



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

*Neale F. Lunderville, Secretary*

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

PRESS RELEASE

February 4, 2009

FOR IMMEDIATE RELEASE

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

**Montpelier, VT - Secretary of Administration Neale F. Lunderville Announces Vermont's  
January Revenue Figures – General, Transportation, and Education Funds All Below  
Target for the Month.**

**General Fund**

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of January, the seventh month of Fiscal Year 2009. General Fund revenues were well below target for the month as compared to the consensus revenue target revised in mid-January. The General Fund revenues of \$119.20 million for the month of January 2009 were -\$14.05 million or -10.54% below the \$133.25 million consensus revenue forecast for the month. Year-to-date, General Fund revenues were \$674.91 million or -\$14.05 million (-2.04%) below the consensus revenue forecast for FY 2009. "It is important to understand that these revenue results are not only unfavorable as compared to the most recent targets, but that they are also below where we were one year ago," said Secretary Lunderville.

The monthly targets reflect the most recent FY 2009 consensus revenue forecast that was agreed to by the Emergency Board on January 13, 2009. 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 has been scheduling interim revenue reviews.

Personal Income Tax receipts posted the largest shortfall in the January General Fund results. 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 January were \$72.97 million, -\$7.67 million or -9.51% below the monthly target. Two of the components of the Personal Income (PI) receipts were very concerning – PI Withheld and PI Refunds. PI Withheld fell -\$5.09 million below the monthly target, while the State had to refund -\$2.83 million more in PI Refunds than expected. Year-to-date, the Personal Income Tax receipts of \$360.49 million were below target against the \$368.16 million year-to-date estimate.

Corporate Tax receipts are also reported net of refunds. Corporate Income Tax revenue results for January were \$2.08 million net of refunds against the expected monthly target of \$3.22 million, or -\$1.14 million (-35.44%) short for the month. Year-to-date, Corporate Income Tax receipts of \$24.62 million were -\$1.14 million or -4.43% below the target of \$25.76 million. **We are very concerned with the downward trend, particularly in Personal Income Tax Withheld. This may**

**be the first measurable drop in Personal Income Taxes due to job losses and cut backs. While it is possible that the spring 2009 tax filing season may see an uptick in tax payments, we consider it very unlikely.**

For the month, receipts for the consumption taxes (Sales & Use Tax and Meals & Rooms Tax) were also down relative to the revised target. Sales & Use Tax receipts were \$25.32 million (-\$2.04 million, -7.46%) and Meals & Rooms Tax receipts were \$10.15 million (-\$0.69 million, -6.39%). Year-to-date, Sales & Use Tax was \$134.48 million (-\$2.04 million, -1.50%) and Rooms & Meals Tax receipts were \$72.43 million (-\$0.69 million, -0.95%). The weak performance, particularly in the Sales & Use Tax, reflects the severe lack of consumer confidence resulting in the lowest December/holiday receipts in 5 years.

The remaining components of the General Fund revenue followed the downward trend of the four major taxes discussed above; all were below target. The non-major tax component results for the month were: Insurance Premium, \$0.47 million (-48.55%); Inheritance/Estate Tax, \$0.16 million (-87.29%); Real Property Transfer Tax \$0.60 million (-0.31%); and Other, \$7.45 million (-11.44%). Year-to-date results for these components were: Insurance Premium, -2.51%; Inheritance/Estate Tax, -20.50%; Real Property Transfer Tax, -0.03%; and Other, -1.71%.

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

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	80.64	72.97	(7.67)	-9.51%	368.16	360.49	(7.67)	-2.08%
Sales & Use	27.38	25.32	(2.04)	-7.46%	136.53	134.48	(2.04)	-1.50%
Corporate	3.22	2.08	(1.14)	-35.44%	25.76	24.62	(1.14)	-4.43%
Meals & Room	10.84	10.15	(0.69)	-6.39%	73.12	72.43	(0.69)	-0.95%
Insurance Premium	0.91	0.47	(0.44)	-48.55%	17.70	17.25	(0.44)	-2.51%
Inheritance & Estate	1.27	0.16	(1.11)	-87.29%	5.40	4.29	(1.11)	-20.50%
Real Property Transfer	0.60	0.60	-	-0.31%	6.21	6.21	-	-0.03%
Other	8.39	7.45	(0.96)	-11.44%	56.08	55.14	(0.96)	-1.71%
<b>Total</b>	<b>133.25</b>	<b>119.20</b>	<b>(14.05)</b>	<b>-10.54%</b>	<b>688.96</b>	<b>674.91</b>	<b>(14.05)</b>	<b>-2.04%</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 \$13.91 million, which was -\$1.59 million or -10.27% below the monthly target for January. Year-to-date, the Transportation Fund revenues remain below the year-to-date consensus target at \$114.15 million (-\$1.59 million, -1.37%).

