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*Michael K. Smith, Secretary*

PRESS RELEASE

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FOR IMMEDIATE RELEASE  
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**Montpelier, VT - Secretary of Administration Michael K. Smith Announces Vermont's July Revenue Figures – General Fund and Education Fund Surpass Revenue Target, Transportation Fund Falls Slightly Below Revenue Target for Month.**

**General Fund**

Secretary of Administration Michael K. Smith today released General Fund revenue results for the month of July, the first month of Fiscal Year 2009. General Fund revenues totaled \$96.66 million for July 2008, +\$8.07 million or +9.11% above the \$88.58 million consensus revenue forecast for the month and year-to-date.

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 July were \$52.20 million, +\$5.42 million or +11.58% ahead of the monthly target. Sales & Use Tax and Rooms & Meals Tax receipts were above target for July. Sales & Use Tax exceeded target by +\$0.87 million (+4.39%) and Rooms & Meals Tax was +\$0.38 million (+3.82%) above target for July. Smith said, "Personal Income Tax receipts reflect prior year economic conditions and are not necessarily an indicator of future performance." Offsetting the above target performances

already mentioned, Corporate Income Tax receipts of \$1.89 million fell below target for the month by -\$0.69 million or -27.13%. “We remain cautious regarding the performance of the consumption taxes in the current economic environment,” noted Secretary Smith.

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). Cumulatively, these components totaled \$11.59 million vs. the target of \$9.50 million. “Although the first month of Fiscal Year 2009 is above target, July is an odd month - a poor predictor for the fiscal year end results. Consequently, we remain watchful,” Secretary Smith said.

<b>General Fund By Major Element (In Millions)*</b>						
<b>Tax Component</b>	<b>YTD FY 2008</b>	<b>YTD FY 2009</b>	<b>% Change</b>	<b>July 2007</b>	<b>July 2008</b>	<b>% Change</b>
Personal Income	46.21	52.20	12.96%	46.21	52.20	12.96%
Sales & Use	22.07	20.75	-5.98%	22.07	20.75	-5.98%
Corporate	4.58	1.84	-59.83%	4.58	1.84	-59.83%
Meals & Room	10.29	10.28	-0.10%	10.29	10.28	-0.10%
Insurance Premium	0.41	0.43	4.88%	0.41	0.43	4.88%
Inheritance & Estate	1.48	1.45	-2.03%	1.48	1.45	-2.03%
Real Property Transfer	1.09	1.17	7.34%	1.09	1.17	7.34%
Other	6.64	8.54	28.61%	6.64	8.54	28.61%
<b>Total</b>	<b>92.77</b>	<b>96.66</b>	<b>4.19%</b>	<b>92.77</b>	<b>96.66</b>	<b>4.19%</b>

\*Differences due to rounding

## **Transportation Fund**

Secretary Smith also reported on the results for the non-dedicated Transportation Fund revenue. “The Transportation Fund revenue was \$16.36 million, which was -\$0.05 million or -0.30%, below the monthly target for July,” said Smith.

Revenue from the Gasoline Tax, Diesel Tax and Other Fees were all below target in the month of July. Motor Vehicle Purchase & Use Tax and Motor Vehicle Fees were both above target. The Transportation Fund revenue results for July were: Gasoline, \$4.90 million or -6.25% below target; Diesel Tax, \$1.28 million or -11.06% below target; Motor Vehicle Purchase & Use Tax,

\$3.49 million or +3.46% above target; Motor Vehicle Fees, \$5.33 million or +6.43% above target; and Other Fees, \$1.36 million or -0.23% below the monthly target. The cumulative July 2008 Transportation result of \$16.36 million was +\$0.81 million, or +5.21% above July 2007.

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

<b>Tax Component</b>	<b>YTD FY 2008</b>	<b>YTD FY 2009</b>	<b>% Change</b>	<b>July 2007</b>	<b>July 2008</b>	<b>% Change</b>
Gasoline	5.45	4.90	-10.09%	5.45	4.90	-10.09%
Diesel Fuel	0.34	1.28	276.47%	0.34	1.28	276.47%
MV Purchase & Use	3.42	3.49	2.05%	3.42	3.49	2.05%
Motor Vehicle Fees	5.11	5.33	4.31%	5.11	5.33	4.31%
Other	1.23	1.36	10.57%	1.23	1.36	10.57%
<b>Total</b>	<b>15.55</b>	<b>16.36</b>	<b>5.21%</b>	<b>15.55</b>	<b>16.36</b>	<b>5.21%</b>

\*Differences due to rounding

**Education Fund**

Secretary Smith 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 \$13.12 million for the month of July, or +\$0.49 million above the \$12.63 million consensus revenue target for the month,” said Smith.

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, both exceeded the July target, while Lottery receipts were on target at \$1.0 million.”

