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January 2026

Economic Review and

Revenue Forecast Update

Prepared for the
State of Vermont
Emergency Board and
Legislative Joint Fiscal Office
by Thomas E. Kavet and Dr. Daniel S. Lee

Virtual and Live Presentation Materials

(With charts enlarged to full page for virtual presentation viewing)

January 16, 2026

Economic Review and Revenue Forecast Update

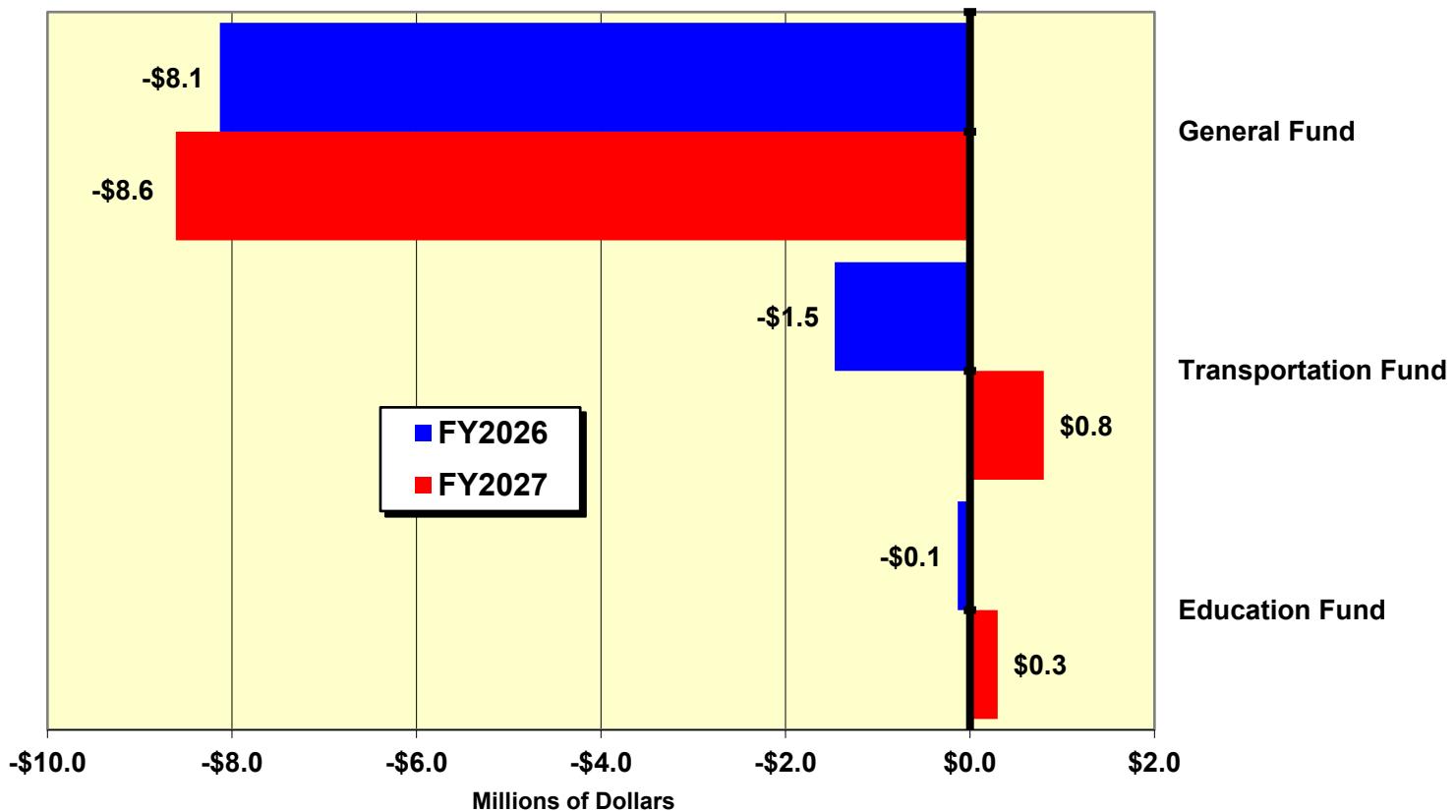
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Overview

U.S. policy measures favoring deglobalization slowed economic growth from 2.8% in 2024 to about 2.0% in 2025, but avoided a more rapid deceleration only by virtue of an extraordinary wave of euphoric investment in AI-related technology. If this investment continues in 2026 and anticipated deficit-funded fiscal and monetary stimulus kicks in, growth could tick up slightly, offsetting higher inflation from tariffs and labor force losses from immigration policies. These narrow sources of economic strength, however, will render the economy highly vulnerable to downside risks from external shocks.

Economic growth in 2026 will continue to be extremely uneven, with the top wealth and income quintiles disproportionately benefitting. This will also create uneven revenue impacts, with broad-based taxes relying on middle and lower income taxpayers slowing, and episodic events affecting corporate and higher income taxpayers generating tax liability flows and surges that could yield very substantial, if volatile, revenues. Overall, State revenue collections will remain very close to prior July expectations, with only minor adjustments (-0.3% in FY26 and -0.2% in FY27, across all funds) made in this update.

Recommended Net Revenue Changes from July 2025 Forecasts



Economic, Fiscal and Monetary Policy Update

- Three powerful cross-currents are shaping the economic environment, as growth slows, but remains resilient, inflation ticks up, labor markets weaken and inequality is exacerbated. They are: 1) AI, which is generating staggering investment expenditures and powering huge equity valuation gains among firms involved in the AI build-out; 2) Deglobalization, which is unwinding the postwar economic order through punitive U.S. tariffs assessed against friends and foes, and a reversal of immigration flows that have defined and shaped the U.S. for most of its history; and 3) Expanding fiscal and monetary stimulus through lower interest rates, balance sheet adjustments to end quantitative tightening and mortgage purchases designed to lower longer term interest rates, and continued massive deficit spending via provisions in the 2025 Reconciliation Act (aka OBBBA) and various plans for “tariff dividend” payouts.
- AI is instigating phenomenal investment in data centers, energy infrastructure to power them, and related hardware and software research, in a race to dominate this latest technological creation. In the first half of 2025, an astounding 50%-90% of GDP growth was attributable to AI-related investment. It has also been the centerpiece of a stock market boom that has created nearly \$10 trillion in incremental market capitalization and accounted for 75% of all S&P 500 growth since 2022. These gains have exacerbated societal wealth inequality, further enriching the wealthiest 1% of households who own about 50% of all stocks and, together with the next wealthiest 9%, own more than 85%. This, in turn, is supporting prolific consumer spending among these households via wealth effects.
- Meanwhile, the bottom 50% of households, who own a mere 1% of all corporate equities and mutual funds, are experiencing lower real wages, rising prices from tariffs, fewer job openings, more layoffs and the prospect of soaring future healthcare insurance prices – all of which is constricting their discretionary consumer spending.
- The narrow reliance on AI-related investment and the bubble-like proportions now evident create significant downside risks to the economy. Like the dot-com bubble at the turn of the century, this new technology is very likely to be significant and even revolutionary. However, the level of investment, the complex circularity of ownership, the growing leverage in financing these expenditures, and the gargantuan returns required to justify such investments could lead to massive losses. The relatively short lifespan of AI data centers and the equipment they house is also a concern – and could strand the electric power infrastructure investment needed to initially power them. If all other national policy measures were supportive of economic growth, these risks would be less critical. Unfortunately, they are not.
- Tariffs and immigration policies are counter-currents that will more than offset the near-term economic benefits from AI investment. The erratic nature of the various tariff rates imposed and their bizarre justifications have created significant uncertainty affecting a wide range of business hiring and investment

decisions. They have reversed the decline in the rate of inflation, causing the Fed to delay interest rate cuts, slowed job growth and caused prices for food and other essential items to rise. This has caused consumer sentiment to plunge to levels normally experienced in recessionary periods and begun to affect discretionary consumer spending – especially among lower income households.

- The full impact of tariffs have yet to be fully felt by the consuming public, but they ultimately will be. To date, sellers, wholesalers and retailers have eaten large portions of the tariff costs added to goods, hoping the rates may be lowered or invalidated by the courts. Over time, those businesses with any semblance of market power will shift these costs to consumers, so as to maintain margins.
- Advance inventory build-up has also cushioned the price effects of the tariffs to consumers, but this benefit is rapidly dissipating. Notably, most countries have avoided retaliatory tariffs while accepting higher U.S. tariffs. Underscoring the transactional nature of these policies, the Administration has shown an evolving flexibility in selectively reducing tariff rates and using customs revenues to reverse the negative impacts of the tariffs by refunding some of these costs. This, of course, negates the stated purpose of instituting the tariffs in the first place and calls into question its purpose and efficacy.
- One of the key stated benefits of the tariffs – more U.S. manufacturing jobs – has been illusory to date. Since the April “Liberation Day” tariffs were announced, U.S. manufacturing employment has declined in every single subsequent month, shedding more than 70,000 workers through December. Equally ominous, job openings in the manufacturing sector, a key indicator of future employment growth, are also down by 138,000 through November.
- The huge inventory swings from the flood of imports preceding the tariffs and the subsequent reduction in imports since then has affected GDP metrics, with a decline in U.S. GDP in the first quarter of 2025 and a whipsaw to 4.3% real growth in the third quarter's first read.
- Restrictive immigration policies have also negatively affected the economy, with net foreign immigration dropping from 2 million in 2024 to 1 million in 2025 - and will likely shrink to less than 500,000 in 2026. This will reduce real GDP by about 0.5 percentage point, as it also reduces the labor supply, job growth and consumer demand.
- In 2024, the foreign-born population's share of the U.S. labor force reached a record 19.2%. For the period between 2019 and 2024, immigrants accounted for more than 88% of the labor force growth. These workers perform vital jobs in healthcare, construction, education, technology, transportation and other sectors beset by labor shortages. Reversing these flows will reverse these benefits.

- Though an overwhelming majority of voters believe U.S. borders should be secure and immigration controlled, most favor reasonable immigration flows and recognize the critical contributions immigrants have made to the economic vibrancy, innovation and strength of the U.S. economy. The core problem is that Congress has been unable to enact any meaningful legislation that both controls the borders and provides reasonable and expeditious paths for prescribed legal immigration and/or temporary work provisions.
- Aiding the AI tailwind in 2026 will be expansionary fiscal and monetary policy, featuring continued rate cuts from the Fed and still more deficit spending from the OBBBA. In addition to these, the Administration is floating ideas of sending \$2,000 checks to individuals as a “tariff-dividend,” at a scale that is far larger than any tariff revenue now collected. The negative economic effects of persistent deficit spending are often not immediate. Current U.S. debt soared to more than \$38 trillion at the end of 2025, more than 123% of GDP, and now requires interest payments totaling nearly \$1 trillion per year, representing nearly 14% of the federal budget in FY25 and 3.2% of GDP. In the last year alone, more than \$2.2 trillion was added to the national debt – with no end in sight.
- In the short run, this will push up interest rates as government debt issuance crowds out private borrowing, slowing private-sector investment and broader wage, income and economic growth, and adding upward inflationary pressure. In the longer run, debt levels such as those the U.S. has now reached, can lead to financial crises, as bond markets sell, reduce new purchases and/or demand higher interest rates to buy and hold U.S. Treasuries. There is some evidence this is already occurring to some degree, with long term Treasury yields continuing to climb even amidst Fed rate cuts. None of these outcomes is good for the economy, but there appears to be scant political will from either side of the aisle to undertake or even discuss corrective fiscal policies.
- Exacerbating the bond market risks from excessive U.S. debt, are mounting threats by the Trump Administration to effectively end the independence of the Federal Reserve Board. For the first time in history, the Department of Justice launched a criminal investigation against a Fed Chair, serving the central bank with grand jury subpoenas and threatening an indictment, purportedly over statements regarding building renovations now underway at the Fed. Chairman Powell responded as follows: *“The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment of what will serve the public, rather than following the preferences of the President. This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions—or whether instead monetary policy will be directed by political pressure or intimidation.”* Every living former Fed Chair signed a statement in agreement with Powell.
- Near-term recession risks, as measured by a Wall Street Journal poll of 75 economists, spiked from 22% in January to 45% in April following the “reciprocal” tariff announcements, but have receded since then to 33% in both July and October polls.

- Labor market data has been delayed and compromised by the government shutdown, but appears to be sending continued signs of softening, as job growth stalls, unemployment rates tick up, quit rates drop and the gap between the number of unemployed persons and the number of job openings shrinks. The U.S. unemployment rate in the most recent three recorded months (October will forever be “missing”) was between 4.4% and 4.5%, the highest rates posted in more than four years. U.S. job growth since the “Liberation Day” tariffs were announced in April has been non-existent, averaging fewer than 12,000 jobs per month – and are likely to be revised downward when the Census Bureau and the Bureau of Labor Statistics can catch up with their backlog of work. At 2.6% in November, Vermont still boasts the nation’s third lowest unemployment rate and has been the lowest in New England for the past 45 months.
- Assuming the Fed is free from political intimidation in the next year, the two factors influencing further rate cuts would be the state of the labor market and inflation. Were it not for the tariff induced inflation, there is no doubt there would have already been deeper and more frequent rate cuts.
- Reported CPI inflation in December held steady at 2.7%, but the data in both November and December suffer from methodological shortcomings related to the missing October read and likely underestimate true rates. There are several distortions that arose from the missing October data caused by the government shutdown, some of which will persist until April (assuming another shutdown is avoided in the interim). In the absence of new hard data in October, the BLS assumed “zero change” from September, casting a downward bias on methodologies relying on multiple prior month averages. In particular, the estimation of shelter costs, which account for more than one-third of the CPI, are based on a six-month rolling basis, adding the downside bias of a specious zero to the average until April incorporates six full months of actual data.
- Home prices continued to rise through the third quarter of 2025, but rates of growth have decelerated in almost every state, with two (Florida and Hawaii) registering small year-over-year declines. Prices in Vermont were up 3.0% from a year ago, after peaking at nearly 21% in the second quarter of 2022 and receding since then. Vermont’s third quarter rate was the lowest among the New England states, which continue to have higher than average growth now, but were laggards earlier in the current cycle, prior to the pandemic. Since the pandemic (starting in 2019Q4), however, the rural New England states of Maine (+82.2%), New Hampshire (+78.5%), Rhode Island (+75.0%) and Vermont (+74.5%) represented four of the top five states in price growth. Montana, at 75.2%, was the third fastest. While these gains have generated tremendous wealth for homeowners, they have made housing increasingly expensive for new entrants. With sellers frozen in place with low existing mortgages, the market has lacked inventory, causing prices to be driven higher. Assuming Fed interest rate cuts continue in 2026, the inventory of homes for sale should grow and prices will flatten and even decline in many markets. Home price growth has exceeded income growth to such an extent that home prices are likely to be level or slightly declining for an extended period of time.

State Revenue Update

- Aggregate revenues through the first half of FY26 have been exceptionally close to target, with less than 1% variance across all three major funds, per the below table. Within the major funds, very high refunding in November and December left Corporate Income revenues down 24.7%, but this was partially offset by continued above-target performance in Personal Income (+2.8%) receipts through the first half of the year. The large consumption taxes were very close to targets, with Sales & Use (+0.4%) and Motor Vehicle Purchase & Use (+3.2%) revenue up slightly through December, and Meals & Rooms (-1.1%) revenues slightly below target.

FY26 Revenues, Year-To-Date Through December 2025					
	Actual	Target	% Variance	\$ Variance	
Education Fund	\$ 393.2	\$ 392.8	0.1%	\$0.4	
Transportation Fund	\$ 158.7	\$ 158.5	0.2%	\$0.3	
General Fund	\$ 1,098.3	\$ 1,107.8	-0.9%	(\$9.5)	
Healthcare Only	176.5	179.5	-1.6%	(\$2.9)	
General Fund Ex Healthcare	\$ 921.7	\$ 928.3	-0.7%	(\$6.6)	
Total All Funds	1,650.3	1,659.1	-0.5%	(\$8.8)	

- With the macroeconomic outlook also relatively close to that of the prior July update, the revenue changes herein are among the lowest ever recommended in a regular revenue update. The lone exception is the Healthcare Fund, which will suffer from tax rate reductions in the Hospital Provider Tax due to the recently enacted 2025 Reconciliation Act (H.R.1). These progressive rate reductions will reduce revenues in the total Healthcare Fund by as much as 7% by FY30, relative to baseline July estimates. This will cause actual year over year declines in total Hospital Provider revenue of between 4.3% and 8.1% during the period between FY28 and FY31 (see Table 1C in Appendix A) and declines in total Healthcare revenues of between 1.4% and 3.4% during this same period. This will ultimately feed through to the General Fund, of course, lowering revenues accordingly.

January 2026 vs. July 2025 - Millions of Dollars					
	FY2026	FY2027	FY2028	FY2029	FY2030
Education Fund	-\$0.1	\$0.3	\$0.3	-\$0.1	-\$2.6
Transportation Fund	-\$1.5	\$0.8	\$0.9	\$0.2	-\$0.7
General Fund	-\$8.1	-\$8.6	-\$15.1	-\$24.1	-\$35.9
(Healthcare Only)	-\$5.2	-\$11.4	-\$16.8	-\$21.2	-\$24.7
(General Fund Ex HC)	-\$2.9	\$2.8	\$1.7	-\$2.9	-\$11.2
Total All Funds	-\$9.7	-\$7.5	-\$13.9	-\$24.0	-\$39.2
Variance Percent of Total	-0.3%	-0.2%	-0.4%	-0.6%	-1.0%

- As detailed in the below table, even with the revenue declines in the Hospital Provider Tax, no change in any of the three major funds in any of the forecast years between FY26 to FY29 is expected to be greater than plus or minus 1%, relative to prior July estimates.

