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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 November Revenue Figures – General Fund As Expected; Transportation Fund and Education Fund Below Target for the Month.

General Fund

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of November, the fifth month of Fiscal Year 2009. General Fund revenues were essentially on target for the month as compared to the recently revised consensus revenue target. The General Fund revenues of \$70.59 million for the month of November 2008 were +\$0.25 million or +0.35% above the \$70.34 million consensus revenue forecast for the month. Cumulatively, General Fund revenues year-to-date were \$455.85 million or +0.25 million (+0.05%) above the consensus revenue forecast for Fiscal Year 2009.

The monthly targets reflect the most recent Fiscal Year 2009 consensus revenue forecast, which 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.

Each of the four major components of General Fund Revenue underperformed against the newly revised forecast. 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 November were \$32.17 million, -\$0.04 million or -0.13% below the monthly target. Cumulatively, the Personal Income Tax receipts of \$234.38 were essentially on target against the \$234.42 year-to-date estimate. Corporate Tax receipts are also reported net of refunds; November's monthly target was projected to be negative (i.e., more refunds than receipts). Corporate Income Tax revenue results for November were a negative (\$1.95) million net of refunds against the expected monthly net negative target of (\$1.10) million. Cumulatively, Corporate Income Tax receipts of \$13.26 million were slightly below the revised target of \$14.10 million. We believe that the downward trend, particularly in Corporate Income Tax receipts, will continue in the coming months. Sales & Use Tax receipts of \$15.35 million were below target for the month by -\$0.79 million or -4.89%. Cumulatively, Sales & Use Tax fell -0.79% below the year-to-date target of \$90.55 million. Rooms & Meals Tax receipts also fell short of the revised target for the month by -\$0.62 million or -5.94%. At \$53.92 million, cumulative Rooms & Meals Tax results were -1.15% below the cumulative November target.

The non-major components of the General Fund Revenue combined to offset the under-target performance of the four major components. Insurance, Real Property Transfer and “Other” were all slightly above target, while Inheritance/Estate Tax was slightly below. The non-major tax component results for the month were: Insurance Premium, \$6.95 million (+9.10%); Inheritance/Estate Tax, \$0.80 million (-39.86%); Real Property Transfer Tax \$0.79 million (+28.15%); and Other, \$6.58 million (+71.91%). Year-to-date results for these components were: Insurance Premium, +3.89%; Inheritance/Estate Tax, -12.92%; Real Property Transfer Tax, +3.87%; and Other, +6.05%.

General Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	33.21	32.17	-0.04	-0.13%	234.42	234.38	-0.04	-0.02%
Sales & Use	16.14	15.35	-0.79	-4.89%	90.55	89.76	-0.79	-0.87%
Corporate (a)	(1.10)	(1.95)	-0.85	76.49%	14.10	13.26	-0.85	-6.00%
Meals & Rooms	10.52	9.90	-0.62	-5.94%	54.54	53.92	-0.62	-1.15%
Insurance Premium	6.38	6.95	0.58	9.10%	14.89	15.47	0.58	3.89%
Inheritance & Estate	1.33	0.80	-0.53	-39.86%	4.10	3.57	-0.53	-12.92%
Real Property Transfer	0.62	0.79	0.17	28.15%	4.49	4.67	0.17	3.87%
Other	3.24	6.58	2.33	71.91%	38.51	40.82	2.33	6.05%
Total	70.34	70.59	0.25	0.35%	455.60	455.85	0.25	0.05%

(a) Resulting % change for the month is positive because the results exceeded the target for November. In this case, more net corporate refunds than targeted; note that in this instance “more is not better”, as a positive % change would normally indicate.

