

Wage Garnishment Estimate - Vermont Department of Taxes

	Estimate	Fast Share	% Fast	State Funds	GF Share	Other Funds
FY16	4,000,000	1,541,000	38.50%	2,459,000	2,268,000	191,000
FY17	6,000,000	3,382,000	56.40%	2,618,000	2,402,000	216,000
FY18	7,500,000	4,582,000	61.10%	2,918,000	2,675,000	243,000

Main assumptions:

- These numbers are based on 15% of current outstanding balance accounts greater than \$20,000 and past due 120+ days
 - We'll take some time to implement this policy, so we trimmed the original FY16 estimate to 4M—about 75% of original \$5.4M.
 - We are maintaining a conservation expansion of our collections over the three years.
 - No change to Fast contract.
- o In FY16 Fast is not involved with the personal income tax collections, which is the biggest component of our compliance numbers. By focusing our efforts on personal income tax we could really raise the baseline on which FAST is paid. I tried to account for that in the FY17 and FY18 rows by raising the personal income tax baseline more than the other tax types.
- Detail of the table above below.

FY16		Revenue Estimate for Garnishment			0.25		0.15			
Benefits Start	FAST	Levy Garnishment Estimate	Non-Benefits/Baseline	Benefits Collections	Fast Share 80% of Benefits Collections	State	4 months worth	General Fund	Other Funds	
14-Jan	Phase 1	Business Income Tax	557,519	0	557,519	446,016	111,504		111,504	
14-Jan	Phase 1	Corporate Income Tax	159,451	0	159,451	127,561	31,890		31,890	
15-Nov	Phase 2	Meals and Rooms	603,537	220,000	383,537	306,830	296,707	150,884	296,707	
15-Nov	Phase 2	Sales and Use	947,779	350,000	597,779	478,223	469,556	236,945	305,211	164,345
15-Nov	Phase 2	Fuel Gross Receipts	50,637	20,000	30,637	24,510	26,127	12,659	26,127	
15-Nov	Phase 2	Withholding	307,867	110,000	197,867	158,293	149,573	76,967	149,573	
16-Nov	Phase 3	Property Transfer	39,006	39,006	0	0	39,006		12,872	26,134
16-Nov	Phase 3	Personal Income	1,236,815	1,236,815	0	0	1,236,815		1,236,815	
16-Nov	Phase 3	School Property	91,330	91,330	0	0	91,330		91,330	
16-Nov	Phase 3	Renter Rebate	6,058	6,058	0	0	6,058		6,058	
			4,000,000			1,541,433	2,458,567		2,268,089	190,479
						38.50%			56.70%	4.80%

FY17		Revenue Estimate for Garnishment			7,300,588		0.25			
Benefits Start	FAST	Levy Garnishment Estimate	Non-Benefits/Baseline	Benefits Collections	Fast Share 80% of Benefits Collections	State	4 months worth	General Fund	Other Funds	
14-Jan	Phase 1	Business Income Tax	836,279	0	836,279	669,023	167,256		167,256	
14-Jan	Phase 1	Corporate Income Tax	239,177	0	239,177	191,341	47,835		47,835	
15-Nov	Phase 2	Meals and Rooms	905,306	220,000	685,306	548,245	357,061		357,061	
15-Nov	Phase 2	Sales and Use	1,421,669	350,000	1,071,669	857,335	564,334		366,817	197,517
15-Nov	Phase 2	Fuel Gross Receipts	75,955	20,000	55,955	44,764	31,191		31,191	
15-Nov	Phase 2	Withholding	461,800	110,000	351,800	281,440	180,360		180,360	
16-Nov	Phase 3	Property Transfer	58,509	20,000	38,509	30,807	27,702	14,627	9,142	18,560
16-Nov	Phase 3	Personal Income	1,855,223	1,000,000	855,223	684,178	1,171,045	463,806	1,171,045	
16-Nov	Phase 3	School Property	136,995	50,000	86,995	69,596	67,399	34,249	67,399	
16-Nov	Phase 3	Renter Rebate	9,087	3,000	6,087	4,870	4,217	2,272	4,217	
			6,000,000			3,381,600	2,618,400		2,402,323	216,077
						56.40%			40.00%	3.60%

FY18		Revenue Estimate for Garnishment			7,300,588		0.25			
Benefits Start	FAST	Levy Garnishment Estimate	Non-Benefits/Baseline	Benefits Collections	Fast Share 80% of Benefits Collections	State	4 months worth	General Fund	Other Funds	
14-Jan	Phase 1	Business Income Tax	1,045,349	0	1,045,349	836,279	209,070		209,070	
14-Jan	Phase 1	Corporate Income Tax	298,971	0	298,971	239,177	59,794		59,794	
15-Nov	Phase 2	Meals and Rooms	1,131,632	220,000	911,632	729,306	402,326		402,326	
15-Nov	Phase 2	Sales and Use	1,777,086	350,000	1,427,086	1,141,669	635,417		413,021	222,396
15-Nov	Phase 2	Fuel Gross Receipts	94,944	20,000	74,944	59,955	34,989		34,989	
15-Nov	Phase 2	Withholding	577,250	110,000	467,250	373,800	203,450		203,450	
16-Nov	Phase 3	Property Transfer	73,136	20,000	53,136	42,509	30,627	18,284	10,107	20,520
16-Nov	Phase 3	Personal Income	2,319,028	1,000,000	1,319,028	1,055,223	1,263,806	579,757	1,263,806	
16-Nov	Phase 3	School Property	171,244	50,000	121,244	96,995	74,249	42,811	74,249	
16-Nov	Phase 3	Renter Rebate	11,359	3,000	8,359	6,687	4,672	2,840	4,672	
			7,500,000			4,581,600	2,918,400		2,675,484	242,916