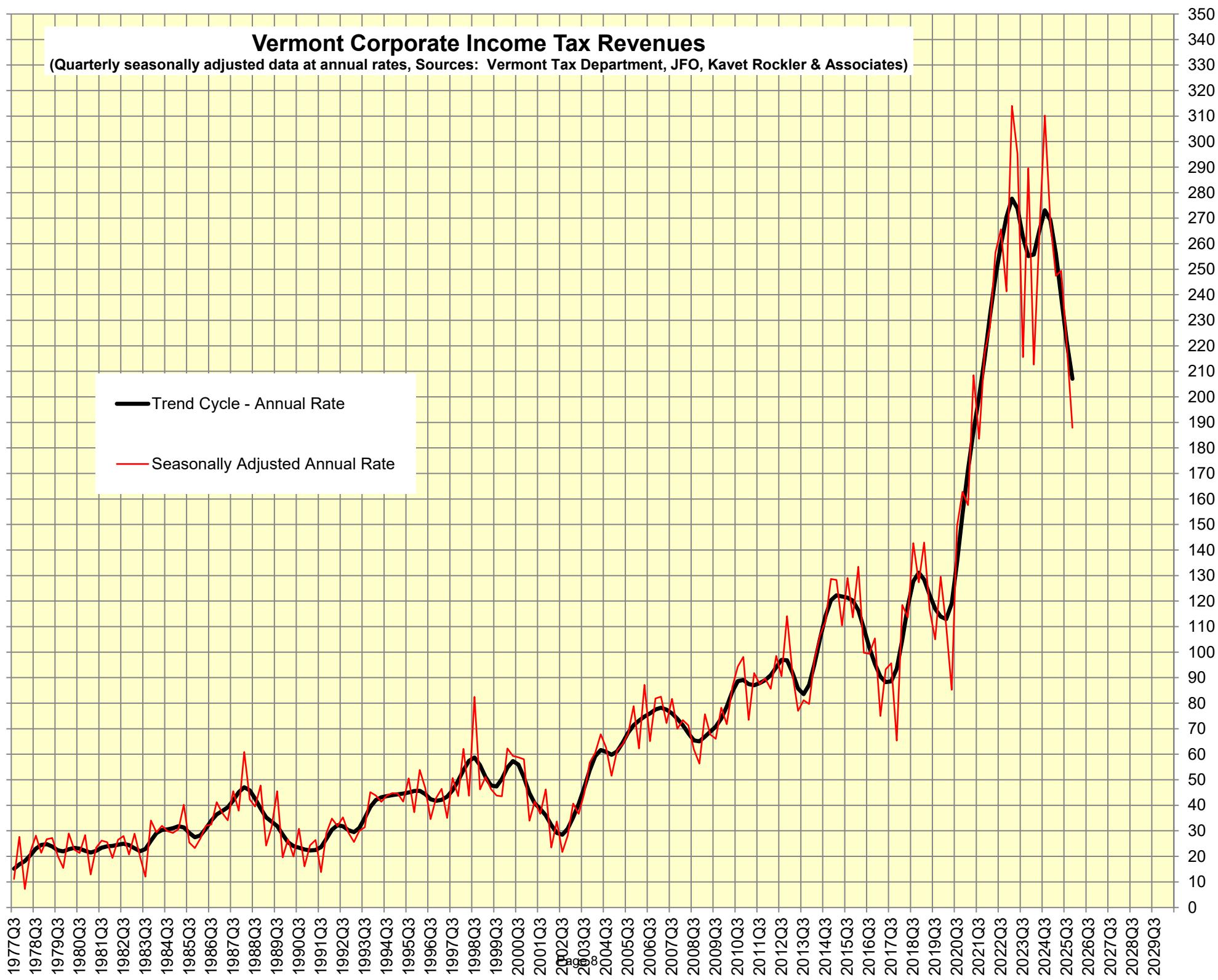
January 2026 vs. July 2025 - Percent Variance					
	FY2026	FY2027	FY2028	FY2029	FY2030
Education Fund	0.0%	0.0%	0.0%	0.0%	-0.3%
Transportation Fund	-0.5%	0.2%	0.3%	0.1%	-0.2%
General Fund	-0.3%	-0.3%	-0.6%	-0.9%	-1.3%
(Healthcare Only)	-1.4%	-3.0%	-4.4%	-5.7%	-6.7%
(General Fund Ex HC)	-0.1%	0.1%	0.1%	-0.1%	-0.5%
Total All Funds	-0.3%	-0.2%	-0.4%	-0.6%	-1.0%

- The biggest issue of concern in the first half of FY26 was weakness in Corporate Income tax revenues. While always an extremely volatile revenue source on a monthly (especially), quarterly (see chart on following page) and even annual basis, Corporate tax payments can fluctuate wildly based on episodic events leading to outsized single entity payments and refunds. Although revenues were within 3% of target through October, extremely large refunding in November and December, along with softer payment flows quickly created a \$24.9 million YTD miss relative to target (-24.7%).
- We have examined each of the largest refunding transactions in the first half of the year and do not find a pattern that can be definitively linked to changes in the general external economic environment and thus, expected to persist or grow in the second half of the fiscal year. As is the case with many corporate payments, some are associated with prior year returns, Tax Department reviews, and other isolated events in prior years. While the softer payment flows may be related to general economic uncertainty caused by federal policy chaos that has paused new hiring and investment, it is too early to be able to identify this as a clear or widespread trend at the State level. Accordingly, we have lowered FY26 Corporate revenue estimates by about \$16.5 million, but expect corporate profitability and reported State tax liabilities among most taxpayers in the second half of FY26 to be roughly consistent with prior years, in aggregate.
- Although Vermont has received very little in the way of corporate tax revenue directly related to the massive AI investments to date, corporate liabilities of some of the large technology firms investing in AI could be reduced in future years as these investments are expensed before new revenues and profits from AI products and applications are fully manifest.
- Contrary to Corporate revenues, Personal Income receipts were \$17.1 million ahead of target (+2.8%) through the first half of FY26. In addition to continued underlying growth, there were some large events in tax year 2025 that could

Vermont Corporate Income Tax Revenues

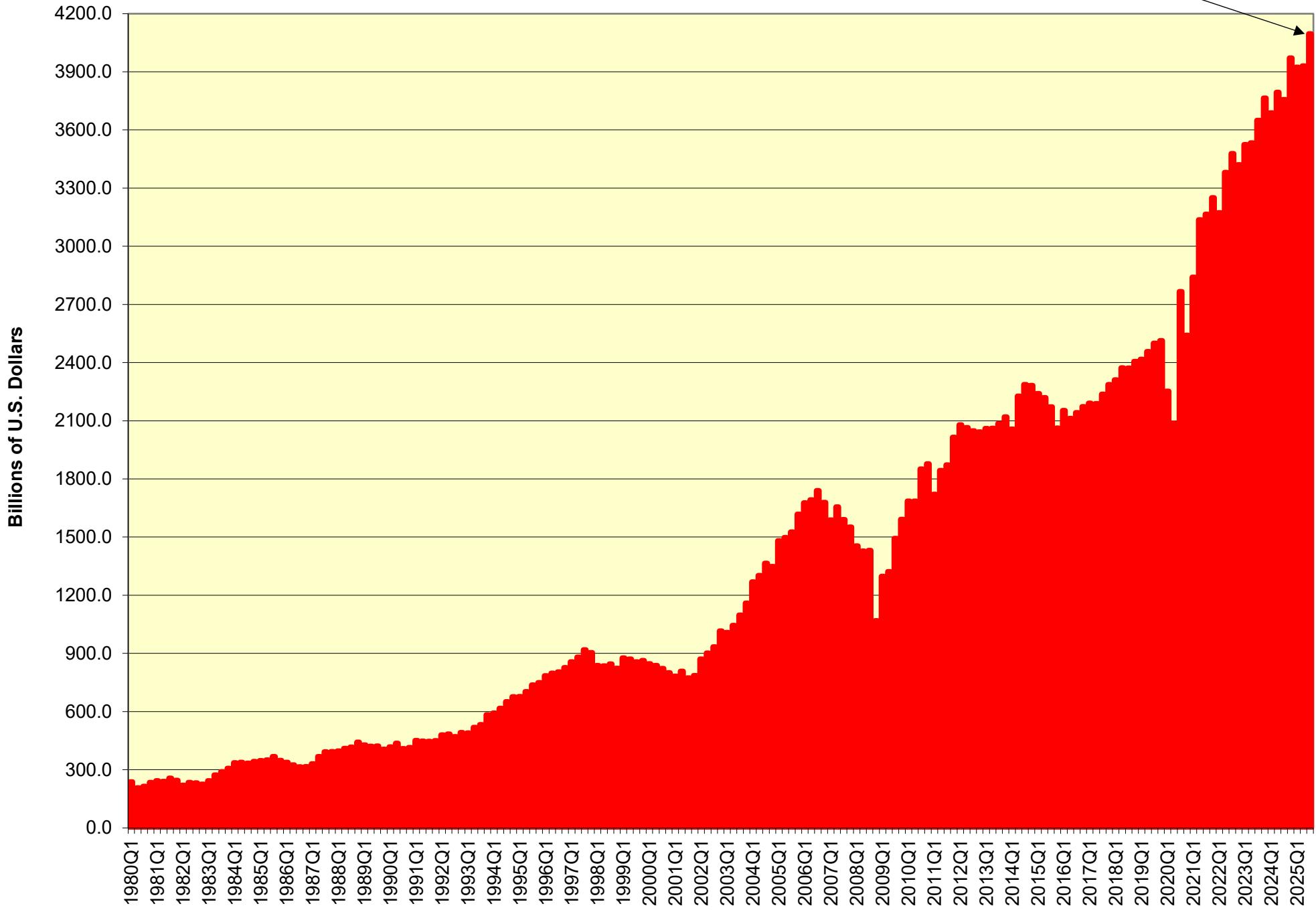
(Quarterly seasonally adjusted data at annual rates, Sources: Vermont Tax Department, JFO, Kavet Rockler & Associates)

Millions of Dollars (left and right vertical axes)



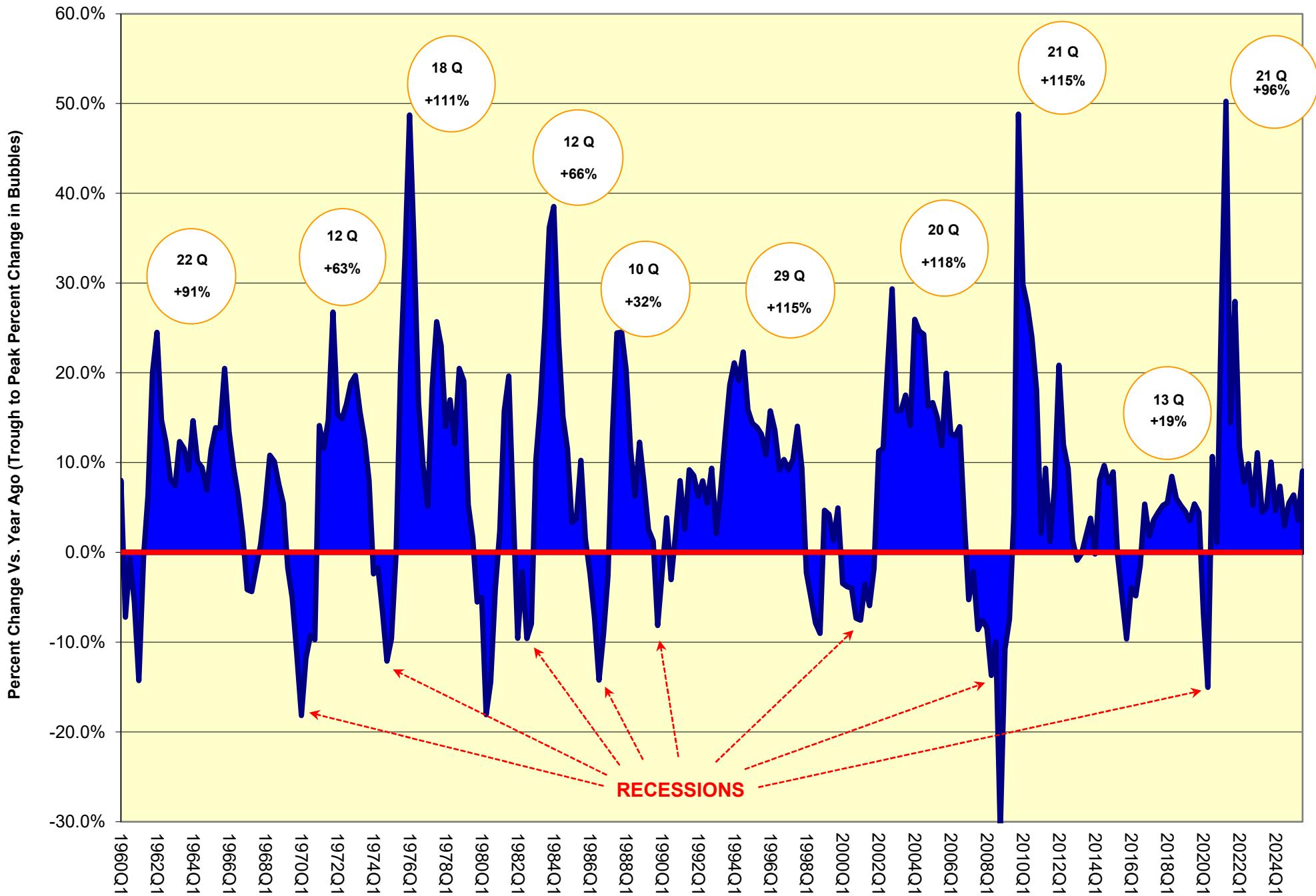
Third Quarter U.S. Corporate Profits Hit All-Time Record Levels

(U.S. corporate profits with inventory valuation and capital consumption adjustment; Source: US BEA)



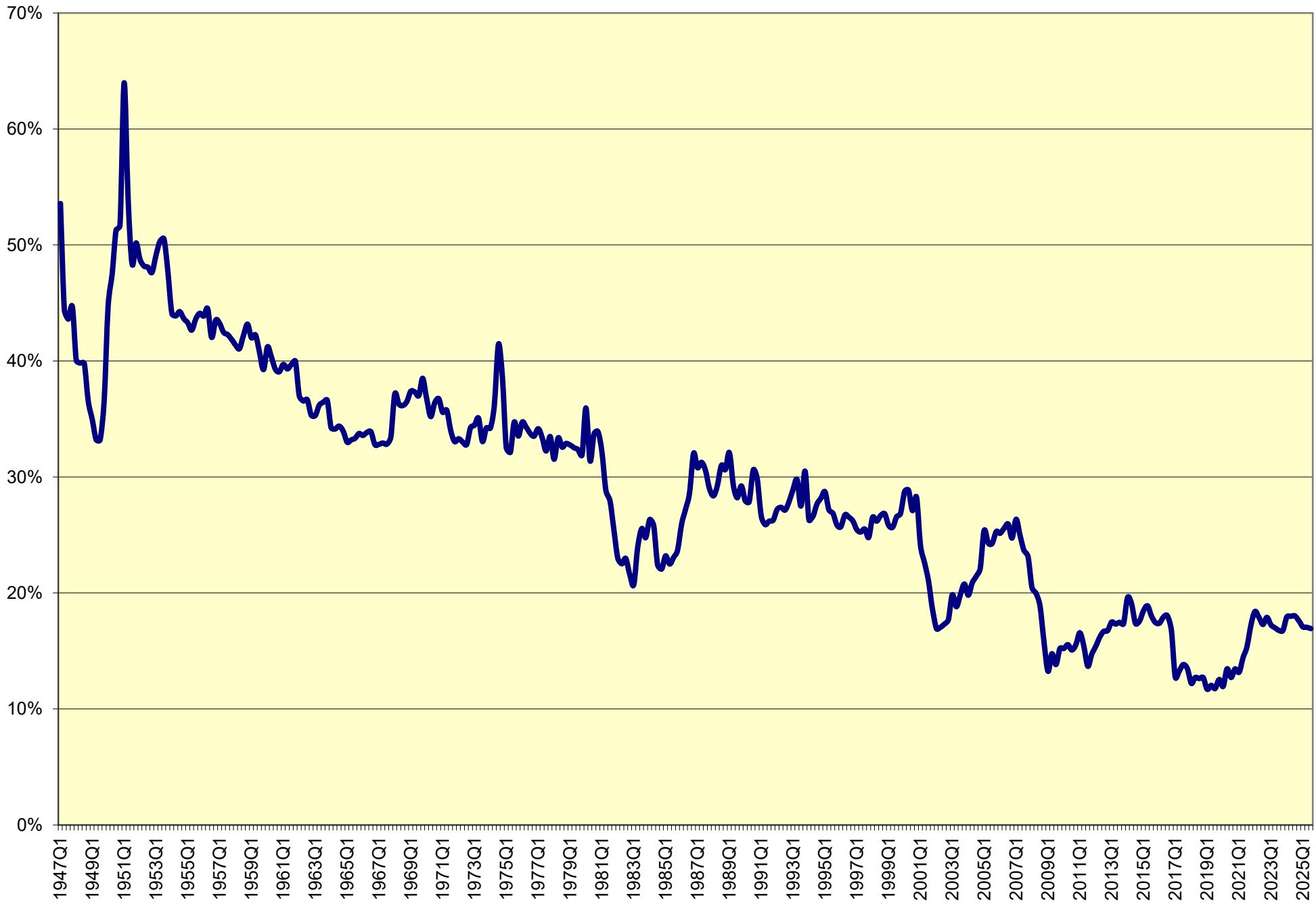
After 21 Consecutive Quarters, U.S. Corporate Profit Growth Remains Exceptional

U.S. corporate profits with inventory valuation and capital consumption adjustment; Source: US BEA
 Data in bubbles indicate number of consecutive quarters of growth and percent change during the period



The Effective Corporate Tax Rate Will Drop Further With OBBBA Deductions

Based on Before and After Tax Corporate Profits with Inventory Valuation Adjustment and Capital Consumption Adjustment
Billions of Dollars, Quarterly, Seasonally Adjusted Annual Rate, Source: BEA



give rise to larger than usual PI tax revenue this year. While it is extremely difficult to estimate these with precision before the April filing deadline, we have raised the forecast by about \$11M (+0.8%) based on limited additional information. The presence of such events in TY25 creates the potential for even larger upside PI revenue performance than currently forecast.

- Sales & Use Tax revenues are very close to current expectations (+0.4%) and were little changed in this forecast. The risks to this revenue source are all associated with factors that could dent overall consumer spending: deteriorating consumer sentiment, risks of stock market decline, growing economic inequality that is depressing wage and salary income for many, and continued rising prices. The growing divergent fortunes of the wealthiest 10% of consumers vs. all others has been characterized as a “K-shaped” economy, where a few are on a distinctly upward trajectory while most believe they are heading downhill. The top 10% of earners now account for a whopping 49% of all consumer spending.
- Aggregate Meals and Rooms tax revenues have been just shy of targets (-1.1%) to date. The share of this revenue source going to the E-Fund is down a bit more (-2.3%) than the G-Fund share (-0.5%), since the E-Fund receives 100% of the Short-Term Rental Surcharge, which has been running slightly behind overall M&R growth. Tourism visitation has been slower in FY26 due both to a slowdown in discretionary consumer spending and avoidance of U.S. travel by foreign – especially Canadian – visitors. The decline in Canadian visitation due to a widespread boycott in response to demeaning and offensive U.S. government rhetoric and trade policies has continued throughout 2025, with Vermont Visitor Center traffic counts at locations immediately proximate to the Canadian border down 35% and those nearby, down 17%.
- Interest income has been retreating very close to expectations, as State unrestricted cash reserves shrink in accord with required federal spending deadlines. Slightly lower interest rate assumptions will shave earnings by about \$0.5M per year over most of the forecast period, but are still expected to bring in about \$42M in FY26 and \$28M per year in FY27 and beyond.
- Lottery revenue has been the weakest component of the E-Fund, lagging targets by more than 10% through the first half of the year, despite two national jackpots in excess of \$1 billion. Lottery ticket purchasers are often on the lower leg of the K-shaped economy and have had less disposable income of late with which to spend on games. The Liquor and Lottery Department also reported a year-end FY25 net negative deficit of \$654,969 which they retired via a reduced transfer in September. Even with an expected bounce-back in the second half of this fiscal year, Lottery revenues are expected to be about \$2 million below prior July estimates in FY26 and throughout the forecast period.
- Strong December collections pushed total Transportation Fund revenues slightly above target (+0.2%) for the first half of FY26, after trailing in each of the preceding five months. The fuel taxes and fees were all within 1% of target,

VEMONT VISITOR CENTER TRAFFIC COUNTS

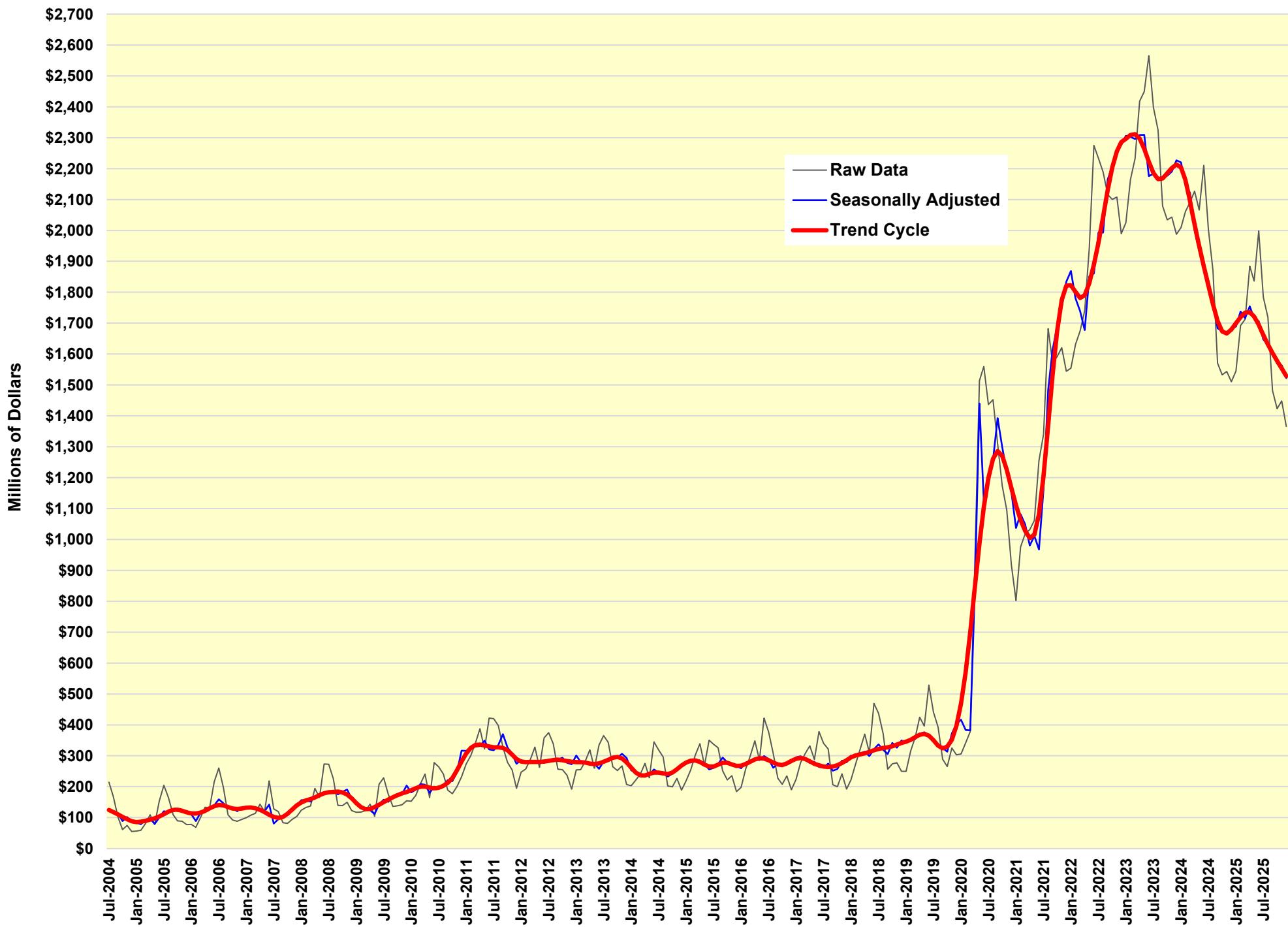
Through the Period Ending December 22, 2025

Site	2025	2024	Percent
	Year to Date Traffic	Year to Date Traffic	Change 2025 vs. 2024
Alburgh	4,221	6,416	-34.2%
Bennington	133,562	128,643	3.8%
Bradford	94,075	99,297	-5.3%
Derby Line	38,650	59,355	-34.9%
Fair Haven	131,661	134,951	-2.4%
Georgia NB	38,591	48,323	-20.1%
Georgia SB	45,527	55,379	-17.8%
Guilford	474,742	503,601	-5.7%
Hartford SB	244,102	252,772	-3.4%
Lyndonville	41,650	48,143	-13.5%
Montpelier	-	-	N/M
Randolph SB	209,646	228,709	-8.3%
Sharon NB	347,251	389,051	-10.7%
Waterford	102,658	117,547	-12.7%
Williston NB	227,797	252,134	-9.7%
Williston SB	178,186	196,203	-9.2%
Grand Total	2,312,319	2,520,524	-8.3%
Immediately Proximate to Canada	42,871	65,771	-34.8%
Nearby Canada	125,768	151,845	-17.2%
Total Canadian Prevalent	168,639	217,616	-22.5%

Source: Vermont Department of Buildings and General Services

Average Monthly Vermont State Unrestricted Cash Balances

(Source: Office of the State Treasurer)



while the Motor Vehicle Purchase and Use tax was up 3.2% (\$1.6M), offsetting a 5.4% miss in Other T-Fund Revenue (-\$0.7M).