*Differences due to rounding

Transportation Fund

Secretary Lunderville also reported on the results for the non-dedicated Transportation Fund revenue. The Transportation Fund revenues were \$13.68 million, which was -\$1.12 million or -7.55% below the monthly target for November. The two-day Thanksgiving holiday, coupled with the month ending that weekend, resulted in an elongated processing turn around for Transportation Fund receipts versus the normal monthly processing delay; the additional delay accounts for a good portion of the -\$1.12 million monthly shortfall. Cumulatively, the Transportation Fund revenues of \$84.40 million were -1.31% below the consensus revenue year-to-date forecast of \$85.52 million.

The Transportation Fund revenue components were all below target for the month with the exception of Gas Tax receipts, which were slightly above target for the month. Gas Tax receipts have benefited from the recent reductions in gasoline prices. The remaining components still suffer from the continuing sales decline in the automobile market. The components of the Transportation Fund revenue for the month were: Gasoline Tax, \$4.95 million (+2.06%); Diesel Tax, \$0.77 million (-33.11%); Motor Vehicle Purchase & Use Tax, \$2.73 million (-15.30%); Motor Vehicle Fees, \$4.15 million (-0.50%); and Other, \$1.08 million (-22.94%). Cumulatively, the Transportation Fund revenue components for November were: Gasoline Tax, \$26.36 million (+0.38%); Diesel Tax, \$5.87 million (-6.12%); Motor Vehicle Purchase & Use Tax, \$19.18 million (-2.50%); Motor Vehicle Fees, \$25.75 million (-0.08%); and Other, \$7.24 million (-4.25%).

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	4.85	4.95	0.09	2.06%	26.26	26.36	0.09	0.38%
Diesel Fuel	1.16	0.77	-0.38	-33.11%	6.26	5.87	-0.38	-6.12%
MV Purchase & Use	3.21	2.73	-0.49	-15.30%	19.67	19.18	-0.49	-2.50%
Motor Vehicle Fees	4.17	4.15	-0.02	-0.50%	25.77	25.75	-0.02	-0.08%
Other	1.40	1.08	-0.32	-22.94%	7.56	7.24	-0.32	-4.25%
Total	14.79	13.68	-1.12	-7.55%	85.52	84.40	-1.12	-1.31%

*Differences due to rounding

Education Fund

The revenue results for the “the non-Property Tax” Education Fund revenues (which constitute approximately 12% of the total Education Fund receipts) released by Secretary Lunderville totaled \$10.55 million for the month of November, or -\$0.69 million (-6.14%) below the \$11.24 million consensus revenue target for the month. Cumulatively, non-Property Tax Education Fund revenues year-to-date were \$61.85 million or -\$0.69 million (-1.10%) below the year-to-date consensus revenue forecast.

All the components of the non-Property Tax Education revenue, except Investment Income, were below the November monthly targets: Sales & Use Tax, \$7.68 million (-4.90%); Motor Vehicle Purchase & Use, \$1.36 million (-15.28%); Lottery Transfer, \$1.51million (-25.56%); and Investment Income \$0.0006 million (+99.87%). Cumulative results were: Sales and Use Tax, \$44.88 million (-0.87%); Motor Vehicle Purchase & Use, \$9.59 million (-2.50%); Lottery Transfer, \$7.22 million (-6.70%); and Education Fund Investment Income, \$0.16 million (-155.47%).

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	8.07	7.68	-0.39	-4.90%	45.27	44.88	-0.39	-0.87%
MV Purchase & Use	1.61	1.36	-0.25	-15.28%	9.83	9.59	-0.25	-2.50%
Lottery Transfer	2.03	1.51	-0.52	-25.56%	7.74	7.22	-0.52	-6.70%
Investment Income (a)	(0.47)	0.00	0.47	-99.87%	(0.30)	0.16	0.47	-155.47%
Total	11.24	10.55	-0.69	-6.14%	62.54	61.85	-0.69	-1.10%

(a) Resulting YTD % change is negative because mathematically the positive results (numerator) were divided by the negative target (denominator); in this case, the positive investment income is a favorable result - not the unfavorable result a negative % change would normally indicate.

