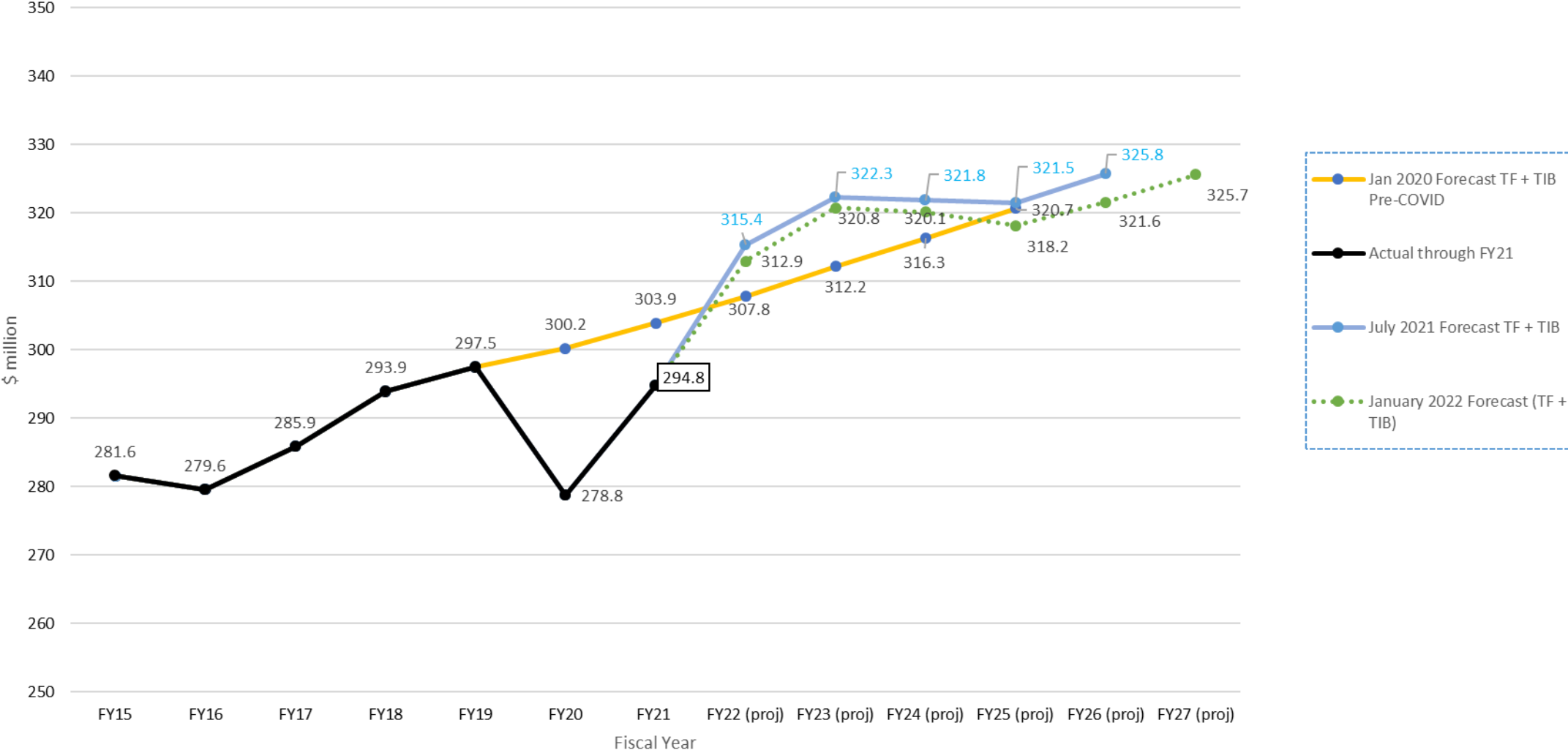


Overview of January 2022 Consensus Revenue Forecast – Transportation Revenues

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Vermont Legislative Joint Fiscal Office
January 21, 2022