- While there was little change in the longer-term T-Fund fuel tax revenue forecasts, some of the underlying assumptions were adjusted - yielding nearly offsetting results. With climate change now officially characterized by the Administration as a “con job” and “hoax,” and federal incentives shifting from EV promotion and renewable energy generation to enhanced fossil fuel extraction, we have slowed the decline in gasoline gallonage consumption, which will raise revenue in the per-unit gas taxes. At the same time, we have also lowered the future price estimates of gasoline, which will encourage some additional consumption, but will also lower revenues from price-based fuel taxes like the motor vehicle assessment fee. The net effect of these changes will slightly slow the decline of the combined gas taxes over the forecast period.
- The U.S. and Vermont macroeconomic forecasts upon which the revenue forecasts in this update are based are summarized in Tables A and B on the following two pages, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody’s Analytics December 2025 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms with whom we interact.
- It should be noted that this forecast was prepared within one of the shortest analytic timeframes in the last 25 years. Due to the vagaries of the calendar and statutory requirements for the Governor’s budget address (32 V.S.A. § 306), there were only 10 days between the release of the first half revenue data and the preparation of this consensus revenue recommendation. By comparison, there were 18 days in July and 17 days in January of last year. In an attempt to maximize our analytic time during this compressed schedule, and determine how close our jobs are to being replaced by AI, we explored feeding the economic and revenue facts we determined to be pertinent to various AI models, asking them to draft the text for this report in “our style.” The result: Our jobs are safe for now, with more time spent editing and fact-checking than was saved in writing. But the models have markedly improved in the last year and it won’t be long before AI could free up at least a day or two of time for more analytic research, and thereby improve the quality of the estimates and our understanding of the myriad factors affecting each individual revenue source.

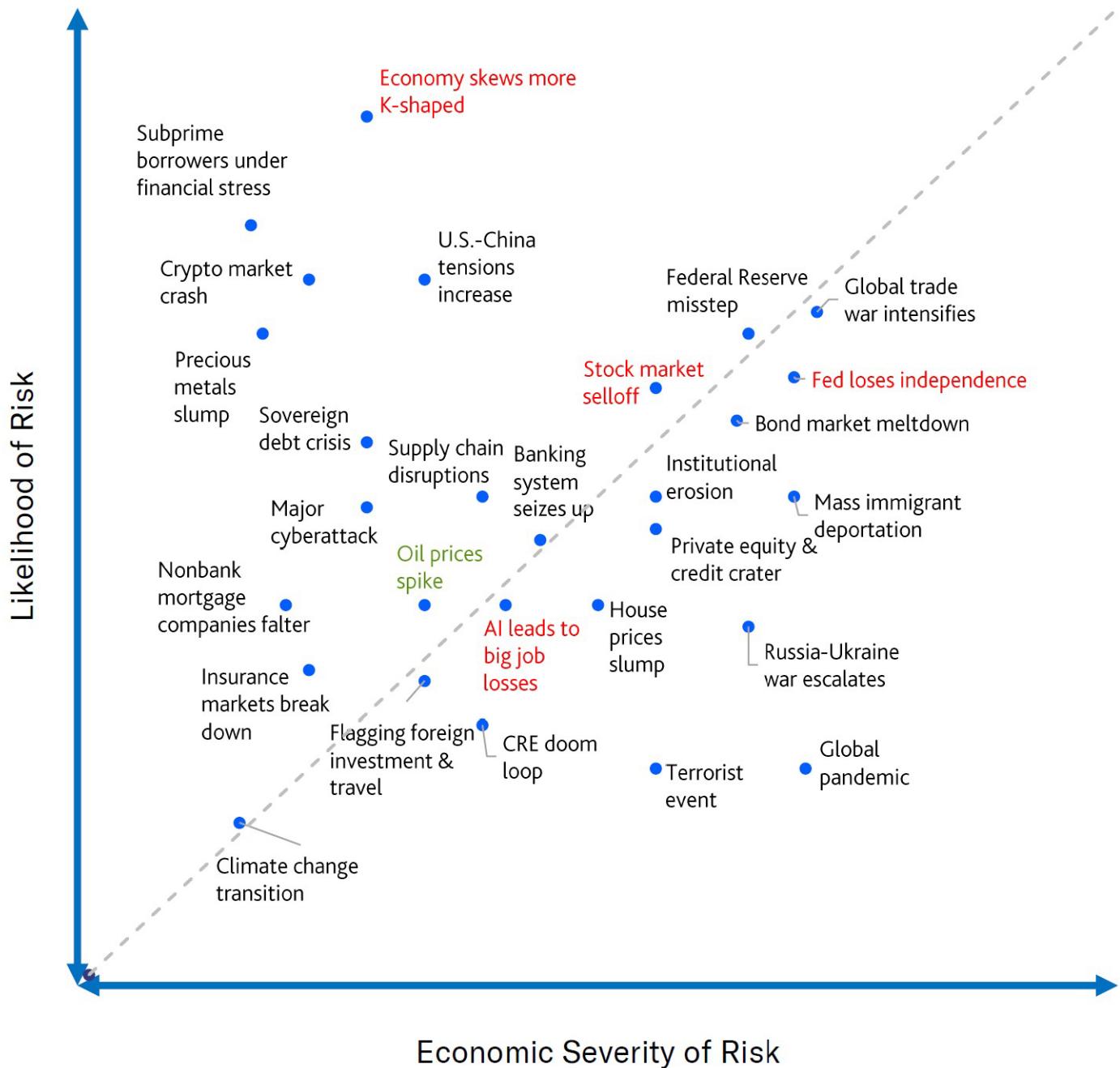
TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
June 2024 through December 2025, Selected Variables, Calendar Year Basis

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real GDP Growth									
June 2024	-2.2	5.8	1.9	2.5	2.6	1.8	1.9	1.8	2.2
December 2024	-2.2	6.1	2.5	2.9	2.8	2.2	1.9	1.8	2.1
June 2025	-2.2	6.1	2.5	2.9	2.8	1.4	1.2	1.6	2.1
December 2025	-2.1	6.2	2.5	2.9	2.8	2.0	2.2	1.9	2.1
S&P 500 Growth (Annual Avg.)									
June 2024	10.5	32.6	-3.9	4.5	17.5	3.2	4.5	6.1	5.8
December 2024	10.5	32.6	-3.9	4.5	26.7	10.5	3.5	2.5	6.3
June 2025	10.5	32.6	-3.9	4.5	26.7	6.5	1.8	2.9	6.9
December 2025	10.5	32.6	-3.9	4.5	26.7	16.3	2.6	-0.2	5.6
Employment Growth (Non-Ag)									
June 2024	-5.8	2.9	4.3	2.3	1.6	0.9	0.5	0.4	0.4
December 2024	-5.8	2.9	4.3	2.3	1.6	0.9	0.5	0.4	0.4
June 2025	-5.8	2.9	4.3	2.2	1.3	0.8	0.1	0.2	0.4
December 2025	-5.8	2.9	4.3	2.3	1.6	0.9	0.5	0.4	0.5
Unemployment Rate									
June 2024	8.1	5.4	3.6	3.6	3.9	4.1	4.2	4.3	4.2
December 2024	8.1	5.4	3.6	3.6	4.0	4.2	4.3	4.3	4.2
June 2025	8.1	5.4	3.6	3.6	4.0	4.3	4.8	4.8	4.6
December 2025	8.1	5.4	3.6	3.6	4.0	4.2	4.7	4.7	4.4
West Texas Int. Crude Oil \$/Bbl									
June 2024	40	68	94	78	80	78	76	76	77
December 2024	40	68	94	78	77	69	68	67	62
June 2025	39	68	95	78	77	65	62	66	68
December 2025	39	68	95	78	77	66	59	60	62
Prime Rate									
June 2024	3.54	3.25	4.85	8.20	8.33	7.90	6.60	6.30	6.12
December 2024	3.54	3.25	4.85	8.20	8.31	7.90	6.60	6.37	6.32
June 2025	3.54	3.25	4.85	8.19	8.31	7.59	6.77	6.36	6.31
December 2025	3.54	3.25	4.85	8.19	8.31	7.38	6.43	5.95	6.13
Consumer Price Index Growth									
June 2024	1.3	4.7	8.0	4.1	3.3	2.6	2.5	2.4	2.3
December 2024	1.3	4.7	8.0	4.1	2.9	2.7	2.6	2.5	2.4
June 2025	1.3	4.7	8.0	4.1	3.0	2.9	3.4	2.4	2.2
December 2025	1.3	4.7	8.0	4.1	3.0	2.8	3.3	2.6	2.4
Average Home Price Growth									
June 2024	5.2	13.7	16.8	5.8	4.7	2.7	1.1	-0.8	0.5
December 2024	5.2	13.7	16.7	5.7	5.4	1.2	0.5	1.5	2.3
June 2025	5.1	13.8	16.6	5.5	5.8	1.9	-0.3	0.2	1.1
December 2025	5.2	13.7	16.5	5.4	5.7	3.5	-0.1	0.3	1.0

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
June 2023 through December 2025, Selected Variables, Calendar Year Basis

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real GSP Growth									
June 2023	-2.9	5.1	2.8	1.6	1.2	2.1	2.5	2.4	2.3
December 2023	-2.7	4.8	2.2	1.5	1.1	1.2	1.8	1.9	2.0
June 2024	-2.7	4.8	2.2	1.3	2.1	1.5	1.5	1.6	1.7
December 2024	-3.3	4.6	3.1	1.4	2.1	1.6	1.3	1.4	1.6
June 2025	-3.3	4.6	3.1	1.4	2.3	1.5	1.2	1.3	1.8
December 2025	-2.8	3.6	4.0	1.7	2.5	1.5	1.4	1.3	1.5
Population Growth									
June 2023	-0.1	0.6	0.0	0.3	0.3	0.2	0.2	0.2	0.2
December 2023	-0.1	0.6	0.0	0.1	0.2	0.2	0.2	0.1	0.2
June 2024	-0.1	0.6	0.0	0.1	0.2	0.2	0.2	0.1	0.2
December 2024	-0.1	0.7	0.1	0.1	-0.0	0.1	0.1	0.1	0.1
June 2025	0.2	0.7	0.1	0.1	-0.0	0.1	0.1	0.1	0.1
December 2025	0.2	0.7	0.1	0.1	-0.0	0.1	0.1	0.1	0.1
Employment Growth									
June 2023	-9.3	2.7	3.0	1.9	0.8	1.1	0.8	0.7	0.7
December 2023	-9.3	2.7	3.0	1.5	0.6	0.9	0.8	0.7	0.7
June 2024	-9.3	2.7	3.2	1.7	1.7	1.0	0.9	0.8	0.7
December 2024	-9.3	2.7	3.2	1.7	1.6	0.8	0.8	0.7	0.6
June 2025	-9.3	2.7	3.3	1.9	0.5	0.8	0.1	0.2	0.3
December 2025	-9.3	2.7	3.3	1.9	0.5	0.9	0.2	0.0	0.2
Unemployment Rate									
June 2023	5.7	3.7	2.6	2.7	3.1	3.2	3.3	3.4	3.4
December 2023	5.7	3.7	2.6	2.2	2.7	3.0	3.1	3.2	3.3
June 2024	5.6	3.6	2.3	2.0	2.6	3.1	3.2	3.3	3.3
December 2024	5.6	3.6	2.3	2.0	2.2	2.7	2.9	3.0	3.1
June 2025	5.7	3.6	2.3	1.9	2.3	2.8	3.3	3.4	3.4
December 2025	5.7	3.6	2.3	1.9	2.3	2.6	3.3	3.5	3.4
Personal Income Growth									
June 2023	7.1	4.9	2.4	5.6	5.2	4.5	4.2	4.3	4.3
December 2023	7.0	6.3	3.0	5.5	4.2	4.3	4.4	4.3	4.3
June 2024	7.0	6.3	3.0	5.5	5.0	4.5	4.4	4.3	4.4
December 2024	7.3	5.3	4.6	5.3	5.0	4.5	4.3	4.2	4.3
June 2025	7.3	5.3	4.6	5.3	4.9	5.6	4.5	4.0	3.9
December 2025	7.3	5.8	4.5	6.6	4.9	5.0	4.8	4.2	3.6
Average Home Price Growth									
June 2023	5.1	14.0	18.2	6.7	0.3	-1.4	-0.3	1.9	2.9
December 2023	5.1	14.0	18.1	9.6	1.1	-1.5	-0.5	1.8	2.9
June 2024	5.1	14.0	18.0	10.6	6.9	2.5	-0.1	-0.6	0.9
December 2024	5.1	14.0	17.8	10.7	7.6	1.9	-0.5	-0.8	0.1
June 2025	5.1	14.0	17.8	10.5	8.6	4.7	-0.3	-0.8	-0.1
December 2025	5.3	13.8	17.6	10.6	8.5	3.5	-0.5	-0.7	0.2

Moody's Economic Risk Matrix – December 2025



Note: Changes in **red** are either an increase in the odds or severity of a risk. Changes in **green** reflect a decline in the probability or severity of an event occurring. Changes in **blue** represent a new risk.

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel. In the Joint Fiscal Office, Emily Byrne, Chris Rupe, Pat Titterton, Ted Barnett, Nolan Langweil, Julia Richter and Sorsha Anderson have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. In the Tax Department, Sharon Asay, Ian Kimmel, Selena MacDonald, Jake Feldman and Rebecca Sameroff provided important data and analytic contributions to many tax and revenue forecasts, including tax law change analyses and statistical and related background information associated with the detailed tax databases they oversee. In the Treasurer's Office, Jeremiah Breer, Dan Currier, Scott Baker, Nick Koleszar, David Scherr, Sara Powers and State Treasurer, Mike Pieciak provided essential information in analyzing and forecasting interest income. In the Department of Liquor and Lottery, Commissioner Wendy Knight and Financial Director, Tracy Badeau provided important data and insights into Lottery issues affecting current and future revenues. In the Transportation Department, Renee Cota provided both statistical data and insights into Transportation Fund Motor Vehicle Fees. Our thanks to all of the above for their many contributions to this analysis.
- The analysis in support of JFO economic and revenue projections are based on statistical and econometric models, and professional analytic judgment. All models are based on 48 years of data for each of the 25 General Fund categories (three aggregates), 45 years of data for most of the Transportation Fund categories (one aggregate), and 26 to 47 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-13-ARIMA-SEATS and TRAMO-SEATS methods, various moving average techniques (such as Henderson Curves, etc.), Box-Jenkins ARIMA type models, pressure curve analysis, comparable-pattern analysis of monthly, quarterly and half-year trends for current year estimation, and behavioral econometric forecasting models.
- Because the State does not currently fund an internal State or U.S. macroeconomic model, this analysis relies primarily on semi-annual macroeconomic models from Moody's Analytics with consensus model adjustments made by JFO and Administration economists using a customized Moody's Vermont model prepared during the month preceding the revenue forecast. Dynamic and other input/output-based models for the State of Vermont, including those from Regional Economic Models, Inc. (REMI), Regional Dynamics, Inc. (REDYN), and IMPLAN are also maintained and managed by the JFO and KRA for use in selected economic impact and simulation analyses used herein.
- The Consensus JFO and Administration forecasts are developed following discussion, analysis and synthesis of independent revenue projections, econometric models and source data produced by Administration and Joint Fiscal Office economists.

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
 Consensus JFO and Administration Forecast - January 2026

SOURCE G-FUND

revenues are prior to all E-Fund allocations
 and other out-transfers; used for
 analytic and comparative purposes only

	FY2022	% Change	FY2023	% Change	FY2024	% Change	FY2025	% Change	FY2026	% Change	FY2027	% Change	FY2028	% Change
REVENUE SOURCE														
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1414.1	3.8%	\$1445.3	2.2%	\$1489.6	3.1%
Sales and Use ¹	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$618.1	3.9%	\$634.5	2.7%	\$651.1	2.6%	\$669.2	2.8%
Corporate	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$223.8	-17.9%	\$248.6	11.1%	\$261.8	5.3%
Meals and Rooms ²	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.3	6.5%	\$269.0	2.6%	\$277.6	3.2%	\$287.3	3.5%
Liquor	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$29.7	-1.7%	\$30.0	1.0%	\$30.6	2.0%	\$31.2	2.0%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$86.4	4.7%	\$88.8	2.8%	\$92.1	3.7%
Telephone ³	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	-2.4%	\$0.0	NM	\$0.0	NM
Beverage	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%	\$6.4	-1.5%
Estate	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$55.2	131.4%	\$32.7	-40.8%	\$34.0	4.0%	\$35.3	3.8%
Property	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$77.2	23.7%	\$79.6	3.1%	\$82.0	3.0%	\$85.0	3.7%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$13.4	0.2%	\$13.6	1.5%	\$13.9	2.2%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$20.2	16.4%	\$22.6	11.8%	\$23.6	4.3%	\$24.3	3.2%
Other Tax	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%	\$1.4	3.8%
Total Tax Revenue	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2805.3	9.6%	\$2817.1	0.4%	\$2902.9	3.0%	\$2997.4	3.3%
Business Licenses	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.3	1.7%	\$1.3	2.3%	\$1.4	2.3%
Fees	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%	\$53.4	2.3%
Services	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%	\$4.4	2.3%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$3.0	-24.4%	\$3.1	3.3%	\$3.2	3.2%
Interest	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$60.8	-34.7%	\$42.4	-30.2%	\$28.6	-32.5%	\$27.8	-2.8%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$32.0	4.5%	\$33.4	4.4%	\$34.7	3.9%
All Other ⁴	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%
Total Other Revenue	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$153.3	-15.6%	\$135.3	-11.8%	\$124.2	-8.2%	\$126.3	1.6%
Healthcare Revenue⁵	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$367.4	2.9%	\$376.5	2.5%	\$371.7	-1.3%
TOTAL GENERAL FUND	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3315.7	7.8%	\$3319.7	0.1%	\$3403.6	2.5%	\$3495.4	2.7%
CHILDCARE TAX REVENUE⁶	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.4	3.5%

1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.