*Differences due to rounding

Conclusion

Secretary Lunderville said that, “Vermont is certainly feeling the effects of the national economic downturn and we continue to monitor the changing economic environment very closely. At this point, our economists warn that all of our risk is on the downside – meaning that conditions will probably get worse before they get better. As we face some very difficult budget decisions in preparation for worsening fiscal conditions, it is important that we move thoughtfully *and* quickly. The longer we hold off on making tough decisions, the more difficult those decisions become.”

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 November 30, 2008**

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	225,003,700	234,381,700	4.17%
Sales & Use	95,122,235	89,755,640	-5.64%
Corporate	23,479,272	13,257,745	-43.53%
Meals & Room	56,248,613	53,918,382	-4.14%
Liquor & Wine	5,950,511	6,203,101	4.24%
Insurance Premium	14,960,250	15,473,596	3.43%
Telephone Gross Receipts	315,614	81,577	-74.15%
Telephone Property	2,288,925	2,224,941	-2.80%
Beverage	2,486,575	2,526,724	1.61%
Electric Generating	665,702	693,892	4.23%
Inheritance & Estate	5,872,830	3,566,744	-39.27%
Real Property Transfer	5,673,344	4,666,546	-17.75%
Bank Franchise	4,840,935	11,055,277	128.37%
All Other Taxes	1,246,461	1,505,946	20.82%
Total Taxes	<u>444,154,966</u>	<u>439,311,810</u>	<u>-1.09%</u>
Other Revenues			
Business Licenses	404,236	459,275	13.62%
Fees	5,796,474	7,989,686	37.84%
Services	774,272	745,725	-3.69%
Fines, Forfeits & Penalties	1,208,674	5,746,411	375.43%
Interest, Premium	2,463,512	831,047	-66.27%
Special Assessments	0	0	0.00%
All Other Revenues	108,622	765,676	604.90%
Total Other Revenues	<u>10,755,791</u>	<u>16,537,820</u>	<u>53.76%</u>
Total General Fund	<u>454,910,756</u>	<u>455,849,630</u>	<u>0.21%</u>

*Differences due to rounding

Prepared by Department of Finance & Management

Date: December 03, 2008

Time: 11:29

**Comparative Statement of Revenues
Transportation Fund
As of November 30, 2008**

T 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	27,065,372	26,356,216	-2.62%
Diesel Fuel	6,565,641	5,872,107	-10.56%
MV Purchase & Use	22,596,281	19,177,260	-15.13%
Total Taxes	56,227,294	51,405,583	-8.58%
Other Revenues			
Motor Vehicle Fees	26,701,561	25,750,260	-3.56%
Other	11,270,479	7,244,175	-35.72%
Total Other Revenues	37,972,040	32,994,435	-13.11%
Total Non-Dedicated	94,199,334	84,400,018	-10.40%
Dedicated			
Federal Aid	87,180,098	89,848,749	3.06%
Other	2,218,719	773,509	-65.14%
Total Dedicated	89,398,817	90,622,258	1.37%
Total Transportation Fund	183,598,151	175,022,276	-4.67%

*Differences due to rounding

Prepared by Department of Finance & Management

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State of Vermont
Comparative Statement of Revenues
Education Fund
As of November 30, 2008

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	47,560,404	44,877,251	-5.64%
Purchase & Use	11,298,141	9,588,668	-15.13%
Lottery Transfer	8,060,143	7,216,670	-10.46%
Investment Income	(792,306)	167,427	121.13%
Total estimated revenues	<u>66,126,381</u>	<u>61,850,016</u>	<u>-6.47%</u>
Other Revenues:			
Education Property Taxes	22,611,122	130,967,538	479.22%
Electric Energy Educ. Prop. Tax	972,767	1,013,643	4.20%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>23,583,889</u>	<u>131,981,181</u>	<u>459.62%</u>
Total Education Fund	<u>89,710,271</u>	<u>193,831,197</u>	<u>116.06%</u>

*Differences due to rounding

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