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July 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)

July 28, 2026

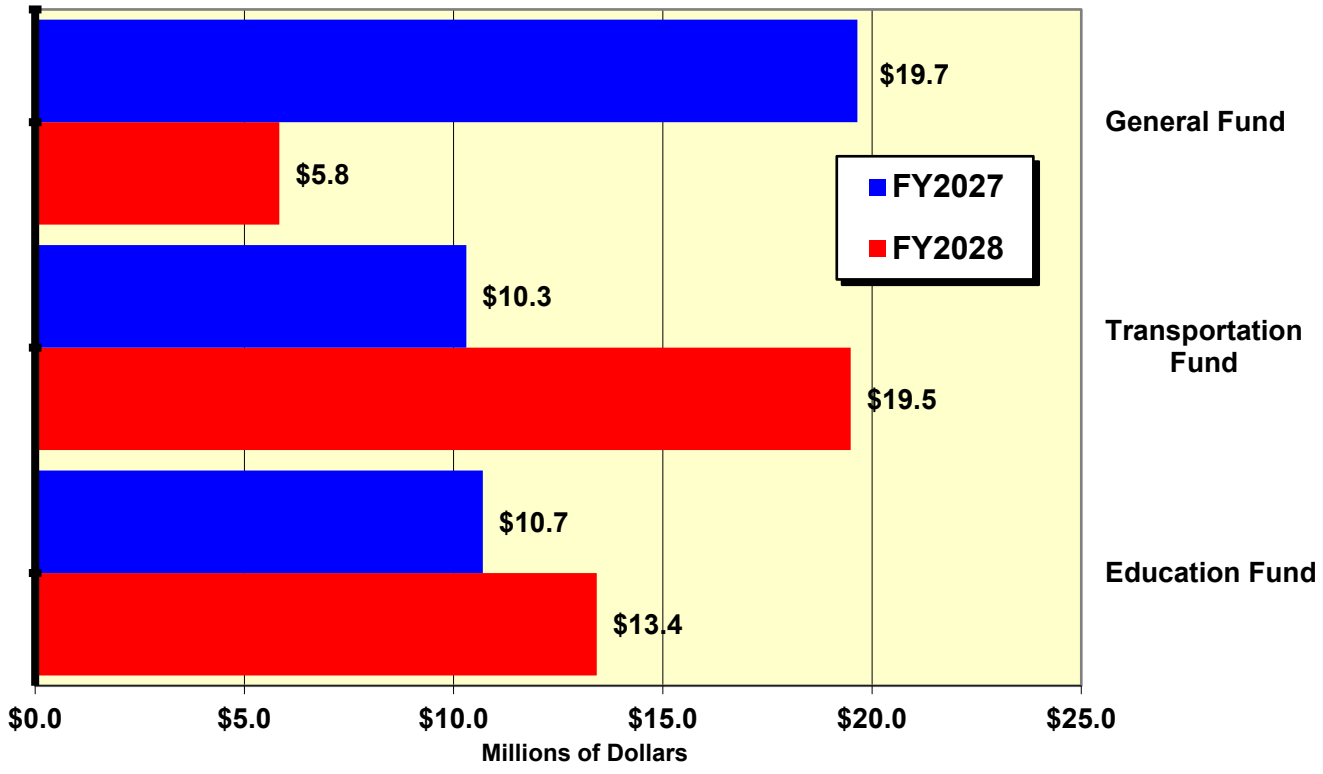
Economic Review and Revenue Forecast Update
July 2026

Overview

Despite considerable chaos in the external economic environment, Vermont revenues across all three major funds finished fiscal year 2026 a mere 1.5% above January targets, with no individual fund reporting a variance greater than 1.9%. In fact, FY26 was a rare year in which the year-ago July forecast was slightly closer (at +1.2%) than the January update.

Strong asset price appreciation in recent years led to record Personal Income receipts in FY26, as taxable gains from business and personal transactions were realized, and wealth effects from equity market growth kept consumer spending and consumption taxes on target. With little change in most of the external macroeconomic variables affecting State revenues in this update, FY27 and FY28 forecasts are expected to be very close to prior January projections. There will be significant movement, however, in individual funds and revenue categories due to session changes in fund allocations, other tax law changes and unique circumstances affecting each individual revenue source. Aggregate revenue changes relative to prior January forecasts are expected to be minor – within +1-2% per year.

Recommended Net Revenue Changes from January 2026 Forecasts



Economic, Fiscal and Monetary Policy Update

- This relatively placid economic and revenue forecast, with only minor aggregate revenue changes, masks heightened uncertainty and a diverse array of downside risks over the forecast period. It's hard to overstate just how much better the economy could be were it not for the freezing of immigration flows, the mass deportation of productive immigrant workers, the costs and economic distortions from arbitrary and capricious tariffs and the instigation of expensive foreign wars. Instead, though the economy has been stalwart through all these self-inflicted headwinds, it is now facing slowing growth, softer labor markets, no real wage gains, higher inflation, and unrestrained budget deficits that have resulted in ballooning national debt that now costs nearly $1 trillion per year to service and that could ultimately raise interest rates for both public and private borrowing.

- AI, in all its varied economic manifestations, is the pillar of growth and promise that has, to date, largely powered the U.S. economy through these headwinds. Funded by some of the most profitable business enterprises in history, it has attracted unprecedented capital from institutional debt markets, private equity, and public sovereign wealth sources. It is deploying this capital at a pace and scale never before experienced, with total global investment likely to be between $4 to $7 trillion by 2030. It exceeds in total value even massive historical infrastructure projects such as the development of U.S. railroads in the 1800's, and is doing so in a tenth the time the railroad networks took to build out. The profitability of the small number of firms competing for AI supremacy allows phenomenal financial leverage and with this, phenomenal risk. Our economic dependence on this single pillar is such that if it falters, it could create a tidal wave of economic distress.

- AI-related firms now dominate U.S. equity markets, and have driven roughly 75% of the total U.S. stock market capitalization growth since 2022. This period of remarkable growth, catalyzed by the launch of Chat-GPT in late 2022, has injected an estimated $27 trillion in market value into AI-exposed companies. The return on investment required to justify these valuations is staggering and unlikely to be realized by all players now in the game. Even a few failures could snowball into a sizeable financial downdraft as losses ripple through the economy with severe economic repercussions.

- The promise of AI technology is also an unknown, with both massive productivity improvements and advances in beneficial human endeavors along with dire personal, commercial and military security threats that may be unleashed. Its impact on labor markets could be as profound as the Industrial Revolution, but with no regulatory frameworks in place, and few governmental leaders who understand this technology, the world is rushing headlong into an unknown future with myriad benefits and risks alike.

- To date, the benefits of AI-related investments have served to exacerbate wealth and income inequality. Equity market gains, which are up 16.5% in the last year and up 62.7% in the last three years, are concentrated among the

AI Enthusiasm Sustains Equity Valuations Through Turbulent Headwinds, But Downside Risks Have Massive Implications for the Economy

(S&P 500 Index, Daily Close, Source: S&P Dow Jones Indices, Last Observation on 7/24/2026 = 7412)

wealthiest 1% of households who own about 50% of all stocks and, together with the next wealthiest 9%, own more than 85%. Rising market values have also supported expansive consumer spending among these households via wealth effects, but also the capacity to quickly reduce these expenditures if market valuations decline, since they are more likely to be for discretionary purchases than spending by lower income households, which are more heavily weighted towards essentials.

- Housing price appreciation has also generated vast wealth for homeowners in the last two decades. The chart on the following page illustrates the growth in home price appreciation by state since the last cyclical peak in the period between 2005Q3 and 2009Q3 (because housing markets are highly regional, cyclical timing can differ significantly by state). Home equity gains over this period range from 136% in Colorado to 35% in Maryland, with Vermont close to the middle, at 91%. Despite slowing markedly in recent quarters, in the first quarter of 2026, no state registered year-over-year home price declines. Vermont growth in the quarter was 3.9%, slightly above the 3.6% all-state average, but lower than the average of the other five New England states by about one percentage point. The disconnect between home price growth and household income growth should continue to keep downward pressure on home price appreciation for an extended period, but persistently weak supply may avoid outright price declines.

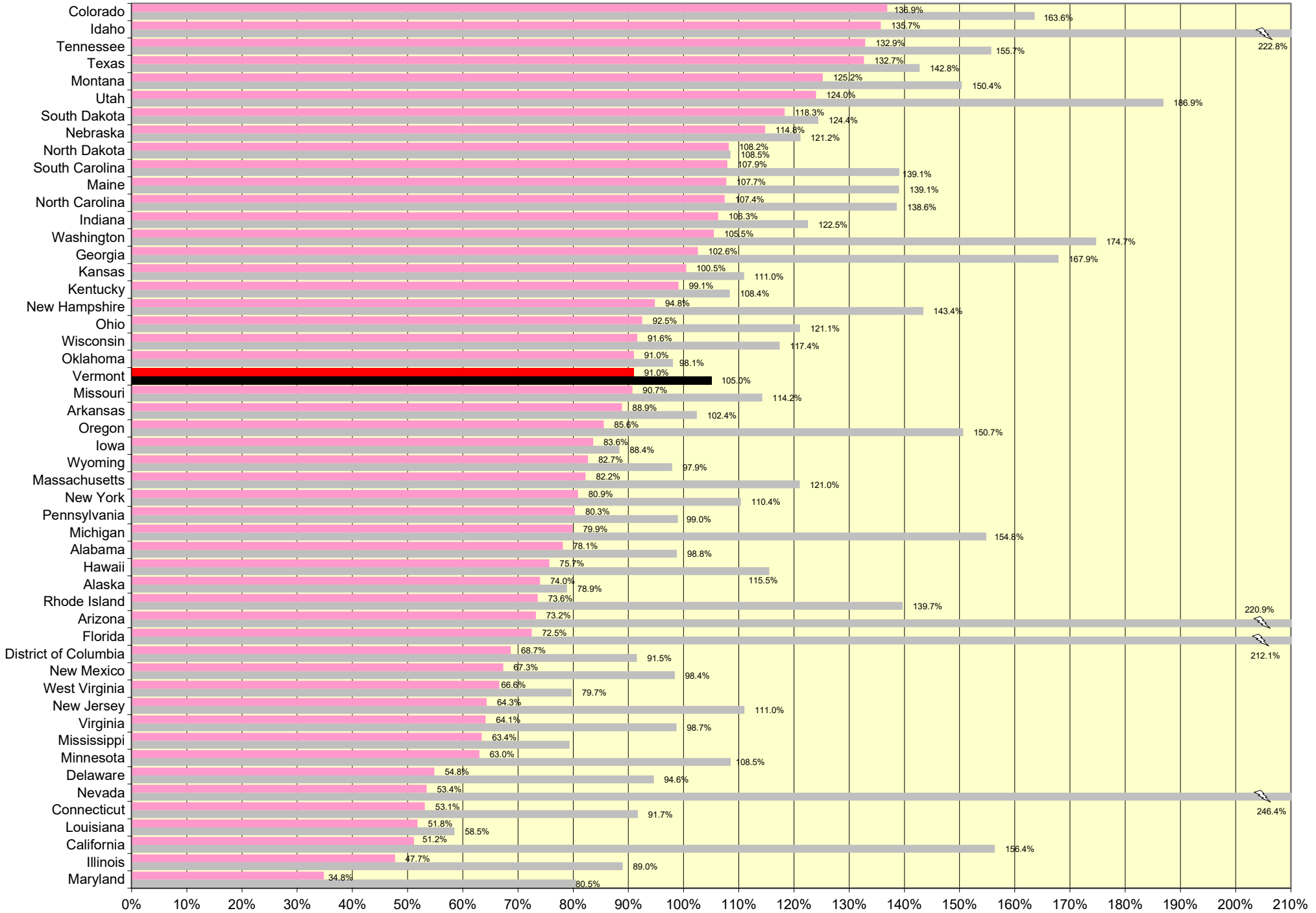
- Labor markets have been slowly weakening, with job growth stalling at the national level and declining in Vermont. Unemployment rates remain relatively low, only because the labor force has been stagnant or shrinking roughly in sync with employment. Vermont has had one of the lowest unemployment rates in the nation in recent years, and was the third lowest in June of this year (see chart on next page) but has suffered 11 consecutive months of year-over-year payroll job declines. All else being equal, fewer jobs results in lower economic activity, output and tax revenues.

- The economic costs of constricted immigration to the U.S., along with expanded deportations, are significant. A recent study from North Dakota State University cited in a Wall Street Journal article found that the economic benefits from immigrant population growth was particularly beneficial to smaller rural states such as Vermont (and North Dakota). They estimated that even a 1% change in immigrant population gain in Vermont could result in meaningful real private-sector GDP growth. The violent and performative ICE enforcement actions have also deterred immigrant workers from going to their jobs, with no measurable increase in native-born employment. This has driven labor force participation rates down and resulted in diminished economic output.

- Recently released resident population estimates by the Census Bureau revised 2020 to 2024 annual estimates and added a July 2025 estimate. Based on these interim revisions (which will be revised many more times before “final” estimates are made of these intercensal years in 2031 or 2032), Vermont registered a slight decline in both 2024 (-0.19%) and 2025 (-0.29%). The basis of these declines was continued low fertility rates and thus, low births, an aging

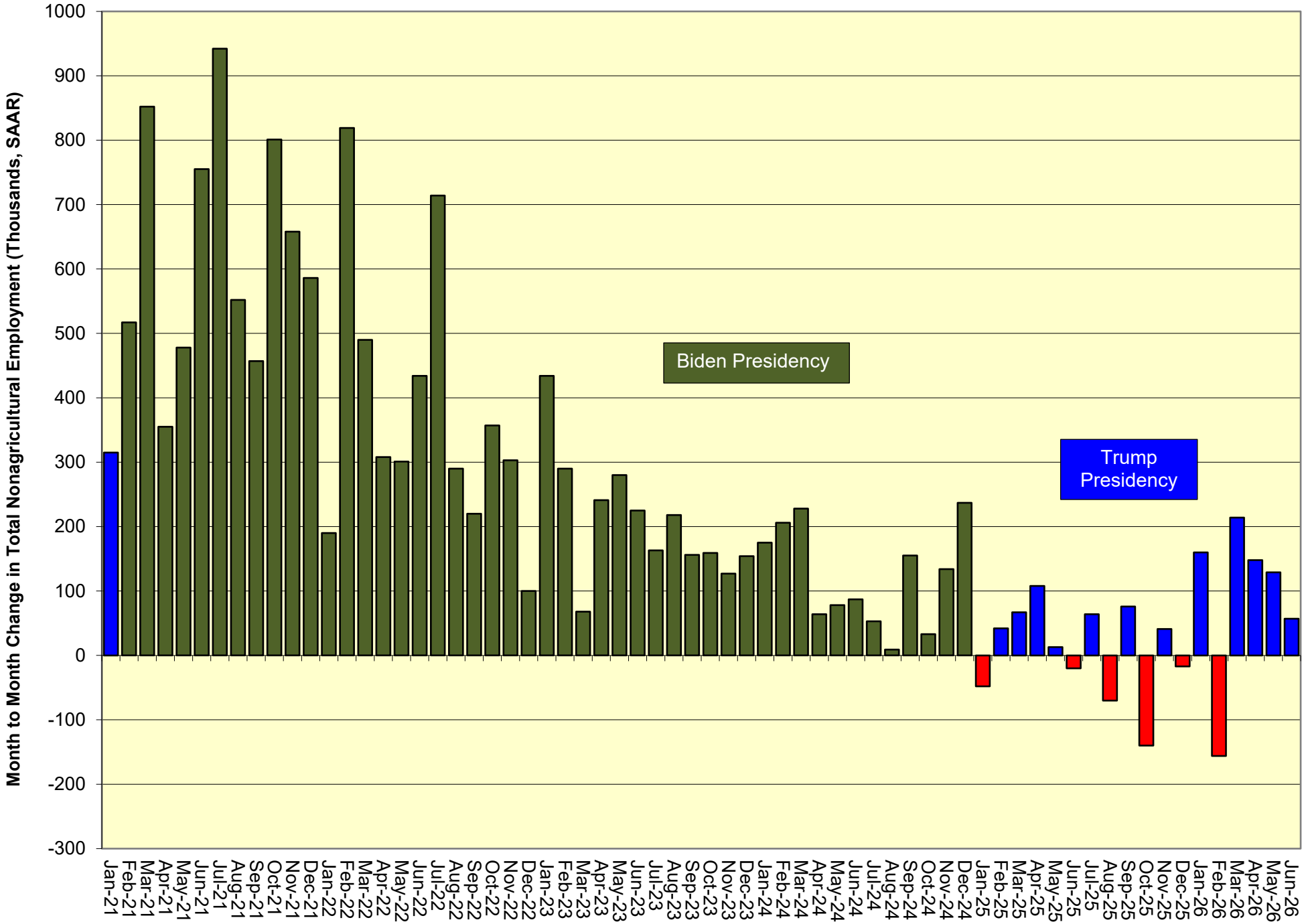
Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

Percent Change, 2026Q1 vs. Peak Price by State Between 2005Q3 and 2009Q3 (Pink) and 2026Q1 vs. Trough Price Between 2009Q3 and 2014Q1 (Grey)
Source: FHFA House Price Index