3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections beginning in FY20 and a Short Term Rental surcharge not subject to CWF redirection beginning in FY25

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

7) General Fund Telephone Property and Gross Receipts taxes are discontinued effective in FY27 and taxed instead in the Education Fund as part of the Grand List

8) Childcare Tax Revenue is deducted from PI Withholding Tax revenue, with some imprecision between fiscal years

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

CURRENT LAW BASIS <i>including all Education Fund allocations and other out-transfers</i>	FY2022	% (Actual)	FY2023	% (Actual)	FY2024	% (Actual)	FY2025	% (Preliminary)	FY2026	% (Forecast)	FY2027	% (Forecast)	FY2028	% (Forecast)
		Change		Change		Change		Change		Change		Change		Change
REVENUE SOURCE														
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1414.1	3.8%	\$1445.3	2.2%	\$1489.6	3.1%
Sales and Use ¹	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$223.8	-17.9%	\$248.6	11.1%	\$261.8	5.3%
Meals and Rooms	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$175.4	3.3%	\$179.8	2.5%	\$185.5	3.1%	\$191.9	3.5%
Liquor ⁵	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.0	-1.7%	\$5.0	1.0%	\$5.1	2.0%	\$5.2	2.0%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$86.4	4.7%	\$88.8	2.8%	\$92.1	3.7%
Telephone ⁶	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	NM	\$0.0	NM	\$0.0	NM
Beverage	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%	\$6.4	-1.5%
Estate ³	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$28.9	20.9%	\$32.7	13.2%	\$34.0	4.0%	\$35.3	3.8%
Property	\$24.3	5.3%	\$21.6	-11.2%	\$19.4	-10.2%	\$27.0	39.5%	\$28.1	4.0%	\$29.0	3.1%	\$30.1	3.8%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$13.4	0.2%	\$13.6	1.5%	\$13.9	2.2%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$15.8	NM	\$16.5	4.3%	\$17.0	3.2%
Other Tax	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%	\$1.4	3.8%
<i>Total Tax Revenue</i>	<i>\$1777.4</i>	<i>23.6%</i>	<i>\$1805.1</i>	<i>1.6%</i>	<i>\$1803.0</i>	<i>-0.1%</i>	<i>\$1978.9</i>	<i>9.8%</i>	<i>\$2010.1</i>	<i>1.6%</i>	<i>\$2074.1</i>	<i>3.2%</i>	<i>\$2144.6</i>	<i>3.4%</i>
Business Licenses	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.3	1.7%	\$1.3	2.3%	\$1.4	2.3%
Fees	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%	\$53.4	2.3%
Services	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%	\$4.4	2.3%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$3.0	-24.4%	\$3.1	3.3%	\$3.2	3.2%
Interest	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$58.3	-33.1%	\$40.9	-29.9%	\$27.5	-32.8%	\$26.5	-3.6%
All Other ⁴	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%
<i>Total Other Revenue</i>	<i>\$52.9</i>	<i>2.6%</i>	<i>\$105.2</i>	<i>99.1%</i>	<i>\$139.9</i>	<i>33.0%</i>	<i>\$120.2</i>	<i>-14.1%</i>	<i>\$101.8</i>	<i>-15.3%</i>	<i>\$89.7</i>	<i>-11.9%</i>	<i>\$90.3</i>	<i>0.6%</i>
<i>Healthcare Revenue⁵</i>	<i>\$299.3</i>	<i>7.6%</i>	<i>\$314.3</i>	<i>5.0%</i>	<i>\$327.5</i>	<i>4.2%</i>	<i>\$351.3</i>	<i>7.3%</i>	<i>\$360.8</i>	<i>2.7%</i>	<i>\$369.6</i>	<i>2.4%</i>	<i>\$364.4</i>	<i>-1.4%</i>
TOTAL GENERAL FUND	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2450.5	7.9%	\$2472.8	0.9%	\$2533.5	2.5%	\$2599.3	2.6%
CHILDCARE TAX REVENUE⁸	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.4	3.5%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06, \$11.0M in FY11 and \$26.4M in FY25.

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

7) General Fund Telephone Property and Gross Receipts taxes are discontinued effective in FY27 and taxed instead in the Education Fund as part of the Grand List.

8) Childcare Tax Revenue is deducted from PI Withholding Tax revenue, with some imprecision between fiscal years

TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026

SOURCE HEALTHCARE¹

revenues are prior to all allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$67.4	-3.6%	\$63.9	-5.3%	\$61.9	-3.1%	\$60.1	-2.9%
Claims Assessment	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.8	5.5%	\$32.6	13.2%	\$34.4	5.5%	\$36.3	5.5%
Employer Assessment	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$34.3	7.8%	\$37.0	7.8%	\$39.9	7.8%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$219.8	3.5%	\$226.4	3.0%	\$218.6	-3.4%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	-0.2%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	2.1%	\$2.4	1.3%	\$2.4	1.3%
TOTAL HEALTHCARE	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$367.4	2.9%	\$376.5	2.5%	\$371.7	-1.3%

TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$67.4	-3.6%	\$63.9	-5.3%	\$61.9	-3.1%	\$60.1	-2.9%
Claims Assessment	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$23.0	5.5%	\$26.1	13.2%	\$27.5	5.5%	\$29.0	5.5%
Employer Assessment	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$34.3	7.8%	\$37.0	7.8%	\$39.9	7.8%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$219.8	3.5%	\$226.4	3.0%	\$218.6	-3.4%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	-0.2%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	2.1%	\$2.4	1.3%	\$2.4	1.3%
TOTAL HEALTHCARE	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$360.8	2.7%	\$369.6	2.4%	\$364.4	-1.4%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

2) Starting in FY 2028, the hospital provider tax rate will step down 0.5% per year until the rate hits 3.5% in FY 2032 as per H.R.1 - the Federal Reconciliation Bill - passed July 4, 2025

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

SOURCE T-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
REVENUE SOURCE														
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.2	-0.4%	\$70.8	-0.6%	\$70.4	-0.6%
Diesel****	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%	\$17.9	-0.6%
Purchase and Use*	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$145.0	0.1%	\$150.0	3.4%	\$155.6	3.7%	\$160.6	3.2%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.2	0.8%	\$102.1	0.9%	\$103.1	1.0%
Other Revenue**	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$26.5	-1.3%	\$27.3	3.0%	\$28.1	2.9%
TOTAL TRANS. FUND	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$361.9	3.0%	\$367.0	1.4%	\$373.8	1.9%	\$380.1	1.7%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

CURRENT LAW BASIS

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
REVENUE SOURCE														
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.2	-0.4%	\$70.8	-0.6%	\$70.4	-0.6%
Diesel	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%	\$17.9	-0.6%
Purchase and Use ¹	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$96.7	0.1%	\$100.0	3.4%	\$103.7	3.7%	\$107.1	3.2%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.2	0.8%	\$102.1	0.9%	\$103.1	1.0%
Other Revenue ²	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$26.5	-1.3%	\$27.3	3.0%	\$28.1	2.9%
TOTAL TRANS. FUND	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$313.6	3.5%	\$317.0	1.1%	\$321.9	1.6%	\$326.6	1.4%

OTHER (TIB³)

TIB Gasoline	\$15.1	48.2%	\$20.1	32.6%	\$17.6	-12.6%	\$16.1	-8.5%	\$14.2	-11.4%	\$14.4	1.3%	\$14.2	-1.9%
TIB Diesel and Other ⁴	\$1.9	1.7%	\$2.2	13.6%	\$2.2	0.8%	\$2.2	-1.6%	\$2.1	-3.2%	\$2.0	-4.2%	\$2.0	-3.0%
TOTAL OTHER (TIB)	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$18.3	-7.7%	\$16.4	-10.4%	\$16.5	0.6%	\$16.1	-2.0%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income; Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2026

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated with the Education Fund only	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
GENERAL FUND														
Meals and Rooms	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$71.6	16.3%	\$73.6	2.8%	\$76.0	3.3%	\$78.7	3.6%
Sales & Use ²	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$609.7	2.4%	\$625.0	2.5%	\$640.9	2.5%	\$658.7	2.8%
Interest	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$2.5	-57.6%	\$1.5	-38.9%	\$1.1	-26.7%	\$1.3	18.2%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$32.0	4.5%	\$33.4	4.4%	\$34.7	3.9%
TRANSPORTATION FUND														
Purchase and Use ³	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$48.3	0.1%	\$50.0	3.4%	\$51.9	3.7%	\$53.5	3.2%
TOTAL EDUCATION FUND	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$762.7	2.1%	\$782.1	2.5%	\$803.3	2.7%	\$827.0	2.9%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors;

Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 100.0% beginning in FY19;

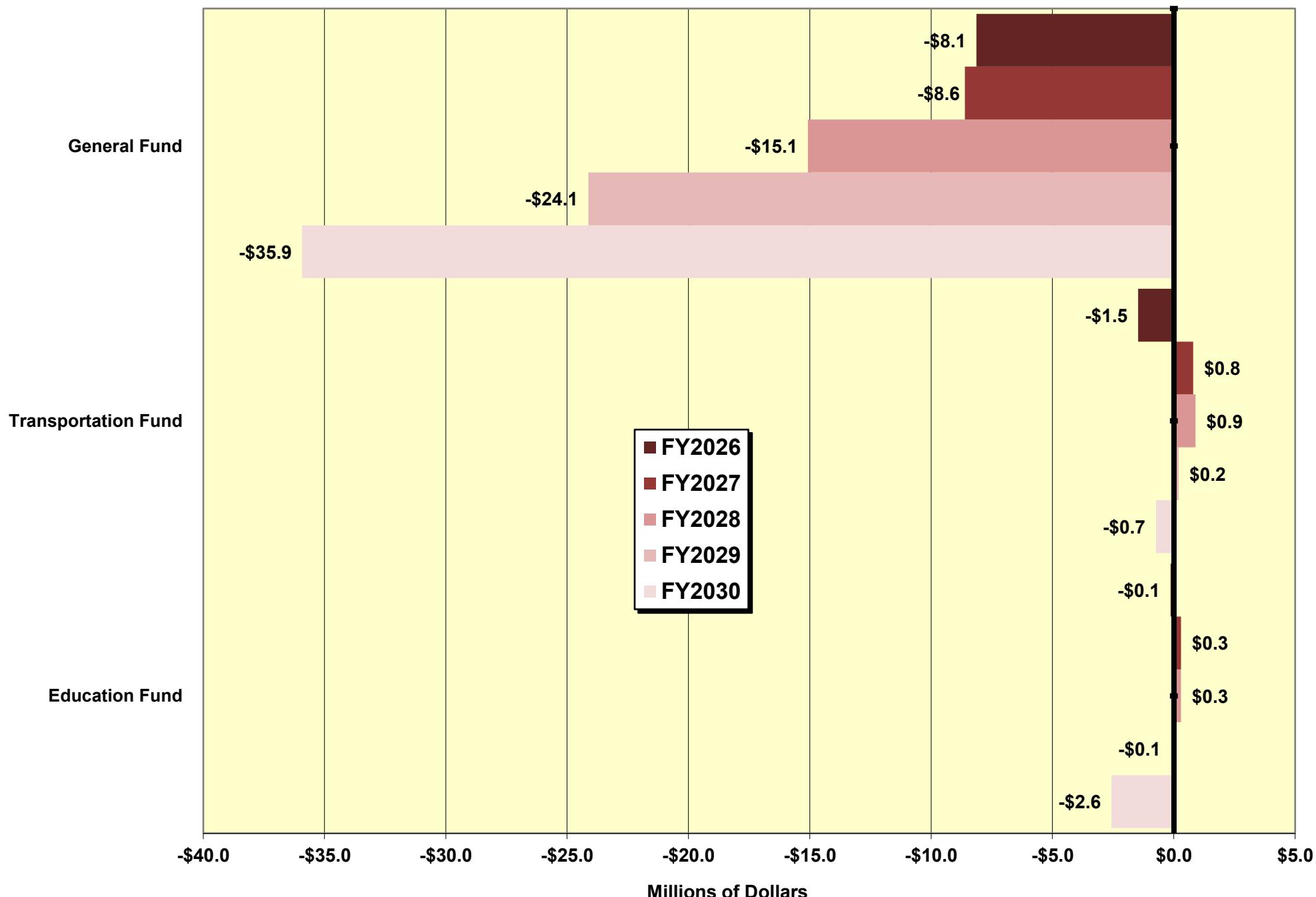
Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

3) Includes Motor Vehicle Rental revenues, restated

Charts for Virtual Presentation and Discussion

January 2026

Recommended Net Revenue Changes from July 2025 Forecast - Current Law Basis

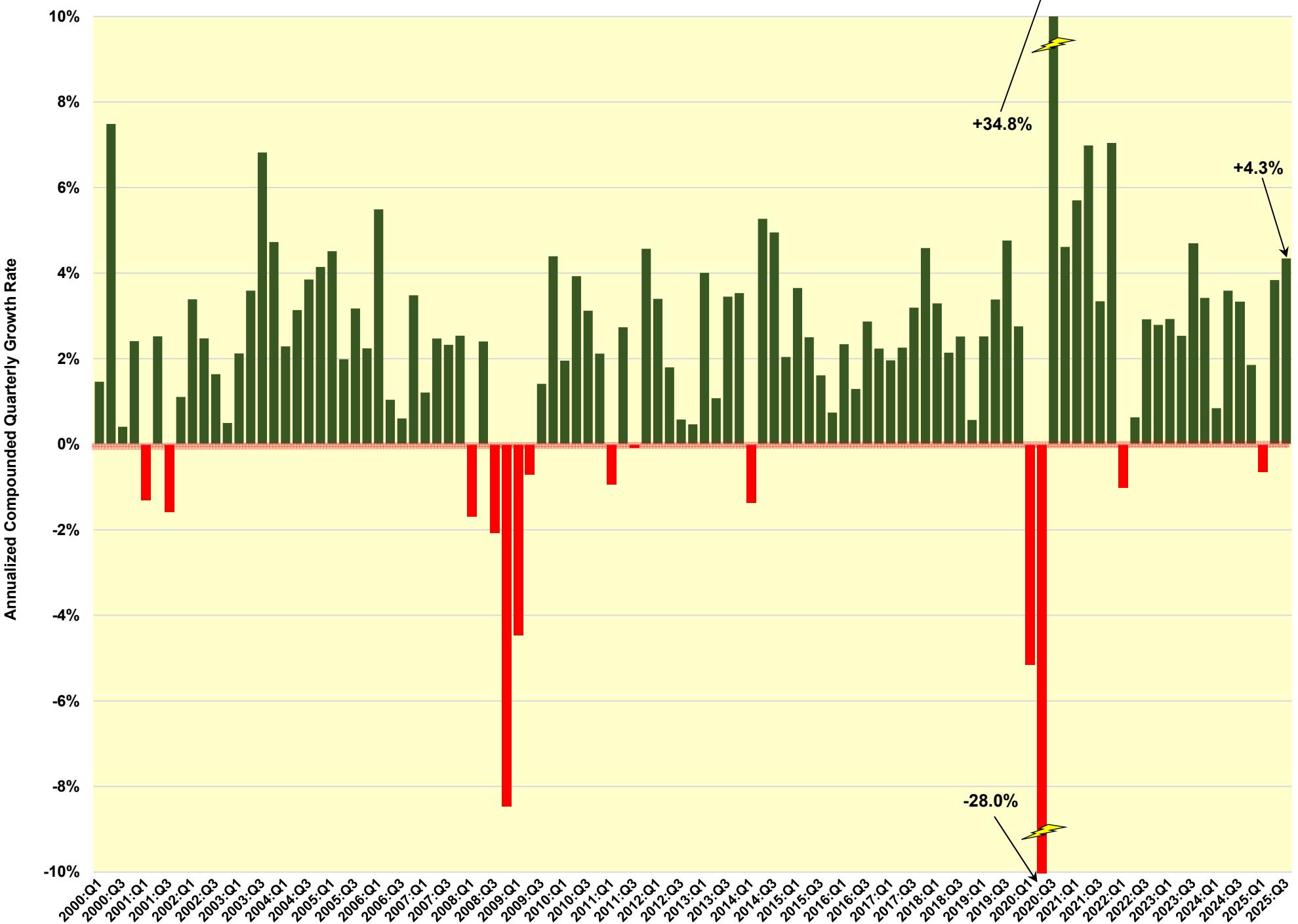


SELECTED ECONOMIC STATISTICS AFFECTED BY THE GOVERNMENT SHUTDOWN

Release	Reference period	Normal release date	Revised release date
Employment Situation	September 2025	October 3, 2025	November 20, 2025
Real Earnings	September 2025	October 15, 2025	November 21, 2025
Producer Price Index	September 2025	October 16, 2025	November 25, 2025
State Job Openings and Labor Turnover Survey	August 2025	October 22, 2025	December 2, 2025
State Job Openings and Labor Turnover Survey	September 2025	November 19, 2025	Cancelled
U.S. Import and Export Price Indexes	September 2025	October 17, 2025	December 3, 2025
Usual Weekly Earnings of Wage and Salary Workers	Q3 2025	October 21, 2025	December 4, 2025
Job Openings and Labor Turnover (JOLTS)	September 2025	November 4, 2025	Cancelled
Job Openings and Labor Turnover	October 2025	December 2, 2025	December 9, 2025
Employment Cost Index	Q3 2025	October 31, 2025	December 10, 2025
State Employment and Unemployment	September 2025	October 21, 2025	December 11, 2025
State Employment and Unemployment	October 2025	November 21, 2025	Cancelled
Employment Situation	October 2025	November 7, 2025	Cancelled
Employment Situation	November 2025	December 5, 2025	December 16, 2025
Business Employment Dynamics	Q1 2025	October 29, 2025	December 17, 2025
Metropolitan Area Employment and Unemployment	September 2025	October 29, 2025	December 17, 2025
Metropolitan Area Employment and Unemployment	October 2025	December 3, 2025	Cancelled
Consumer Price Index	October 2025	November 13, 2025	Cancelled
Consumer Price Index	November 2025	December 10, 2025	Compromised -December 18, 2025
Real Earnings	October 2025	November 13, 2025	Cancelled
Real Earnings	November 2025	December 10, 2025	December 18, 2025
County Employment and Wages	Q2 2025	December 3, 2025	December 19, 2025
Consumer Expenditures	2024 Annual	October 30, 2025	December 19, 2025
State Job Openings and Labor Turnover	October 2025	December 17, 2025	December 30, 2025
State Employment and Unemployment	November 2025	December 19, 2025	January 7, 2026
Productivity and Costs (preliminary)	Q3 2025	November 6, 2025	January 8, 2026
Employment Situation	December 2025	January 9, 2026	NO CHANGE
Consumer Price Index	December 2025	January 13, 2026	Compromised, Same Date
Real Earnings	December 2025	January 13, 2026	NO CHANGE
Producer Price Index (PPI)	October 2025	November 14, 2025	Cancelled
Producer Price Index (PPI)	November 2025	December 11, 2025	January 14, 2026
U.S. Import and Export Price Indexes	October 2025	November 18, 2025	Cancelled
U.S. Import and Export Price Indexes	November 2025	December 16, 2025	January 15, 2026
Metropolitan Area Employment and Unemployment	November 2025	December 31, 2025	January 16, 2026
Occupational Requirements in the United States	2025 Annual	November 20, 2025	January 16, 2026
Employer-Reported Workplace Injuries and Illnesses	2024 Annual	November 19, 2025	January 22, 2026
Work Experience of the Population	2024 Annual	December 12, 2025	January 22, 2026
Productivity and Costs (revised)	Q3 2025	December 9, 2025	January 29, 2026
Producer Price Index (PPI)	December 2025	January 14, 2026	January 30, 2026
Employment Cost Index	Q4 2025	January 30, 2026	February 10, 2026
U.S. Import and Export Price Indexes	December 2025	January 15, 2026	February 10, 2026
Census of Fatal Occupational Injuries	2024 Annual	December 18, 2025	February 19, 2026
Construction Spending	August 2025	October 1, 2025	November 17, 2025
Manufacturers' Shipments (Full)	August 2025	October 2, 2025	November 18, 2025
Intl. Trade in Goods & Services	August 2025	October 7, 2025	November 19, 2025
Services Supplied Thru Affiliates	2023	October 7, 2025	November 19, 2025
Intl. Trade in Goods & Services	October 2025	December 4, 2025	January 8, 2026
U.S. Intl. Transactions	Q3 2025	December 1, 2025	January 14, 2026
U.S. Intl. Investment Position	Q3 2025	December 1, 2025	January 14, 2026
GDP (Updated Estimate) *	Q3 2025	December 19, 2025	January 22, 2026
GDP by State & Personal Income	Q3 2025	December 22, 2025	January 23, 2026
Intl. Trade in Goods & Services	November 2025	January 8, 2026	January 29, 2026
GDP & Personal Income by County	2024	December 3, 2025	February 5, 2026
Real PCE & Personal Income **	2024	December 11, 2025	February 19, 2026
GDP (Advance Estimate)	Q4 2025	January 29, 2026	TBD / Postponed
Vintage 2025 Population Estimates *	Annual (to July 2025)	December 18, 2025	January 27, 2026
ACS 5-Year Estimates (2020-2024)	5-Year Period	December 11, 2025	January 29, 2026
GDP (Updated Estimate) **	Q3 2025	December 19, 2025	January 22, 2026
Intl. Trade in Goods & Services	45931	December 4, 2025	January 8, 2026
GDP & Personal Income by State	Q3 2025	December 22, 2025	January 23, 2026
Real PCE & Personal Income ***	2024 (Annual)	December 11, 2025	February 19, 2026
Manufacturers' Shipments & Orders	45931	December 2, 2025	January 6, 2026
New Residential Construction	45931	November 18, 2025	January 15, 2026
GDP (Advance Estimate)	Q4 2025	January 29, 2026	Postponed (TBD)
Monthly Retail/Wholesale Inventories	Sept–Nov 2025	Various	Cancelled