Projected Combined Transportation Fund and TIB Fund State Tax Revenues



Transportation Fund Revenue Forecast Comparison						
	(\$ millions)	FY22	FY23	FY24	FY25	FY26
Gasoline TF	July 2021 Forecast	75.4	77.4	77.7	77.5	76.9
	January 2022 Forecast	72.4	75.9	77.0	76.8	76.2
	Change	-3.0	-1.5	-0.7	-0.7	-0.7
Diesel TF	July 2021 Forecast	19.0	19.6	19.9	20.1	20.3
	January 2022 Forecast	18.8	19.4	19.7	19.9	20.1
	Change	-0.2	-0.2	-0.2	-0.2	-0.2
P&U Tax TF	July 2021 Forecast	93.1	94.7	91.5	88.9	91.7
	January 2022 Forecast	94.2	95.0	91.3	87.1	89.0
	Change	1.1	0.3	-0.2	-1.8	-2.7
DMV Fees TF	July 2021 Forecast	88.9	90.0	90.8	91.8	92.5
	January 2022 Forecast	88.9	90.0	90.8	91.8	92.5
	Change	0.0	0.0	0.0	0.0	0.0
Misc TF	July 2021 Forecast	22.0	23.5	24.2	24.9	25.6
	January 2022 Forecast	21.8	23.0	23.7	24.4	25.1
	Change	-0.2	-0.5	-0.5	-0.5	-0.5
TOTAL TF	July 2021 Forecast	298.4	305.2	304.1	303.2	307.0
	January 2022 Forecast	296.1	303.3	302.5	300.0	302.9
	Change	-2.3	-1.9	-1.6	-3.2	-4.1

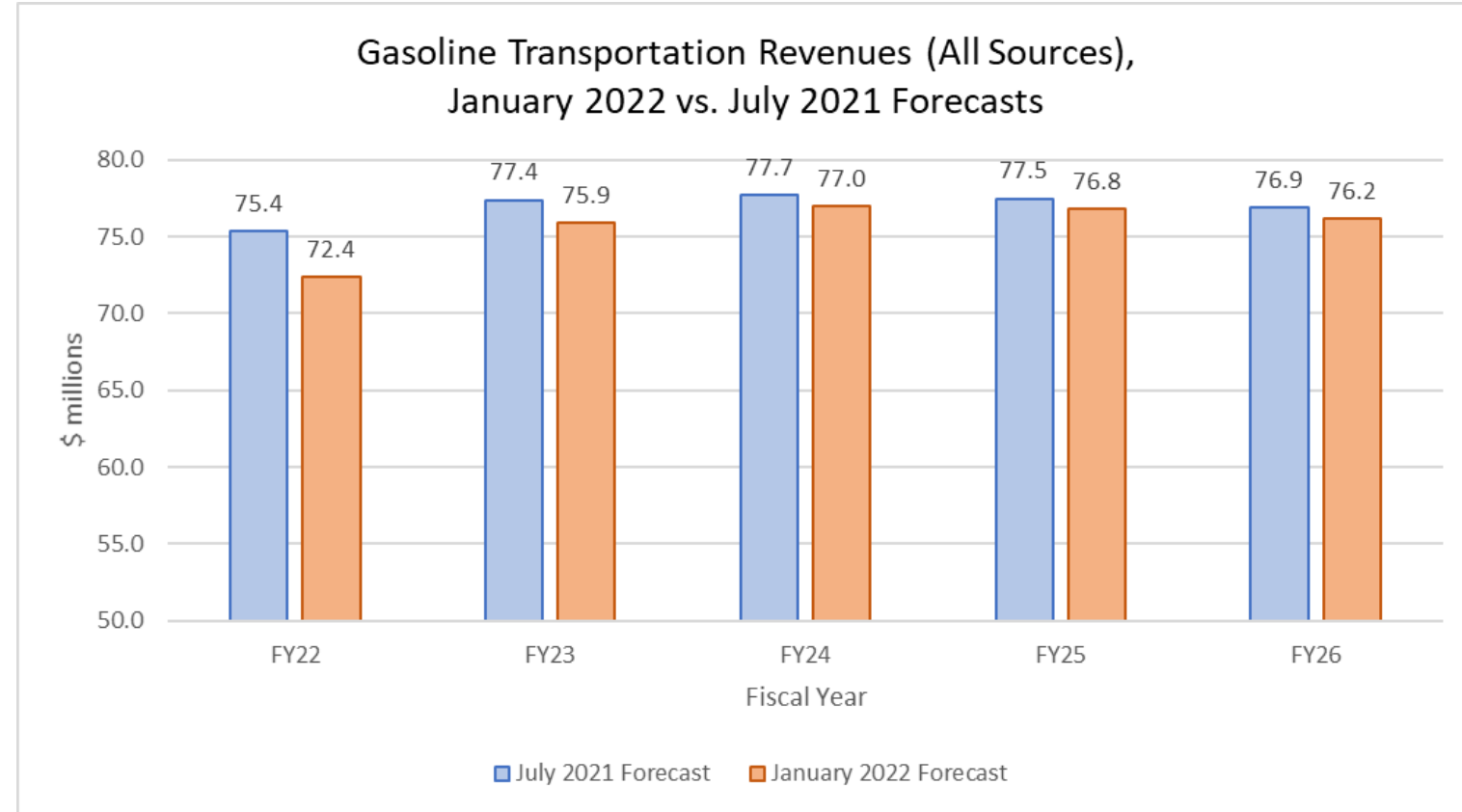
TIB Fund Revenue Forecast Comparison						
	(\$ millions)	FY22	FY23	FY24	FY25	FY26
Gasoline	July 2021 Forecast	14.9	15.0	15.6	16.1	16.6
	January 2022 Forecast	14.8	15.4	15.5	16.0	16.5
	Change	-0.1	0.4	-0.1	-0.1	-0.1
Diesel	July 2021 Forecast	2.1	2.1	2.2	2.2	2.2
	January 2022 Forecast	2.0	2.1	2.1	2.2	2.2
	Change	-0.1	0.0	-0.1	0.0	0.0
TOTAL TIB	July 2021 Forecast	17.0	17.1	17.8	18.3	18.8
	January 2022 Forecast	16.8	17.5	17.6	18.2	18.7
	Change	-0.2	0.4	-0.2	-0.1	-0.1

