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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 March Revenue Figures – General and Education Funds Above Target and Transportation Fund Below Target for the Month.

General Fund

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of March, the ninth month of Fiscal Year 2009. General Fund revenues exceeded target for the month as compared to the consensus revenue target revised in mid-January. The General Fund revenues of \$69.91 million for the month of March 2009 were +\$7.75 million or +12.47% above the \$62.16 million consensus revenue forecast for the month. Year-to-date, General Fund revenues of \$805.14 million remain below the forecast by -\$3.38 million or -0.42% for FY 2009. "The March results in the General Fund were better than expected, resulting in the General Fund closing a significant portion of the negative accumulation behind target forecast that was presented at the end of February. These favorable results for March were driven largely by Corporate Income Tax receipts, which have a March 15th filing deadline, and one-time proceeds from a legal settlement. However, virtually all economic indicators remain negative, meaning that the risk is all on the downside," 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. The next consensus forecast is scheduled to be reviewed by the Emergency Board on April 24, 2009.

Personal Income Tax receipts are the largest single state revenue source, and are reported Net of Personal Income Tax refunds. Different types of Personal Income Tax (PI) payments and refunds are included in this category such as: PI Withheld, PI Estimates, PI Refunds, PI Paid Returns, and "PI Other". Net Personal Income Tax Receipts for March were mixed, with Withholding and Paid Returns exceeding the monthly target, while Estimates, Refunds, and "Other" fell below target. Net Personal Income Tax results of \$8.18 million were -\$0.68 million or -7.71% below the March target of \$8.86 million. Year-to-date, the net Personal Income Tax results of \$369.15 million were -\$8.31 million or -2.20% below the target of \$377.46 million.

Corporate Tax receipts are also reported net of refunds. Corporate Income Tax revenue results for March were \$16.89 million versus the monthly target of \$9.97 million, or +\$6.92 million (+69.37%) above for the month. Year-to-date, Corporate Income Tax receipts of \$43.99 million were +\$7.46 million or +20.41% above the target of \$36.53 million.

For the month, receipts for the consumption taxes (Sales & Use Tax and Meals & Rooms Tax) appear to reflect the reduced spending levels that are being seen nationwide. Consumers are being very cautious with whatever disposable income they may still have in the face of job losses and the weak economy. Sales & Use Tax receipts of \$15.01 million fell below target by -\$0.15 million or -0.99%, and Rooms & Meals Tax receipts of \$10.76 fell short of the target by -\$1.23 million or -10.26%. Year-to-date, Sales & Use Tax was \$166.55 million (-\$0.25 million, -0.15%) and Rooms & Meals Tax receipts were \$92.99 million (-\$1.69 million, -1.79%).

The remaining components of the General Fund revenue were below target for the month, except "Other". The non-major tax component results for the month were: Insurance Premium, \$5.98 million (-\$0.68 million, -10.21%); Inheritance/Estate Tax, \$0.95 million (-\$0.57 million, -37.46%); Real Property Transfer Tax \$0.38 million (-\$0.13 million, -25.24%); and Other, \$11.76 million (+\$4.27 million, +57.01%). Year-to-date results for these components were: Insurance Premium, \$46.78 million (-6.32%); Inheritance/Estate Tax, \$7.59 million (-5.10%); Real Property Transfer Tax, \$6.95 million (-2.87%); and "Other", \$71.14 (+4.66%).

General Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	8.86	8.18	(0.68)	-7.71%	377.46	369.15	(8.31)	-2.20%
Sales & Use	15.16	15.01	(0.15)	-0.99%	166.80	166.55	(0.25)	-0.15%
Corporate	9.97	16.89	6.92	69.37%	36.53	43.99	7.46	20.41%
Meals & Room	11.99	10.76	(1.23)	-10.26%	94.68	92.99	(1.69)	-1.79%
Insurance Premium	6.66	5.98	(0.68)	-10.21%	49.94	46.78	(3.16)	-6.32%
Inheritance & Estate	1.52	0.95	(0.57)	-37.46%	7.99	7.59	(0.40)	-5.10%
Real Property Transfer	0.51	0.38	(0.13)	-25.24%	7.15	6.95	(0.20)	-2.87%
Other	7.49	11.76	4.27	57.01%	67.97	71.14	3.17	4.66%
Total	62.16	69.91	7.75	12.47%	808.52	805.14	(3.38)	-0.42%