AI Investment Euphoria Powers Solid 2025 Real GDP Growth

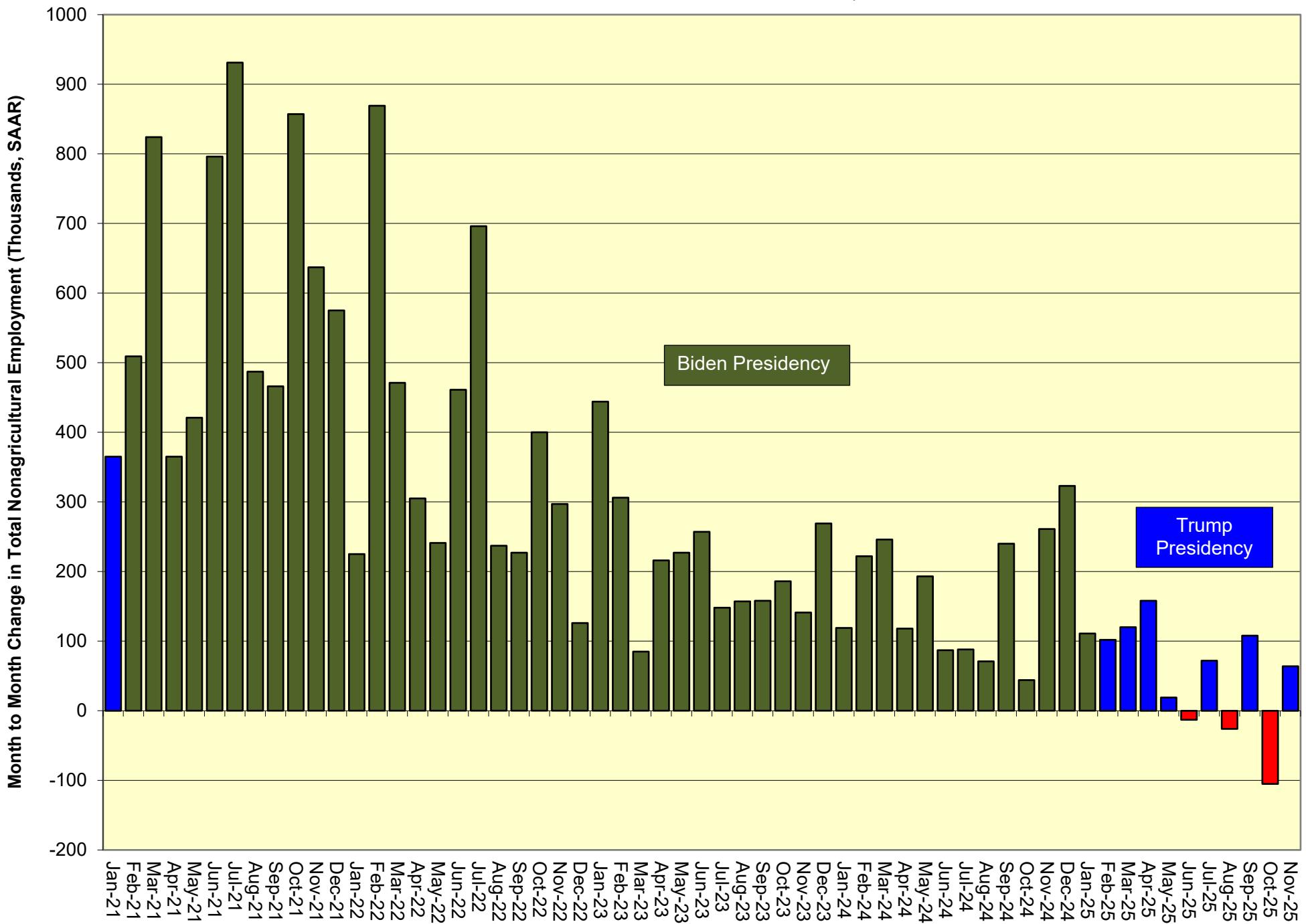
(Annualized Quarterly Growth in Chained Constant Dollar U.S. GDP, Source: U.S. BEA)



Employment Growth Since the April Tariff Shock Has Faltered, Pressuring the Fed

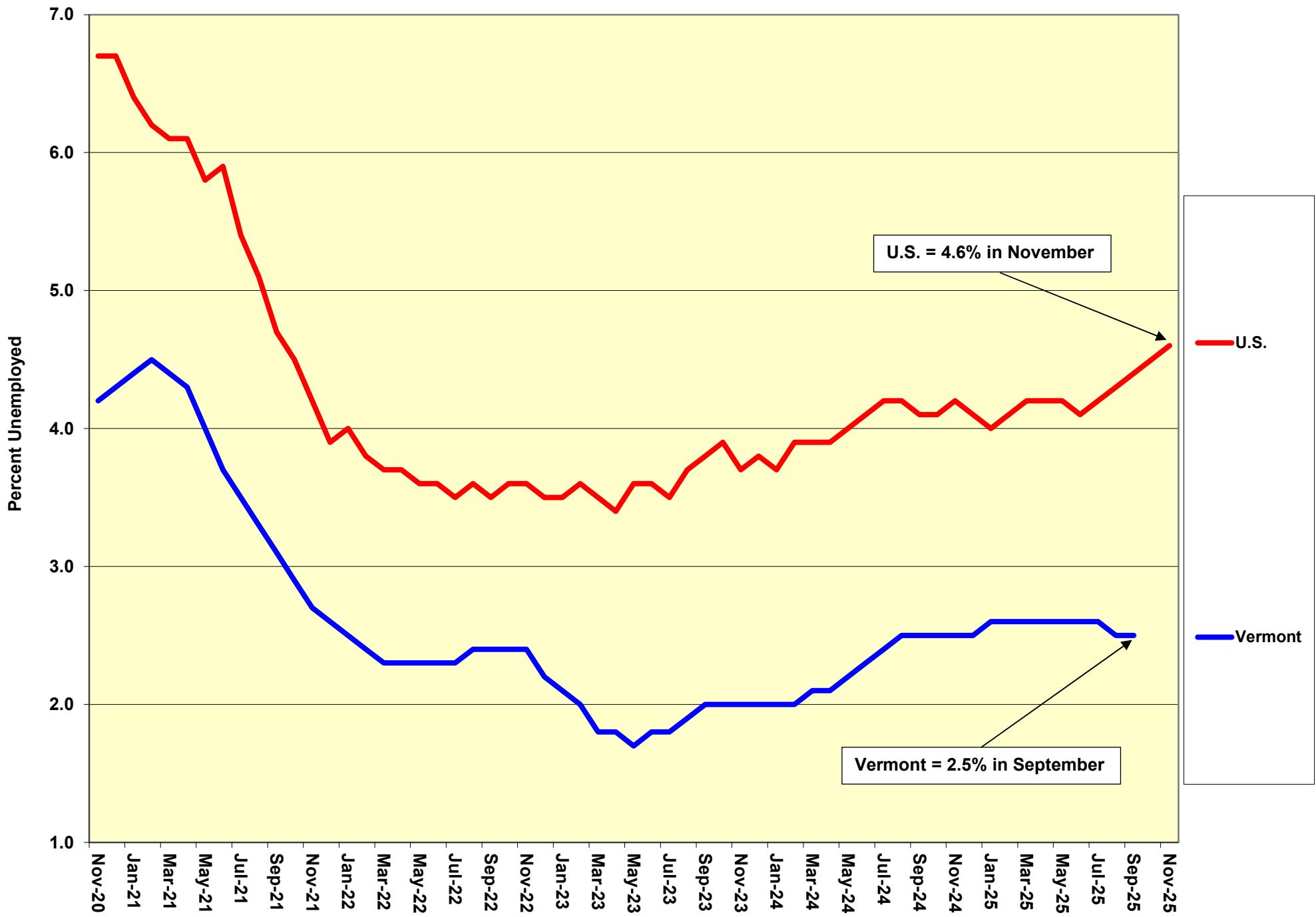
(Monthly Change in Total U.S. Payroll Employment, Seasonally-Adjusted)

Source: U.S. Bureau of Labor Statistics



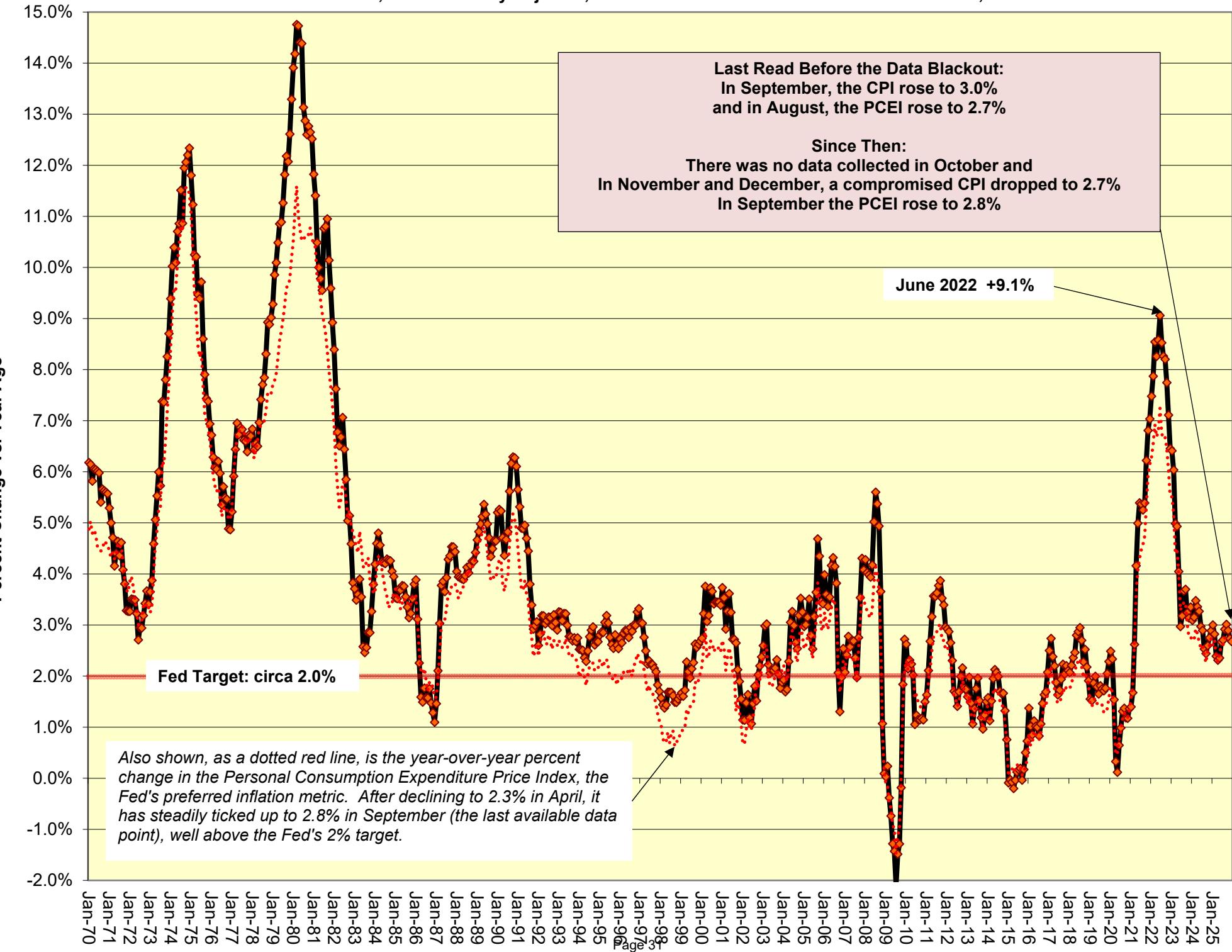
Recent Unemployment Rates Inch Up, But Are Headed Higher as Job Growth Stalls

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



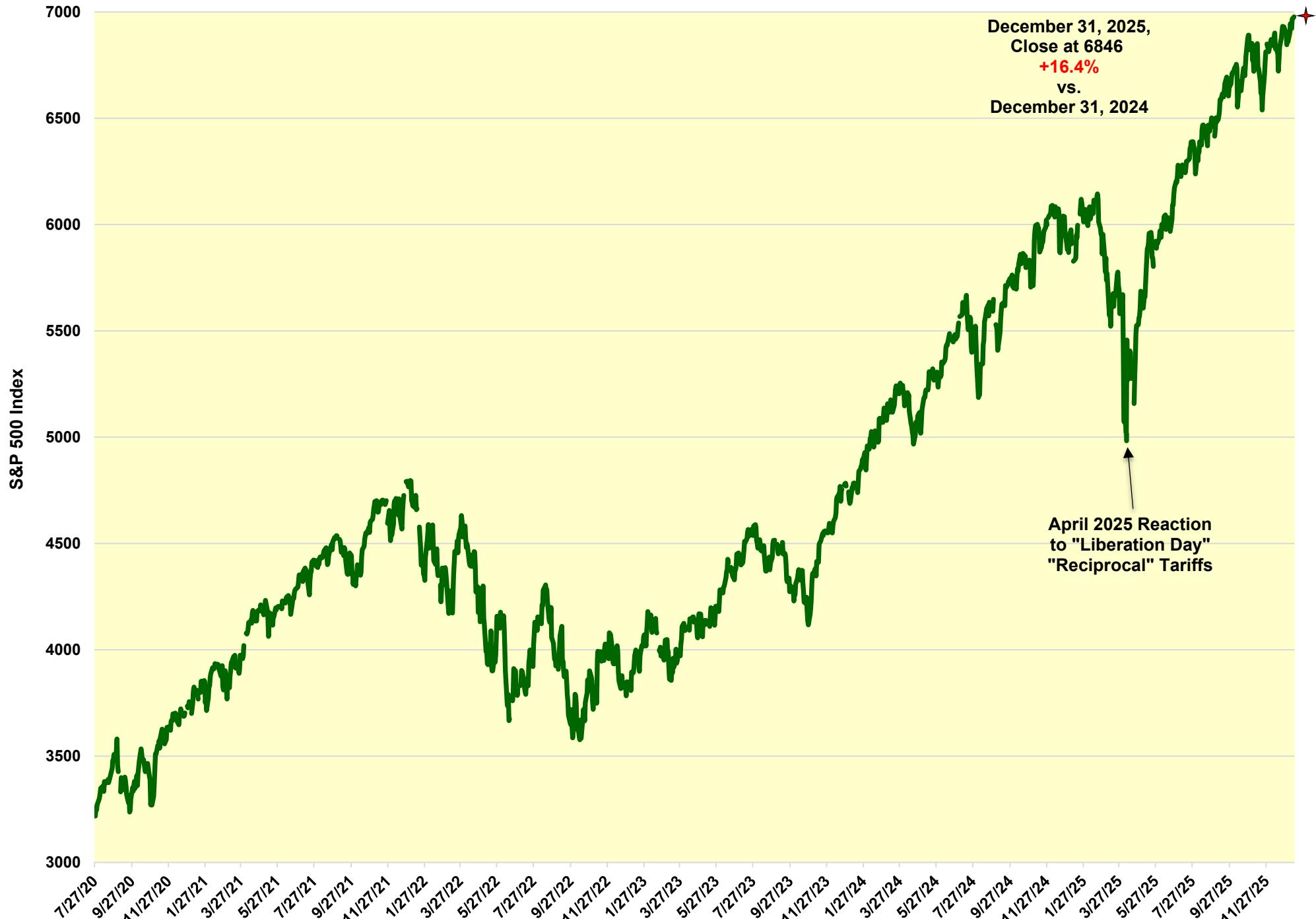
Tariffs Keep Inflation Well Above the Fed Target Since April, Complicating Policy Decisions

CPI-U - All Items, Not Seasonally Adjusted, Source: U.S. Bureau of Labor Statistics PCEI, Source: BEA



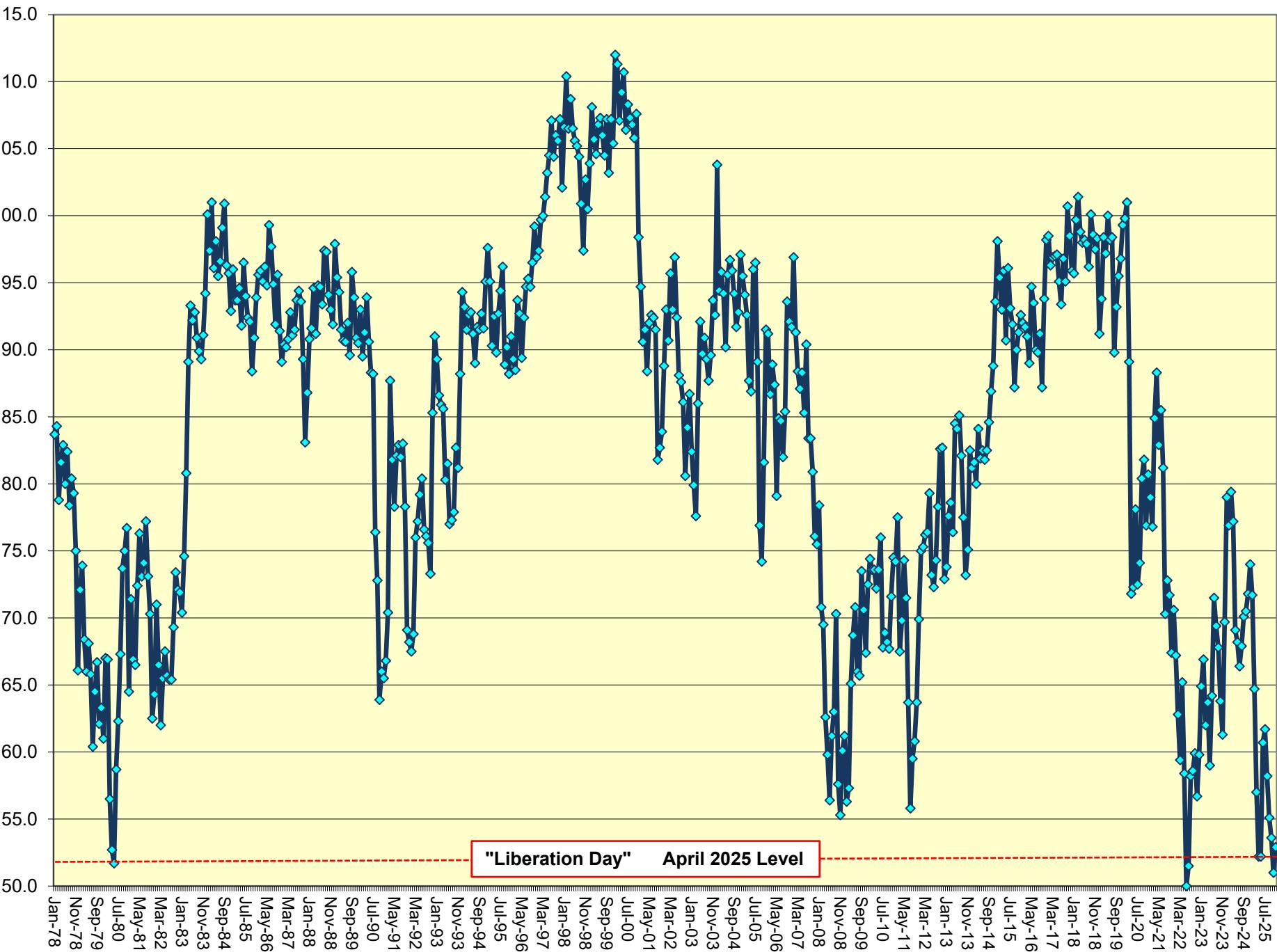
AI Enthusiasm Lifts Equities After April Tariff Scare, But Fears of a Bubble Persist