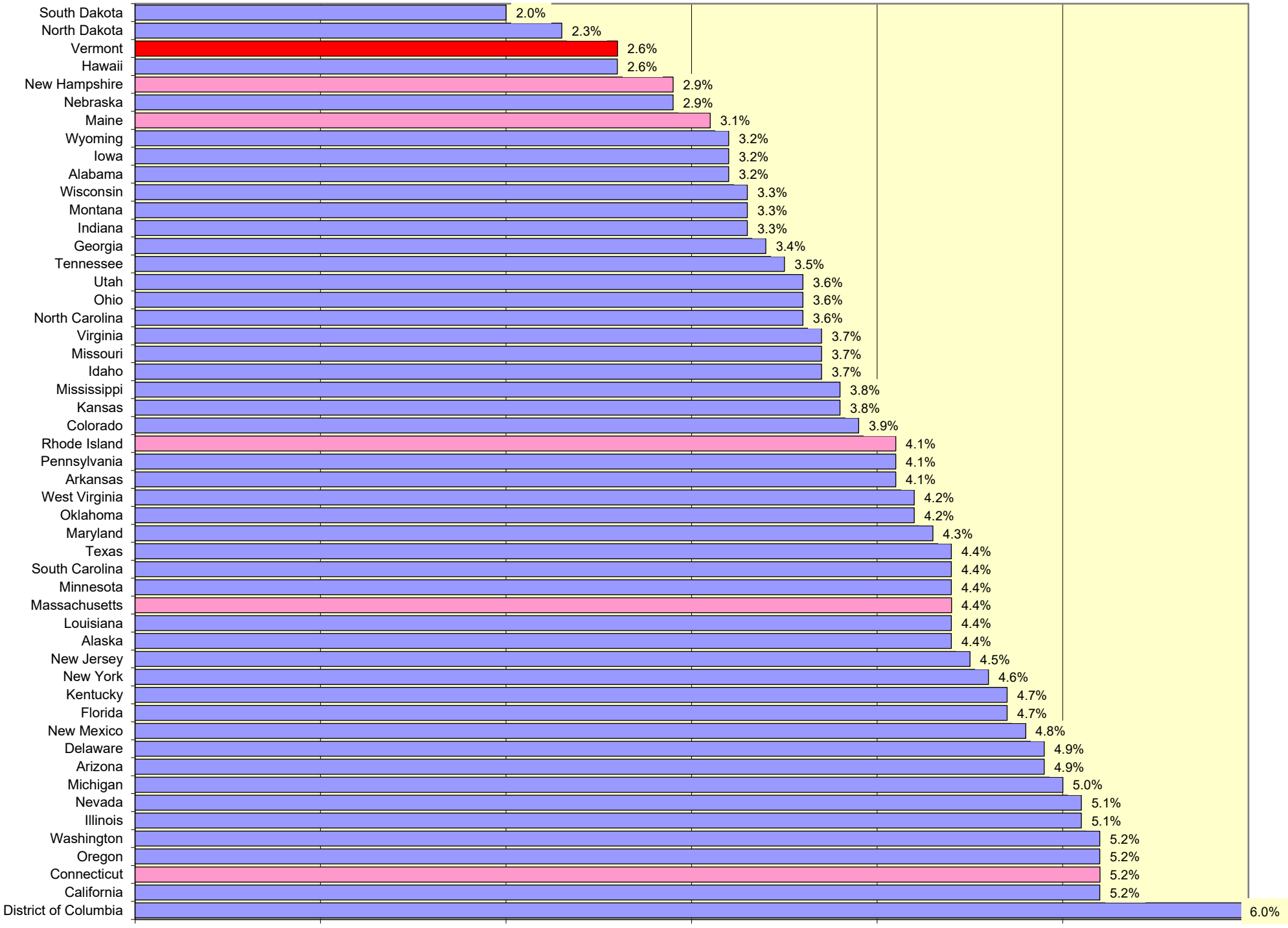
Job Growth Improves in Recent Months, Giving the Fed Room to Prioritize Inflation

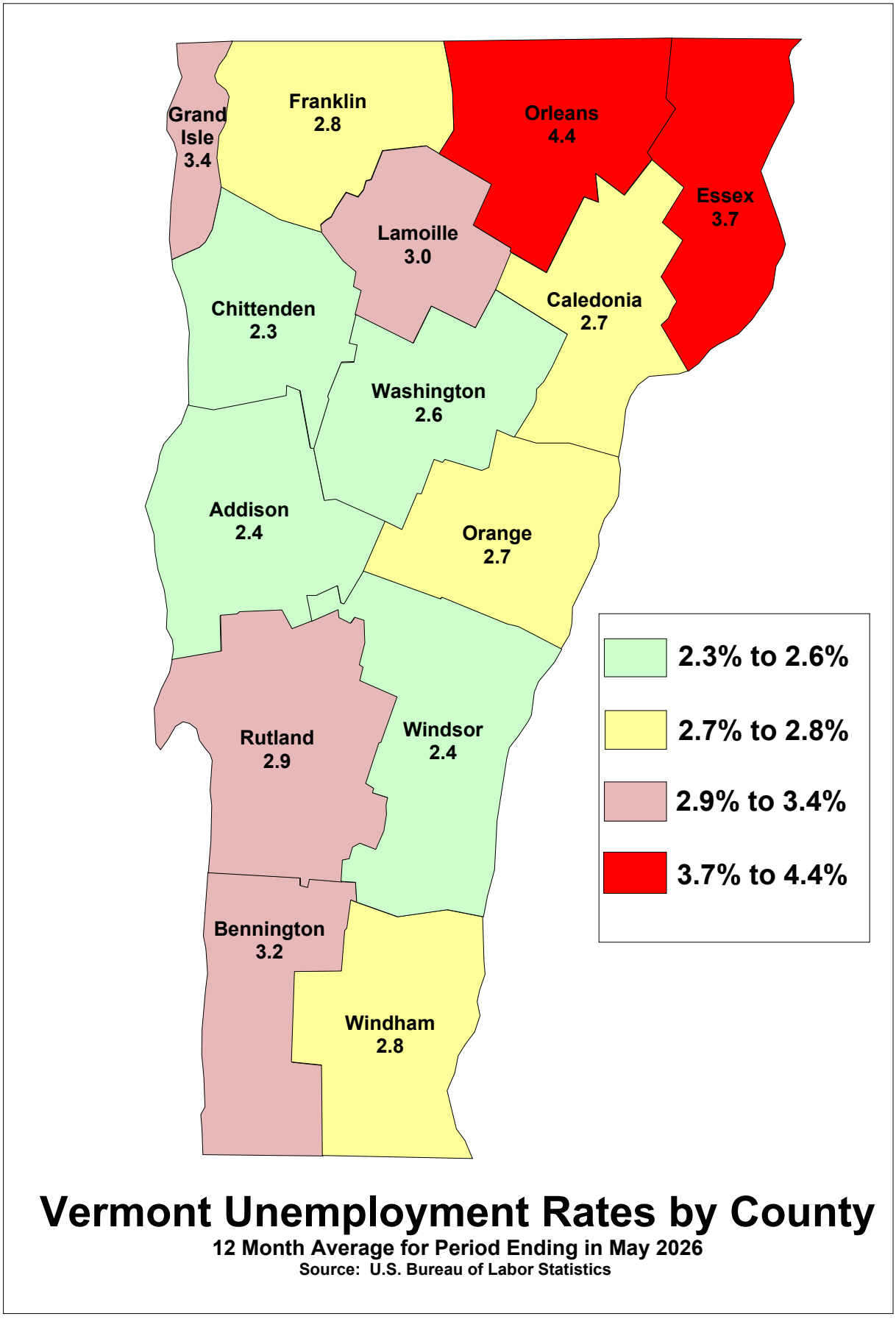
(Monthly Change in Total U.S. Payroll Employment, Seasonally-Adjusted
Source: U.S. Bureau of Labor Statistics)



Unemployment Rate by State - June 2026

Seasonally Adjusted Data, Source: U.S. Bureau of Labor Statistics





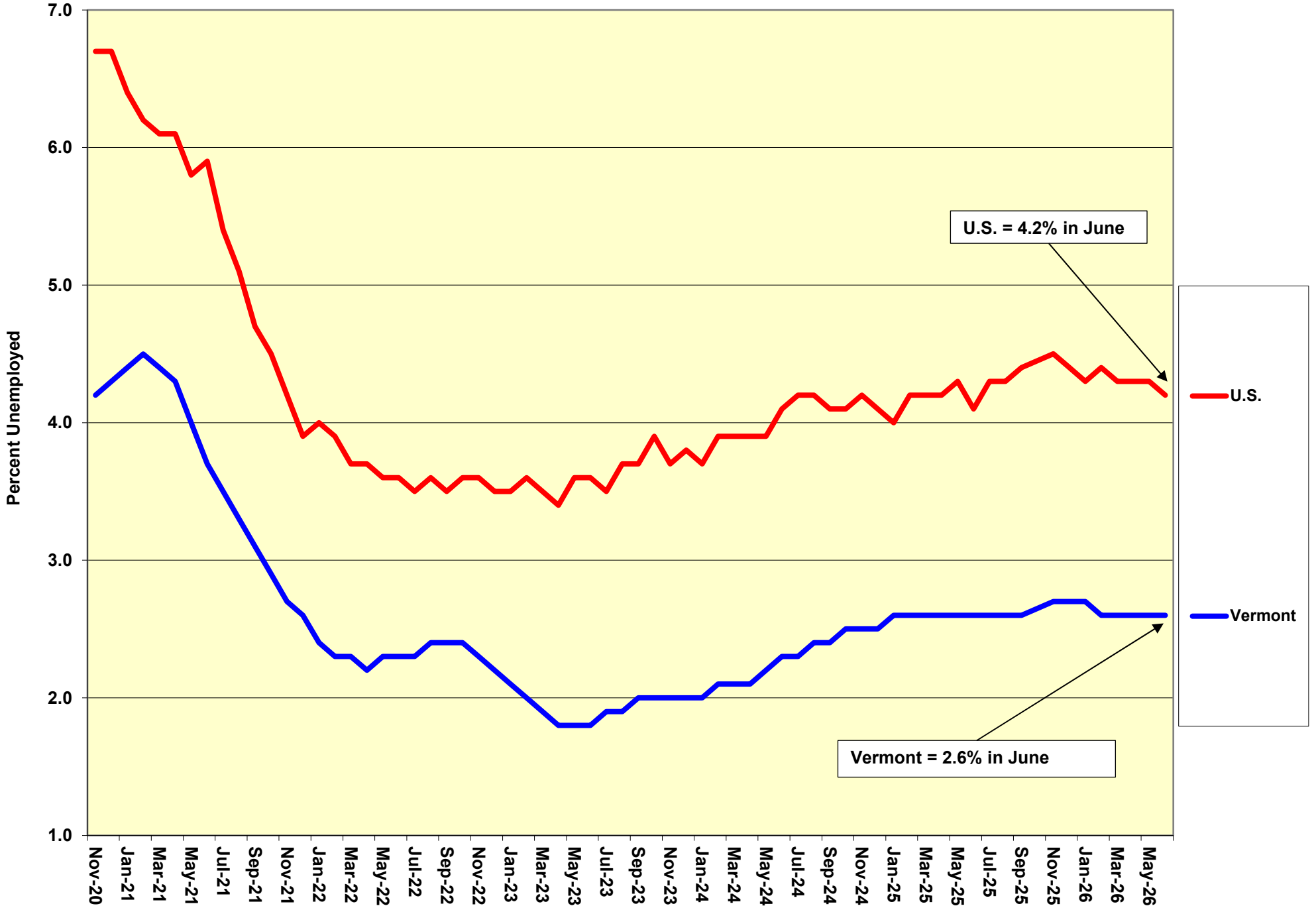
Vermont Unemployment Rates by County

12 Month Average for Period Ending in May 2026

Source: U.S. Bureau of Labor Statistics

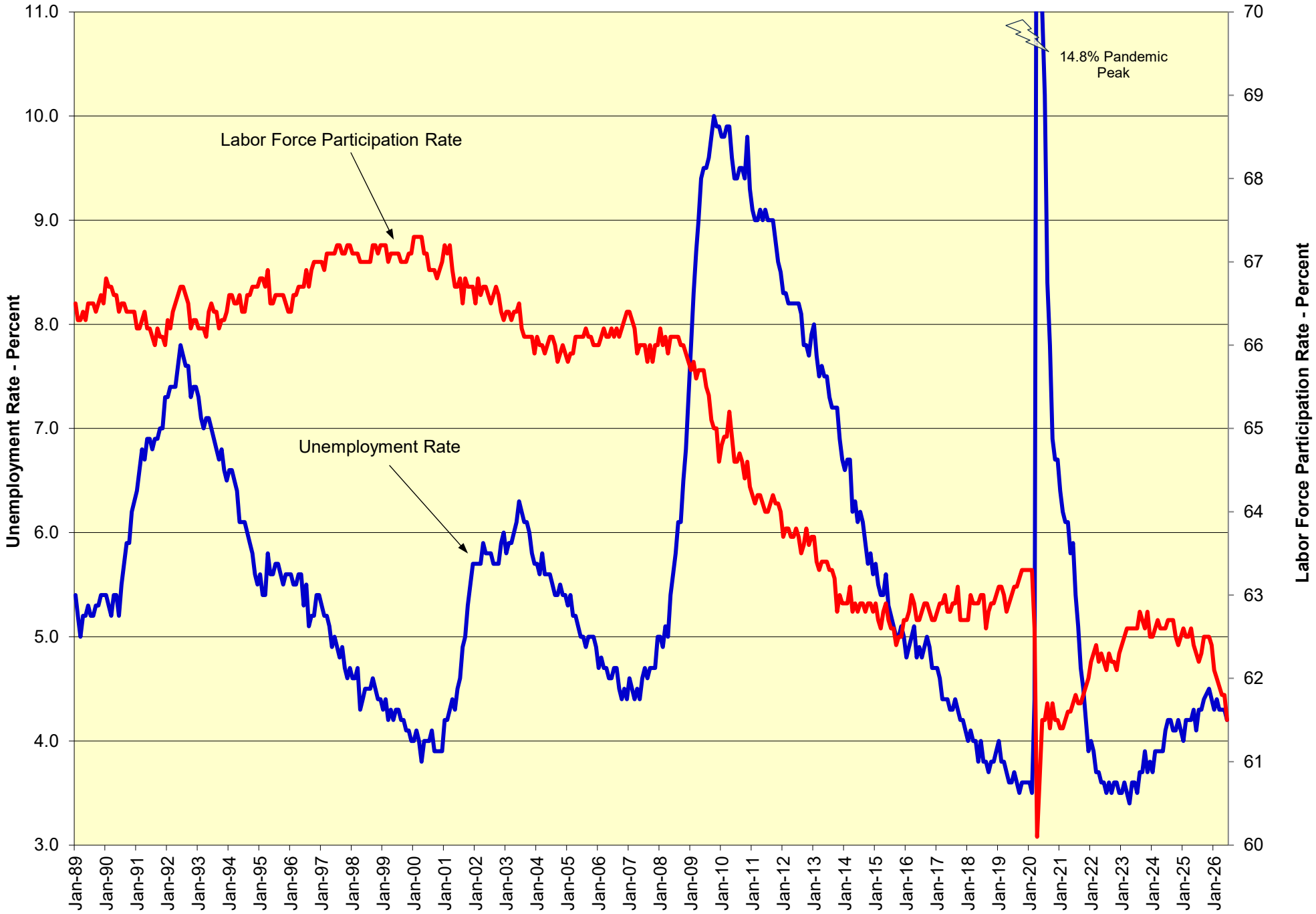
Recent Unemployment Rates Plateau, as Job Growth Stalls and Participation Declines

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



Not Normal: Low Unemployment Rate But Declining Labor Force Participation

(Unemployment Rate - Blue Line, Left Scale; Participation Rate - Red Line, Right Scale; Source: U.S. Bureau of Labor Statistics



population with more deaths than births, and a precipitous drop in net migration, both international and domestic. Given the prior intercensal revisions in both the 2000 to 2010 decade and the 2010 to 2020 period, in which net migration was significantly underestimated and several years of declines were reversed, we believe this is likely to be happening again. As in prior decades, the further from the decennial Census the estimates are made, the more likely they are to be in error – and the bias in the last 20 years has been on the downside. Based on recent net migration reported in NH and ME, and the measurement uncertainty that remote work since the Pandemic has introduced into the estimates, there is reason to believe there may have been slight growth instead of slight population decline in VT to date. Based on this, our population estimates for this analysis assume very low, but positive, additional growth over the forecast period. Of note, the last recorded final Census estimate showing an annual Vermont population decline was in 1957.

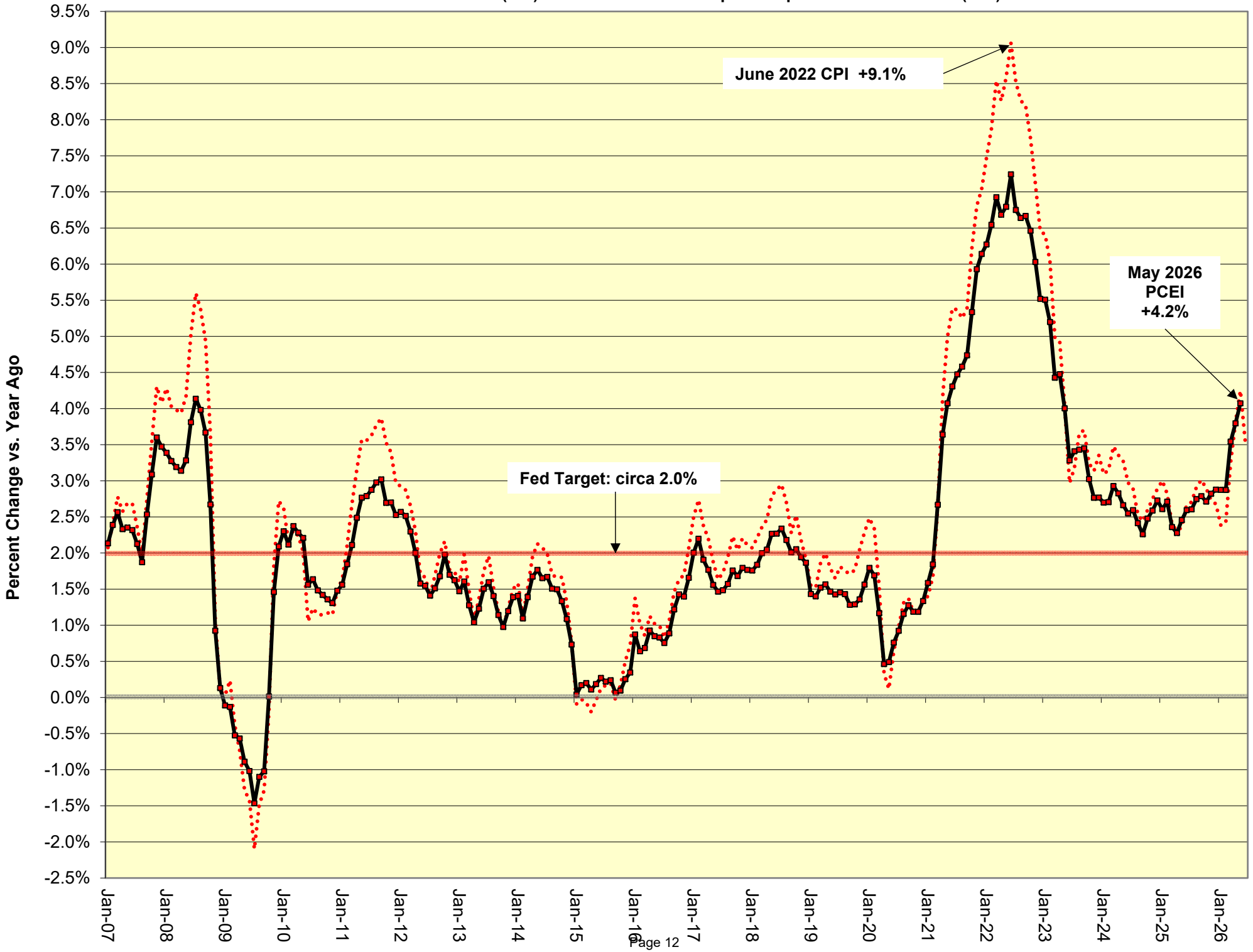
- Deficit spending associated with the OBBBA has supplemented AI-related stimulus to the economy in FY26, but will recede in FY27 and bring healthcare cost increases to many that will reverse the economic gains received in FY26. These disposable income losses will be concentrated in average and lower income households, while most beneficiaries of the Act in higher income households will be unaffected.

