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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 July Revenue Figures – General Fund Above Target, Transportation Fund Below Target, and Education Fund Essentially On Target for Month.

General Fund

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of July, the first month of Fiscal Year 2010. General Fund revenues totaled \$83.54 million for July 2009, +\$0.62 million or +0.75% above the \$82.91 million consensus revenue forecast for the month and year-to-date. "While the General Fund finished above target for the first month of the new fiscal year (FY 2010), this was achieved only after the FY 2010 target was reduced on July 16th," said Secretary Lunderville. "The pattern of quarterly reductions that we saw throughout FY 2009 has continued into the new fiscal year," said Lunderville.

The monthly targets reflect the recently revised Fiscal Year 2010 Consensus Revenue Forecast that was adjusted downward by the Emergency Board on July 16, 2009. The State's Consensus Revenue Forecast is normally updated two times per year in January and July. However, with the unstable economic situation, the Emergency Board has been scheduling interim revenue reviews. The next consensus forecast is scheduled to be reviewed by the Emergency Board in mid-November, 2009.

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 \$45.35 million, +\$1.51 million or +3.44% ahead of the monthly target. Sales & Use Tax fell short of target by -\$0.06 million (-0.33%) and Rooms & Meals Tax was +\$0.40 million (+4.32%) above target for July. Corporate Income Tax receipts of \$0.90 million significantly fell below target for the month by -\$0.99 million or -52.42%.

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). Results for July were as follows: Insurance Tax, \$0.36 million (-6.44%); Estate Tax, +\$0.46 million (+43.74%); Property Transfer Tax, +\$0.06 million (+9.26%); and other, -\$0.72 million (-10.28%).

General Fund By Major Element (In Millions)*

Tax Component	Month				FY 2010 YTD				%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	Change	
Personal Income	43.84	45.35	1.51	3.44%	43.84	45.35	1.51	3.44%	
Sales & Use	18.84	18.78	-0.06	-0.33%	18.84	18.78	-0.06	-0.33%	
Corporate	1.89	0.90	-0.99	-52.42%	1.89	0.90	-0.99	-52.42%	
Meals & Room	9.24	9.64	0.40	4.32%	9.24	9.64	0.40	4.32%	
Insurance Premium	0.39	0.36	-0.02	-6.44%	0.39	0.36	-0.02	-6.44%	
Inheritance & Estate	1.05	1.51	0.46	43.74%	1.05	1.51	0.46	43.74%	
Real Prop. Transfer	0.62	0.68	0.06	9.26%	0.62	0.68	0.06	9.26%	
Other	7.03	6.31	-0.72	-10.28%	7.03	6.31	-0.72	-10.28%	
Total	82.91	83.54	0.62	0.75%	82.91	83.54	0.62	0.75%	

*Differences due to rounding

Transportation Fund

Secretary Lunderville also reported on the results for the non-dedicated Transportation Fund Revenue, revenue of \$15.99 million for the month or -\$0.45 million (-2.73%), below the monthly target for July.

Revenue from the Gasoline Tax, Diesel Tax and Motor Vehicle Purchase & Use Tax were all below target for the month of July, while Motor Vehicle Fees and Other Fees were both above target. The Transportation Fund revenue results for July were: Gasoline, \$5.26 million or -13.68% below target; Diesel Tax, \$0.54 million or -13.20% below target; Motor Vehicle Purchase & Use Tax, \$2.97 million or -0.79% below target; Motor Vehicle Fees, \$5.77 million or +5.48% above target; and Other Fees, \$1.45 million or +15.23% above the monthly target.

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				FY 2010 YTD				%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	Change	
Gasoline	6.09	5.26	-0.83	-13.68%	6.09	5.26	-0.83	-13.68%	
Diesel Fuel	0.63	0.54	-0.08	-13.20%	0.63	0.54	-0.08	-13.20%	
MV Purchase & Use	3.00	2.97	-0.02	-0.79%	3.00	2.97	-0.02	-0.79%	
Motor Vehicle Fees	5.47	5.77	0.30	5.48%	5.47	5.77	0.30	5.48%	
Other	1.26	1.45	0.19	15.23%	1.26	1.45	0.19	15.23%	
Total	16.44	15.99	-0.45	-2.73%	16.44	15.99	-0.45	-2.73%	

*Differences due to rounding

Education Fund

Secretary Lunderville released revenue results for the “the non-Property Tax” Education Fund revenues (which constitute approximately 11% of the total Education Fund receipts). “The Education Fund receipts totaled \$11.88 million for the month of July, or -\$0.43 million (-0.36%) below the \$11.92 million consensus revenue target for the month.

