

Subject: March Revenue Report - Preliminary

As in the past these are based on preliminary revenue reports and may change as the final data is entered. Please keep this to a limited group until we get final numbers

Revenue Collections through the Month of March:

Overall, revenue collections during the month of March were positive and put Vermont in a strong position heading into April. April is a critical month for revenue collections. For income tax alone the month of April will account for 25% more than the combined total of income tax collected during January through March.

1. General Fund: Overall the General Fund is on target. It is positive \$1.8 million, or .2%, over target year to date expectations which is an extremely small variance.

A. Income Tax: Revenues are ahead by \$3.3 million year-to-date, or .2%, over targets.

- Significantly, the Tax Department has caught up with pending refunds. In fact, more refunds went out over the first three months of the calendar year than projected. This may help April net revenues if some of these refunds would otherwise have gone out in April.
- Withholding was over estimates in March, as were estimated taxes, and paid returns. These are all positive indicators for April.

B. Sales and Meals and Rooms taxes together are \$3.9 million, or 1% below, targets for the first three months of the year, which, given the difficult ski season, is positive.

- In March, they were a combined \$900,000, or 2.5%, off their monthly target. There is still about \$3.6 million of unallocated revenues which may reduce this shortfall somewhat in the days ahead.

C. Corporate Revenues are over the forecast by \$8.7 million year-to-date, including \$7 million from March payments. The increase is due to individual company transactions, making the corporate tax extremely difficult to forecast. The payments are one-time in nature and, therefore, do not offer guidance for next year for the Corporate tax.

D. Other General Fund Revenue Sources

- The Property Transfer Tax is on target for the year, experiencing a slight down in March.
- Insurance revenues were up \$4 million for the month and the Estate tax was down \$1.2 million.

2. Transportation Fund: Overall, the Transportation Fund is on target year-to-date with March collections that were \$2 million more than the \$22.8 million March estimate.

A. Transportation revenue gains were spread over several components of the fund including the gas tax, purchase and use tax, and fees which all came in over monthly projections.

3. Education Fund: The Education fund remained \$500,000, or .35%, over the year-to-date target. March was essentially on target with Purchase and Use tax gains offsetting shortfalls in the Sales tax.

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