The results for the Transportation Fund revenue components were uniformly below target for the month. The components of the Transportation Fund revenue for the month were: Gasoline Tax, \$5.11 million (-0.61%); Diesel Tax, \$0.94 million (-30.45%); Motor Vehicle Purchase & Use Tax, \$2.71 million (-15.66%); Motor Vehicle Fees, \$4.03 million (-5.03%); and "Other", \$1.11 million (-27.94%). Year-to-date, the Transportation Fund revenue components for January were: Gasoline Tax, \$36.32 million (-0.09%); Diesel Tax, \$8.94 million (-4.38%); Motor Vehicle Purchase & Use Tax, \$25.00 million (-1.98%); Motor Vehicle Fees, \$34.22 million (-0.62%); and "Other", \$9.67 million (-4.28%).

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

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	5.14	5.11	-0.03	-0.61%	36.35	36.32	-0.03	-0.09%
Diesel Fuel	1.34	0.94	-0.41	-30.45%	9.35	8.94	-0.41	-4.38%
MV Purchase & Use	3.22	2.71	-0.50	-15.66%	25.51	25.00	-0.50	-1.98%
Motor Vehicle Fees	4.25	4.03	-0.21	-5.03%	34.43	34.22	-0.21	-0.62%
Other	1.55	1.11	-0.43	-27.94%	10.10	9.67	-0.43	-4.28%
<b>Total</b>	<b>15.50</b>	<b>13.91</b>	<b>-1.59</b>	<b>-10.27%</b>	<b>115.74</b>	<b>114.15</b>	<b>-1.59</b>	<b>-1.37%</b>

\*Differences due to rounding

**Education Fund**

Non-Property Tax Education Fund revenue receipts of \$15.41 million were released by Secretary Lunderville today; these receipts are -\$1.39 million (-8.30%) below the January monthly target of \$16.81 million. “Non-Property Tax” Education Fund revenues constitute approximately 12% of the total Education Fund receipts. Year-to-date, non-Property Tax Education Fund revenues were \$90.33 million or -\$1.39 million (-1.52%) below the year-to-date consensus revenue forecast.

All of the components of the non-Property Tax Education revenue were below the January monthly targets, except Investment Income that was \$0.48 million more than anticipated both for the month and year-to-date. The remaining components were: Sales & Use Tax, \$12.67 million (-\$1.02 million); Motor Vehicle Purchase & Use, \$1.35 million (-\$0.25 million); and Lottery Transfer, \$1.36 million (-\$0.59 million). Year-to-date results were: Sales & Use Tax, \$67.24 million (-1.50%); Motor Vehicle Purchase & Use, \$12.50 million (-1.98%); and Lottery Transfer, \$10.36 million (-5.39%).

**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	13.69	12.67	(1.02)	-7.47%	68.26	67.24	(1.02)	-1.50%
MV Purchase & Use	1.61	1.35	(0.25)	-15.66%	12.75	12.50	(0.25)	-1.98%
Lottery Transfer	1.96	1.36	(0.59)	-30.17%	10.95	10.36	(0.59)	-5.39%
Investment Income	(0.45)	0.03	0.48	-107.36%	(0.25)	0.23	0.48	-194.84%
<b>Total</b>	<b>16.81</b>	<b>15.41</b>	<b>(1.39)</b>	<b>-8.30%</b>	<b>91.72</b>	<b>90.33</b>	<b>(1.39)</b>	<b>-1.52%</b>

\*Differences due to rounding

**Conclusion**

Secretary Lunderville said that, “This month’s revenue report is a sobering reminder that the Vermont economy continues to weaken at an accelerated pace. A one month drop of \$14 million in the General Fund is one of the largest single month drops in memory, with the largest portion of the decline coming in personal income. As compared to January 2008, revenues are \$28 million less – another sign that Vermonters are not earning or spending at previous levels. These numbers highlight the need for swift action and tough decisions to address Vermont’s budget challenges.”