The Education Fund revenue results for July were: Sales & Use Tax, \$9.39 or -0.33%; Motor Vehicle Purchase & Use Tax, \$1.49 million or -0.76%; and Lottery Transfer, \$1.0 million – which was exactly on target. There was no Education Fund Interest targeted or recorded for July.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				FY 2010 YTD				%
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	Change	
Sales & Use	9.42	9.39	-0.03	-0.33%	9.42	9.39	-0.03	-0.33%	
MV Purchase & Use	1.50	1.49	-0.01	-0.76%	1.50	1.49	-0.01	-0.76%	
Lottery Transfer	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%	
Investment Income	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	
Total	11.92	11.88	-0.04	-0.36%	11.92	11.88	-0.04	-0.36%	

*Differences due to rounding

Conclusion

Secretary Lunderville concluded that “July is normally a relatively low revenue month and is historically a poor predictor of the year to come as a whole. However, it is important to note that the July 2009 revenue receipts for each of the three major funds fell well below the corresponding receipts for July 2008 as follows: General Fund, -13.58%; Transportation Fund, -2.27%; and Education Fund, -9.46%. We cannot be certain when we will reach the bottom of this recession and begin a genuine recovery. We continue to be vigilant for future revenue declines,” said Lunderville.

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, 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	52,199,687	45,351,729	-13.12%
Sales & Use	20,745,090	18,782,672	-9.46%
Corporate	1,844,555	901,005	-51.15%
Meals & Room	10,277,907	9,644,399	-6.16%
Liquor & Wine	1,511,989	1,208,331	-20.08%
Insurance Premium	429,284	360,407	-16.04%
Telephone Gross Receipts	39,530	47,253	19.54%
Telephone Property	20,707	182,338	780.57%
Beverage	495,596	507,002	2.30%
Electric Generating	0	0	0.00%
Inheritance & Estate	1,454,618	1,507,524	3.64%
Real Property Transfer	1,170,214	680,158	-41.88%
Bank Franchise	2,719,870	2,533,736	-6.84%
All Other Taxes	179,113	(98,589)	-155.04%
Total Taxes	<u>93,088,159</u>	<u>81,607,964</u>	<u>-12.33%</u>
Other Revenues			
Business Licenses	86,421	76,464	-11.52%
Fees	1,424,202	1,015,878	-28.67%
Services	142,585	96,061	-32.63%
Fines, Forfeits & Penalties	2,009,550	667,527	-66.78%
Interest, Prem	7,717	22,470	191.16%
Special Assessments	0	0	0.00%
All Other Revenues	(96,453)	48,589	150.38%
Total Other Revenues	<u>3,574,022</u>	<u>1,926,989</u>	<u>-46.08%</u>
Total General Fund	<u><u>96,662,180</u></u>	<u><u>83,534,953</u></u>	<u><u>-13.58%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: August 05, 2009

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**Comparative Statement of Revenues
Transportation Fund
As of July 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>
Non-Dedicated			
Taxes			
Gasoline	4,900,020	5,256,615	7.28%
Diesel Fuel	1,283,184	543,430	-57.65%
MV Purchase & Use	<u>3,493,564</u>	<u>2,972,112</u>	-14.93%
Total Taxes	<u>9,676,768</u>	<u>8,772,157</u>	-9.35%
Other Revenues			
Motor Vehicle Fees	5,334,453	5,773,086	8.22%
Other	<u>1,354,702</u>	<u>1,449,505</u>	7.00%
Total Other Revenues	<u>6,689,156</u>	<u>7,222,590</u>	7.97%
Total Non-Dedicated	<u>16,365,923</u>	<u>15,994,748</u>	-2.27%
Dedicated			
Federal Aid	16,549,391	20,051,062	21.16%
Infrastructure Fuel Fees	0	961,068	100.00%
Other	<u>226,950</u>	<u>330,375</u>	45.57%
Total Dedicated	<u>16,776,341</u>	<u>21,342,505</u>	27.22%
Total Transportation Fund	<u><u>33,142,264</u></u>	<u><u>37,337,253</u></u>	12.66%

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, 2009**

Education Fund Schedule 2

	Total to Date	Total to Date	
	Last Year	This Year	% of Change
Non-Dedicated			
Estimated Revenues:			
Sales & Use	10,372,390	9,391,195	-9.46%
Purchase & Use	1,746,782	1,486,535	-14.90%
Lottery Transfer	1,000,000	1,000,000	0.00%
Investment Income	0	0	0.00%
Total estimated revenues	13,119,171	11,877,731	-9.46%
Other Revenues:			
Education Property Taxes	(1,353,592)	749,650	155.38%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	(1,353,592)	749,650	155.38%
Total Education Fund	11,765,579	12,627,381	7.32%

Note: Revenue Estimates are fiscal year total estimates.

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