported net of refunds. Corporate Income tax revenue results for December were \$9.28 million net of refunds against the expected monthly target of \$8.94 million. Cumulatively, Corporate Income Tax receipts of \$22.54 million were slightly below the revised target of \$23.04 million. **We are very concerned with the downward trend, particularly in Personal Income Tax Estimated Return receipts, which may indicate a further drop in Personal Income Taxes paid during the spring 2009 filing season.** For the month, receipts for the consumption taxes (Sales & Use Tax and Meals & Rooms Tax) were up relative to the revised target; Sales & Use Tax receipts were \$19.39 million (+2.58 million, +15.35%) and Meals & Rooms Tax receipts were \$8.36 million (+\$1.18 million, +16.49%).

Cumulatively, Sales & Use Tax of \$109.15 million was essentially on target (+1.79 million, +1.67%), as were Rooms & Meals Tax receipts at \$62.28 million (+\$0.56 million, +0.91%).

The non-major components of the General Fund Revenue combined to offset the net above target performance of the four major components. Insurance, Estate, and “Other” were all below target, while Real Property Transfer was slightly above. The non-major tax component results for the month were: Insurance Premium, \$1.31 million (-18.70%); Inheritance/Estate Tax, \$0.56 million (-65.06%); Real Property Transfer Tax \$0.94 million (+32.21%); and Other, \$6.87 million (-14.48%). Year-to-date results for these components were: Insurance Premium, +1.69%; Inheritance/Estate Tax, -27.67%; Real Property Transfer Tax, +7.76%; and Other, +2.52%.

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

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	54.92	53.14	(1.77)	-3.23%	289.34	287.52	(1.82)	-0.63%
Sales & Use	16.81	19.39	2.58	15.35%	107.36	109.15	1.79	1.67%
Corporate	8.94	9.28	0.34	3.84%	23.04	22.54	(0.50)	-2.18%
Meals & Room	7.18	8.36	1.18	16.49%	61.72	62.28	0.56	0.91%
Insurance Premium	1.61	1.31	(0.30)	-18.70%	16.50	16.78	0.28	1.69%
Inheritance & Estate	1.62	0.56	(1.05)	-65.06%	5.71	4.13	(1.58)	-27.67%
Real Property Transfer	0.71	0.94	0.23	32.21%	5.21	5.61	0.40	7.76%
Other	8.01	6.87	(1.16)	-14.48%	46.52	47.69	1.17	2.52%
<b>Total</b>	<b>99.80</b>	<b>99.85</b>	<b>0.05</b>	<b>0.05%</b>	<b>555.40</b>	<b>555.70</b>	<b>0.30</b>	<b>0.05%</b>

\*Differences due to rounding

**Transportation Fund**

The non-dedicated Transportation Fund revenue results were also released today by Secretary Lunderville. The Transportation Fund revenues were \$15.84 million, which was +\$0.11 million or +0.71% above the monthly target for December. Cumulatively, the Transportation Fund revenues remain below the year-to-date consensus target at \$101.24 million (-\$1.00 million, -0.99%).

The results for the Transportation Fund revenue components were mixed for the month of December. Gas Tax receipts, Motor Vehicle Purchase & Use Tax, and “Other” were all below the monthly target, while Diesel Fuel Tax and Motor Vehicle Fees were above target for the month. The components of the Transportation Fund revenue for the month were: Gasoline Tax, \$4.85 million (-2.13%); Diesel Tax, \$2.13 million (+25.69%); Motor Vehicle Purchase & Use Tax, \$3.11 million (-8.00%); Motor Vehicle Fees, \$4.44 million (+7.31%); and “Other”, \$1.31 million (-15.98%). Year to date, the Transportation Fund revenue components were: Gasoline Tax, \$31.20 million (-0.02%); Diesel Tax, \$8.00 million (+0.66%); Motor Vehicle Purchase & Use Tax, \$22.29 million (-3.31%); Motor Vehicle Fees, \$30.19 million (+0.94%); and “Other”, \$8.56 million (-6.25%).