*Differences due to rounding

Transportation Fund

The non-dedicated Transportation Fund revenue results were also released today by Secretary Lunderville. Transportation Fund receipts for the month were \$17.59 million, -\$0.40 or -2.23% below the March target of \$17.99 million. Year-to-date, the Transportation Fund revenues remain below the year-to-date consensus target at \$145.27 million (-\$2.35 million, -1.59%).

The results for the Transportation Fund revenue components were mixed for the month, with Gasoline Tax and Motor Vehicle Purchase & Use Tax results above target, while Diesel Fuel Tax, Motor Vehicle Fees, and "Other" fell below target. The components of the Transportation Fund revenue for the month were: Gasoline Tax, \$5.45 million (+4.01%); Diesel Tax, \$1.13 million (-26.37%); Motor Vehicle Purchase & Use Tax, \$3.39 million (+6.70%); Motor Vehicle Fees, \$6.00

million (-2.48%); and “Other”, \$1.62 million (-12.10%). Year-to-date, the Transportation Fund revenue components for March were: Gasoline Tax, \$46.14 million (-0.26%); Diesel Tax, \$11.06 million (-6.70%); Motor Vehicle Purchase & Use Tax, \$30.69 million (-1.72%); Motor Vehicle Fees, \$44.51 million (-0.96%); and “Other”, \$12.87 million (-3.48%).

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	5.24	5.45	0.21	4.01%	46.26	46.14	(0.12)	-0.26%
Diesel Fuel	1.58	1.13	(0.45)	-28.37%	11.85	11.06	(0.79)	-6.70%
MV Purchase & Use	3.18	3.39	0.21	6.70%	31.22	30.69	(0.54)	-1.72%
Motor Vehicle Fees	6.15	6.00	(0.15)	-2.48%	44.94	44.51	(0.43)	-0.96%
Other	1.84	1.62	(0.22)	-12.10%	13.34	12.87	(0.46)	-3.48%
Total	17.99	17.59	(0.40)	-2.23%	147.61	145.27	(2.35)	-1.59%

*Differences due to rounding

Education Fund

Non-Property Tax Education Fund revenue receipts of \$10.52 million were released by Secretary Lunderville today; these receipts are +\$0.05 million (+0.50%) above the March monthly target of \$10.47 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 are essentially on target at \$112.61 million or +\$0.16 million (+0.14%).

The results for the components of the non-Property Tax Education revenue for March were mixed: Sales & Use Tax, \$7.51 million (-0.96%); Motor Vehicle Purchase & Use, \$1.69 million (+6.73%); Lottery Transfer, \$1.31 million (-18.51%); and Investment Income, \$0.01 (-101.50%). Year-to-date results were: Sales & Use Tax, \$83.28 million (-0.15%); Motor Vehicle Purchase & Use, \$15.34 million (-1.72%); Lottery Transfer, \$13.76 million (-4.74%); and Investment Income, \$0.23 million (-122.30%).

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	7.58	7.51	-0.07	-0.96%	83.40	83.28	-0.12	-0.15%
MV Purchase & Use	1.59	1.69	0.11	6.73%	15.61	15.34	-0.27	-1.72%
Lottery Transfer	1.61	1.31	-0.30	-18.51%	14.45	13.76	-0.69	-4.74%
Investment Income	(0.31)	0.01	0.32	-101.50%	(1.01)	0.23	1.24	-122.30%
Total	10.47	10.52	0.05	0.50%	112.45	112.61	0.16	0.14%

*Differences due to rounding

Conclusion

Secretary Lunderville said that, “With the unemployment rate rising, with the continued decline in the housing, auto and retail markets, and with no clear indication of where the bottom of this recession may be, we can expect another reduction in the Consensus Revenue forecast for FY 2009 at the April Emergency Board meeting on April 24th.”