- One area in which this forecast meaningfully differs from the prior December macroeconomic assumptions is in Federal Reserve interest rate actions. The general consensus in December assumed a continued easing of interest rates in 2026 and 2027, as inflation neared the Fed's 2% target. Just as this appeared imminent, lingering inflation from the "liberation day" tariffs kept prices from falling, and the Fed paused the rate cuts. With the onset of the war with Iran and the dramatic reduction in the flow of critical shipping activity through the Strait of Hormuz, inflation has been further exacerbated, especially affecting prices of energy, fertilizer, aluminum and helium (which is critical to semiconductor, AI infrastructure, medical and research equipment). This, and the onset of new tariff threats, has now changed the course of Fed policy to consideration of rate *hikes* instead of cuts, with betting markets putting the probability of such action this year at 50%. Were it not for the tariff and war induced inflation, there is no doubt there would have already been rate cuts by now, with more to come.

- The new 50% tariffs against Canada (bizarrely justified as a means to stop Canadian smoke over the U.S. from lightning-ignited forest fires), set to go into effect on August 19th, are particularly troublesome for border states such as Vermont. In many cases, these new tariffs are additive to prior tariffs (i.e., 25%+50%), rendering the prices of some products prohibitively expensive and effectively creating selective export bans. As announced, many of the tariffs include essential building materials. Their estimated impact on the cost to build a new home in Vermont could be well over $10,000, at a time when housing supply and affordability are critical problems. At some point, even our good-neighbors to the north may revert to meaningful retaliatory action, such as taxing energy exports - which would be devastating to the State.

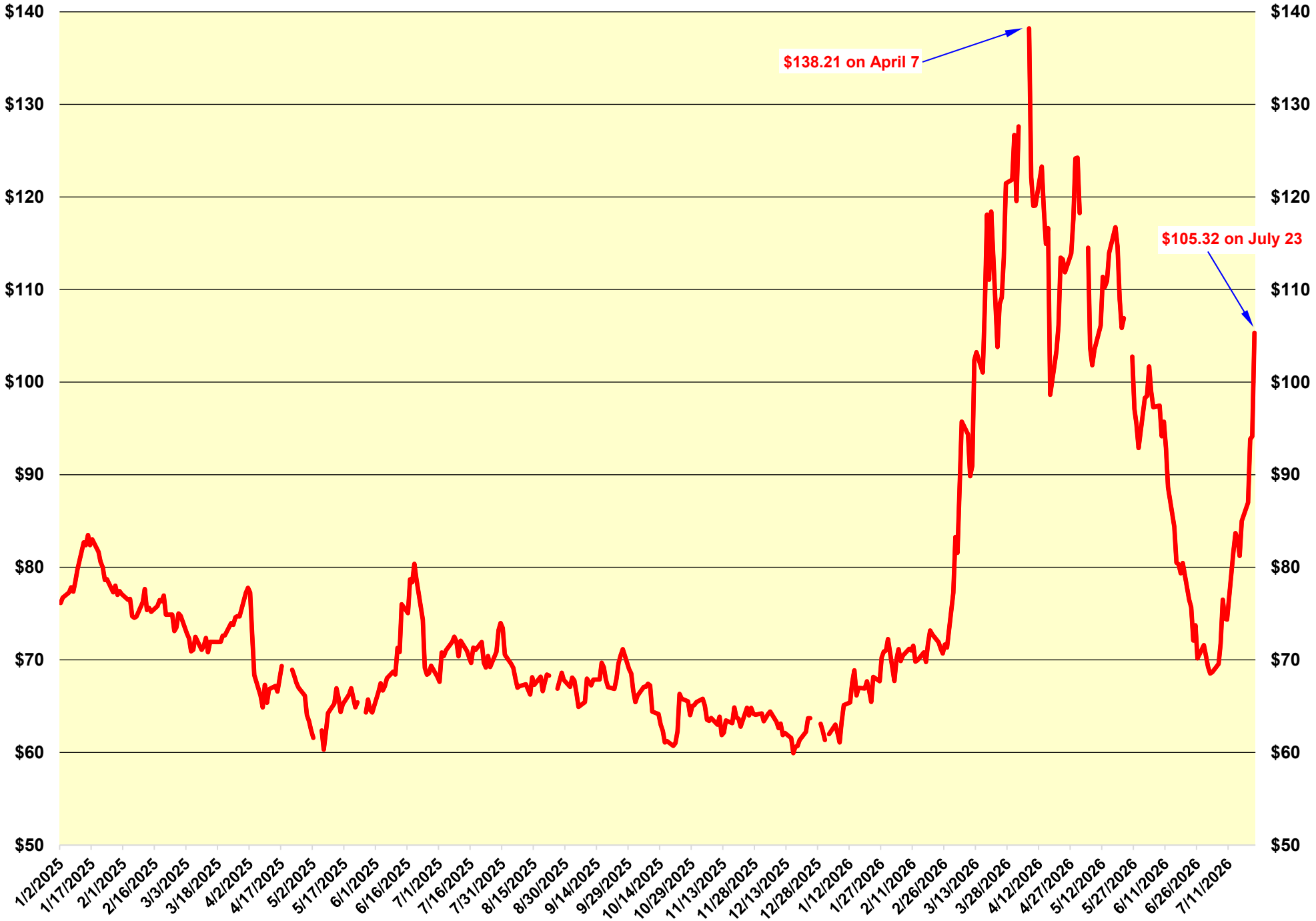
Iran War Oil Price Shocks and Tariffs Combine to Preclude Monetary Easing in 2026

Consumer Price Index (dot) and Personal Consumption Expenditure Price Index (line)



The Duration of Oil Price Spikes Triggered by War on Iran Remains Uncertain

(Brent Crude Oil Spot Prices, PPB, Daily, Current Dollars)



- Near-term recession risks, as measured by a Wall Street Journal poll of 75 economists' expectations of a recession in the next 12 months, spiked from 22% in January of 2025 to 45% in April, following the "reciprocal" tariff announcements, but subsequently receded to about 33% in the next five surveys (July 2025, October 2025, January 2026, March 2026 and April 2026) and dropped to 25% in the most recent July survey.

- Other forecast risks as outlined by Moody's Analytics, who prepares most macroeconomic forecasts used in this update, are depicted in the chart on the following page.

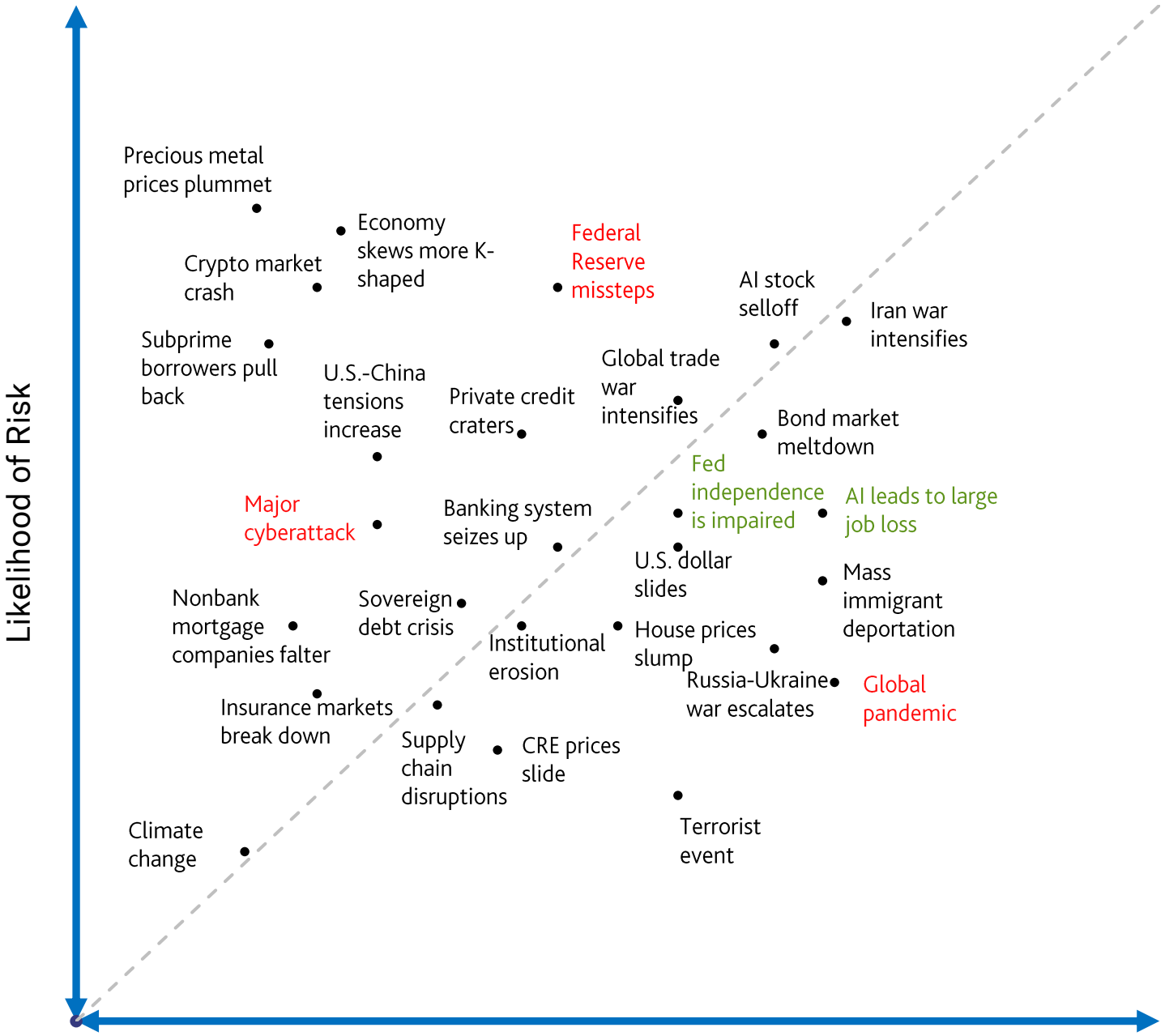
State Revenue Update

- Aggregate revenues were extremely close to prior January targets, ending the year with one of the lowest variances on record at 1.5%. Per the below table, all three of the major funds were slightly above target, with the General Fund, led by large Personal Income Withholding revenues, posting the largest variance at 1.9%.

FY26 Revenues, July 2026 vs January 2026 Estimates				
	Actual	Target	% Variance	$ Variance
Education Fund	$ 789.5	$ 782.1	1.0%	$7.5
Transportation Fund	$ 317.4	$ 317.0	0.1%	$0.4
General Fund	$ 2,519.0	$ 2,472.8	1.9%	$46.3
Healthcare Only	360.4	360.8	-0.1%	($0.4)
General Fund Ex Healthcare	$ 2,158.6	$ 2,111.9	2.2%	$46.7
Total All Funds	3,626.0	3,571.8	1.5%	$54.1

- With the macroeconomic outlook relatively close to that of the prior January update, the revenue changes herein are again among the lowest ever recommended in a regular revenue update. Most of the year-to-year changes in the funds stem from statutory changes in the last legislative session that raise allocation schedules from G-Fund Source Meals & Rooms revenues to the E-Fund, and lower T-Fund Source diversions to the E-Fund - not from external economic events. These allocation rates adjust in FY27 and FY28, ultimately moving about $20M from the G-Fund to the T-Fund via more or less net neutral changes to the E-Fund by FY28 and beyond. Without these changes, the G-Fund would have generated most of the additional revenue projected in this update, not the T-Fund. Per the following tables, the net changes in aggregate revenue, however, are close to +1% across the entire forecast period.

Moody's Analytics U.S. Economic Risk Matrix - June 2026



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.

July 2026 vs. January 2026 - Millions of Dollars	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Education Fund	$7.5	$10.7	$13.4	$13.9	$14.9	$16.6
Transportation Fund	$0.4	$10.3	$19.5	$20.4	$22.0	$23.5
General Fund	$46.2	$19.7	$5.8	$5.7	$4.6	$5.6
(Healthcare Only)	-$0.4	-$1.5	-$1.6	-$1.4	-$0.8	-$0.1
(General Fund Ex HC)	$46.7	$21.1	$7.4	$7.1	$5.3	$5.6
Total All Funds	$54.1	$40.7	$38.7	$40.0	$41.5	$45.7
Variance Percent of Total	1.5%	1.1%	1.0%	1.0%	1.0%	1.1%

July 2026 vs. January 2026 - Percent Variance	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Education Fund	1.0%	1.3%	1.6%	1.6%	1.7%	1.8%
Transportation Fund	0.1%	3.2%	6.0%	6.2%	6.6%	6.9%
General Fund	1.9%	0.8%	0.2%	0.2%	0.2%	0.2%
(Healthcare Only)	-0.1%	-0.4%	-0.4%	-0.4%	-0.2%	0.0%
(General Fund Ex HC)	2.2%	1.0%	0.3%	0.3%	0.2%	0.2%
Total All Funds	1.5%	1.1%	1.0%	1.0%	1.0%	1.1%

- Personal Income Withholding (PIW) tax revenues were exceptionally strong in FY26, due to a number of large non-recurring corporate and other transactions that generated liabilities that flowed through PIW. These events also contributed to larger refunding in FY26, and combined, still generated most of the $50M+ in total Personal Income revenue variance vs target. Absent these unusually large events in FY27, growth will likely slow to only about 1%, before resuming gains of about 3-4% per year over most of the rest of the forecast period.

- Sales & Use revenues closed FY26 1.0% above targets, as consumer spending remained resilient, despite growing stress on household balance sheets – especially among lower income groups, who have had to draw down savings and/or increase debt to cover rising costs. Nowhere is the so-called “K-shaped” economy more evident than in consumer spending. Currently, households in the top 20% of the income distribution account for nearly 60% of all personal outlays and those in the top 10% account for almost 50%, the highest shares for each on record. This pronounced and growing inequality is evident throughout the economy as elevated asset prices are primarily benefitting the owners of these assets. One of the risks to consumer spending - and a wide range of other revenue categories – is a stock market and/or housing value correction that reverses these wealth effects.

- Corporate income revenues dropped by 20% in FY26, about $6M more than expected (-2.7%), following adjustment for one-time events occurring in FY25. While some recovery is expected in the next two years as a result of session changes in Act 164 that link and decouple various OBBBA provisions,

continued high refunding activity and tax complexity affecting compliance are concerns. Still, without a recession, corporate balance sheets are solid and should be generating taxable income at rates higher than most revenue sources over the forecast period.

- Meals & Rooms Source (combined G-Fund and E-Fund) revenues ended FY26 slightly above prior forecasts, as skier visitation increased 4.7% to 4.36 million days, the highest in 11 years, offsetting losses from reduced Canadian tourism. The high-quality early winter snow this season and low temperatures in the east combined with one of the worst snow seasons in the U.S. western states to push Vermont's share of total U.S. skier visitation to 8.3%, its highest level in 11 years and the second highest level in 35 years. Education Fund Meals & Rooms revenues, which received 25% of Source General Fund revenues plus 100% of the Short-Term Rental Surcharge receipts, were similarly above expectations (+2.7%) in FY26. Losses stemming from Canadian avoidance of U.S. travel destinations is an unfortunate drag on M&R revenues, and could worsen if current tensions escalate.

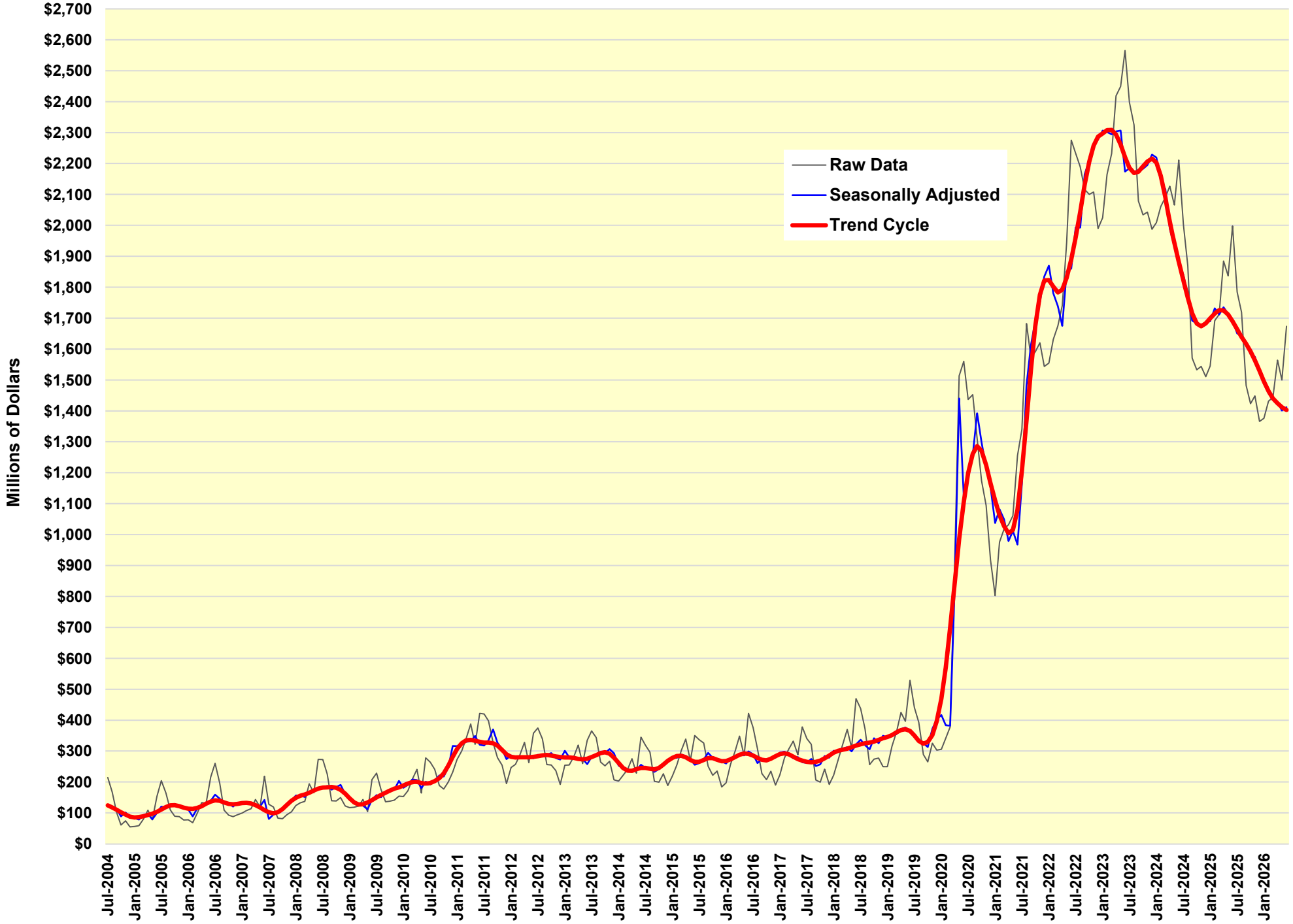
- Interest income retreated closely in line with prior January expectations, as State unrestricted cash reserves shrank in accord with required federal spending deadlines. The higher interest rates now projected over the forecast period, however, will add about $5 million per year to the previous January out-year estimates. Annual total interest revenues are still expected to decline by about 22% in FY27 before bottoming out in FY28 (-2%) and resuming growth in FY29-FY31.