(S&P 500 Index, Daily Close, Source: S&P Dow Jones Indices, Last Observation on 1/12/2026 = 6977 

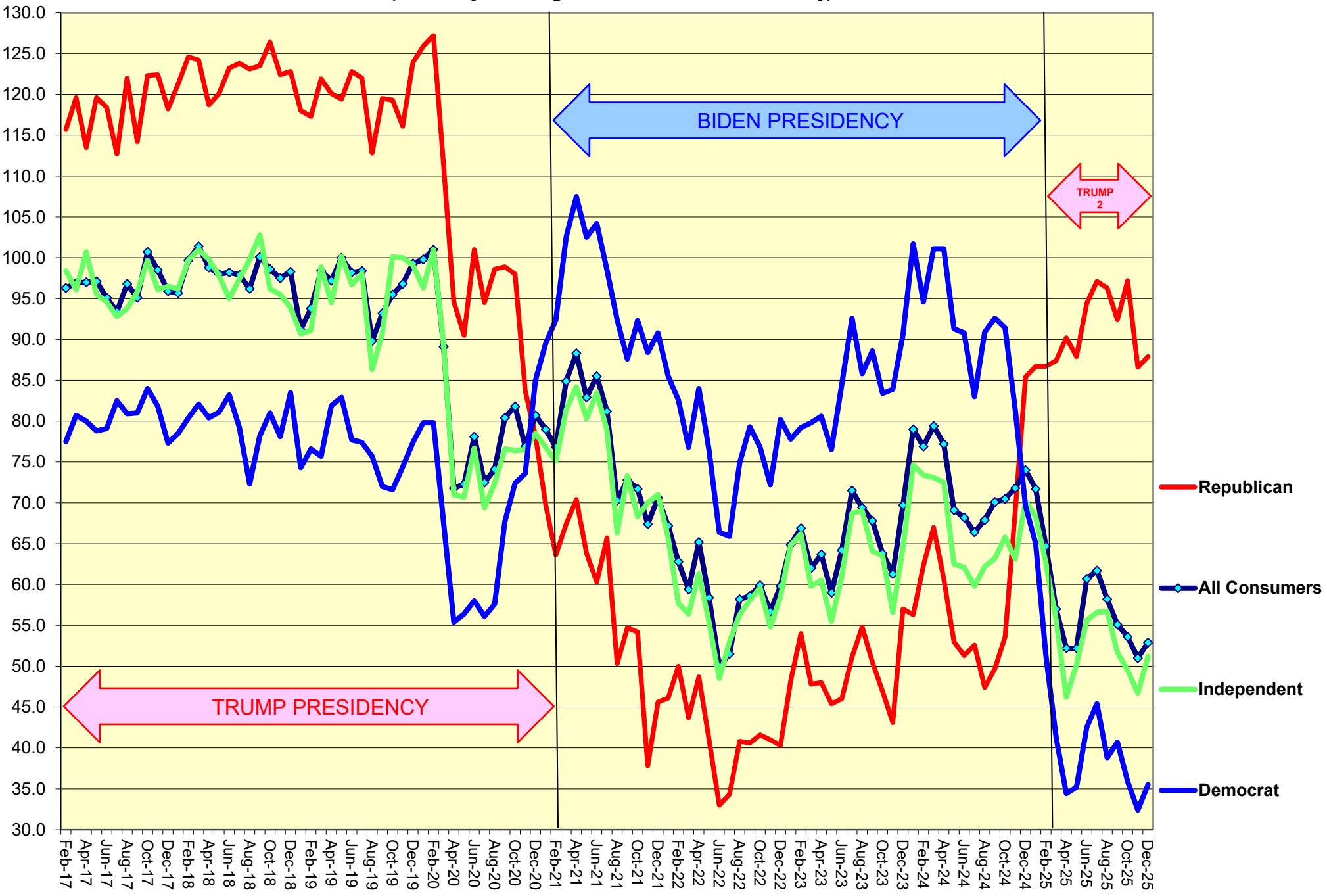


Higher Prices Spawn Extreme Consumer Pessimism, But Spending Hasn't Cratered Yet...

(University of Michigan Survey, Index of Consumer Sentiment)

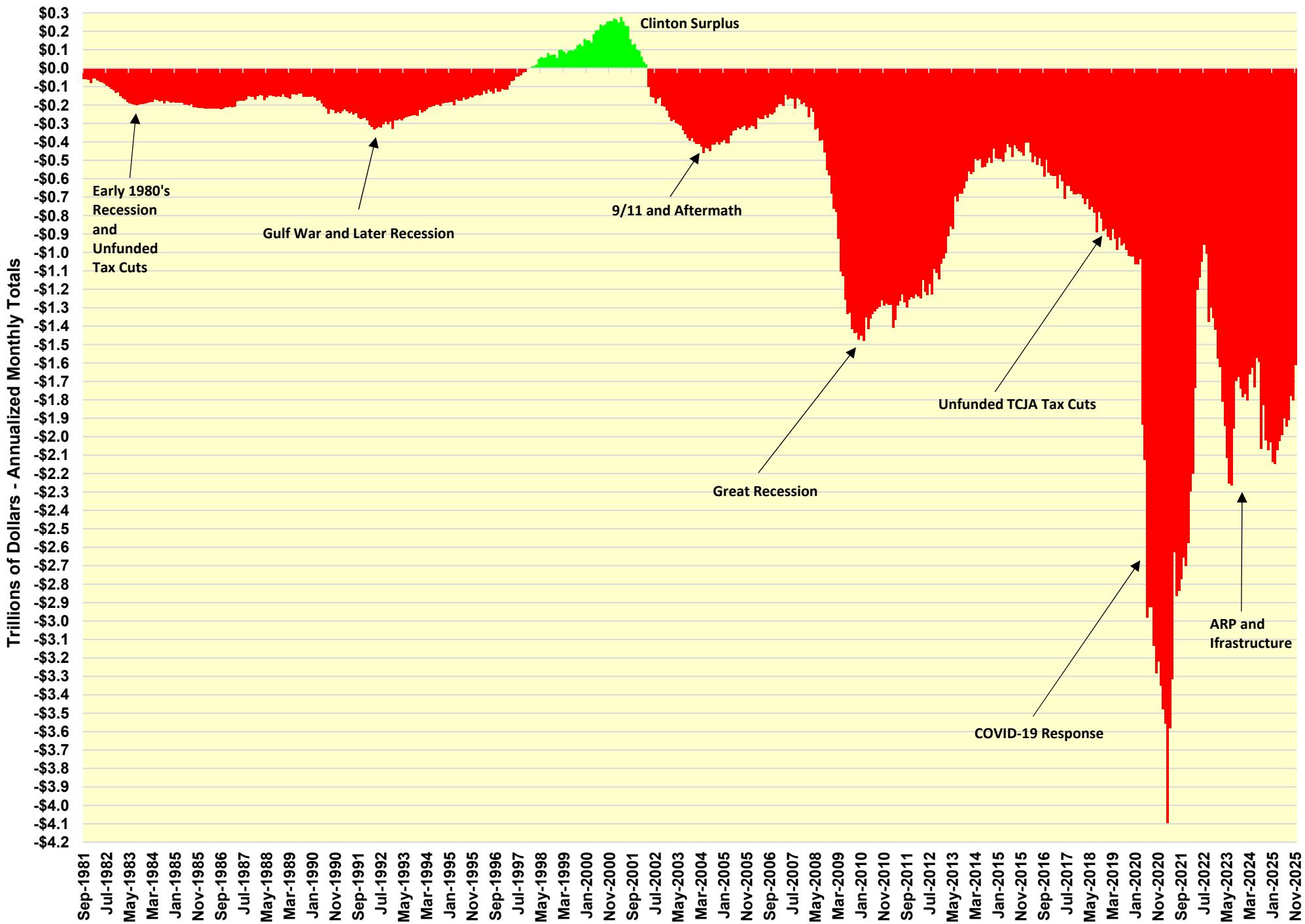


**Party Affiliation Drives Consumer Sentiment More Than Economic Fact,
But Trump's Second Term is Off to a Rough Start**
(University of Michigan Consumer Sentiment Survey)



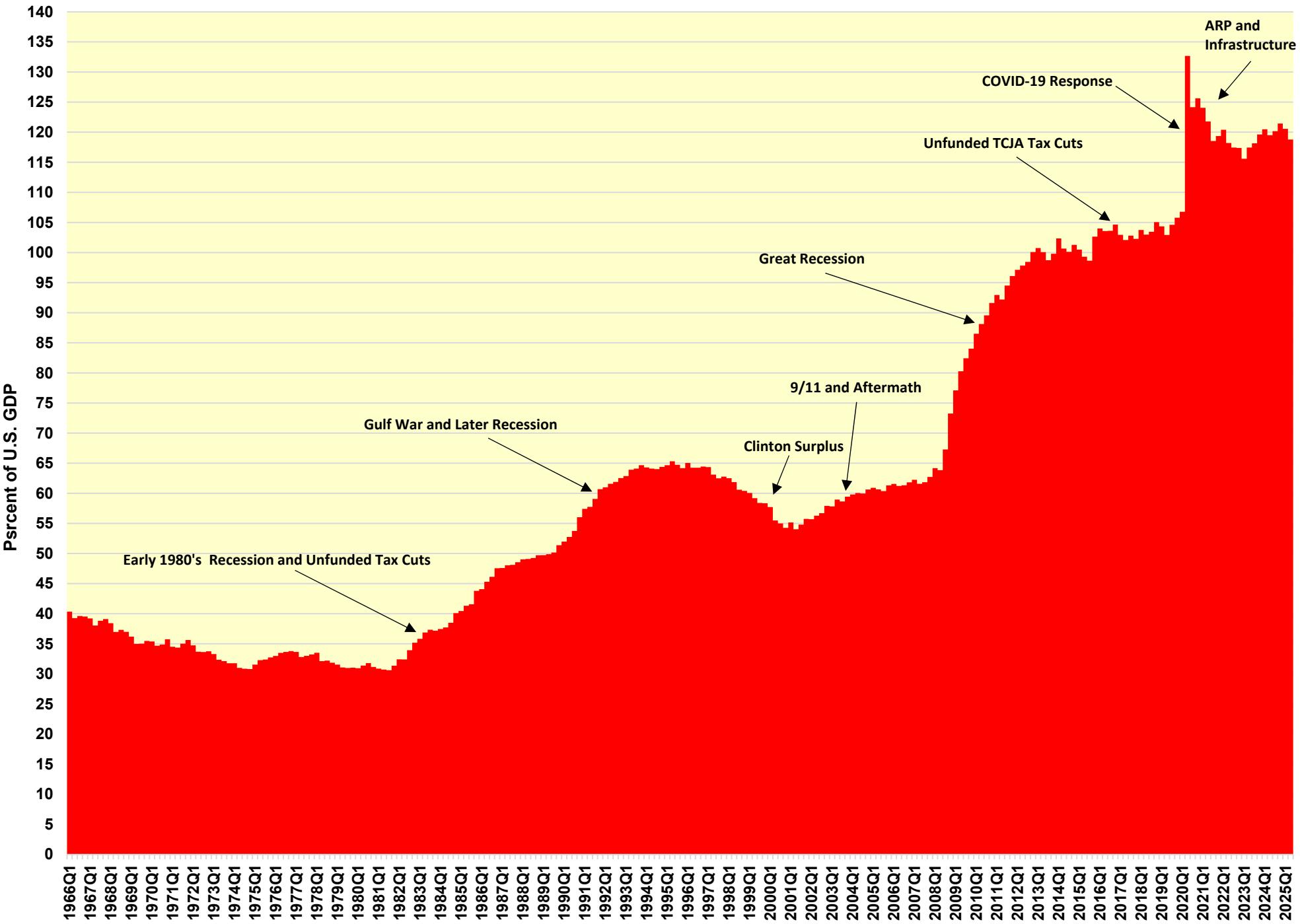
Persistent Deficit Spending Pushes Up Longer-Term Interest Rates and Borrowing Costs

(Federal Budget Deficits and Surpluses, 12 Month Moving Totals, Source: U.S. Treasury)



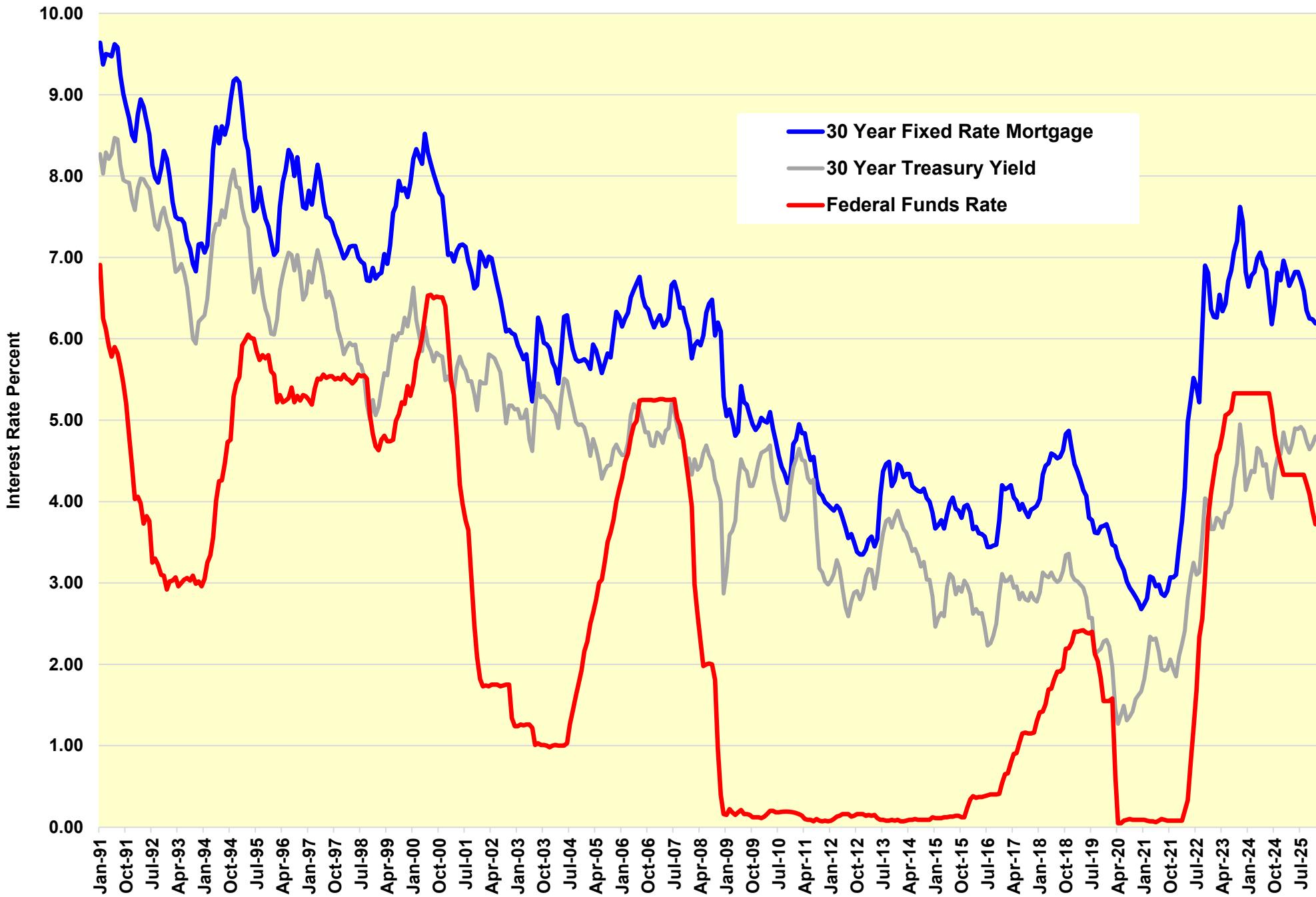
Awash in Red Ink - Deficit Spending Drives Debt as a Percent of GDP Ever Higher

(Total Public Debt as a Percent of GDP, Seasonally Adjusted Quarterly Data, Source: U.S. Treasury)



Long Term Interest Rates Remain Elevated as Global Investors Shun U.S. Debt Amidst Persistently High Deficit Spending and Ever-Growing Debt as a Percent of GDP

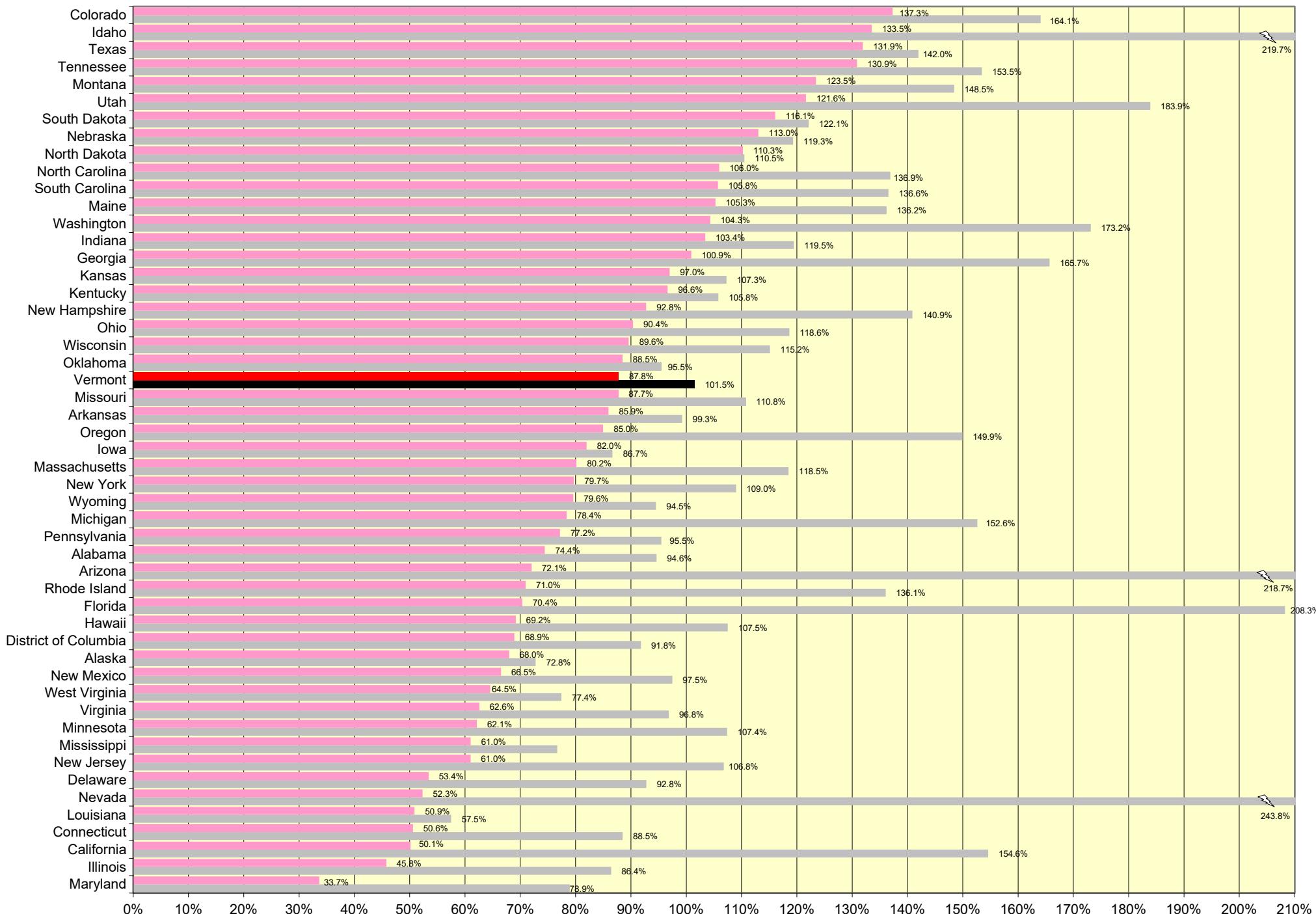
(Sources: Board of Governors of the Federal Reserve System, Freddie Mac)