Lunderville continued, “Further, with no clear indication of when revenues will stop declining, the idea of putting an additional income tax on top of Vermont’s already high income tax rates –

especially when personal income is falling – is counterproductive if we want a speedy recovery. We cannot add a heavier tax burden on Vermont’s already overburdened families.”

**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 January 31, 2009**

**General Fund Schedule 2**

	<b>Total to Date</b>	<b>Total to Date</b>	
	<b>Last Year</b>	<b>This Year</b>	<b>% of Change</b>
<b>Taxes</b>			
Personal Income	372,572,938	360,490,683	-3.24%
Sales & Use	141,956,951	134,482,670	-5.27%
Corporate	36,669,409	24,621,626	-32.86%
Meals & Room	74,411,377	72,432,183	-2.66%
Liquor & Wine	8,768,085	9,228,331	5.25%
Insurance Premium	17,109,356	17,251,831	0.83%
Telephone Gross Receipts	355,610	122,654	-65.51%
Telephone Property	4,547,863	4,425,574	-2.69%
Beverage	3,445,569	3,475,312	0.86%
Electric Generating	1,331,403	1,387,783	4.23%
Inheritance & Estate	8,798,771	4,292,804	-51.21%
Real Property Transfer	7,345,800	6,209,844	-15.46%
Bank Franchise	7,406,474	13,741,182	85.53%
All Other Taxes	1,848,042	1,947,895	5.40%
<b>Total Taxes</b>	<b>686,567,650</b>	<b>654,110,372</b>	<b>-4.73%</b>
<b>Other Revenues</b>			
Business Licenses	1,217,784	1,270,126	4.30%
Fees	8,693,040	11,262,186	29.55%
Services	1,104,899	883,325	-20.05%
Fines, Forfeits & Penalties	1,842,764	6,334,393	243.74%
Interest, Prem	3,339,917	893,108	-73.26%
Special Assessments	0	0	0.00%
All Other Revenues	265,571	152,086	-42.73%
<b>Total Other Revenues</b>	<b>16,463,976</b>	<b>20,795,223</b>	<b>26.31%</b>
<b>Total General Fund</b>	<b>703,031,625</b>	<b>674,905,595</b>	<b>-4.00%</b>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: February 03, 2009

Time: 12:53

**Comparative Statement of Revenues  
Transportation Fund  
As of January 31, 2009**

## 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	37,613,594	36,315,797	-3.45%
Diesel Fuel	9,922,377	8,938,121	-9.92%
MV Purchase & Use	29,873,227	25,003,096	-16.30%
<b>Total Taxes</b>	<b>77,409,198</b>	<b>70,257,014</b>	-9.24%
<b>Other Revenues</b>			
Motor Vehicle Fees	35,520,287	34,220,761	-3.66%
Other	14,459,948	9,668,716	-33.13%
<b>Total Other Revenues</b>	<b>49,980,234</b>	<b>43,889,477</b>	-12.19%
<b>Total Non-Dedicated</b>	<b>127,389,433</b>	<b>114,146,491</b>	-10.40%
<b>Dedicated</b>			
Federal Aid	108,945,256	116,110,923	6.58%
Other	2,680,800	1,231,611	-54.06%
<b>Total Dedicated</b>	<b>111,626,056</b>	<b>117,342,534</b>	5.12%
<b>Total Transportation Fund</b>	<b>239,015,489</b>	<b>231,489,025</b>	-3.15%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: February 03, 2009

Time: 12:53

**State of Vermont  
Comparative Statement of Revenues  
Education Fund  
As of January 31, 2009**

**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	70,977,411	67,240,326	-5.27%
Purchase & Use	14,936,614	12,501,548	-16.30%
Lottery Transfer	11,632,001	10,364,306	-10.90%
Investment Income	(1,071,307)	223,701	120.88%
<b>Total estimated revenues</b>	<b><u>96,474,719</u></b>	<b><u>90,329,881</u></b>	<b><u>-6.37%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	83,135,950	76,981,075	-7.40%
Electric Energy Educ Prop Tax	972,767	1,013,643	4.20%
Medicaid Reimbursement	0	0	0.00%
<b>Total other revenues</b>	<b><u>84,108,717</u></b>	<b><u>77,994,718</u></b>	<b><u>-7.27%</u></b>
<b>Total Education Fund</b>	<b><u>180,583,436</u></b>	<b><u>168,324,599</u></b>	<b><u>-6.79%</u></b>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: February 03, 2009

Time: 12:53