- FY26 Lottery receipts were disappointing, missing targets again by about $1M (-3.1%). The causes: Disposable income stress among customers who are often at the bottom of the lower leg of the K-shaped economy and the paucity of $1B+ Powerball (only two) and Mega Millions (none) jackpots during the year. Always at the mercy of large jackpot frequency, the Lottery is also coming under increasing competition from legalized sports betting and prediction market gambling – both of which are conveniently (and more addictively) digital. Although Vermont is now receiving revenue from sports betting, it does not flow into the Education Fund or any of the funds covered herein. Despite new revenue from several new Lottery games launched in late FY26 and planned for FY27, without expansive digital products, Lottery revenues are expected to be a further $2-$3M per year lower than prior January estimates in the next two fiscal years and beyond.

- Motor Vehicle Fee revenues, typically slow-growing but stable, were affected by a roughly $3M per year accounting error in which revenues from motor vehicle records requests were deposited into MVFEES instead of the T-Fund "Other Revenue" category. Since this error had been occurring since FY2022, we revised historical data in the Tables herein, but it altered the monthly revenue flows to both of these categories in FY26. In aggregate, however, the combined categories were close to FY26 targets (+1.1%) and were little changed over the forecast period.

Average Monthly Vermont State Unrestricted Cash Balances

(Source: Office of the State Treasurer)



- Gasoline and other T-Fund fuel taxes were within about 0.4% of prior forecasts in FY26. The spike in energy prices caused by the Persian Gulf conflict temporarily reduced demand, as wholesale buyers deferred purchases, but the price impacts are still on vivid display across gas stations throughout the State. The fuel taxes with ad valorem revenue mechanisms, such as the Motor Fuel Assessment tax and the TIB Gasoline tax (not in the T-Fund, but reported below the line), experienced growth as prices rose, offsetting some of the demand loss from per unit fuel taxes such as the Motor Fuel tax and Deisel taxes. Although this forecast assumed a relatively short price impact period associated with the Iranian war, this is looking increasingly unlikely. The price lags built into the current estimates will raise net Gasoline revenues slightly in FY27, but the longer-term downward trend will resume in FY28 and beyond.

- Source Motor Vehicle Purchase & Use revenues lagged expectations throughout much of FY26, but finished the year only 0.4% below target after an extremely strong June (the second highest month on record since 1979). Both higher interest rates and increasing tariff pass-throughs that raise new model vehicle prices will dampen FY27 demand, but growth in subsequent years should be close to prior expectations. The allocation changes previously mentioned will mean a greater portion of the revenues this tax generates will remain in the Available T-Fund, adding about $20M in FY27, FY28 and beyond.

- 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 June 2026 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.

- Our internal AI update: We have been testing various AI models for use with different aspects of this analysis on a continual basis. They have been improving rapidly and are much more capable and accurate than even six months ago. There are some differences between the models at each stage that render some better or worse for this work. Anthropic's Claude has generally been the best and we are using it write code and simple scripts that assist in the retrieval, organization and processing of data used in the forecasts. It still requires manual data accuracy checking, but once locked onto a data source and a specific process, it can update and repeat the task flawlessly. Code debugging can be very time consuming, but worth it for repeated tasks. At this point, it's performing at the level of a competent research assistant and its value added is not so much in saving time, but improving product quality by allowing more research queries to be explored and vetted quickly during the very compressed analytic time periods that are characteristic of this process. Other states are exploring internal AI models for use with analytic applications involving confidential Tax and other information and we look forward to discussions with State IT and Tax personnel to explore these in the future.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
December 2024 through June 2026, Selected Variables, Calendar Year Basis

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real GDP Growth									
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*
June 2026	*-2.1*	*6.2*	*2.5*	*2.9*	*2.8*	*2.1*	*2.0*	*1.9*	*2.0*
S&P 500 Growth (Annual Avg.)									
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*
June 2026	*10.5*	*32.6*	*-3.9*	*4.5*	*26.7*	*14.5*	*11.6*	*-1.7*	*3.6*
Employment Growth (Non-Ag)									
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*
June 2026	*-5.8*	*2.9*	*4.3*	*2.2*	*1.2*	*0.5*	*0.2*	*0.3*	*0.4*
Unemployment Rate									
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*
June 2026	*8.1*	*5.4*	*3.7*	*3.6*	*4.0*	*4.3*	*4.5*	*4.6*	*4.5*
West Texas Int. Crude Oil $/Bbl									
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*
June 2026	*39*	*68*	*95*	*78*	*77*	*65*	*87*	*74*	*67*
Prime Rate									
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*
June 2026	*3.54*	*3.25*	*4.85*	*8.19*	*8.31*	*7.37*	*6.74*	*6.73*	*6.73*
Consumer Price Index Growth									
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*
June 2026	*1.3*	*4.7*	*8.0*	*4.1*	*3.0*	*2.7*	*3.5*	*3.1*	*2.4*
Average Home Price Growth									
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*
June2026	*5.2*	*13.7*	*16.5*	*5.2*	*5.5*	*3.8*	*2.9*	*1.9*	*2.0*

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
December 2023 through June 2026, Selected Variables, Calendar Year Basis

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real GSP Growth									
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*
June 2026	*-2.8*	*3.6*	*4.0*	*1.7*	*2.5*	*1.4*	*1.7*	*1.3*	*1.4*
Population Growth									
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*
June 2026	*0.2*	*0.7*	*0.1*	*0.0*	*-0.2*	*-0.3*	*0.1*	*0.1*	*0.1*
Employment Growth									
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*
June 2026	*-9.3*	*2.7*	*3.3*	*1.9*	*0.7*	*-0.2*	*0.0*	*0.0*	*0.2*
Unemployment Rate									
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*
June 2026	*5.7*	*3.5*	*2.3*	*1.9*	*2.3*	*2.6*	*2.8*	*3.2*	*3.4*
Personal Income Growth									
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*
June 2026	*7.3*	*5.8*	*4.5*	*6.6*	*4.9*	*4.0*	*4.3*	*4.2*	*4.0*
Average Home Price Growth									
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*
June 2026	*5.2*	*14.0*	*17.5*	*10.6*	*8.4*	*4.4*	*3.1*	*1.7*	*1.8*

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, John Demeter, 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, Deputy Commissioner, Mike Ferrant 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 is 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. macro-economic 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 - July 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** *(Actual)*	**%** Change	**FY2026** *(Preliminary)*	**%** Change	**FY2027** *(Forecast)*	**%** Change	**FY2028** *(Forecast)*	**%** Change
REVENUE SOURCE														
Personal Income	$1267.8	18.5%	$1210.0	-4.6%	$1243.1	2.7%	$1362.9	9.6%	$1466.8	7.6%	$1481.1	1.0%	$1522.6	2.8%
Sales and Use[1]	$545.2	7.4%	$584.0	7.1%	$595.2	1.9%	$618.1	3.9%	$639.9	3.5%	$660.0	3.1%	$681.4	3.2%
Corporate	$223.3	67.3%	$281.4	26.0%	$238.8	-15.1%	$272.6	14.2%	$217.8	-20.1%	$239.1	9.8%	$251.6	5.2%
Meals and Rooms[5]	$216.8	50.8%	$237.7	9.6%	$246.2	3.5%	$262.3	6.5%	$273.0	4.1%	$282.3	3.4%	$292.3	3.5%
Liquor	$30.1	5.0%	$30.8	2.1%	$30.2	-1.8%	$29.7	-1.7%	$29.3	-1.4%	$30.0	2.4%	$30.6	2.0%
Insurance	$65.7	8.7%	$68.8	4.8%	$75.6	9.8%	$82.6	9.2%	$85.4	3.5%	$88.8	3.9%	$92.1	3.7%
Telephone[7]	$2.5	10.9%	$2.4	-5.7%	$2.6	9.4%	$3.3	26.3%	$3.2	-1.6%	$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	-1.0%	$6.5	-1.8%	$6.4	-1.5%
Estate	$14.0	-48.0%	$18.6	33.1%	$23.9	28.2%	$55.2	131.4%	$32.8	-40.6%	$34.0	3.7%	$35.3	3.8%
Property	$77.7	5.1%	$69.2	-10.9%	$62.4	-9.9%	$76.6	22.8%	$77.7	1.3%	$79.4	2.2%	$81.3	2.4%
Bank	$16.9	22.1%	$17.8	4.9%	$16.6	-6.6%	$13.4	-19.4%	$13.3	-0.3%	$13.0	-2.5%	$13.2	1.5%
Cannabis Excise	$0.0	NM	$6.7	NM	$17.4	158.5%	$20.2	16.4%	$21.8	7.6%	$22.7	4.4%	$23.5	3.6%
Other Tax	$1.3	91.3%	$1.4	11.7%	$1.3	-9.5%	$1.2	-8.1%	$1.1	-9.5%	$1.1	4.4%	$1.2	4.5%
Total Tax Revenue	$2468.2	19.3%	$2536.1	2.7%	$2560.1	0.9%	$2804.7	9.6%	$2868.6	2.3%	$2938.0	2.4%	$3031.4	3.2%
Business Licenses	$1.2	-4.4%	$0.6	-54.5%	$1.3	130.2%	$1.3	-2.0%	$1.3	2.3%	$1.3	1.7%	$1.4	2.3%
Fees	$42.2	-1.3%	$45.6	8.1%	$44.3	-3.0%	$49.6	12.2%	$49.4	-0.5%	$50.3	1.9%	$51.3	2.0%
Services	$2.8	-7.7%	$3.7	33.2%	$4.1	10.0%	$4.2	1.6%	$5.9	41.1%	$7.3	23.8%	$7.52	3.0%
Fines	$3.3	7.5%	$2.6	-21.1%	$2.5	-6.8%	$4.0	61.3%	$3.7	-7.6%	$3.1	-15.5%	$3.2	3.2%
Interest	$2.6	185.2%	$56.9	2102%	$93.0	63.4%	$60.8	-34.7%	$43.4	-28.6%	$34.0	-21.6%	$33.3	-2.2%
Lottery	$30.8	-5.2%	$32.1	4.3%	$36.0	12.1%	$30.6	-14.9%	$31.0	1.3%	$31.3	1.0%	$31.8	1.6%
All Other[3]	$1.0	96.4%	$1.5	58.7%	$0.6	-60.1%	$2.9	371.5%	$1.0	-63.7%	$1.2	15.0%	$1.3	8.3%
Total Other Revenue	$83.9	-0.2%	$143.1	70.5%	$181.7	27.0%	$153.3	-15.6%	$135.7	-11.5%	$128.5	-5.3%	$129.7	0.9%
Healthcare Revenue[4]	$303.5	8.0%	$319.3	5.2%	$333.0	4.3%	$357.1	7.2%	$367.0	2.8%	$375.1	2.2%	$370.2	-1.3%
TOTAL GENERAL FUND	**$2855.6**	**17.3%**	**$2998.5**	**5.0%**	**$3074.8**	**2.5%**	**$3315.2**	**7.8%**	**$3371.3**	**1.7%**	**$3441.6**	**2.1%**	**$3531.4**	**2.6%**
CHILDCARE TAX REVENUE[8]	**$0.0**	**NM**	**$0.0**	**NM**	**$0.0**	**NM**	**$80.4**	**NM**	**$85.6**	**6.5%**	**$88.9**	**3.8%**	**$92.0**	**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) Heathcare 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 (STR) 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 - July 2026

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers	**FY2022** *(Actual)*	**%** Change	**FY2023** *(Actual)*	**%** Change	**FY2024** *(Actual)*	**%** Change	**FY2025** *(Actual)*	**%** Change	**FY2026** *(Preliminary)*	**%** Change	**FY2027** *(Forecast)*	**%** Change	**FY2028** *(Forecast)*	**%** Change
REVENUE SOURCE														
Personal Income	$1267.8	18.5%	$1210.0	-4.6%	$1243.1	2.7%	$1362.9	9.6%	$1466.8	7.6%	$1481.1	1.0%	$1522.6	2.8%
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
Corporate	$223.3	67.3%	$281.4	26.0%	$238.8	-15.1%	$272.6	14.2%	$217.8	-20.1%	$239.1	9.8%	$251.6	5.2%
Meals and Rooms[9,10]	$149.6	50.8%	$164.0	9.6%	$169.8	3.5%	$175.4	3.3%	$181.6	3.5%	$177.0	-2.6%	$173.4	-2.0%
Liquor[6]	$5.0	5.0%	$5.1	2.1%	$5.0	-1.8%	$5.0	-1.7%	$4.9	-1.4%	$5.0	2.4%	$5.1	2.0%
Insurance	$65.7	8.7%	$68.8	4.8%	$75.6	9.8%	$82.6	9.2%	$85.4	3.5%	$88.8	3.9%	$92.1	3.7%
Telephone[7]	$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	-1.0%	$6.5	-1.8%	$6.4	-1.5%
Estate[3]	$14.0	-40.1%	$18.6	33.1%	$23.9	28.2%	$28.9	20.9%	$32.8	13.6%	$34.0	3.7%	$35.3	3.8%
Property	$24.3	5.3%	$21.6	-11.2%	$19.4	-10.2%	$27.0	39.5%	$27.4	1.4%	$28.0	2.3%	$28.7	2.5%
Bank	$16.9	22.1%	$17.8	4.9%	$16.6	-6.6%	$13.4	-19.4%	$13.3	-0.3%	$13.0	-2.5%	$13.2	1.5%
Cannabis Excise	$0.0	NM	$6.7	NM	$0.0	NM	$0.0	NM	$15.2	NM	$15.9	4.4%	$16.5	3.6%
Other Tax	$1.3	91.3%	$1.4	11.7%	$1.3	-9.5%	$1.2	-8.1%	$1.1	-9.5%	$1.1	4.4%	$1.2	4.5%
Total Tax Revenue	$1777.4	23.6%	$1805.1	1.6%	$1803.0	-0.1%	$1978.9	9.8%	$2056.2	3.9%	$2089.5	1.6%	$2146.0	2.7%
Business Licenses	$1.2	-4.4%	$0.6	-54.5%	$1.3	130.2%	$1.3	-2.0%	$1.3	2.3%	$1.3	1.7%	$1.4	2.3%
Fees	$42.2	-1.3%	$45.6	8.1%	$44.3	-3.0%	$49.6	12.2%	$49.4	-0.5%	$50.3	1.9%	$51.3	2.0%
Services	$2.8	-7.7%	$3.7	33.2%	$4.1	10.0%	$4.2	1.6%	$5.9	41.1%	$7.3	23.8%	$7.5	3.0%
Fines	$3.3	7.5%	$2.6	-21.1%	$2.5	-6.8%	$4.0	61.3%	$3.7	-7.6%	$3.1	-15.5%	$3.2	3.2%
Interest	$2.3	187.4%	$51.2	2129%	$87.2	70.5%	$58.3	-33.1%	$41.2	-29.4%	$32.3	-21.5%	$31.6	-2.2%
All Other[4]	$1.0	96.4%	$1.5	58.7%	$0.6	-60.1%	$2.9	371.5%	$1.0	-63.7%	$1.2	15.0%	$1.3	8.3%
Total Other Revenue	$52.9	2.6%	$105.2	99.1%	$139.9	33.0%	$120.2	-14.1%	$102.4	-14.8%	$95.5	-6.8%	$96.3	0.8%
Healthcare Revenue[5]	$299.3	7.6%	$314.3	5.0%	$327.5	4.2%	$351.3	7.3%	$360.4	2.6%	$368.1	2.1%	$362.9	-1.4%
TOTAL GENERAL FUND	**$2129.5**	**20.5%**	**$2224.6**	**4.5%**	**$2270.5**	**2.1%**	**$2450.5**	**7.9%**	**$2519.0**	**2.8%**	**$2553.1**	**1.4%**	**$2605.2**	**2.0%**
CHILDCARE TAX REVENUE[8]	**$0.0**	**NM**	**$0.0**	**NM**	**$0.0**	**NM**	**$80.4**	**NM**	**$85.6**	**6.5%**	**$88.9**	**3.8%**	**$92.0**	**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) Heathcare 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
9) From FY98 to FY04, approximately 18.5% of Source M&R revenues were allocated to the Education Fund. From FY05 to FY18 the allocation was 0%.
   From FY19 to FY26, it was 25% of Source M&R (excluding the STR Surcharge) and then raised to 29% in FY27 and to 32.5% in FY28 and beyond.
10) Beginning in FY25 100% of the Short-Term Rental (STR) Surcharge, which is included in Source Meals & Rooms reveues, is allocated to the Education Fund.