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

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	4.95	4.85	-0.10	-2.13%	31.21	31.20	0.01	-0.02%
Diesel Fuel	1.69	2.13	0.43	25.69%	7.95	8.00	0.05	0.66%
MV Purchase & Use	3.38	3.11	-0.27	-8.00%	23.05	22.29	-0.76	-3.31%
Motor Vehicle Fees	4.13	4.44	0.30	7.31%	29.91	30.19	0.28	0.94%
Other	1.57	1.31	-0.25	-15.98%	9.12	8.56	-0.57	-6.25%
<b>Total</b>	<b>15.72</b>	<b>15.84</b>	<b>0.11</b>	<b>0.71%</b>	<b>101.24</b>	<b>100.24</b>	<b>-1.00</b>	<b>-0.99%</b>

\*Differences due to rounding

**Education Fund**

Non-Property Tax Education Fund revenue receipts of \$13.07 million were released by Secretary Lunderville today; these receipts are +\$1.61 million (+14.05%) above the December monthly target of \$11.46 million. “Non-Property Tax” Education Fund revenues constitute approximately 12% of the total Education Fund receipts. Cumulatively, non-Property Tax Education Fund revenues year to date were \$74.91 million or +\$0.92 million (+1.24%) above the year-to-date consensus revenue forecast.

All the components of the non-Property Tax Education revenue, except Motor Vehicle Purchase & Use Tax receipts were above the December monthly targets: Sales & Use Tax, \$9.70 million (+\$1.29 million); Motor Vehicle Purchase & Use, \$1.56 million (-\$0.13 million); Lottery Transfer, \$1.78 million (+\$0.04 million); and Investment Income \$0.03 million (+\$0.41 million). Year to date results were: Sales and Use Tax, \$54.57 million (+\$0.89 million); Motor Vehicle Purchase & Use, \$11.14 million (-\$0.38 million); Lottery Transfer, \$9.00 million (-\$0.48 million); and Education Fund Investment Income, \$0.20 million (+\$0.89 million).

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

Non-Property Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Sales & Use	8.41	9.70	1.29	15.35%	53.70	54.57	0.89	1.67%
MV Purchase & Use	1.69	1.56	(0.13)	-7.99%	11.52	11.14	(0.38)	-3.31%
Lottery Transfer	1.74	1.78	0.04	2.11%	9.48	9.00	(0.48)	-5.08%
Investment Income	(0.38)	0.03	0.41	108.67%	(0.69)	0.20	0.89	129.25%
<b>Total</b>	<b>11.46</b>	<b>13.07</b>	<b>1.61</b>	<b>14.05%</b>	<b>74.00</b>	<b>74.91</b>	<b>0.92</b>	<b>1.24%</b>

\*Differences due to rounding

## **Conclusion**

Secretary Lunderville said, “It is almost certain that we will see further revenue downgrades to all three major funds for the remainder of FY 2009 at the Emergency Board meeting tomorrow. We look forward to working with the Legislature to resolve FY 2009 challenges quickly, as budget decisions get tougher with each month that passes.”

**Attachments: Detailed schedules of revenue results comparing the current fiscal year-to-date period with the same period from the last fiscal year follow.**