Lunderville continued, “We have entered a period of economic contraction that will affect state revenues for many years to come. Even when we begin to grow out of this recession, we should not expect revenues to bounce back at the same pace; revenue growth will lag recovery. For this reason, we must guard against reliance on one-time federal recovery funds. The American Recovery and Reinvestment Act (ARRA) money will last only through September 30, 2010. We should use the federal money for job creation activities and, where necessary, to bridge the short-term recessionary gap – not to grow state government to levels that cannot be sustained beyond the federal stimulus period.”

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 March 31, 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	392,882,329	369,152,776	-6.04%
Sales & Use	174,912,578	166,555,082	-4.78%
Corporate	51,019,157	43,986,245	-13.78%
Meals & Room	95,568,736	92,986,691	-2.70%
Liquor & Wine	11,096,112	11,648,104	4.97%
Insurance Premium	47,669,632	46,784,128	-1.86%
Telephone Gross Receipts	355,610	122,654	-65.51%
Telephone Property	6,915,486	6,862,399	-0.77%
Beverage	4,297,743	4,299,247	0.03%
Electric Generating	2,025,295	2,107,961	4.08%
Inheritance & Estate	9,381,661	7,587,020	-19.13%
Real Property Transfer	8,651,957	6,946,873	-19.71%
Bank Franchise	7,460,318	17,887,769	139.77%
All Other Taxes	2,312,976	2,182,434	-5.64%
Total Taxes	<u>814,549,588</u>	<u>779,109,382</u>	<u>-4.35%</u>
Other Revenues			
Business Licenses	1,934,288	2,060,861	6.54%
Fees	11,147,307	14,084,484	26.35%
Services	1,384,879	1,212,641	-12.44%
Fines, Forfeits & Penalties	2,418,379	7,353,524	204.07%
Interest, Prem	4,146,258	870,963	-78.99%
Special Assessments	0	0	0.00%
All Other Revenues	332,152	447,629	34.77%
Total Other Revenues	<u>21,363,263</u>	<u>26,030,103</u>	<u>21.85%</u>
Total General Fund	<u><u>835,912,851</u></u>	<u><u>805,139,486</u></u>	<u><u>-3.68%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: April 02, 2009

Time: 15:02

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

**Transportation Fund Detail
Schedule 2**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	47,535,988	46,137,149	-2.94%
Diesel Fuel	12,400,855	11,055,472	-10.85%
MV Purchase & Use	36,812,474	30,687,137	-16.64%
Total Taxes	96,749,316	87,879,759	-9.17%
Other Revenues			
Motor Vehicle Fees	45,600,261	44,509,418	-2.39%
Other	18,187,140	12,877,785	-29.19%
Total Other Revenues	63,787,402	57,387,204	-10.03%
Total Non-Dedicated	160,536,718	145,266,962	-9.51%
Dedicated			
Federal Aid	132,320,796	131,492,667	-0.63%
Other	3,380,853	1,392,850	-58.80%
Total Dedicated	135,701,649	132,885,517	-2.08%
Total Transportation Fund	296,238,367	278,152,480	-6.11%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: April 02, 2009

Time: 15:07

**State of Vermont
Comparative Statement of Revenues
Education Fund
As of March 31, 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	87,454,977	83,276,292	-4.78%
Purchase & Use	18,406,237	15,343,569	-16.64%
Lottery Transfer	14,999,671	13,764,544	-8.23%
Investment Income	(1,250,821)	226,139	118.08%
Total estimated revenues	<u>119,610,063</u>	<u>112,610,543</u>	<u>-5.85%</u>
Other Revenues:			
Education Property Taxes	83,135,950	77,083,676	-7.28%
Electric Energy Educ Prop Tax	972,767	1,013,643	4.20%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>84,108,717</u>	<u>78,097,318</u>	<u>-7.15%</u>
Total Education Fund	<u>203,718,781</u>	<u>190,707,861</u>	<u>-6.39%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: April 02, 2009

Time: 15:07