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

SOURCE HEALTHCARE [1] *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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$63.2	-6.3%	$60.1	-4.9%	$58.1	-3.3%
Claims Assessment	$21.7	10.3%	$23.0	5.7%	$27.3	18.6%	$28.8	5.5%	$32.9	14.5%	$34.8	5.5%	$36.7	5.5%
Employer Assessment	$21.9	22.2%	$24.9	13.9%	$26.9	7.8%	$31.8	18.3%	$34.7	8.9%	$37.4	8.0%	$40.4	8.0%
Hospital Provider Tax [2]	$161.5	12.4%	$173.9	7.6%	$192.4	10.6%	$212.3	10.4%	$219.4	3.3%	$226.0	3.0%	$218.2	-3.4%
Nursing Home Provider Tax	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.5%	$14.4	0.6%	$14.4	-0.4%	$14.4	0.2%	$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%	$2.4	6.2%	$2.4	-2.5%	$2.4	1.2%
TOTAL HEALTHCARE	**$303.5**	**8.0%**	**$319.3**	**5.2%**	**$333.0**	**4.3%**	**$357.1**	**7.2%**	**$367.0**	**2.8%**	**$375.1**	**2.2%**	**$370.2**	**-1.3%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY2022** *(Actual)*	% Change	**FY2023** *(Actual)*	% Change	**FY2024** *(Actual)*	% Change	**FY2025** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$63.2	-6.3%	$60.1	-4.9%	$58.1	-3.3%
Claims Assessment	$17.6	7.3%	$18.0	2.6%	$21.8	21.0%	$23.0	5.5%	$26.4	14.5%	$27.8	5.5%	$29.3	5.5%
Employer Assessment	$21.9	19.2%	$24.9	13.9%	$26.9	7.8%	$31.8	18.3%	$34.7	8.9%	$37.4	8.0%	$40.4	8.0%
Hospital Provider Tax [2]	$161.5	12.4%	$173.9	7.6%	$192.4	10.6%	$212.3	10.4%	$219.4	3.3%	$226.0	3.0%	$218.2	-3.4%
Nursing Home Provider Tax	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.5%	$14.4	0.6%	$14.4	-0.4%	$14.4	0.2%	$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%	$2.4	6.2%	$2.4	-2.5%	$2.4	1.2%
TOTAL HEALTHCARE	**$299.3**	**7.6%**	**$314.3**	**5.0%**	**$327.5**	**4.2%**	**$351.3**	**7.3%**	**$360.4**	**2.6%**	**$368.1**	**2.1%**	**$362.9**	**-1.4%**

1) Heathcare 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 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 - July 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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$70.9	-0.7%	$71.6	0.9%	$70.4	-1.7%
Diesel	$18.3	2.0%	$17.6	-3.7%	$17.8	1.2%	$18.2	2.1%	$17.8	-2.4%	$18.0	1.3%	$17.9	-0.6%
Purchase and Use	$137.1	2.3%	$142.2	3.7%	$144.9	1.9%	$145.0	0.1%	$149.4	3.0%	$153.2	2.5%	$158.3	3.3%
Motor Vehicle Fees	$82.8	-5.5%	$84.8	2.4%	$90.8	7.1%	$97.5	7.4%	$97.9	0.4%	$98.9	1.0%	$100.0	1.1%
Other Revenue	$23.5	14.5%	$24.1	2.7%	$26.4	9.4%	$29.7	12.5%	$31.2	5.2%	$31.9	2.1%	$32.7	2.5%
TOTAL TRANS. FUND	**$333.5**	**1.9%**	**$342.5**	**2.7%**	**$351.3**	**2.6%**	**$361.9**	**3.0%**	**$367.2**	**1.5%**	**$373.6**	**1.7%**	**$379.3**	**1.5%**

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

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers	**FY2022** *(Actual)*	% Change	**FY2023** *(Actual)*	% Change	**FY2024** *(Actual)*	% Change	**FY2025** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$70.9	-0.7%	$71.6	0.9%	$70.4	-1.7%
Diesel	$18.3	2.0%	$17.6	-3.7%	$17.8	1.2%	$18.2	2.1%	$17.8	-2.4%	$18.0	1.3%	$17.9	-0.6%
Purchase and Use[1]	$91.4	2.3%	$94.8	3.7%	$96.6	1.9%	$96.7	0.1%	$99.6	3.0%	$111.8	12.3%	$125.1	11.8%
Motor Vehicle Fees[5]	$82.8	-5.5%	$84.8	2.4%	$90.8	7.1%	$97.5	7.4%	$97.9	0.4%	$98.9	1.0%	$100.0	1.1%
Other Revenue[2,5]	$23.5	14.5%	$24.1	2.7%	$26.4	9.4%	$29.7	12.5%	$31.2	5.2%	$31.9	2.1%	$32.7	2.5%
TOTAL TRANS. FUND	**$287.8**	**1.8%**	**$295.1**	**2.5%**	**$303.0**	**2.7%**	**$313.6**	**3.5%**	**$317.4**	**1.2%**	**$332.2**	**4.7%**	**$346.1**	**4.2%**
OTHER (TIB[3])														
TIB Gasoline	$15.1	48.2%	$20.1	32.6%	$17.6	-12.6%	$16.1	-8.5%	$14.2	-11.6%	$18.1	27.6%	$14.9	-17.7%
TIB Diesel and Other[4]	$1.9	1.7%	$2.2	13.6%	$2.2	0.8%	$2.2	-1.6%	$2.1	-2.0%	$2.1	-1.3%	$2.1	-3.3%
TOTAL OTHER (TIB)	**$17.1**	**40.8%**	**$22.3**	**30.4%**	**$19.8**	**-11.2%**	**$18.3**	**-7.7%**	**$16.3**	**-10.4%**	**$20.2**	**23.8%**	**$17.0**	**-16.2%**

1) As of FY04, includes Motor Vehicle Rental tax revenue. From FY98 to FY04, 16.6% of Source MVP&U revenues were alllocated to the Education Fund. From FY05 to FY26 the allocation was 33.3%. In FY27, it was 27% and lowered to 21% in FY28 and beyond.
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
5) Beginning in FY22, circa $3M per year in Motor Vehicle Records Requests were mistakenly deposited in Motor Vehicle Fee revenues instead of Other Revenue. This was corrected in FY26 and adjusted in the historical data herein.

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND[1] REVENUE FORECAST UPDATE

(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
GENERAL FUND														
Meals and Rooms[4,5]	$54.2	50.8%	$59.4	9.6%	$61.5	3.5%	$71.6	16.3%	$75.5	5.6%	$89.0	17.8%	$102.0	14.6%
Sales & Use[2]	$545.2	7.4%	$584.0	7.1%	$595.2	1.9%	$609.7	2.4%	$631.0	3.5%	$650.6	3.1%	$671.7	3.2%
Interest	$0.3	169.1%	$5.8	1892%	$5.8	0.3%	$2.5	-57.6%	$2.2	-9.2%	$1.7	-23.8%	$1.7	-2.4%
Lottery	$30.8	-5.2%	$32.1	4.3%	$36.0	12.1%	$30.6	-14.9%	$31.0	1.3%	$31.3	1.0%	$31.8	1.6%
TRANSPORTATION FUND														
Purchase and Use[3]	$45.7	2.3%	$47.4	3.7%	$48.3	1.9%	$48.3	0.1%	$49.8	3.0%	$41.4	-16.9%	$33.2	-19.6%
TOTAL EDUCATION FUND	**$676.2**	**8.9%**	**$728.77**	**7.8%**	**$746.8**	**2.5%**	**$762.7**	**2.1%**	**$789.5**	**3.5%**	**$814.0**	**3.1%**	**$840.4**	**3.2%**

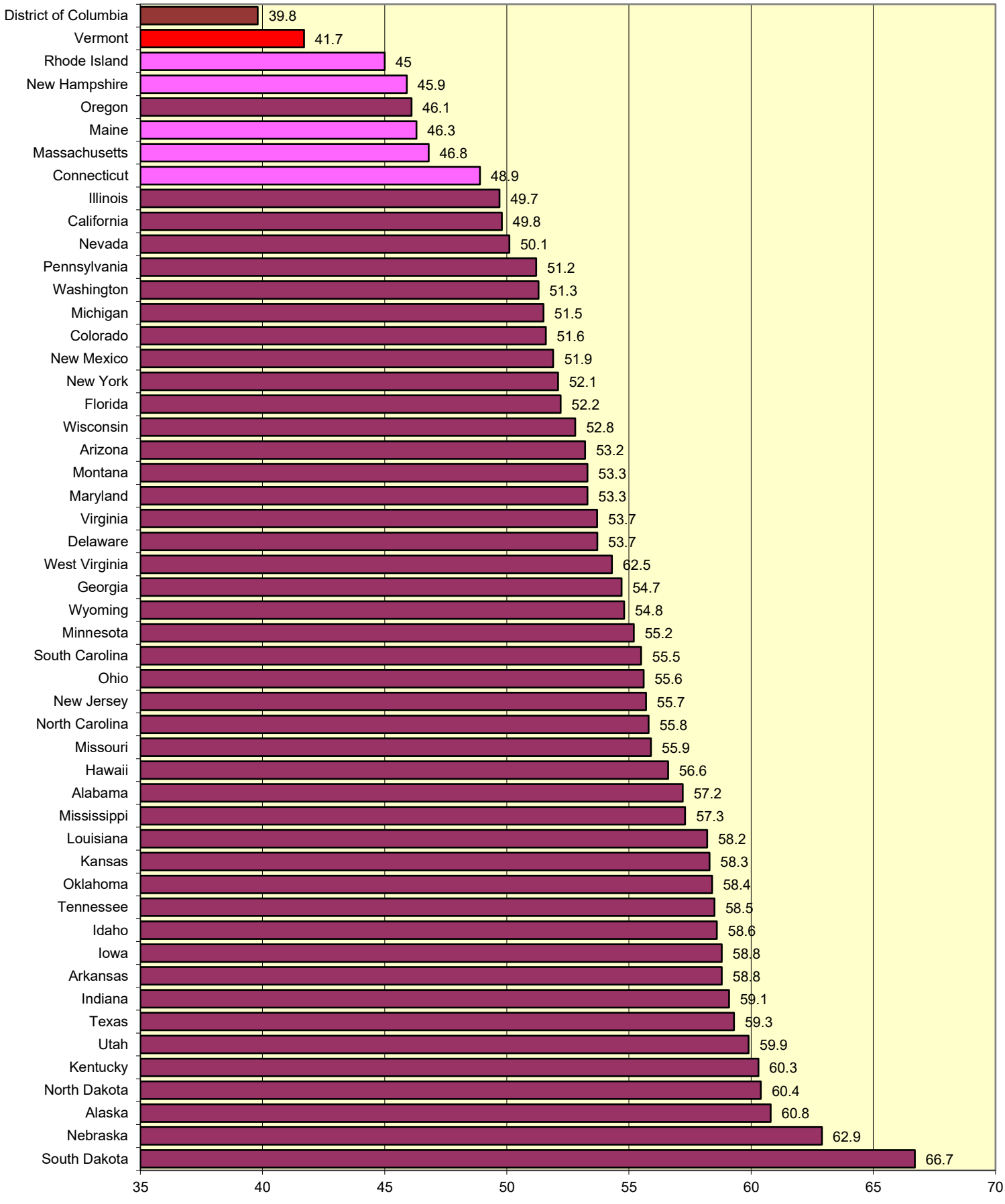
1) Includes only General and Transportation Fund taxes allocated to the Education Fund.
   This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.
2) Includes Telecommunications Tax; Includes $1.25M transfer 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) As of FY04, includes Motor Vehicle Rental tax revenue. From FY98 to FY04, 16.6% of Source MVP&U revenues were alllocated to the Education Fund.
   From FY05 to FY26 the allocation was 33.3%. In FY27, it was 27% and lowered to 21% in FY28 and beyond.
4) From FY98 to FY04, approximately 18.5% of Source M&R revenues were allocated to the Education Fund. From FY05 to FY18 the allocation was 0%.
   From FY19 to FY26, it was 25% of Source M&R (excluding the STR Surcharge) and then raised to 29% in FY27 and to 32.5% in FY28 and beyond.
5) Beginning in FY25 100% of the Short-Term Rental (STR) Surcharge, which is included in General Fund Source Meals & Rooms reveues, is allocated to the Education Fund.

Charts for Virtual Presentation and Discussion

July 2026

2024 Fertility Rates

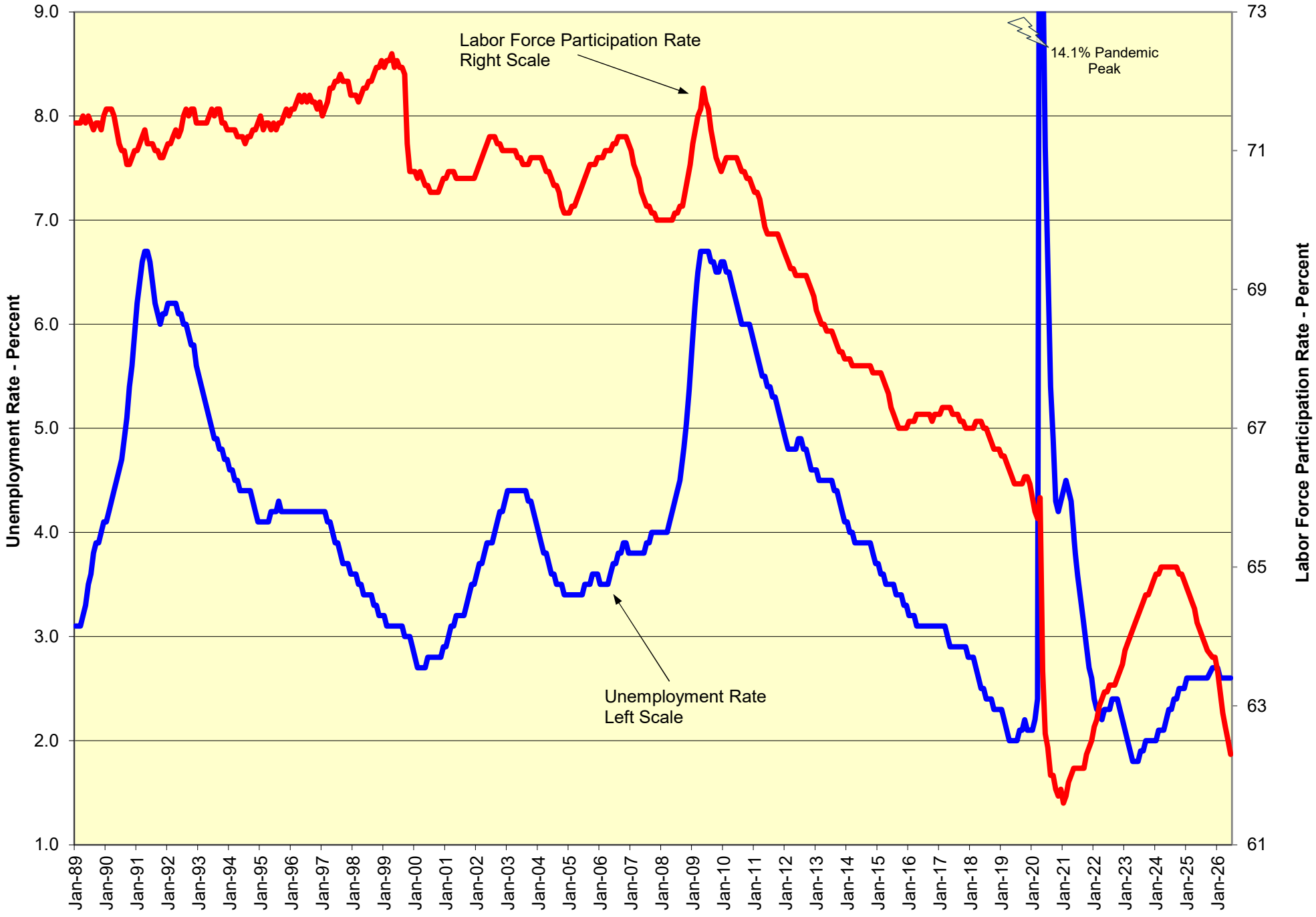
(Source: CDC/National Center for Health Statistics)



Births Per 1000 Females Age 15-44

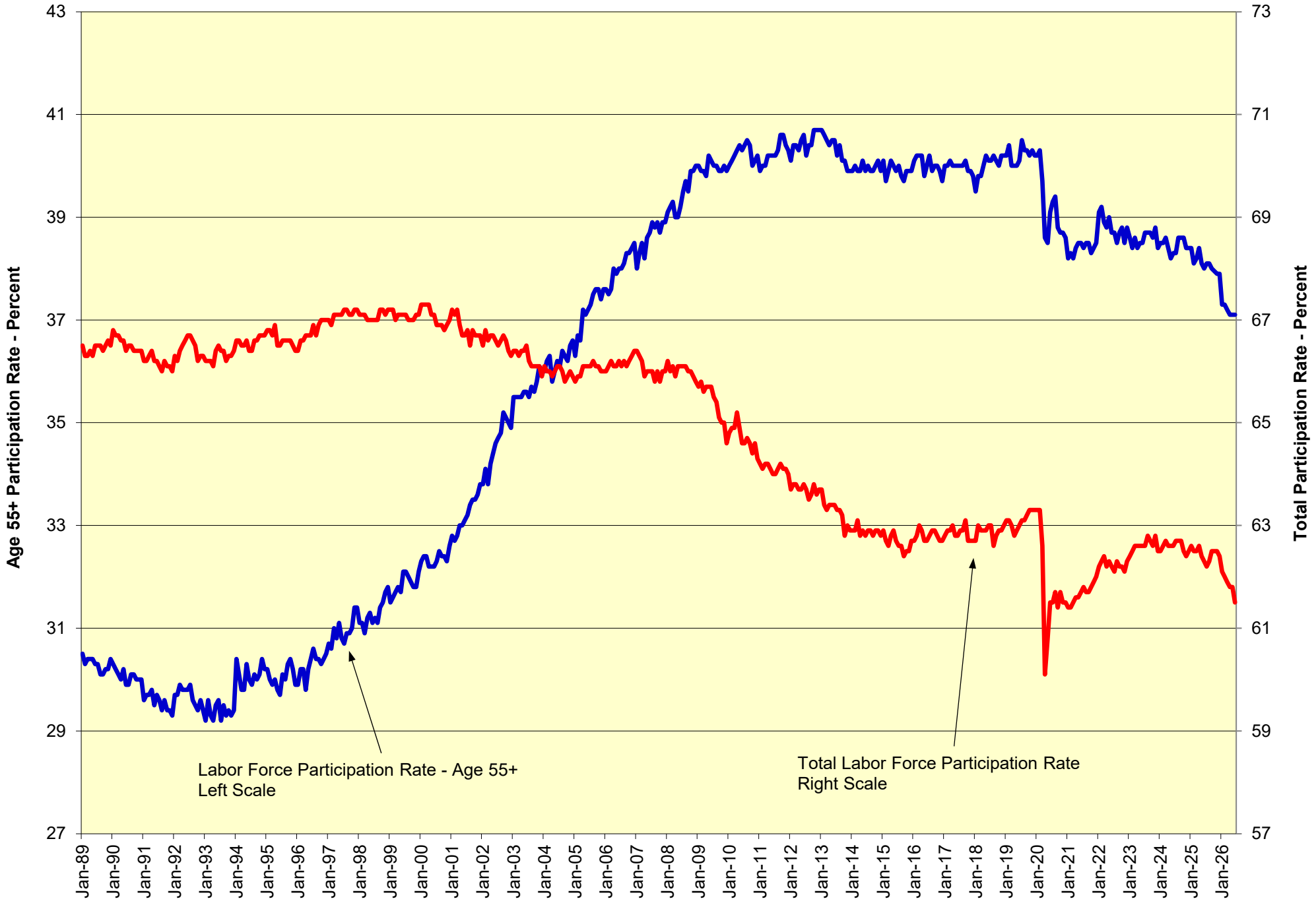
Demographics and Wealth Effects Drive Declining Labor Force Participation in VT