The [full revenue forecast](https://ljfo.vermont.gov) is available on the JFO website: <https://ljfo.vermont.gov>



Gasoline Revenues

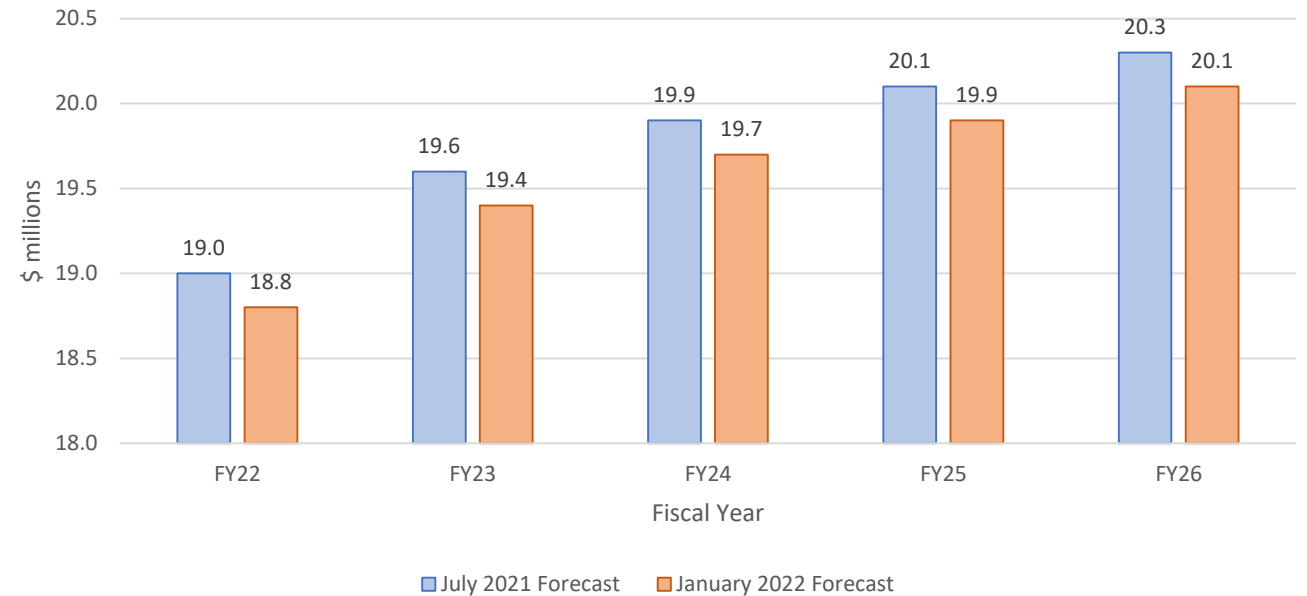
- Gasoline T-Fund revenues (the per-gallon gas *tax* plus 4% gas *assessment*) are downgraded slightly.
- FY2022 YTD (July – December), gasoline revenues were \$1.77 million (-4.5%) below the July 2021 target.
- **The revised gasoline revenue targets are the primary driver of the overall T-Fund revenue downgrade.**
- Lingering impacts of pandemic – less travel, weaker demand for motor fuels.
- Price increases could have an impact on near-term consumption, as well. Price increases are due in large part to supply/production constraints globally.
- However, gasoline revenues are still rebounding from the lows of the pandemic. The 12 month year-over-year sum is +6.3% (as of Dec 2021).