**Comparative Statement of Revenues  
General Fund  
As of December 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	281,415,392	287,523,194	2.17%
Sales & Use	112,609,713	109,149,722	-3.07%
Corporate	33,391,651	22,541,016	-32.50%
Meals & Room	63,480,033	62,283,478	-1.88%
Liquor & Wine	7,675,675	7,995,435	4.17%
Insurance Premium	16,275,813	16,781,944	3.11%
Telephone Gross Receipts	315,614	81,577	-74.15%
Telephone Property	4,528,927	4,406,210	-2.71%
Beverage	2,922,964	2,940,571	0.60%
Electric Generating	1,331,403	1,387,783	4.23%
Inheritance & Estate	8,648,420	4,131,563	-52.23%
Real Property Transfer	6,551,736	5,610,866	-14.36%
Bank Franchise	4,923,206	11,055,277	124.55%
All Other Taxes	1,551,921	1,652,111	6.46%
<b>Total Taxes</b>	<b><u>545,622,467</u></b>	<b><u>537,540,747</u></b>	<b><u>-1.48%</u></b>
<b>Other Revenues</b>			
Business Licenses	446,427	555,876	24.52%
Fees	7,242,790	9,631,663	32.98%
Services	959,281	881,854	-8.07%
Fines, Forfeits & Penalties	1,609,786	5,974,840	271.16%
Interest, Prem	3,118,355	977,617	-68.65%
Special Assessments	0	0	0.00%
All Other Revenues	125,315	139,529	11.34%
<b>Total Other Revenues</b>	<b><u>13,501,955</u></b>	<b><u>18,161,379</u></b>	<b><u>34.51%</u></b>
<b>Total General Fund</b>	<b><u><u>559,124,422</u></u></b>	<b><u><u>555,702,126</u></u></b>	<b><u><u>-0.61%</u></u></b>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 05, 2009

Time: 08:44

**Comparative Statement of Revenues  
Transportation Fund  
As of December 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 Taxes</b>			
Gasoline	32,251,597	31,205,224	-3.24%
Diesel Fuel	8,678,143	8,002,411	-7.79%
MV Purchase & Use	<u>26,237,453</u>	<u>22,290,298</u>	-15.04%
<b>Total Taxes</b>	<u><b>67,167,193</b></u>	<u><b>61,497,933</b></u>	-8.44%
<b>Other Revenues</b>			
Motor Vehicle Fees	30,927,532	30,187,582	-2.39%
Other	<u>12,524,639</u>	<u>8,553,989</u>	-31.70%
<b>Total Other Revenues</b>	<u><b>43,452,171</b></u>	<u><b>38,741,572</b></u>	-10.84%
<b>Total Non-Dedicated</b>	<u><b>110,619,363</b></u>	<u><b>100,239,505</b></u>	-9.38%
<b>Dedicated</b>			
Federal Aid	101,054,469	105,032,456	3.94%
Other	<u>2,573,975</u>	<u>1,023,715</u>	-60.23%
<b>Total Dedicated</b>	<u><b>103,628,444</b></u>	<u><b>106,056,171</b></u>	2.34%
<b>Total Transportation Fund</b>	<u><u><b>214,247,807</b></u></u>	<u><u><b>206,295,676</b></u></u>	-3.71%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: January 05, 2009

Time: 08:45

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

**Education Fund Schedule 2**

	Total to Date	Total to Date	% of Change
	Last Year	This Year	
<b>Non-Dedicated</b>			
<b>Estimated Revenues:</b>			
Sales & Use	56,304,012	54,574,042	-3.07%
Purchase & Use	13,118,727	11,145,149	-15.04%
Lottery Transfer	9,617,171	8,997,863	-6.44%
Investment Income	(887,294)	200,782	122.63%
<b>Total estimated revenues</b>	<b>78,152,615</b>	<b>74,917,837</b>	<b>-4.14%</b>
<b>Other Revenues:</b>			
Education Property Taxes	83,125,281	76,877,734	-7.52%
Electric Energy Educ Prop Tax	972,767	1,013,643	4.20%
Medicaid Reimbursement	0	0	0.00%
<b>Total other revenues</b>	<b>84,098,048</b>	<b>77,891,377</b>	<b>-7.38%</b>
<b>Total Education Fund</b>	<b>162,250,664</b>	<b>152,809,214</b>	<b>-5.82%</b>

Note: Revenue Estimates are fiscal year total estimates.

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Time: 09:02