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

<b>Non-Property Tax Component</b>	<b>YTD FY 2008</b>	<b>YTD FY 2009</b>	<b>% Change</b>	<b>July 2007</b>	<b>July 2008</b>	<b>% Change</b>
Sales & Use	11.03	10.37	-5.98%	11.03	10.37	-5.98%
Purchase & Use	1.71	1.75	2.34%	1.71	1.75	2.34%
Lottery Transfer	1.12	1.00	-10.71%	1.12	1.00	-10.71%
Investment Income	-	-	0.00%	-	-	0.00%
<b>Total</b>	<b>13.86</b>	<b>13.12</b>	<b>-5.34%</b>	<b>13.86</b>	<b>13.12</b>	<b>-5.34%</b>

\*Differences due to rounding

### **Conclusion**

Secretary Smith concluded that “July is a relatively low revenue month and is historically a poor predictor of the year to come as a whole. We will continue to monitor future revenues closely,” said Smith. “Well, not me, but others will monitor the revenues closely,” Smith concluded.

Secretary Smith retires on August 22, 2008.

### **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 July 31, 2008**

**General Fund Schedule 2**

	Total to Date	Total to Date	% of Change
	Last Year	This Year	
<b>Taxes</b>			
Personal Income	46,211,945	52,199,687	13.0%
Sales & Use	22,066,096	20,745,090	-6.0%
Corporate	4,584,223	1,844,555	-59.8%
Meals & Room	10,291,708	10,277,907	-0.1%
Liquor & Wine	1,427,238	1,512,328	6.0%
Insurance Premium	414,146	429,284	3.7%
Telephone Gross Receipts	164,781	39,530	-76.0%
Telephone Property	18,936	20,707	9.3%
Beverage	523,444	495,596	-5.3%
Electric Generating	0	0	0.0%
Inheritance & Estate	1,479,652	1,454,618	-1.7%
Real Property Transfer	1,087,580	1,170,214	7.6%
Bank Franchise	2,576,804	2,719,870	5.6%
All Other Taxes	105,330	179,113	70.0%
<b>Total Taxes</b>	<b>90,951,884</b>	<b>93,088,497</b>	<b>2.3%</b>
<b>Other Revenues</b>			
Business Licenses	24,505	86,421	252.7%
Fees	787,029	1,424,202	81.0%
Services	148,221	142,585	-3.8%
Fines, Forfeits & Penalties	190,441	2,009,725	955.3%
Interest, Prem	640,409	7,717	-98.8%
Special Assessments	0	0	0.0%
All Other Revenues	23,808	(102,807)	-531.8%
<b>Total Other Revenues</b>	<b>1,814,413</b>	<b>3,567,843</b>	<b>96.6%</b>
<b>Total General Fund</b>	<b>92,766,298</b>	<b>96,656,340</b>	<b>4.2%</b>
Dept of Corrections AR	284,216	290,697	

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: August 05, 2008

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**Comparative Statement of Revenues  
Transportation Fund  
As of July 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	5,448,033	4,896,329	-10.1%
Diesel Fuel	337,390	1,283,184	280.3%
MV Purchase & Use	3,418,325	3,493,564	2.2%
<b>Total Taxes</b>	<b>9,203,748</b>	<b>9,673,076</b>	5.1%
<b>Other Revenues</b>			
Motor Vehicle Fees	5,112,752	5,334,433	4.3%
Other	1,232,626	1,354,745	9.9%
<b>Total Other Revenues</b>	<b>6,345,378</b>	<b>6,689,178</b>	5.4%
<b>Total Non-Dedicated</b>	<b>15,549,126</b>	<b>16,362,255</b>	5.2%
<b>Dedicated</b>			
Federal Aid	13,615,751	16,549,391	21.5%
Other	601,697	226,950	-62.3%
<b>Total Dedicated</b>	<b>14,217,448</b>	<b>16,776,341</b>	18.0%
<b>Total Transportation Fund</b>	<b>29,766,574</b>	<b>33,138,595</b>	11.3%
Transportation Funds			
Other Revenues Non-Dedicated			
In Process	1,353,481	1,425,670	
Dept of Corrections			
Accounts Receivable	(8,876)	(10,776)	

Note: Revenue Estimates are fiscal year total estimates.

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**State of Vermont  
Comparative Statement of Revenues  
Education Fund  
As of July 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	11,033,884	10,372,390	-6.0%
Purchase & Use	1,709,163	1,746,782	2.2%
Lottery Transfer	1,115,543	1,000,000	-10.4%
Investment Income	0	0	0.0%
<b>Total estimated revenues</b>	<b><u>13,858,590</u></b>	<b><u>13,119,171</u></b>	<b><u>-5.3%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	13,782	108,904,759	790095.6%
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>108,904,759</u></b>	<b><u>790095.6%</u></b>
<b>Total Education Fund</b>	<b><u><u>13,872,372</u></u></b>	<b><u><u>122,023,930</u></u></b>	<b><u>779.6%</u></b>

Note: Revenue Estimates are fiscal year total estimates.

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