Diesel Revenues

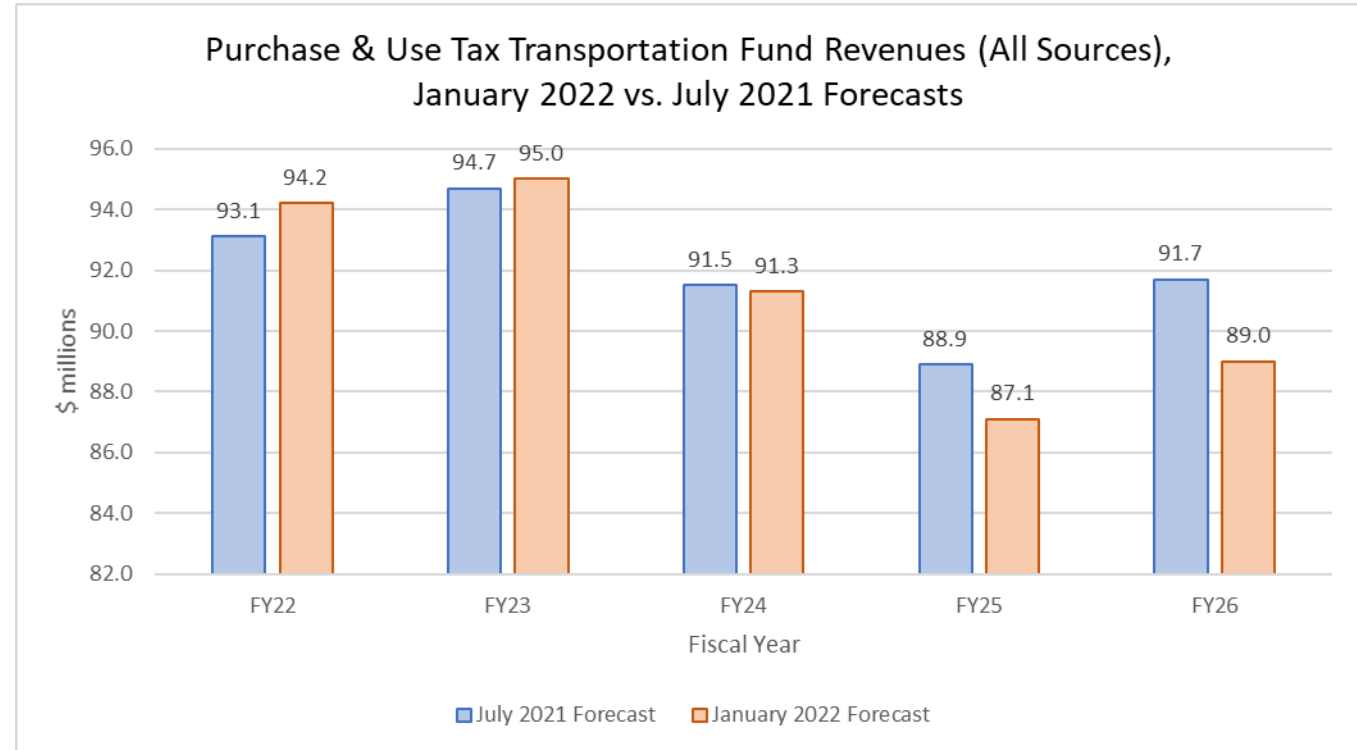
- Diesel T-Fund revenues are downgraded marginally but has a small impact in the big picture.
- FY2022 YTD (July – December), diesel revenues were \$0.13 million (-1.3%) below the July 2021 target.
- However, diesel revenues are rebounding from the lows of the pandemic. The 12 month year-over-year sum is +7.3% (as of Dec 2021).