(Unemployment Rate - Blue Line, Left Scale; Participation Rate - Red Line, Right Scale; Source: U.S. Bureau of Labor Statistics



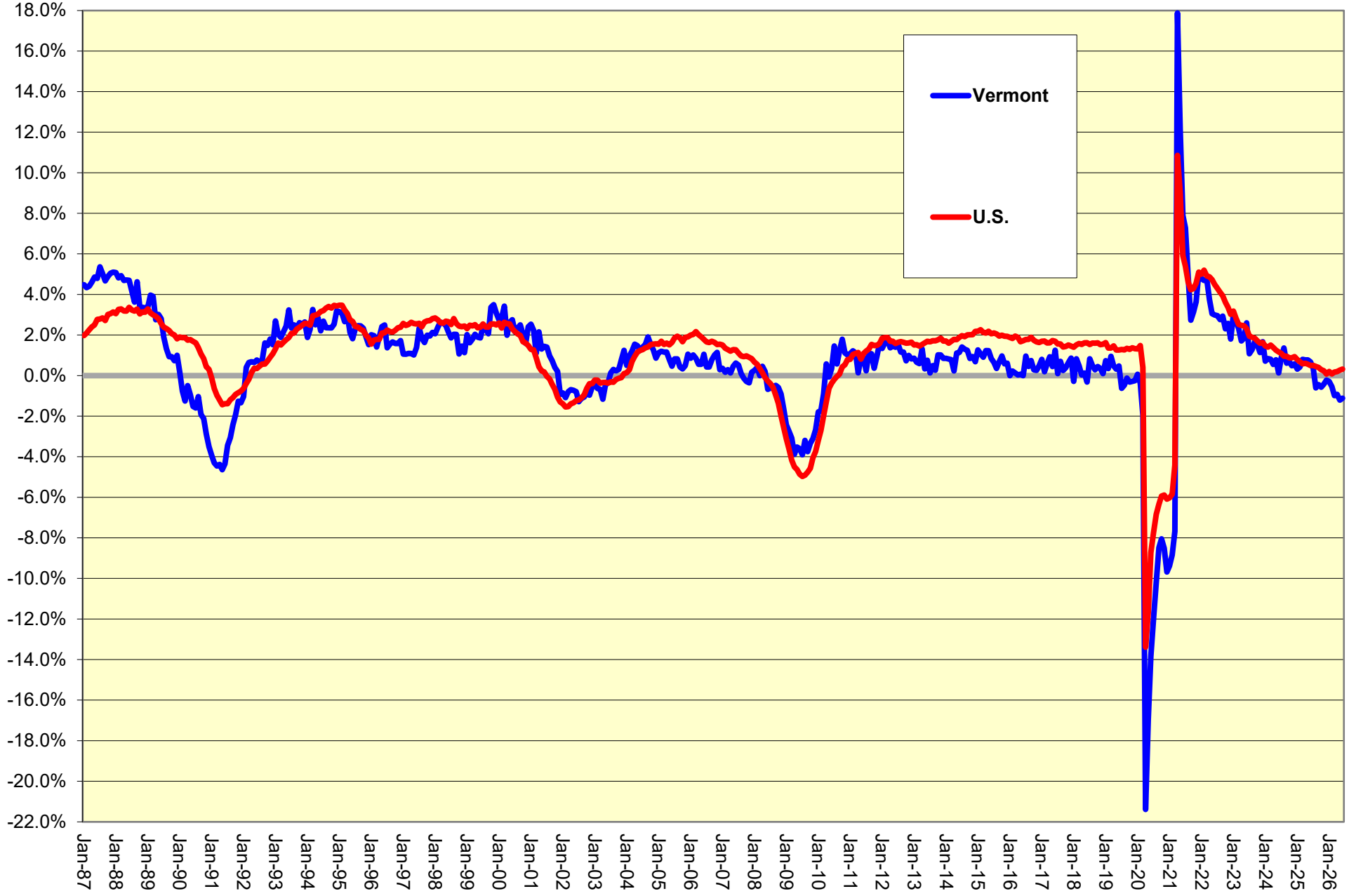
Pandemic Loss of Older Workers Still Haunts Overall Labor Force Participation Rate

(Age 55+ Rate - Blue Line - Left Scale, Total Rate - Red Line - Right Scale, Source: U.S. Bureau of Labor Statistics)



Payroll Employment Growth Stalls in the U.S. and Declines in Vermont

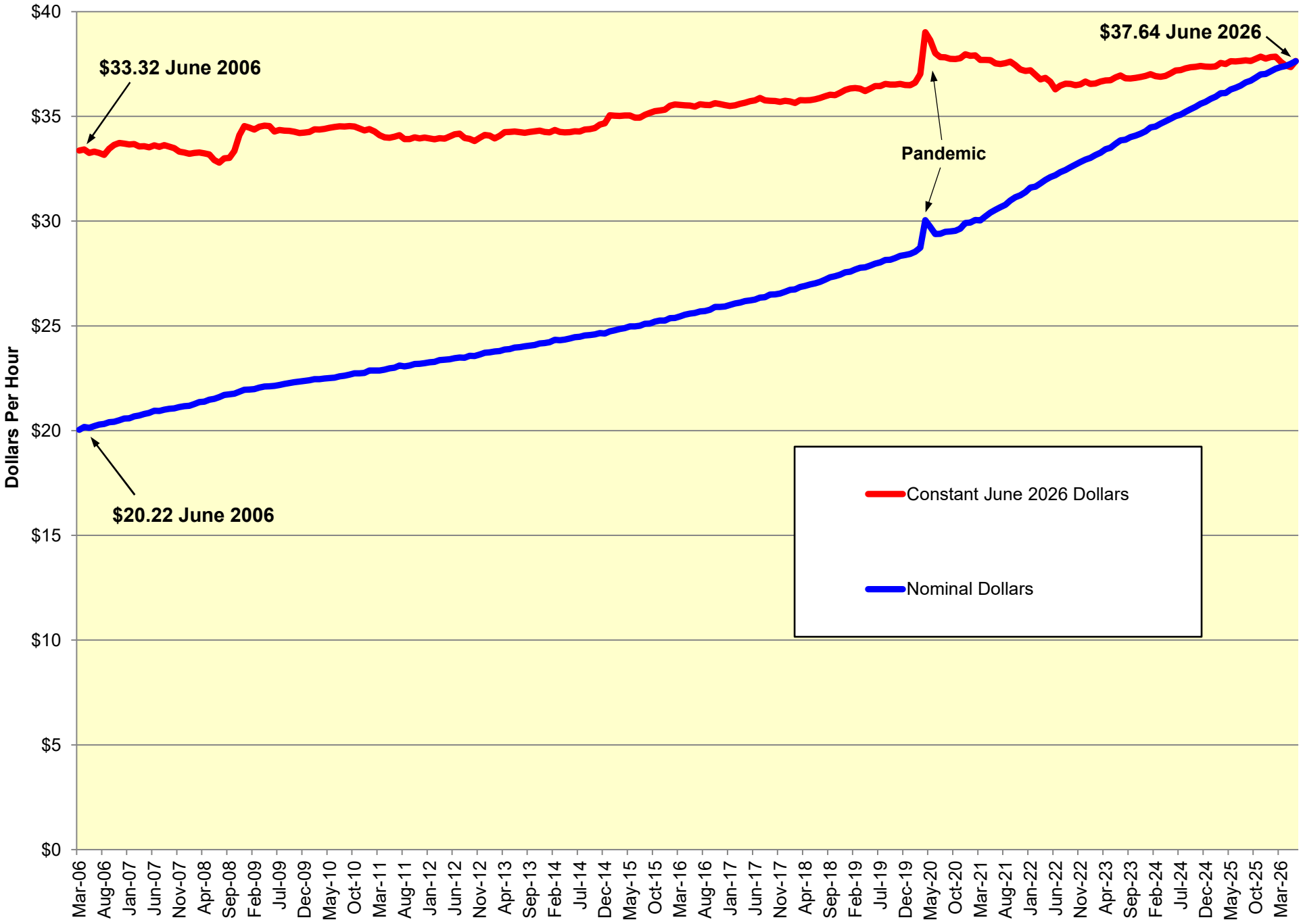
Total Nonagricultural Employment, Percent Change vs. Year Ago, Seasonally Adjusted Data



Source: Bureau of Labor Statistics, U.S. Department of Labor

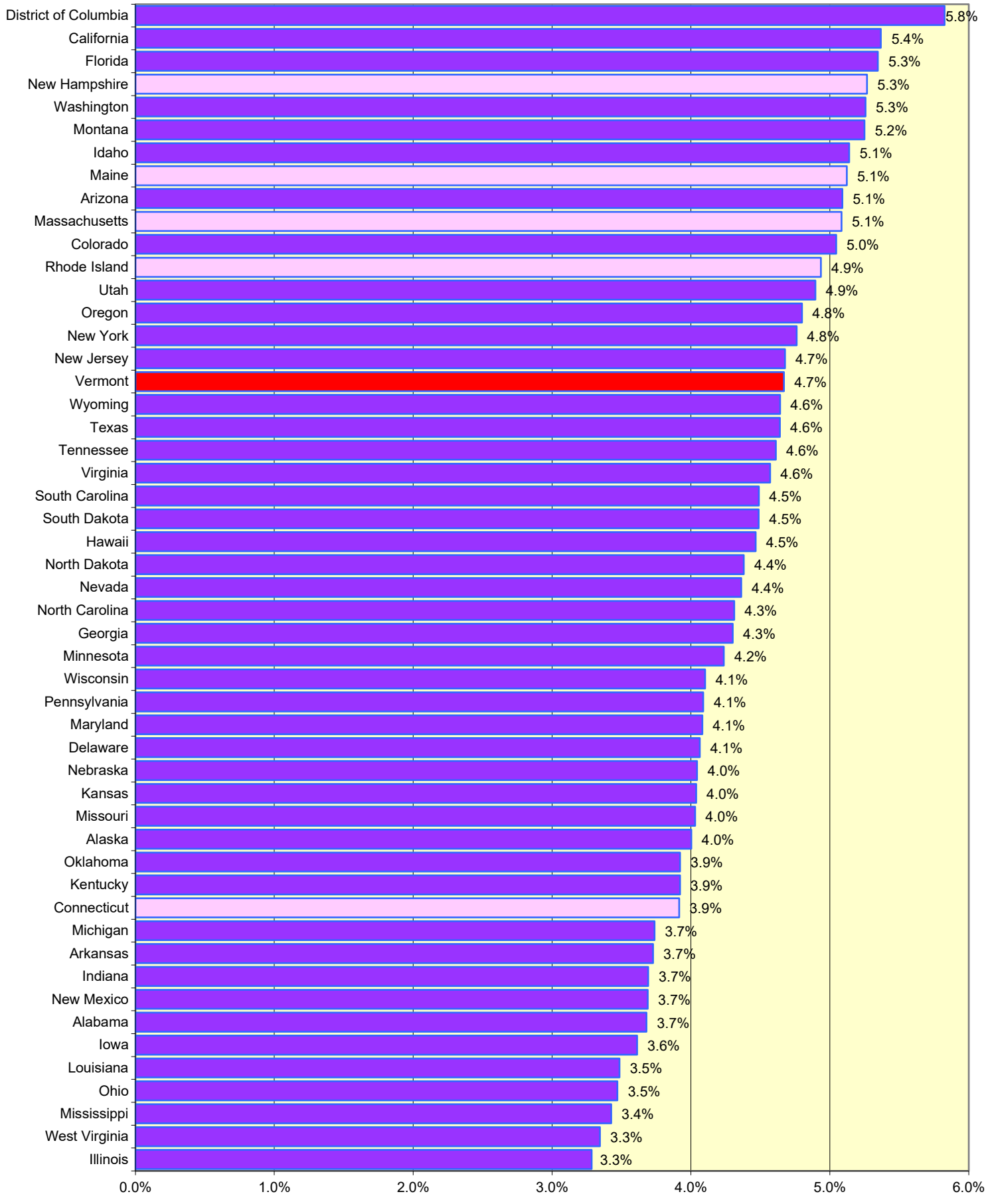
21.1 Cents Per Year: Real Hourly Wage Growth 2006-2026

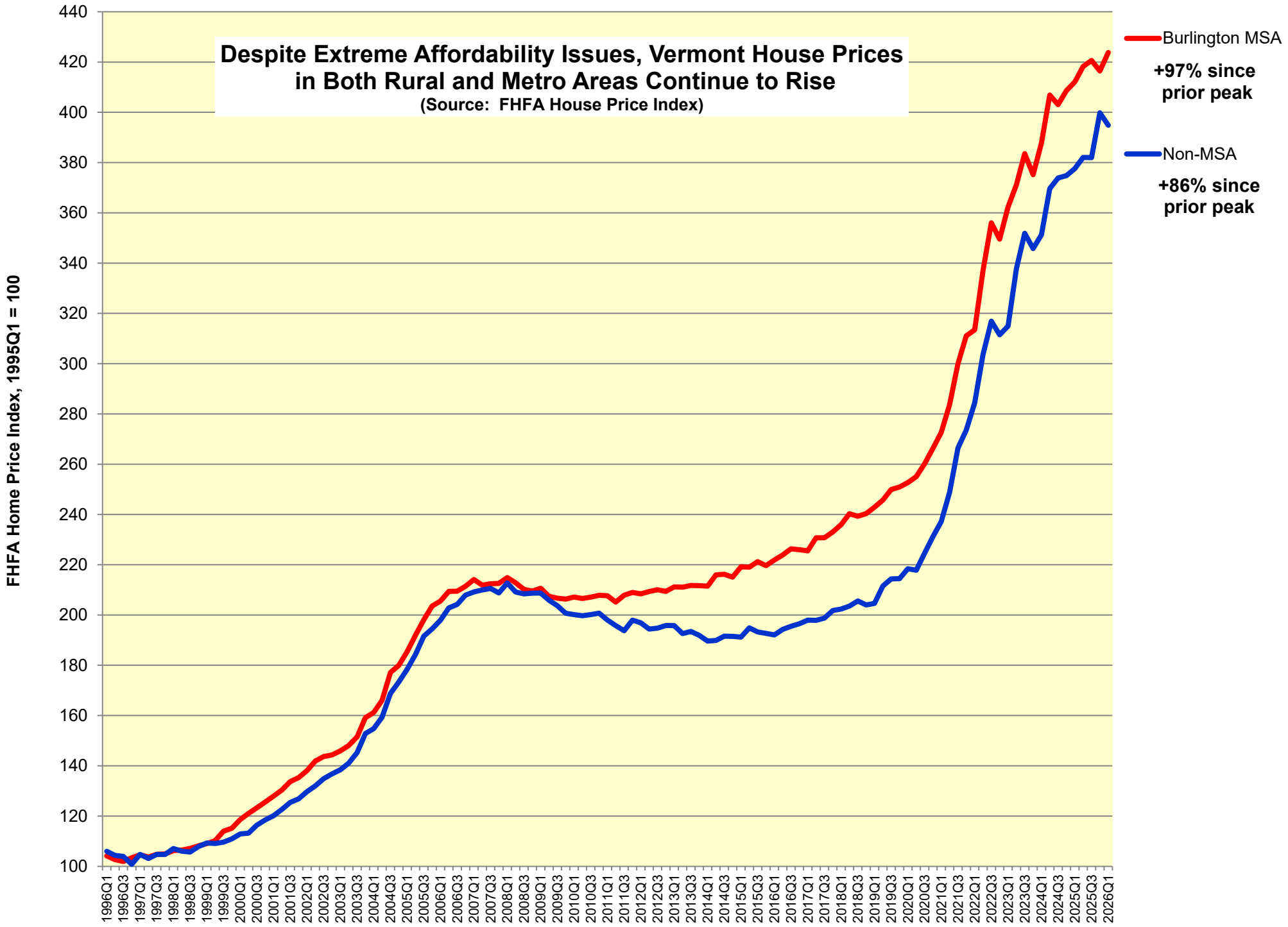
Average Hourly Earnings - All Private U.S. Employees, Source: U.S. Bureau of Labor Statistics



Real Estate Markets are Regional: 30 Year Growth Rates in Home Prices

Compound Average Annual Growth, First Quarter of 2026 vs. First Quarter of 1996, Source: FHFA Home Price Index




