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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 August Revenue Figures – General Fund Slightly Above Target, Transportation and Education Fund Slightly Below Target for Month.**

**General Fund**

Secretary of Administration Neale F. Lunderville today released General Fund revenue results for the month of August, the second month of Fiscal Year 2010. General Fund revenues totaled \$73.82 million for August 2009, +\$0.38 million or +0.51% above the \$73.45 million consensus revenue forecast for the month. Year to date, General Fund revenues of \$157.36 million were +\$1.00 million and +0.64% above the year to date FY 2010 target.

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 August were \$31.85 million, -\$1.10 million or -3.33% behind the monthly target. Sales & Use Tax fell short of target by -\$0.05 million (-0.33%) and Rooms & Meals Tax was -\$0.08 million (-0.76%) below target for August. Corporate Income Tax receipts, also reported net-of refunds were \$1.31 million or +\$0.72 million (+124.40%) above target for the month. The years to date results for the four major General Fund categories are as follows: Personal Income Tax, \$77.21 million (+0.54%); Sales & Use Tax, \$34.63 million (-0.33%); Corporate, \$2.21 million (-10.83%); and Meals & Rooms, \$20.42 million (+1.58%).

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 the month of August were as follows: Insurance Tax, \$7.34 million (+17.60%); Estate Tax, \$0.92 million (-17.89%); Property Transfer Tax, \$0.67 million (+6.88%); and other, \$5.11 million (-1.14%). Year to date results for these

categories were: Insurance Tax, \$7.7 million (+16.20%); Estate Tax, \$2.43 million (+11.94%); Property Transfer Tax, \$1.35 million (+8.07%); and other, \$11.42 million (-6.39%).

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

Tax Component	Month				FY 2010 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	32.95	31.85	-1.10	-3.33%	76.79	77.21	0.41	0.54%
Sales & Use	15.90	15.85	-0.05	-0.33%	34.75	34.63	-0.11	-0.33%
Corporate	0.58	1.31	0.72	124.40%	2.48	2.21	-0.27	-10.83%
Meals & Room	10.85	10.77	-0.08	-0.76%	20.10	20.42	0.32	1.58%
Insurance Premium	6.24	7.34	1.10	17.60%	6.63	7.70	1.07	16.20%
Inheritance & Estate	1.12	0.92	-0.20	-17.89%	2.17	2.43	0.26	11.94%
Real Prop. Transfer	0.62	0.67	0.04	6.88%	1.25	1.35	0.10	8.07%
Other	5.17	5.11	-0.06	-1.14%	12.20	11.42	-0.78	-6.39%
<b>Total</b>	<b>73.45</b>	<b>73.82</b>	<b>0.38</b>	<b>0.51%</b>	<b>156.36</b>	<b>157.36</b>	<b>1.00</b>	<b>0.64%</b>

\*Differences due to rounding

**Transportation Fund**

Secretary Lunderville also reported on the results for the non-dedicated Transportation Fund Revenue, revenue of \$18.89 million for the month or -\$0.28 million (-1.47%), below the monthly target for August. The year to date non-dedicated Transportation revenue was \$34.89 million versus the target of \$34.52 million (+\$0.37 million, +1.09%).

Revenue from the Gasoline Tax, Diesel Tax and Motor Vehicle Purchase & Use Tax were all above the August monthly target, Motor Vehicle Fees and Other Fees both fell below target for the month. The Transportation Fund revenue results for August were: Gasoline, \$5.57 million or -3.82% above target; Diesel Tax, \$1.40 million or +16.70% above target; Motor Vehicle Purchase & Use Tax, \$4.46 million or +3.71% above target; Motor Vehicle Fees, \$5.99 million or -5.50% below target; and Other Fees, \$1.48 million or -25.29% below the monthly target. Secretary Lunderville commented “The positive results in Motor Vehicle Purchase & Use Tax may be the result of the “Cash for Clunkers” federal incentive program, although no official results have been published.”