Diesel Transportation Fund Revenues (All Sources),
January 2022 vs. July 2021 Forecasts



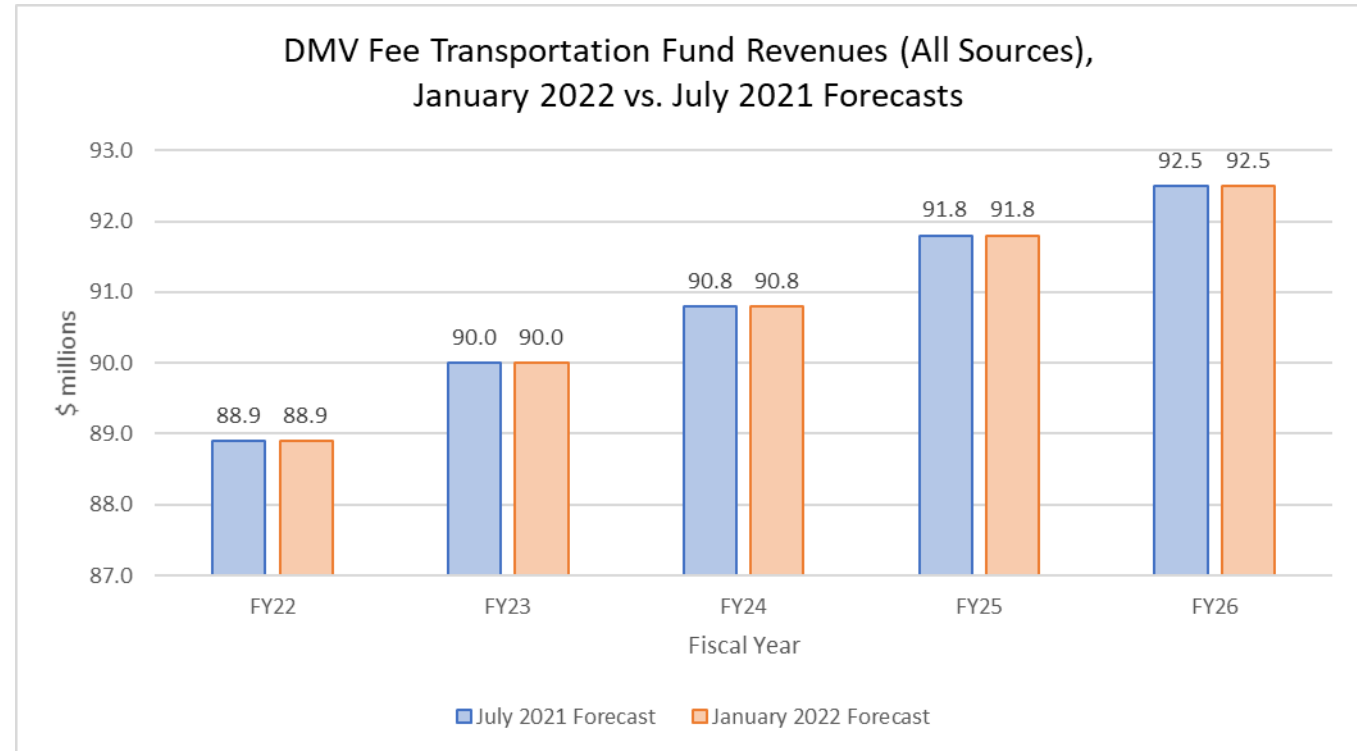
Purchase & Use Tax

- Purchase & Use T-Fund revenues are upgraded slightly in the near term and downgraded in future years.
- FY2022 YTD (July – December), P&U T-Fund revenues were \$0.80 million (1.8%) above the July 2021 target.
- P&U T-Fund revenues have surged to record highs in recent months due to strong demand and high prices for new and used vehicles. The 12 month year-over-year sum is +24.9% (as of Dec 2021). Strong P&U has offset impacts of weak gasoline revenues.
- Inventory constraints may pose a risk to collections – December 2021 revenues fell short of target by \$0.6 million (-7.9%) for the first time in FY2022.