Despite Extreme Affordability Issues, Vermont House Prices in Both Rural and Metro Areas Continue to Rise
(Source: FHFA House Price Index)
FHFA Home Price Index, 1995Q1 = 100
440
420
400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
1996Q1
1996Q3
1997Q1
1997Q3
1998Q1
1998Q3
1999Q1
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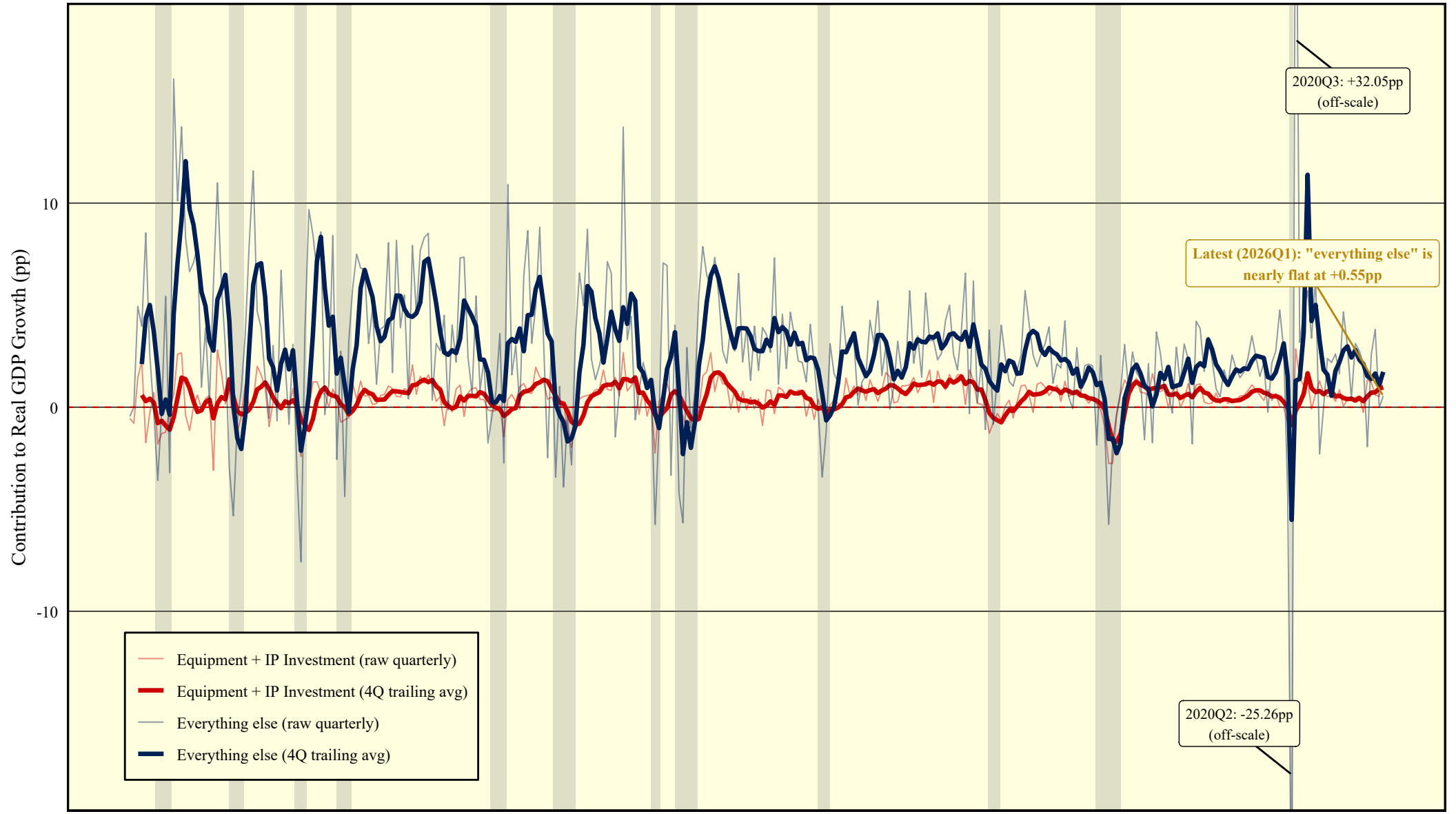
2019Q3
2020Q1
2020Q3
2021Q1
2021Q3
2022Q1
2022Q3
2023Q1
2023Q3
2024Q1
2024Q3
2025Q1
2025Q3
2026Q1
Burlington MSA
+97% since prior peak
Non-MSA
+86% since prior peak

Is Growth Broad-Based or Narrow? AI CapEx vs. Everything Else

Contribution to real GDP growth (pp): Equipment + IP Investment (red) vs. everything else (blue) -- consumption, government, net exports, residential, structures, and inventories combined. "AI CapEx" in the chart title refers to this same Equipment + Intellectual Property Products investment (BEA NIPA Table 1.1.2, Lines 11+12) -- a widely-used PROXY, not a literal AI-only figure, since Equipment+IP includes non-AI business investment too. In AI capex specifically, Equipment includes GPUs/AI accelerators, server clusters, datacenter networking, and backup power hardware, while IP Products includes hyperscalers' own model/software development and R&D on model architecture and chip design. A healthy, broad-based economy shows blue comfortably above red, as in most of the 1980s, 1990s, 2000s, and 2010s expansions; when red approaches or exceeds blue, growth is narrowly dependent on business investment alone. Grey bands: NBER recessions. Source: BEA NIPA Table 1.1.2



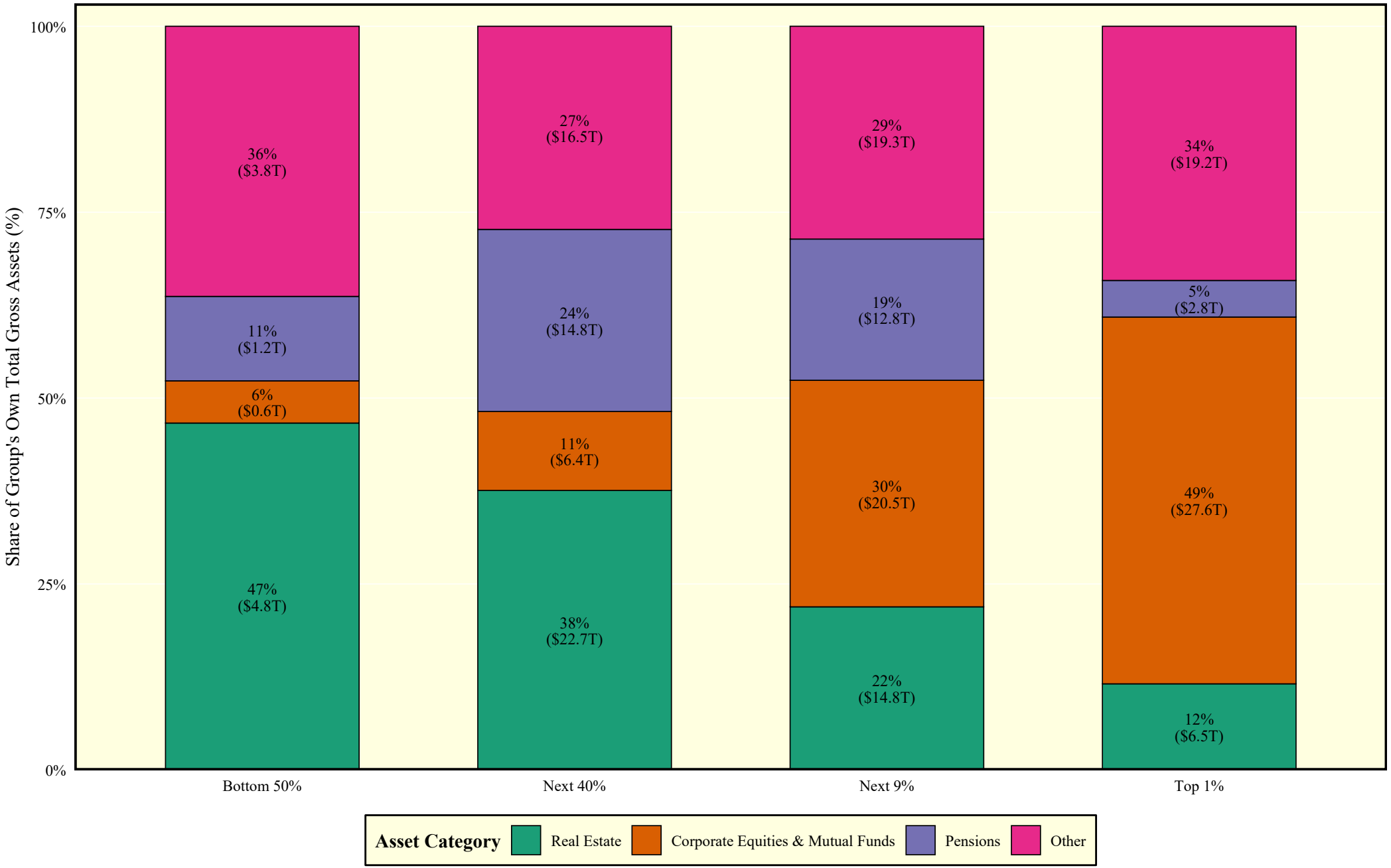
Y-axis capped at +-18pp; 2020 pandemic quarters exit the frame at their true value (data unmodified).

Market Breadth Has Narrowed as Mega-Caps Outrun the Average Stock

SPY (cap-weighted) ÷ RSP (equal-weighted) daily closing price, INDEXED to 100 on May 01, 2003 (RSP's first trading day) -- this is an index level, not a percentage. Above 100 = mega-caps outperforming the average stock since then; below 100 = broader participation. Grey bands: NBER recessions. The ratio's steepest short-term surges are a during-recession phenomenon, not just a nearby-in-time coincidence: ALL 15 of the fastest 3-month rises since 2003 fall inside a recession window, consistent with stress-driven flight to mega-cap "safety." The current (2022-2026) climb has not repeated that pattern in one sense -- no NBER-declared recession has occurred since April 2020 -- but its own steepest 3-month surge is nearly as sharp as the weakest of those 15 recession-linked surges (see chart annotations for exact figures). Note: NBER often confirms a recession's start many months after the fact, so an undeclared recession doesn't rule one out.

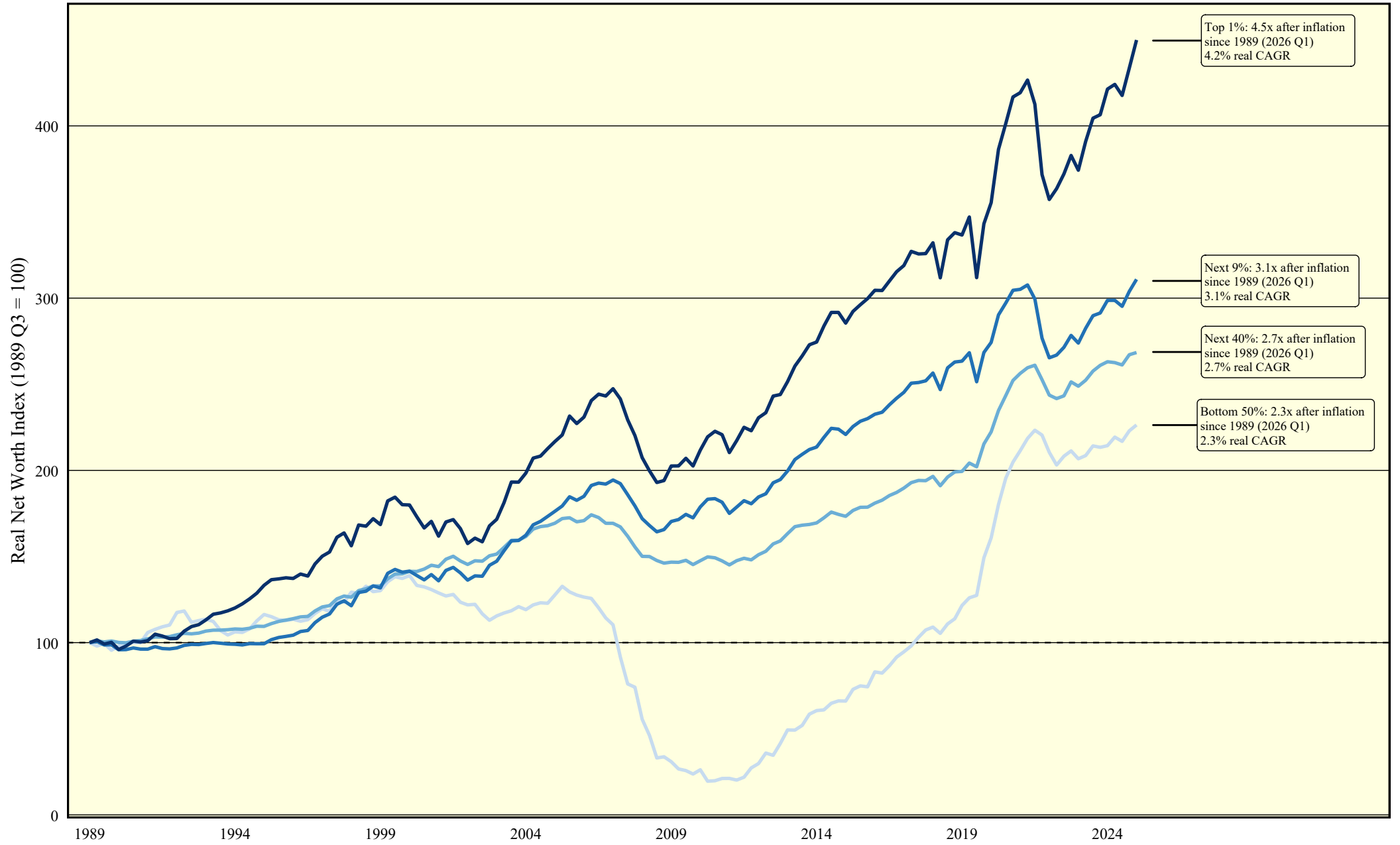
Equities Dominate the Top 1%'s Portfolio; Real Estate Dominates the Bottom 50%'s

Each wealth group's own holdings by asset category, as a % of that group's TOTAL GROSS ASSETS (liabilities/debt are not netted out here, since the point is asset-class exposure rather than leverage), 2026 Q1 (latest available quarter). "Other" includes private business equity, deposits, bonds, consumer durables, life insurance, and other smaller categories not shown separately. Source: Federal Reserve Board, Distributional Financial Accounts.



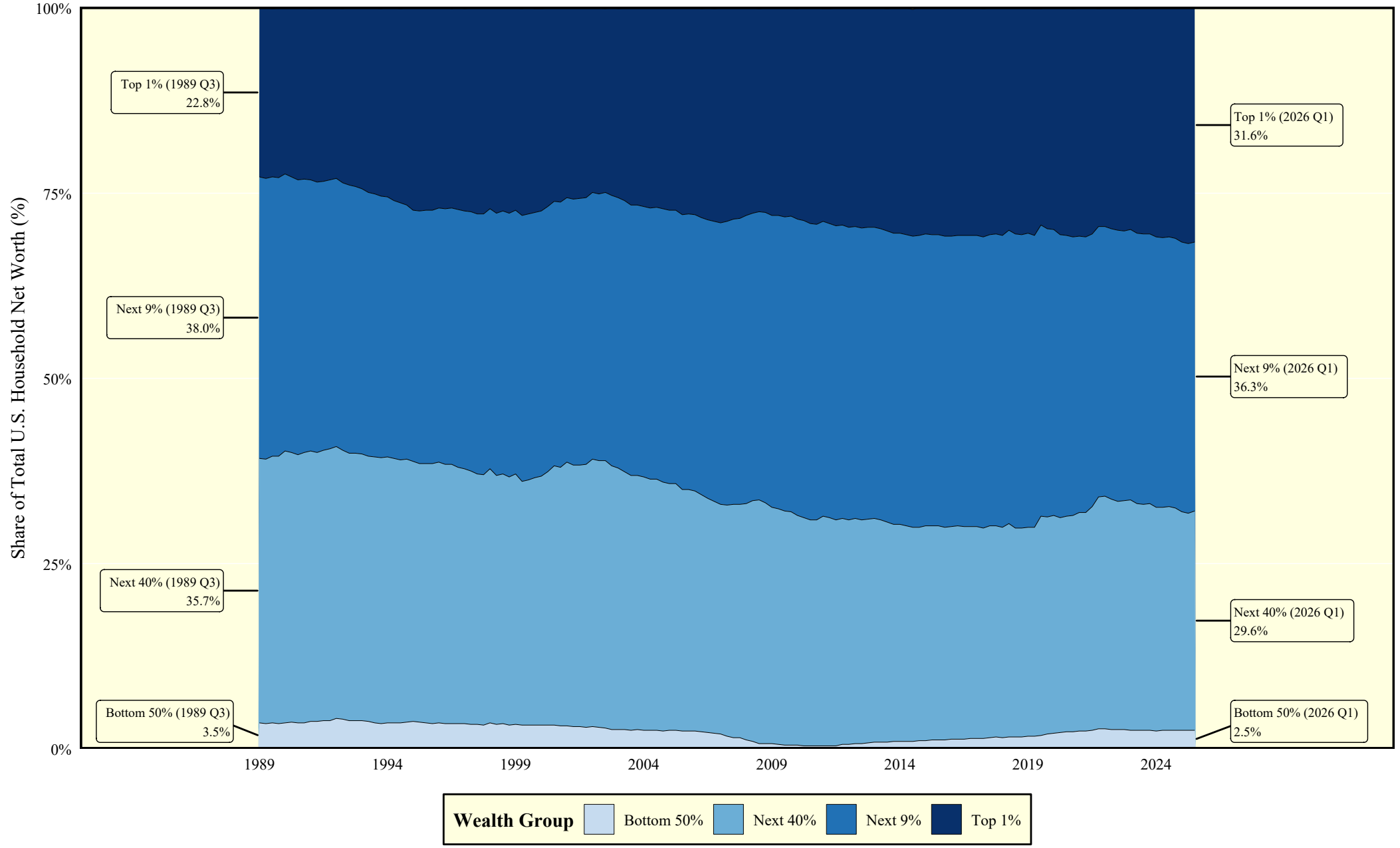
Real Net Worth Has Grown Fastest for the Top 1% Since 1989

Each group's REAL (inflation-adjusted) net worth, indexed to its own 1989 Q3 level = 100. Deflated using BLS CPI-U, Not Seasonally Adjusted, U.S. city average (series CUUR0000SA0), averaged into calendar quarters. Each wealth-percentile group is re-determined by net worth ranking at every quarter rather than a fixed cohort of households tracked since 1989, so these multiples compare the current top 1% (by rank) to the 1989 top 1% (by rank), not the same households' wealth over time. Source: Federal Reserve Board, Distributional Financial Accounts; BLS CPI-U.