The August year to date Transportation Fund revenue results were: Gasoline, \$10.82 million or +4.60% above target; Diesel Tax, \$1.94 million or +6.50% above target; Motor Vehicle Purchase & Use Tax, \$7.44 million or +1.86% above target; Motor Vehicle Fees, \$11.76 million or -0.41% below target; and Other Fees, \$2.92 million or -9.52% below target.

Secretary Lunderville also noted the status of the Transportation Infrastructure Bond Fund (“TIB”) (see Act 50 of the 2009 session). Receipts in the TIB Fund are generated by a motor fuel (gas and diesel) assessment on distributors. The TIB Fund receipts are dedicated first to pay principal, interest and related costs on any Transportation Infrastructure Bonds. After payment of the related bond costs, any remaining TIB monies may be used to fund qualifying Transportation capital projects. These potential remaining monies could be used to offset any unforeseen non-dedicated Transportation Fund Revenue shortfalls. Secretary Lunderville stated, “Although the TIB Fund is not included in the non-dedicated Transportation Consensus Revenue

Forecast, we are following the expected TIB Fund receipts closely. Year to date, we have received \$2.06 million in TIB Fund receipts against an estimate of \$2.3 million, or -10.50% below expectations.” The TIB Fund receipts are noted below.

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

Non-Dedicated Tax Component	Month				FY 2010 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	5.36	5.57	0.20	3.82%	10.35	10.82	0.48	4.60%
Diesel Fuel	1.20	1.40	0.20	16.70%	1.83	1.94	0.12	6.50%
MV Purchase & Use	4.30	4.46	0.16	3.71%	7.30	7.44	0.14	1.86%
Motor Vehicle Fees	6.34	5.99	-0.35	-5.50%	11.81	11.76	-0.05	-0.41%
Other	1.97	1.48	-0.50	-25.29%	3.23	2.92	-0.31	-9.52%
<b>Total</b>	<b>19.18</b>	<b>18.89</b>	<b>-0.28</b>	<b>-1.47%</b>	<b>34.52</b>	<b>34.89</b>	<b>0.37</b>	<b>1.09%</b>

**Note:**

TIB Fuel Fees	1.19	1.10	-0.09	-7.90%	2.30	2.06	-0.24	-10.50%
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\*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 sources). Education Fund receipts for August totaled \$11.63 million, or -\$0.09 million (-0.82%) below the \$11.72 million consensus revenue target for the month.

The individual Education Fund revenue component results for August were: Sales & Use Tax, \$7.93 or -0.33%; Motor Vehicle Purchase & Use Tax, \$2.23 million or +3.69%; and Lottery Transfer, \$1.47 million or -9.09%. There was essentially no Education Fund Interest targeted or recorded for August.

**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	7.95	7.93	-0.03	-0.33%	17.37	17.32	-0.06	-0.33%
MV Purchase & Use	2.15	2.23	0.08	3.69%	3.65	3.72	0.07	1.86%
Lottery Transfer	1.62	1.47	-0.15	-9.09%	2.62	2.47	-0.15	-5.62%
Investment Income	0.00	0.00	0.00	n/d	0.00	0.00	0.00	n/d
<b>Total</b>	<b>11.72</b>	<b>11.63</b>	<b>-0.09</b>	<b>-0.82%</b>	<b>23.64</b>	<b>23.50</b>	<b>-0.14</b>	<b>-0.59%</b>

\*Differences due to rounding

**Conclusion**

Secretary Lunderville noted that “While year-to-date receipts are marginally above targets, the difference is not a significant or meaningful indicator of improving economic conditions. Economists continue to remind us that there is no way to tell where the bottom of this recession is or how many years a full recovery will take.”

Lunderville concluded: “Our budget situation remains very challenging. For FY 2010, the general fund receipts are \$9.2 million or 5.51% *below* the same period for FY 2009 – and remember that fiscal 2009 was a down year. To put this into perspective, FY 2010 year-to-date general fund receipts are below the receipts for the same period in FY 2006, three fiscal years ago. We cannot lose sight of these facts as we face a budget shortfall of over \$200 million for the coming two fiscal years.”