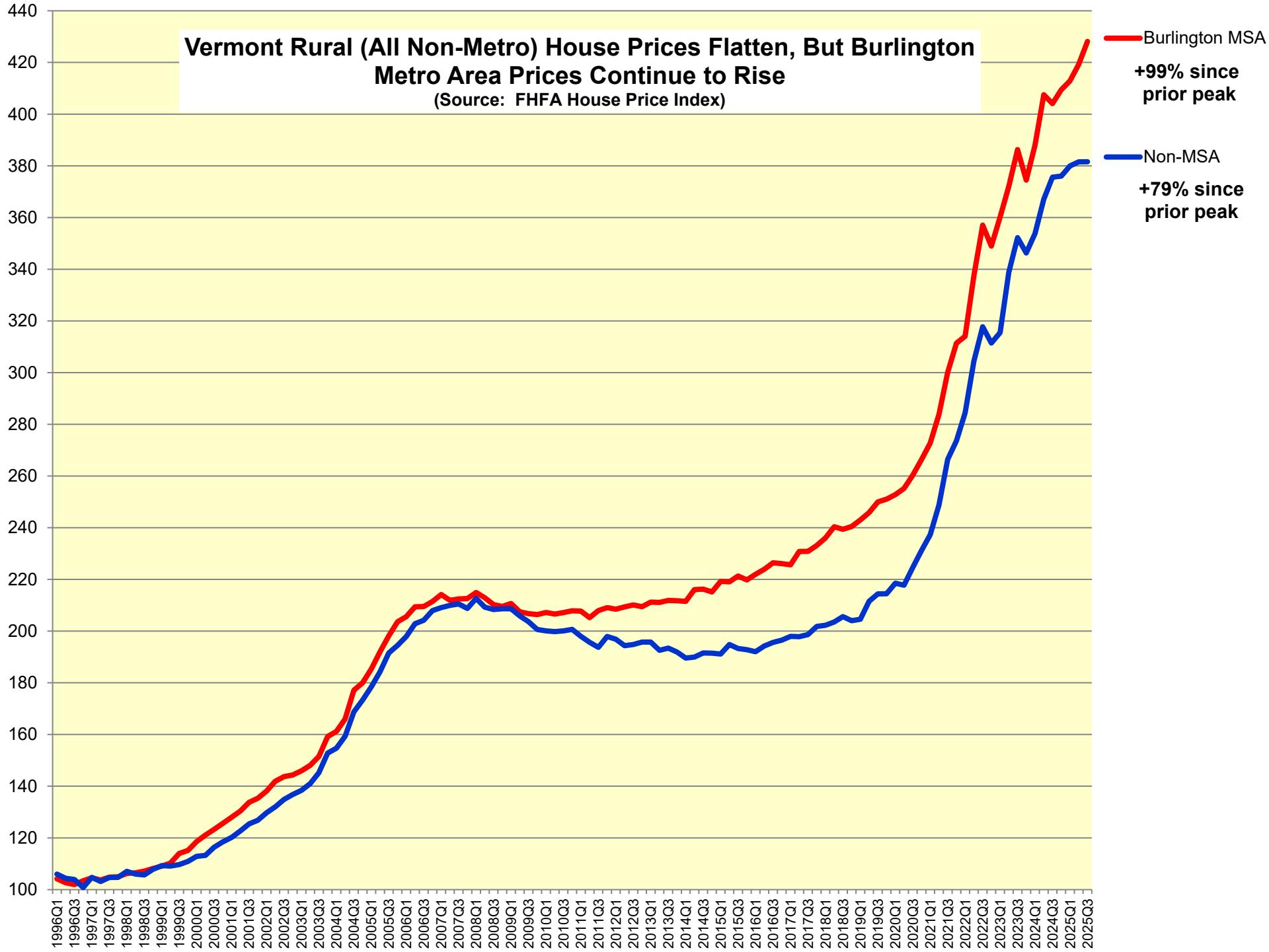


Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

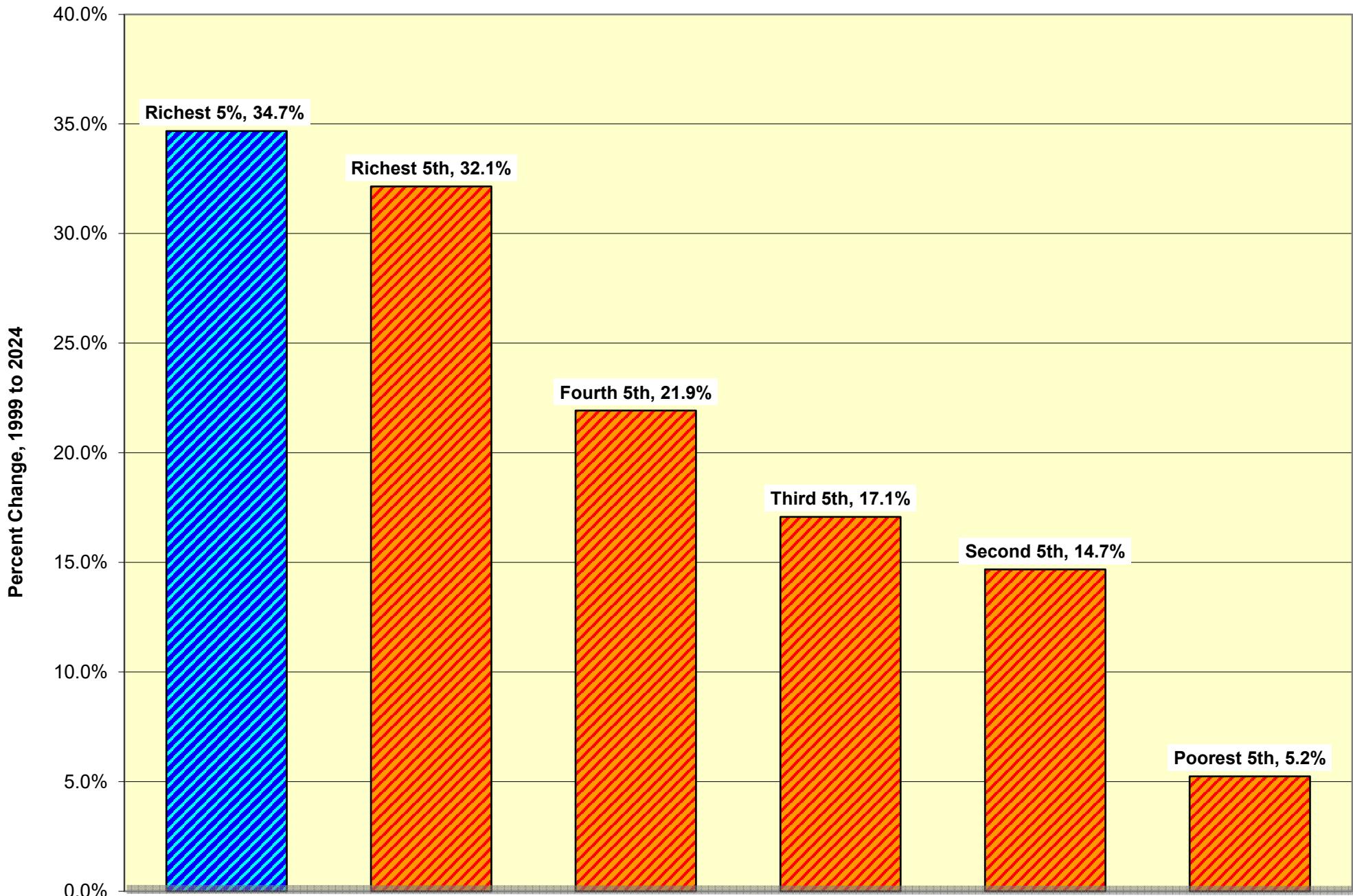
Percent Change, 2025Q3 vs. Peak Price by State Between 2005Q3 and 2009Q3 (Pink) and 2025Q3 vs. Trough Price Between 2009Q3 and 2014Q1 (Grey)

Source: FHFA House Price Index





**Since the Original Vermont Livable Income Study:
Growth In Real U.S. Household Income, By Income Class, 1999 to 2024**

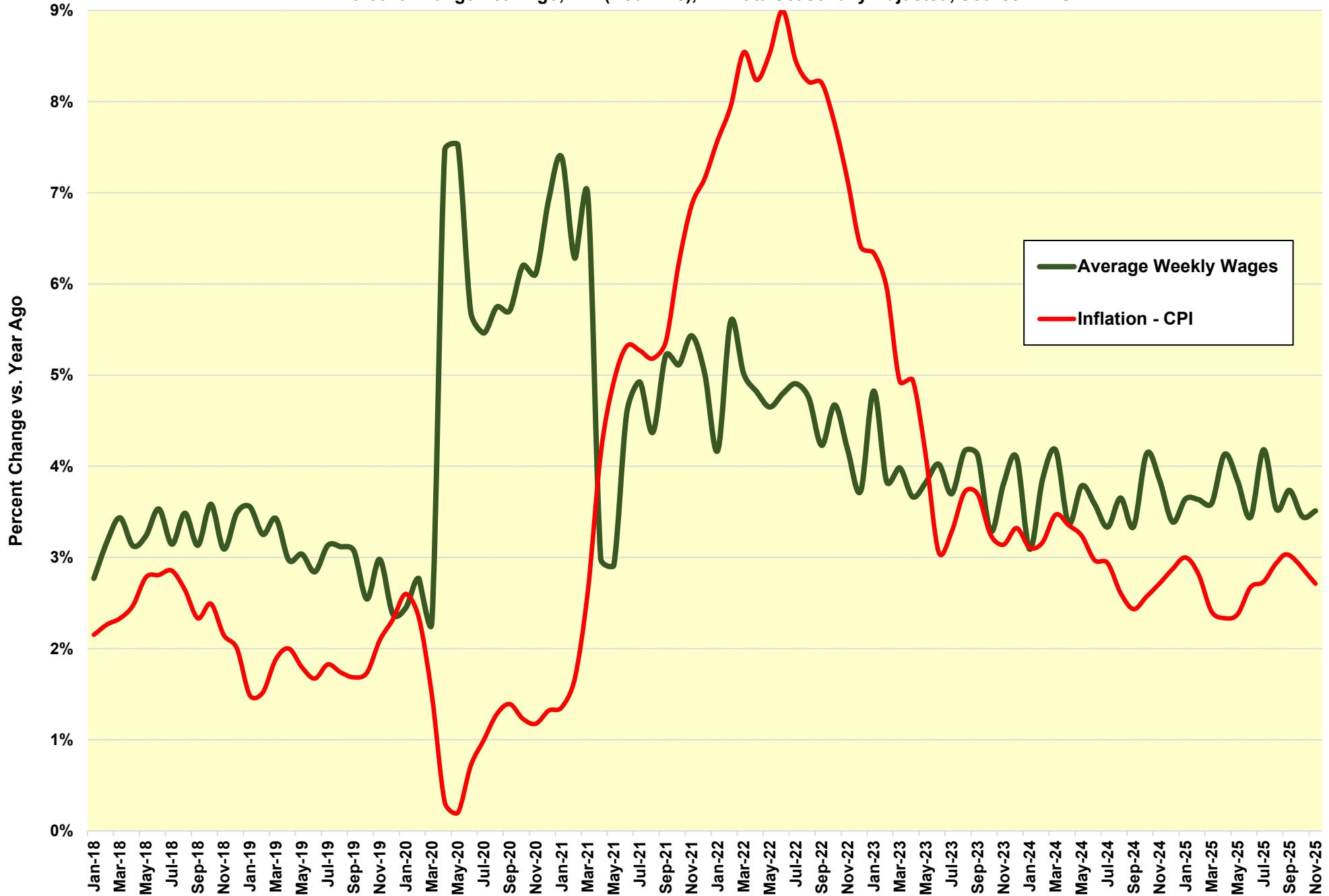


Source: U.S. Census Bureau

Workers Give Up Pandemic Wage Windfall to Inflation

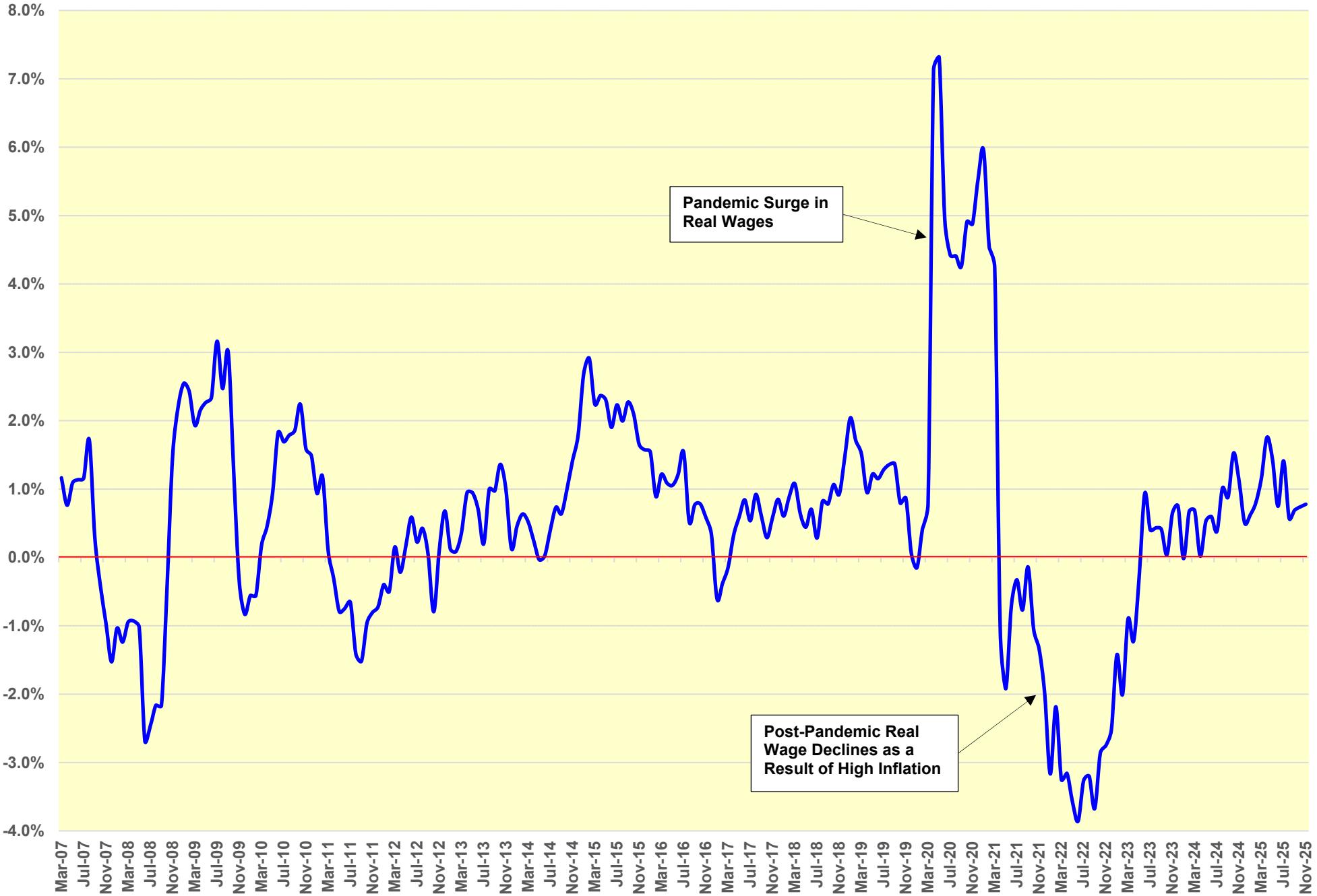
But in the Last 2 Years, Nominal Growth Exceeds Inflation by about 0.7 Percentage Points

Percent Change Year Ago, Average Weekly Earnings, All Private Employees (Green Line) vs.
Percent Change Year Ago, CPI (Red Line), All Data Seasonally Adjusted, Source: BLS

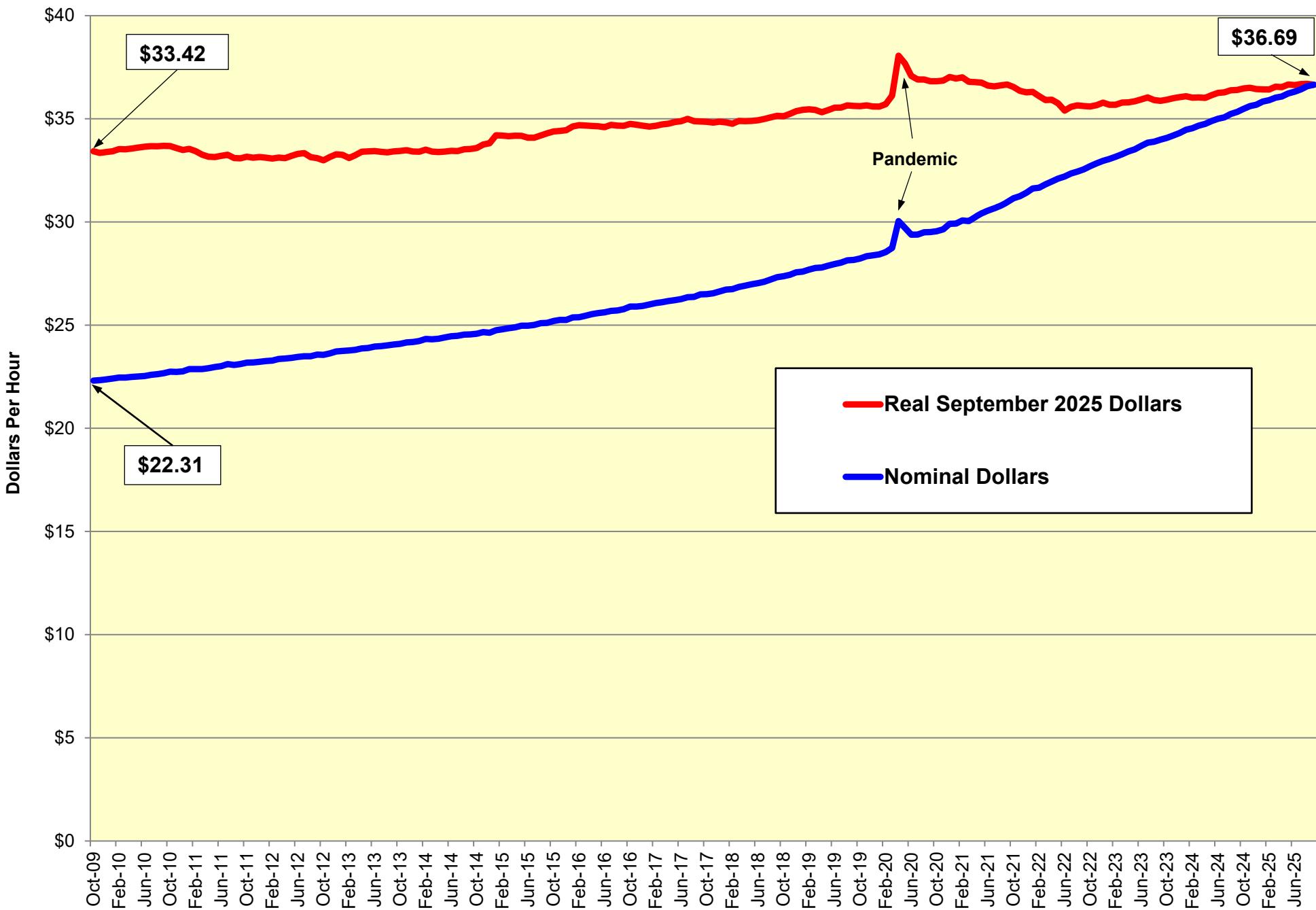


The Pandemic Whipsaws Real Wages - Giving and Then Taking Away Via Inflation

Percent Change vs. Year Ago, Real Average Weekly Earnings, \$2025, All Private Employees, Seasonally Adjusted Data
Source: U.S. Bureau of Labor Statistics