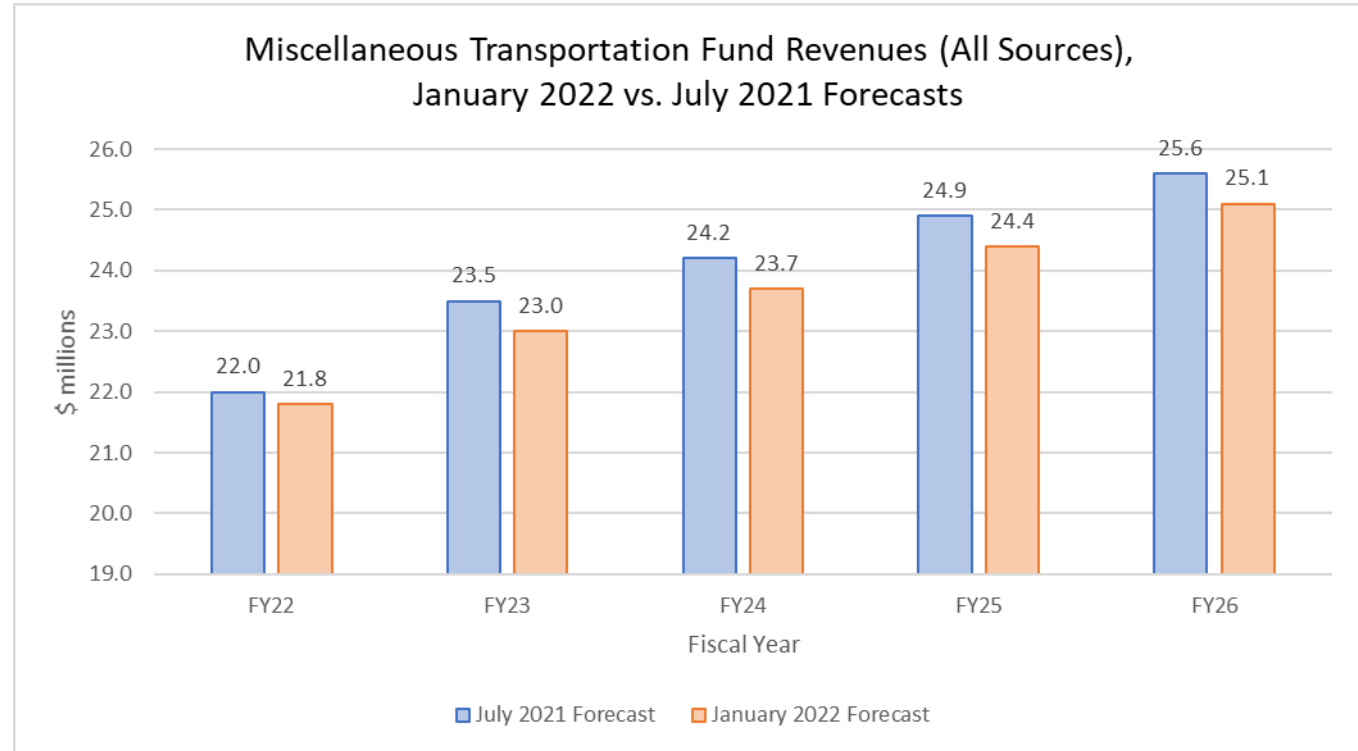
DMV Fees

- No change to the forecast for DMV Fee revenue (primarily licenses and registrations).
- FY2022 YTD (July – December), DMV revenues were almost exactly on target: \$0.05 million (0.1%) above the July 2021 target.



Other Miscellaneous Revenues

- Miscellaneous Revenue forecast is marginally downgraded.
- FY2022 YTD (July – December), Miscellaneous T-Fund revenues were \$0.48 million (-4.5%) below the July 2021 target. However, these revenues can be difficult to predict and come from many different small sources.



TIB Fund Revenues

- Minimal changes to the TIB Fund revenue forecast.
- FY2022 YTD (July – December), TIB revenues were \$0.27 million (-3.2%) below the July 2021 target, mostly due to weaker gasoline demand.
- TIB revenues are rebounding from the lows of the pandemic. The 12 month year-over-year sum is +14.4% (as of December 2021).

TIB Fund Revenue Forecast Comparison						
	(\$ millions)	FY22	FY23	FY24	FY25	FY26
Gasoline	July 2021 Forecast	14.9	15.0	15.6	16.1	16.6
	January 2022 Forecast	14.8	15.4	15.5	16.0	16.5
	<i>Change</i>	<i>-0.1</i>	<i>0.4</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-0.1</i>
Diesel	July 2021 Forecast	2.1	2.1	2.2	2.2	2.2
	January 2022 Forecast	2.0	2.1	2.1	2.2	2.2
	<i>Change</i>	<i>-0.1</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.0</i>
TOTAL TIB	July 2021 Forecast	17.0	17.1	17.8	18.3	18.8
	January 2022 Forecast	16.8	17.5	17.6	18.2	18.7
	<i>Change</i>	<i>-0.2</i>	<i>0.4</i>	<i>-0.2</i>	<i>-0.1</i>	<i>-0.1</i>



Vermont Transportation Revenues by Source (TF + TIB) (January 2022 Forecast)