### **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 August 31, 2009**

**General Fund Schedule 2**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
<b>Taxes</b>			
Personal Income	83,384,446	77,206,049	-7.41%
Sales & Use	36,717,606	34,633,306	-5.68%
Corporate	1,890,720	2,207,936	16.78%
Meals & Room	21,355,364	20,415,937	-4.40%
Liquor & Wine	2,684,076	2,381,644	-11.27%
Insurance Premium	6,031,162	7,701,936	27.70%
Telephone Gross Receipts	40,115	71,132	77.32%
Telephone Property	20,707	337,128	1528.09%
Beverage	1,051,629	1,069,296	1.68%
Electric Generating	0	0	0.00%
Inheritance & Estate	1,641,084	2,425,317	47.79%
Real Property Transfer	2,063,890	1,347,545	-34.71%
Bank Franchise	2,719,955	2,537,166	-6.72%
All Other Taxes	486,859	(8,387)	-101.72%
<b>Total Taxes</b>	<b><u>160,087,613</u></b>	<b><u>152,326,006</u></b>	<b><u>-4.85%</u></b>
<b>Other Revenues</b>			
Business Licenses	166,577	145,325	-12.76%
Fees	2,980,509	2,769,379	-7.08%
Services	304,146	189,318	-37.75%
Fines, Forfeits & Penalties	2,681,434	1,592,400	-40.61%
Interest, Prem	411,263	70,308	-82.90%
Special Assessments	0	0	0.00%
All Other Revenues	(86,837)	266,801	407.24%
<b>Total Other Revenues</b>	<b><u>6,457,092</u></b>	<b><u>5,033,531</u></b>	<b><u>-22.05%</u></b>
<b>Total General Fund</b>	<b><u>166,544,705</u></b>	<b><u>157,359,537</u></b>	<b><u>-5.52%</u></b>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 02, 2009

Time: 11:02

**Comparative Statement of Revenues  
Transportation Fund  
As of August 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	10,415,384	10,824,830	3.931%
Diesel Fuel	2,393,125	1,943,458	-18.790%
MV Purchase & Use	<u>7,599,264</u>	<u>7,435,216</u>	-2.159%
<b>Total Taxes</b>	<b><u>20,407,772</u></b>	<b><u>20,203,503</u></b>	-1.001%
<b>Other Revenues</b>			
Motor Vehicle Fees	11,093,725	11,760,293	6.009%
Other	<u>2,802,430</u>	<u>2,924,873</u>	4.369%
<b>Total Other Revenues</b>	<b><u>13,896,155</u></b>	<b><u>14,685,166</u></b>	5.678%
<b>Total Non-Dedicated</b>	<b><u>34,303,928</u></b>	<b><u>34,888,669</u></b>	1.705%
<b>Dedicated</b>			
Federal Aid	33,369,080	39,257,878	17.647%
Infrastructure Fuel Fees	0	2,059,151	100.000%
Other	<u>392,639</u>	<u>478,398</u>	21.842%
<b>Total Dedicated</b>	<b><u>33,761,719</u></b>	<b><u>39,736,276</u></b>	17.696%
<b>Total Transportation Fund</b>	<b><u>68,065,646</u></b>	<b><u>74,624,945</u></b>	9.637%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance &  
Management

Date: September 02, 2009

Time: 11:03

**State of Vermont  
Comparative Statement of Revenues  
Education Fund  
As of August 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	18,358,212	17,316,393	-5.67%
Purchase & Use	3,799,632	3,717,608	-2.16%
Lottery Transfer	2,393,752	2,470,774	3.22%
Investment Income	9,313	19	-99.79%
<b>Total estimated revenues</b>	<b><u>24,560,909</u></b>	<b><u>23,504,794</u></b>	<b><u>-4.30%</u></b>
<b>Other Revenues:</b>			
Education Property Taxes	(1,213,510)	931,819	176.79%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
<b>Total other revenues</b>	<b><u>(1,213,510)</u></b>	<b><u>931,819</u></b>	<b><u>176.79%</u></b>
<b>Total Education Fund</b>	<b><u><u>23,347,399</u></u></b>	<b><u><u>24,436,614</u></u></b>	<b><u><u>4.67%</u></u></b>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: September 02, 2009

Time: 11:03