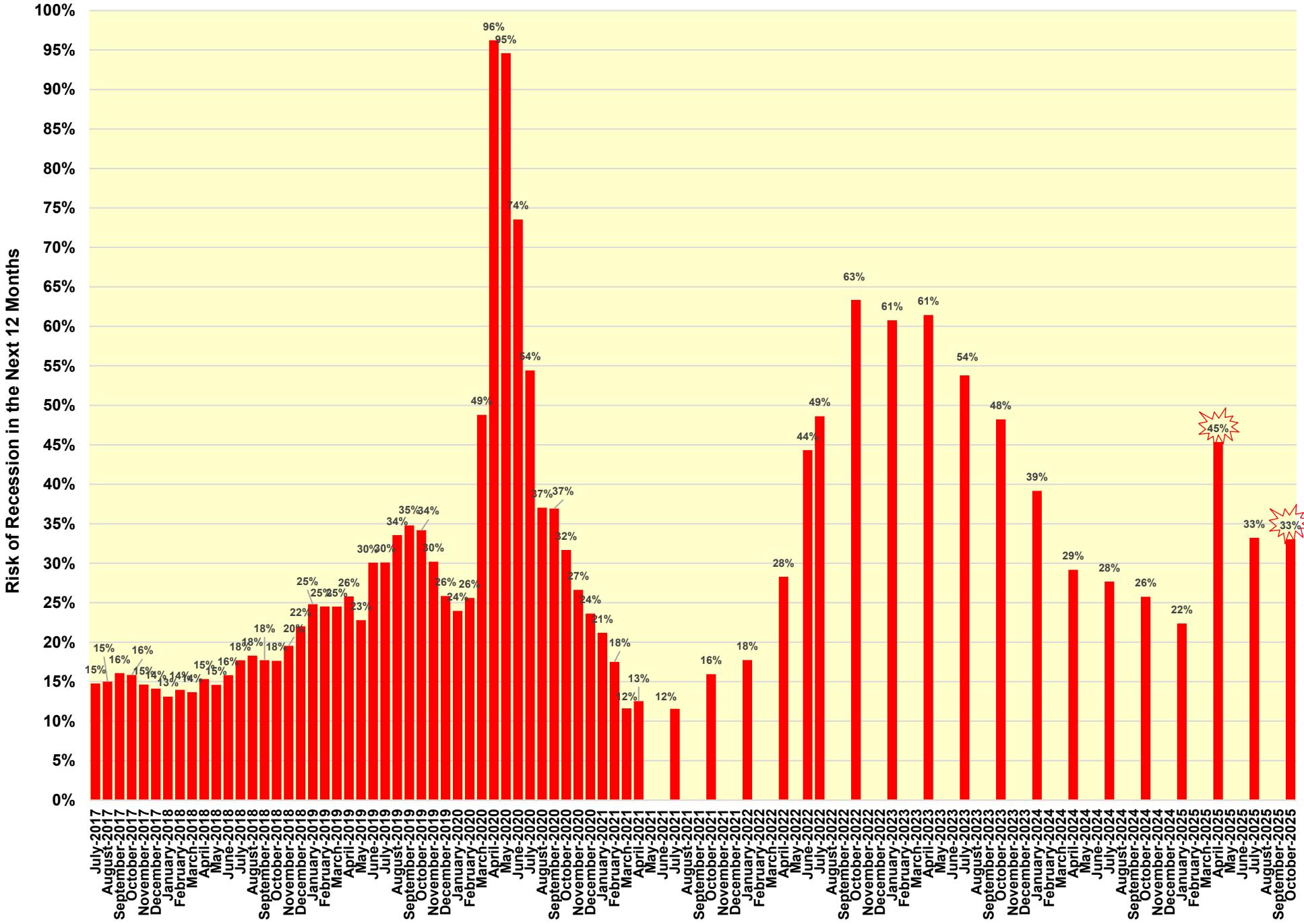


20 Cents Per Year: Real Hourly Wage Growth 2009-2025
 Average Hourly Earnings - All Private U.S. Employees, Source: U.S. Bureau of Labor Statistics
 October 2009 to September 2025



Near-Term Recession Risks Rise With Tariff and Other Policy Drama, but are Below 50%

(Risk of Recession In the Next 12 Months - Source: Wall Street Journal Survey of 65 Economists)



Appendix A

Five Year Revenue Forecast Tables

January 2026

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
 Consensus JFO and Administration Forecast - January 2026

SOURCE G-FUND

revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change	FY2029 (Forecast)	% Change	FY2030 (Forecast)	% Change	FY2031 (Forecast)	% Change
REVENUE SOURCE																				
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1414.1	3.8%	\$1445.3	2.2%	\$1489.6	3.1%	\$1538.8	3.3%	\$1594.6	3.6%	\$1654.6	3.8%
Sales and Use ¹	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$618.1	3.9%	\$634.5	2.7%	\$651.1	2.6%	\$669.2	2.8%	\$689.2	3.0%	\$709.4	2.9%	\$729.1	2.8%
Corporate	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$223.8	-17.9%	\$248.6	11.1%	\$261.8	5.3%	\$274.6	4.9%	\$287.7	4.8%	\$300.2	4.3%
Meals and Rooms ²	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.3	6.5%	\$269.0	2.6%	\$277.6	3.2%	\$287.3	3.5%	\$297.9	3.7%	\$309.5	3.9%	\$321.0	3.7%
Liquor	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$29.7	-1.7%	\$30.0	1.0%	\$30.6	2.0%	\$31.2	2.0%	\$31.8	1.9%	\$32.4	1.9%	\$33.0	1.9%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$86.4	4.7%	\$88.8	2.8%	\$92.1	3.7%	\$95.1	3.3%	\$98.5	3.6%	\$101.9	3.5%
Telephone ³	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	-2.4%	\$0.0	NM								
Beverage	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%	\$6.4	-1.5%	\$6.3	-1.6%	\$6.2	-1.6%	\$6.1	-1.6%
Estate	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$55.2	131.4%	\$32.7	-40.8%	\$34.0	4.0%	\$35.3	3.8%	\$36.6	3.7%	\$38.0	3.8%	\$39.3	3.4%
Property	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$77.2	23.7%	\$79.6	3.1%	\$82.0	3.0%	\$85.0	3.7%	\$88.1	3.6%	\$91.0	3.3%	\$93.8	3.1%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$13.4	0.2%	\$13.6	1.5%	\$13.9	2.2%	\$14.2	2.2%	\$14.5	2.1%	\$14.8	2.1%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$20.2	16.4%	\$22.6	11.8%	\$23.6	4.3%	\$24.3	3.2%	\$25.1	3.1%	\$25.8	2.8%	\$26.4	2.5%
Other Tax	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%	\$1.4	3.8%	\$1.4	3.7%	\$1.5	3.6%	\$1.5	3.4%
Total Tax Revenue	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2805.3	9.6%	\$2817.1	0.4%	\$2902.9	3.0%	\$2997.4	3.3%	\$3099.0	3.4%	\$3209.0	3.5%	\$3321.7	3.5%
Business Licenses	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.3	1.7%	\$1.3	2.3%	\$1.4	2.3%	\$1.4	2.2%	\$1.4	2.2%	\$1.5	2.1%
Fees	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%	\$53.4	2.3%	\$54.6	2.2%	\$55.9	2.4%	\$57.2	2.3%
Services	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%	\$4.6	2.2%	\$4.7	2.2%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$3.0	-24.4%	\$3.1	3.3%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Interest	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$60.8	-34.7%	\$42.4	-30.2%	\$28.6	-32.5%	\$27.8	-2.8%	\$28.7	3.2%	\$28.0	-2.4%	\$27.6	-1.4%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$32.0	4.5%	\$33.4	4.4%	\$34.7	3.9%	\$36.0	3.7%	\$37.3	3.6%	\$38.6	3.5%
All Other ³	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$153.3	-15.6%	\$135.3	-11.8%	\$124.2	-8.2%	\$126.3	1.6%	\$130.0	3.0%	\$132.2	1.7%	\$134.8	1.9%
Healthcare Revenue⁴	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$367.4	2.9%	\$376.5	2.5%	\$371.7	-1.3%	\$361.7	-2.7%	\$351.1	-2.9%	\$340.0	-3.2%
TOTAL GENERAL FUND	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3315.7	7.8%	\$3319.7	0.1%	\$3403.6	2.5%	\$3495.4	2.7%	\$3590.7	2.7%	\$3692.4	2.8%	\$3796.5	2.8%
CHILDCARE TAX REVENUE⁵	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.4	3.5%	\$99.1	3.9%	\$103.0	3.9%	\$107.2	4.1%

1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.

3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections beginning in FY20 and a Short Term Rental surcharge not subject to CWF redirection beginning in FY25

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

7) General Fund Telephone Property and Gross Receipts taxes are discontinued effective in FY27 and taxed instead in the Education Fund as part of the Grand List

8) Childcare Tax Revenue is deducted from PI Withholding Tax revenue, with some imprecision between fiscal years

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026

CURRENT LAW BASIS <small>including all Education Fund allocations and other out-transfers</small>	FY2022		FY2023		FY2024		FY2025		FY2026		FY2027		FY2028		FY2029		FY2030		FY2031	
	<small>(Actual)</small>	<small>% Change</small>	<small>(Actual)</small>	<small>% Change</small>	<small>(Actual)</small>	<small>% Change</small>	<small>(Preliminary)</small>	<small>% Change</small>	<small>(Forecast)</small>	<small>% Change</small>										
REVENUE SOURCE																				
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1414.1	3.8%	\$1445.3	2.2%	\$1489.6	3.1%	\$1538.8	3.3%	\$1594.6	3.6%	\$1654.6	3.8%
Sales and Use ¹	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$223.8	-17.9%	\$248.6	11.1%	\$261.8	5.3%	\$274.6	4.9%	\$287.7	4.8%	\$300.2	4.3%
Meals and Rooms	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$175.4	3.3%	\$179.8	2.5%	\$185.5	3.1%	\$191.9	3.5%	\$198.9	3.6%	\$206.5	3.9%	\$214.2	3.7%
Liquor ⁶	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.0	-1.7%	\$5.0	1.0%	\$5.1	2.0%	\$5.2	2.0%	\$5.3	1.9%	\$5.4	1.9%	\$5.5	1.9%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$86.4	4.7%	\$88.8	2.8%	\$92.1	3.7%	\$95.1	3.3%	\$98.5	3.6%	\$101.9	3.5%
Telephone ⁷	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	NM	\$0.0	NM								
Beverage	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%	\$6.4	-1.5%	\$6.3	-1.6%	\$6.2	-1.6%	\$6.1	-1.6%
Estate ³	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$28.9	20.9%	\$32.7	13.2%	\$34.0	4.0%	\$35.3	3.8%	\$36.6	3.7%	\$38.0	3.8%	\$39.3	3.4%
Property	\$24.3	5.3%	\$21.6	-11.2%	\$19.4	-10.2%	\$27.0	39.5%	\$28.1	4.0%	\$29.0	3.1%	\$30.1	3.8%	\$31.2	3.8%	\$32.3	3.4%	\$33.3	3.2%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$13.4	0.2%	\$13.6	1.5%	\$13.9	2.2%	\$14.2	2.2%	\$14.5	2.1%	\$14.8	2.1%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$15.8	NM	\$16.5	4.3%	\$17.0	3.2%	\$17.6	3.1%	\$18.0	2.8%	\$18.5	2.5%
Other Tax	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%	\$1.4	3.8%	\$1.4	3.7%	\$1.5	3.6%	\$1.5	3.4%
Total Tax Revenue	\$1777.4	23.6%	\$1805.1	1.6%	\$1803.0	-0.1%	\$1978.9	9.8%	\$2010.1	1.6%	\$2074.1	3.2%	\$2144.6	3.4%	\$2219.9	3.5%	\$2303.2	3.8%	\$2389.8	3.8%
Business Licenses	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.3	1.7%	\$1.3	2.3%	\$1.4	2.3%	\$1.4	2.2%	\$1.4	2.2%	\$1.5	2.1%
Fees	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%	\$53.4	2.3%	\$54.6	2.2%	\$55.9	2.4%	\$57.2	2.3%
Services	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%	\$4.6	2.2%	\$4.7	2.2%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$3.0	-24.4%	\$3.1	3.3%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Interest	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$58.3	-33.1%	\$40.9	-29.9%	\$27.5	-32.8%	\$26.5	-3.6%	\$27.3	3.0%	\$26.6	-2.6%	\$26.2	-1.5%
All Other ⁴	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$52.9	2.6%	\$105.2	99.1%	\$139.9	33.0%	\$120.2	-14.1%	\$101.8	-15.3%	\$89.7	-11.9%	\$90.3	0.6%	\$92.6	2.6%	\$93.5	1.0%	\$94.8	1.3%
Healthcare Revenue⁵	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$360.8	2.7%	\$369.6	2.4%	\$364.4	-1.4%	\$354.0	-2.9%	\$343.1	-3.1%	\$331.5	-3.4%
TOTAL GENERAL FUND	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2450.5	7.9%	\$2472.8	0.9%	\$2533.5	2.5%	\$2599.3	2.6%	\$2666.5	2.6%	\$2739.8	2.7%	\$2816.1	2.8%
CHILDCARE TAX REVENUE⁶	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.4	3.5%	\$99.1	3.9%	\$103.0	3.9%	\$107.2	4.1%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06, \$11.0M in FY11 and \$26.4M in FY25.

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

6) Series is discontinued beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

7) General Fund Telephone Property and Gross Receipts taxes are discontinued effective in FY27 and taxed instead in the Education Fund as part of the Grand List.

8) Childcare Tax Revenue is deducted from PI Withholding Tax revenue, with some imprecision between fiscal years

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

SOURCE HEALTHCARE¹

revenues are prior to all allocations

and other out-transfers; used for analytic and comparative purposes only

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change	FY2029 (Forecast)	% Change	FY2030 (Forecast)	% Change	FY2031 (Forecast)	% Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$67.4	-3.6%	\$63.9	-5.3%	\$61.9	-3.1%	\$60.1	-2.9%	\$58.4	-2.8%	\$56.8	-2.7%	\$55.3	-2.6%
Claims Assessment	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.8	5.5%	\$32.6	13.2%	\$34.4	5.5%	\$36.3	5.5%	\$38.3	5.5%	\$40.4	5.5%	\$42.6	5.5%
Employer Assessment	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$34.3	7.8%	\$37.0	7.8%	\$39.9	7.8%	\$43.0	7.8%	\$46.4	7.8%	\$50.0	7.8%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$219.8	3.5%	\$226.4	3.0%	\$218.6	-3.4%	\$205.2	-6.2%	\$190.7	-7.0%	\$175.2	-8.1%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	-0.2%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	2.1%	\$2.4	1.3%	\$2.4	1.3%	\$2.4	1.3%	\$2.5	1.3%	\$2.5	1.4%
TOTAL HEALTHCARE	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$367.4	2.9%	\$376.5	2.5%	\$371.7	-1.3%	\$361.7	-2.7%	\$351.1	-2.9%	\$340.0	-3.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change	FY2029 (Forecast)	% Change	FY2030 (Forecast)	% Change	FY2031 (Forecast)	% Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$67.4	-3.6%	\$63.9	-5.3%	\$61.9	-3.1%	\$60.1	-2.9%	\$58.4	-2.8%	\$56.8	-2.7%	\$55.3	-2.6%
Claims Assessment	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$23.0	5.5%	\$26.1	13.2%	\$27.5	5.5%	\$29.0	5.5%	\$30.6	5.5%	\$32.3	5.5%	\$34.1	5.5%
Employer Assessment	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$34.3	7.8%	\$37.0	7.8%	\$39.9	7.8%	\$43.0	7.8%	\$46.4	7.8%	\$50.0	7.8%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$219.8	3.5%	\$226.4	3.0%	\$218.6	-3.4%	\$205.2	-6.2%	\$190.7	-7.0%	\$175.2	-8.1%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	-0.2%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	2.1%	\$2.4	1.3%	\$2.4	1.3%	\$2.4	1.3%	\$2.5	1.3%	\$2.5	1.4%
TOTAL HEALTHCARE	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$360.8	2.7%	\$369.6	2.4%	\$364.4	-1.4%	\$354.0	-2.9%	\$343.1	-3.1%	\$331.5	-3.4%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

2) Starting in FY 2028, the hospital provider tax rate will step down 0.5% per year until the rate hits 3.5% in FY 2032 as per H.R.1 - the Federal Reconciliation Bill - passed July 4, 2025

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

SOURCE T-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change	FY2029 (Forecast)	% Change	FY2030 (Forecast)	% Change	FY2031 (Forecast)	% Change
REVENUE SOURCE																				
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.2	-0.4%	\$70.8	-0.6%	\$70.4	-0.6%	\$69.9	-0.7%	\$69.4	-0.7%	\$68.7	-1.0%
Diesel***	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%	\$17.9	-0.6%	\$17.8	-0.6%	\$17.6	-1.1%	\$17.5	-0.6%
Purchase and Use*	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$145.0	0.1%	\$150.0	3.4%	\$155.6	3.7%	\$160.6	3.2%	\$165.6	3.1%	\$170.3	2.8%	\$174.9	2.7%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.2	0.8%	\$102.1	0.9%	\$103.1	1.0%	\$104.0	0.9%	\$104.9	0.9%	\$105.9	1.0%
Other Revenue**	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$26.5	-1.3%	\$27.3	3.0%	\$28.1	2.9%	\$28.9	2.8%	\$29.6	2.4%	\$30.3	2.4%
TOTAL TRANS. FUND	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$361.9	3.0%	\$367.0	1.4%	\$373.8	1.9%	\$380.1	1.7%	\$386.2	1.6%	\$391.8	1.5%	\$397.3	1.4%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2026**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change	FY2029 (Forecast)	% Change	FY2030 (Forecast)	% Change	FY2031 (Forecast)	% Change
REVENUE SOURCE																				
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.2	-0.4%	\$70.8	-0.6%	\$70.4	-0.6%	\$69.9	-0.7%	\$69.4	-0.7%	\$68.7	-1.0%
Diesel	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%	\$17.9	-0.6%	\$17.8	-0.6%	\$17.6	-1.1%	\$17.5	-0.6%
Purchase and Use*	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$96.7	0.1%	\$100.0	3.4%	\$103.7	3.7%	\$107.1	3.2%	\$110.4	3.1%	\$113.5	2.8%	\$116.6	2.7%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.2	0.8%	\$102.1	0.9%	\$103.1	1.0%	\$104.0	0.9%	\$104.9	0.9%	\$105.9	1.0%
Other Revenue**	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$26.5	-1.3%	\$27.3	3.0%	\$28.1	2.9%	\$28.9	2.8%	\$29.6	2.4%	\$30.3	2.4%
TOTAL TRANS. FUND	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$313.6	3.5%	\$317.0	1.1%	\$321.9	1.6%	\$326.6	1.4%	\$331.0	1.4%	\$335.0	1.2%	\$339.0	1.2%
OTHER (TIB³)																				
TIB Gasoline	\$15.1	48.2%	\$20.1	32.6%	\$17.6	-12.6%	\$16.1	-8.5%	\$14.2	-11.4%	\$14.4	1.3%	\$14.2	-1.9%	\$14.2	0.1%	\$14.2	0.3%	\$14.4	1.5%
TIB Diesel and Other ⁴	\$1.9	1.7%	\$2.2	13.6%	\$2.2	0.8%	\$2.2	-1.6%	\$2.1	-3.2%	\$2.0	-4.2%	\$2.0	-3.0%	\$1.9	-1.5%	\$1.9	-1.5%	\$1.9	-1.0%
TOTAL OTHER (TIB)	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$18.3	-7.7%	\$16.4	-10.4%	\$16.5	0.6%	\$16.1	-2.0%	\$16.1	-0.1%	\$16.1	0.1%	\$16.3	1.2%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income; Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2026

CURRENT LAW BASIS

Source General and Transportation
Fund taxes allocated to or associated
with the Education Fund only

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change										
GENERAL FUND																				
Meals and Rooms	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$71.6	16.3%	\$73.6	2.8%	\$76.0	3.3%	\$78.7	3.6%	\$81.8	3.8%	\$85.0	4.0%	\$88.3	3.8%
Sales & Use ²	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$609.7	2.4%	\$625.0	2.5%	\$640.9	2.5%	\$658.7	2.8%	\$678.4	3.0%	\$698.2	2.9%	\$717.7	2.8%
Interest	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$2.5	-57.6%	\$1.5	-38.9%	\$1.1	-26.7%	\$1.3	18.2%	\$1.4	7.7%	\$1.4	0.0%	\$1.4	0.0%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$32.0	4.5%	\$33.4	4.4%	\$34.7	3.9%	\$36.0	3.7%	\$37.3	3.6%	\$38.6	3.5%
TRANSPORTATION FUND																				
Purchase and Use ³	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$48.3	0.1%	\$50.0	3.4%	\$51.9	3.7%	\$53.5	3.2%	\$55.2	3.1%	\$56.8	2.8%	\$58.3	2.7%
TOTAL EDUCATION FUND	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$762.7	2.1%	\$782.1	2.5%	\$803.3	2.7%	\$827.0	2.9%	\$852.8	3.1%	\$878.7	3.0%	\$904.3	2.9%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors;

Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 100.0% beginning in FY19;

Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

3) Includes Motor Vehicle Rental revenues, restated