The Top 1%'s Share of U.S. Household Net Worth Has Grown Since 1989

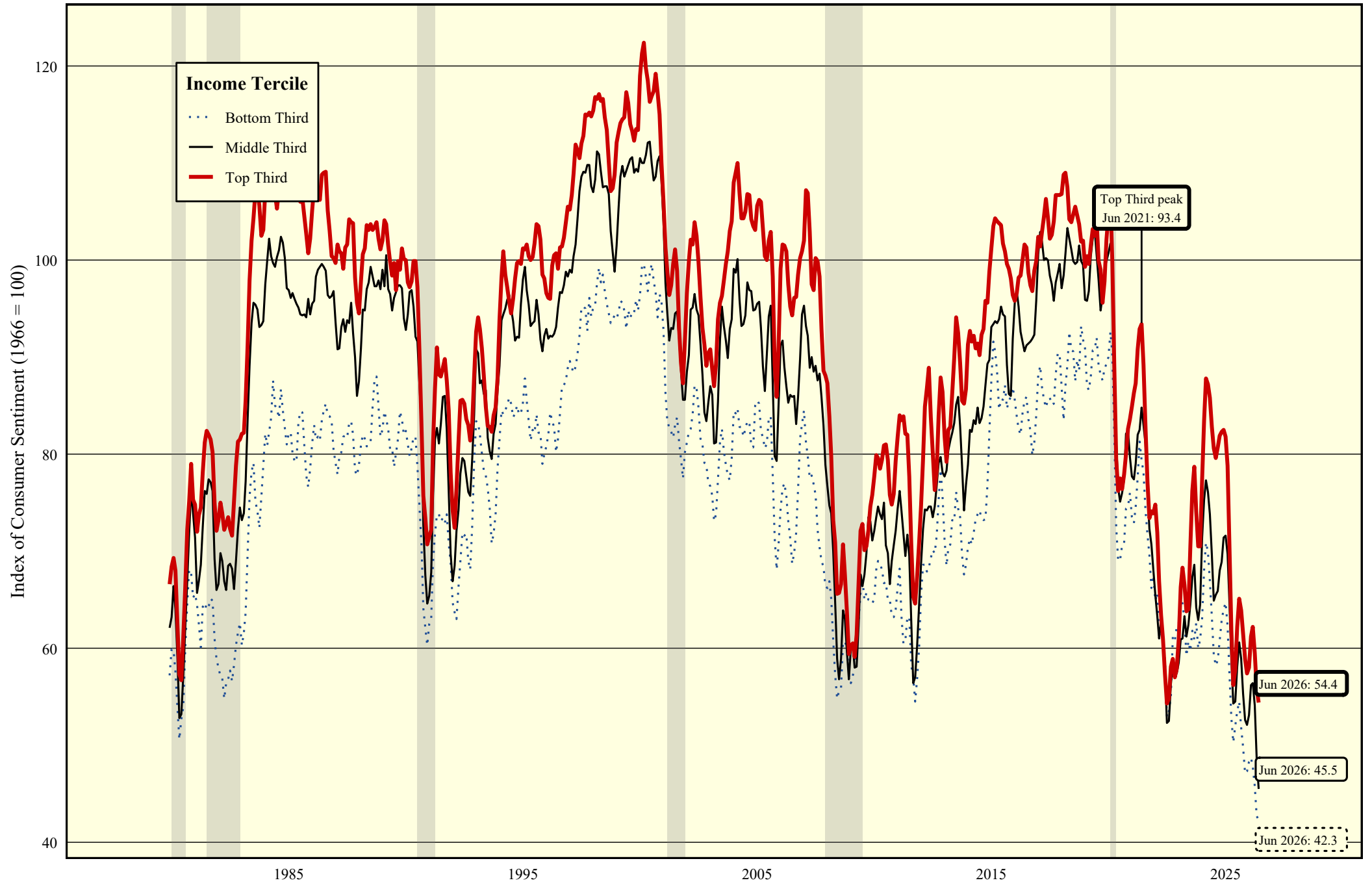
Each group's share of total U.S. household net worth -- the value of assets (real estate, stocks and retirement accounts, business equity, and other holdings) minus debt -- from the Federal Reserve's quarterly Distributional Financial Accounts (NSA). Net worth reflects accumulated wealth, including unrealized gains from rising asset values, rather than annual earnings. Source: Federal Reserve Board, Distributional Financial Accounts.



Data released roughly 10-11 weeks after each quarter ends; 2026 Q1 is the latest available quarter as of this build.

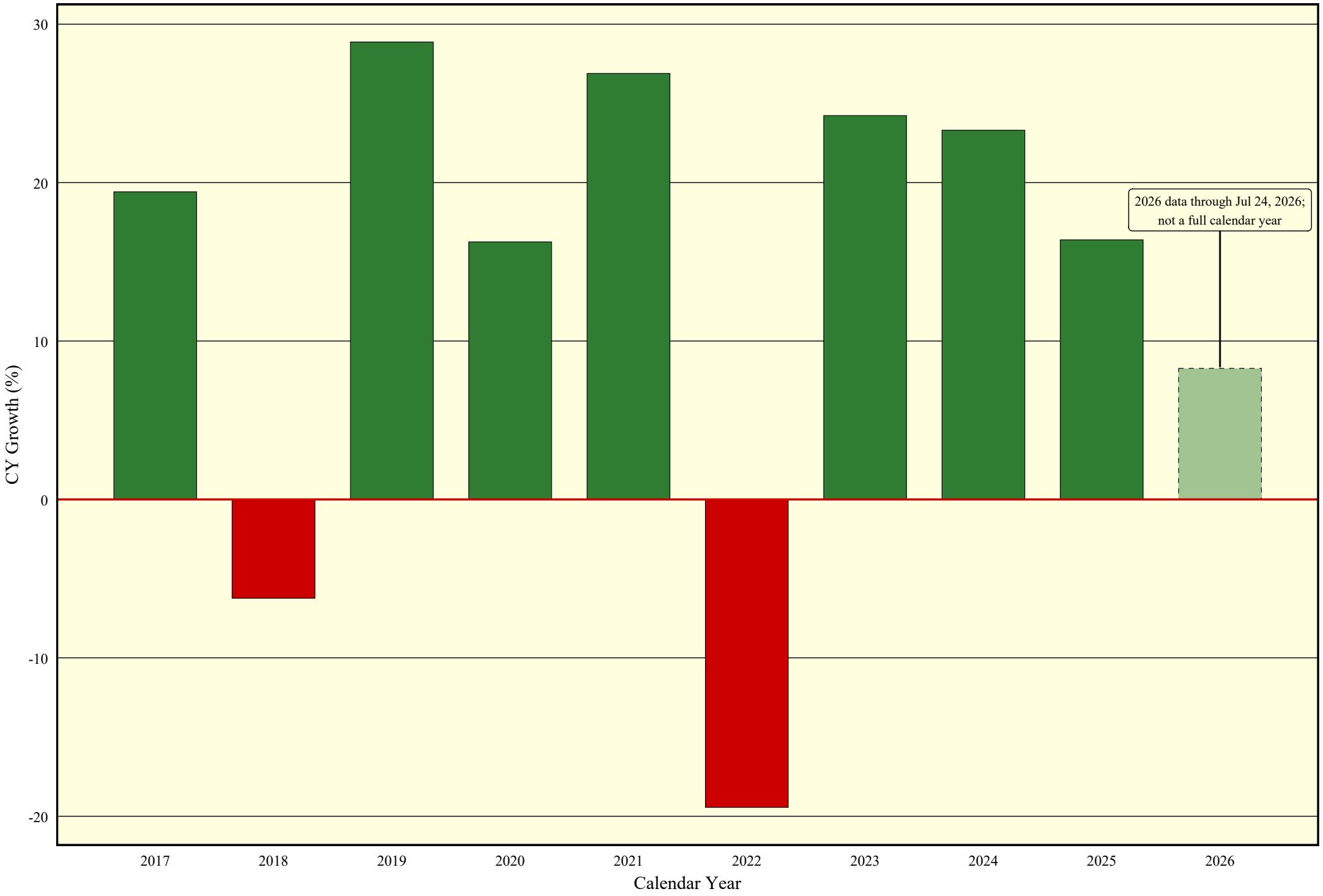
Consumer Sentiment's Pillar Is Cracking: Even Top-Third Households Are Losing Confidence

Index of Consumer Sentiment, 3-month moving average, by income tercile. The Top Third's gap over the Bottom and Middle terciles has narrowed from +16.4 points (June 2024) to +10.5 points (June 2026).
Source: Surveys of Consumers, University of Michigan, by income tercile, June 2026 release.



Slowing Stock Gains Threaten the Wealth Effect Propping Up Growth

S&P 500, calendar-year % change (year-end to year-end). Source: FRED series SP500.



Appendix A

Five Year Revenue Forecast Tables

July 2026

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 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 (Actual)	% Change	FY2026 (Preliminary)	% 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%	$1466.8	7.6%	$1481.1	1.0%	$1522.6	2.8%	$1573.3	3.3%	$1628.0	3.5%	$1688.1	3.7%
Sales and Use[1]	$545.2	7.4%	$584.0	7.1%	$595.2	1.9%	$618.1	3.9%	$639.9	3.5%	$660.0	3.1%	$681.4	3.2%	$702.6	3.1%	$723.9	3.0%	$745.2	2.9%
Corporate	$223.3	67.3%	$281.4	26.0%	$238.8	-15.1%	$272.6	14.2%	$217.8	-20.1%	$239.1	9.8%	$251.6	5.2%	$263.7	4.8%	$275.6	4.5%	$287.6	4.4%
Meals and Rooms[2]	$216.8	50.8%	$237.7	9.6%	$246.2	3.5%	$262.3	6.5%	$273.0	4.1%	$282.3	3.4%	$292.3	3.5%	$302.4	3.5%	$313.4	3.6%	$324.9	3.7%
Liquor	$30.1	5.0%	$30.8	2.1%	$30.2	-1.8%	$29.7	-1.7%	$29.3	-1.4%	$30.0	2.4%	$30.6	2.0%	$31.2	2.0%	$31.8	1.9%	$32.4	1.9%
Insurance	$65.7	8.7%	$68.8	4.8%	$75.6	9.8%	$82.6	9.2%	$85.4	3.5%	$88.8	3.9%	$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	-1.6%	$0.0	NM	$0.0	NM	$0.0	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	-1.0%	$6.5	-1.8%	$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%	$32.8	-40.6%	$34.0	3.7%	$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%	$76.6	22.8%	$77.7	1.3%	$79.4	2.2%	$81.3	2.4%	$84.0	3.3%	$87.0	3.6%	$90.4	3.9%
Bank	$16.9	22.1%	$17.8	4.9%	$16.6	-6.6%	$13.4	-19.4%	$13.3	-0.3%	$13.0	-2.5%	$13.2	1.5%	$13.5	2.3%	$13.9	3.0%	$14.3	2.9%
Cannabis Excise	$0.0	NM	$6.7	NM	$17.4	158.5%	$20.2	16.4%	$21.8	7.6%	$22.7	4.4%	$23.5	3.6%	$24.3	3.2%	$25.0	2.9%	$25.7	2.8%
Other Tax	$1.3	91.3%	$1.4	11.7%	$1.3	-9.5%	$1.2	-8.1%	$1.1	-9.5%	$1.1	4.4%	$1.2	4.5%	$1.2	4.3%	$1.3	8.3%	$1.4	7.7%
Total Tax Revenue	$2468.2	19.3%	$2536.1	2.7%	$2560.1	0.9%	$2804.7	9.6%	$2868.6	2.3%	$2938.0	2.4%	$3031.4	3.2%	$3134.1	3.4%	$3242.6	3.5%	$3357.2	3.5%
Business Licenses	$1.2	-4.4%	$0.6	-54.5%	$1.3	130.2%	$1.3	-2.0%	$1.3	2.3%	$1.3	1.7%	$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%	$49.4	-0.5%	$50.3	1.9%	$51.3	2.0%	$52.4	2.1%	$53.5	2.1%	$54.5	1.9%
Services	$2.8	-7.7%	$3.7	33.2%	$4.1	10.0%	$4.2	1.6%	$5.9	41.1%	$7.3	23.8%	$7.52	3.0%	$7.74	2.9%	$7.98	3.1%	$8.22	3.0%
Fines	$3.3	7.5%	$2.6	-21.1%	$2.5	-6.8%	$4.0	61.3%	$3.7	-7.6%	$3.1	-15.5%	$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%	$43.4	-28.6%	$34.0	-21.6%	$33.3	-2.2%	$34.1	2.5%	$35.0	2.5%	$35.9	2.7%
Lottery	$30.8	-5.2%	$32.1	4.3%	$36.0	12.1%	$30.6	-14.9%	$31.0	1.3%	$31.3	1.0%	$31.8	1.6%	$32.5	2.2%	$33.4	2.8%	$34.4	3.0%
All Other[3]	$1.0	96.4%	$1.5	58.7%	$0.6	-60.1%	$2.9	371.5%	$1.0	-63.7%	$1.2	15.0%	$1.3	8.3%	$1.4	7.7%	$1.5	7.1%	$1.6	6.7%
Total Other Revenue	$83.9	-0.2%	$143.1	70.5%	$181.7	27.0%	$153.3	-15.6%	$135.7	-11.5%	$128.5	-5.3%	$129.7	0.9%	$132.8	2.4%	$136.2	2.5%	$139.6	2.5%
Healthcare Revenue[4]	$303.5	8.0%	$319.3	5.2%	$333.0	4.3%	$357.1	7.2%	$367.0	2.8%	$375.1	2.2%	$370.2	-1.3%	$360.4	-2.7%	$350.5	-2.7%	$340.0	-3.0%
TOTAL GENERAL FUND	**$2855.6**	**17.3%**	**$2998.5**	**5.0%**	**$3074.8**	**2.5%**	**$3315.2**	**7.8%**	**$3371.3**	**1.7%**	**$3441.6**	**2.1%**	**$3531.4**	**2.6%**	**$3627.3**	**2.7%**	**$3729.2**	**2.8%**	**$3836.9**	**2.9%**
CHILDCARE TAX REVENUE[8]	**$0.0**	**NM**	**$0.0**	**NM**	**$0.0**	**NM**	**$80.4**	**NM**	**$85.6**	**6.5%**	**$88.9**	**3.8%**	**$92.0**	**3.5%**	**$95.4**	**3.7%**	**$99.0**	**3.8%**	**$102.8**	**3.8%**

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) Heathcare 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 (STR) 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 - July 2026

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers	**FY2022** *(Actual)*	**%** Change	**FY2023** *(Actual)*	**%** Change	**FY2024** *(Actual)*	**%** Change	**FY2025** *(Actual)*	**%** Change	**FY2026** *(Preliminary)*	**%** 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%	$1466.8	7.6%	$1481.1	1.0%	$1522.6	2.8%	$1573.3	3.3%	$1628.0	3.5%	$1688.1	3.7%
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%	$217.8	-20.1%	$239.1	9.8%	$251.6	5.2%	$263.7	4.8%	$275.6	4.5%	$287.6	4.4%
Meals and Rooms[9,10]	$149.6	50.8%	$164.0	9.6%	$169.8	3.5%	$175.4	3.3%	$181.6	3.5%	$177.0	-2.6%	$173.4	-2.0%	$179.4	3.5%	$185.9	3.7%	$192.7	3.7%
Liquor[6]	$5.0	5.0%	$5.1	2.1%	$5.0	-1.8%	$5.0	-1.7%	$4.9	-1.4%	$5.0	2.4%	$5.1	2.0%	$5.2	2.0%	$5.3	1.9%	$5.4	1.9%
Insurance	$65.7	8.7%	$68.8	4.8%	$75.6	9.8%	$82.6	9.2%	$85.4	3.5%	$88.8	3.9%	$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	$0.0	NM	$0.0	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	-1.0%	$6.5	-1.8%	$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%	$32.8	13.6%	$34.0	3.7%	$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%	$27.4	1.4%	$28.0	2.3%	$28.7	2.5%	$29.7	3.4%	$30.8	3.7%	$32.0	4.0%
Bank	$16.9	22.1%	$17.8	4.9%	$16.6	-6.6%	$13.4	-19.4%	$13.3	-0.3%	$13.0	-2.5%	$13.2	1.5%	$13.5	2.3%	$13.9	3.0%	$14.3	2.9%
Cannabis Excise	$0.0	NM	$6.7	NM	$0.0	NM	$0.0	NM	$15.2	NM	$15.9	4.4%	$16.5	3.6%	$17.0	3.2%	$17.5	2.9%	$18.0	2.8%
Other Tax	$1.3	91.3%	$1.4	11.7%	$1.3	-9.5%	$1.2	-8.1%	$1.1	-9.5%	$1.1	4.4%	$1.2	4.5%	$1.2	4.3%	$1.3	8.3%	$1.4	7.7%
Total Tax Revenue	$1777.4	23.6%	$1805.1	1.6%	$1803.0	-0.1%	$1978.9	9.8%	$2056.2	3.9%	$2089.5	1.6%	$2146.0	2.7%	$2221.0	3.5%	$2301.0	3.6%	$2386.9	3.7%
Business Licenses	$1.2	-4.4%	$0.6	-54.5%	$1.3	130.2%	$1.3	-2.0%	$1.3	2.3%	$1.3	1.7%	$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%	$49.4	-0.5%	$50.3	1.9%	$51.3	2.0%	$52.4	2.1%	$53.5	2.1%	$54.5	1.9%
Services	$2.8	-7.7%	$3.7	33.2%	$4.1	10.0%	$4.2	1.6%	$5.9	41.1%	$7.3	23.8%	$7.5	3.0%	$7.7	2.9%	$8.0	3.1%	$8.2	3.0%
Fines	$3.3	7.5%	$2.6	-21.1%	$2.5	-6.8%	$4.0	61.3%	$3.7	-7.6%	$3.1	-15.5%	$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%	$41.2	-29.4%	$32.3	-21.5%	$31.6	-2.2%	$32.4	2.5%	$33.2	2.5%	$34.1	2.7%
All Other[4]	$1.0	96.4%	$1.5	58.7%	$0.6	-60.1%	$2.9	371.5%	$1.0	-63.7%	$1.2	15.0%	$1.3	8.3%	$1.4	7.7%	$1.5	7.1%	$1.6	6.7%
Total Other Revenue	$52.9	2.6%	$105.2	99.1%	$139.9	33.0%	$120.2	-14.1%	$102.4	-14.8%	$95.5	-6.8%	$96.3	0.8%	$98.6	2.4%	$101.0	2.4%	$103.4	2.3%
Healthcare Revenue[5]	$299.3	7.6%	$314.3	5.0%	$327.5	4.2%	$351.3	7.3%	$360.4	2.6%	$368.1	2.1%	$362.9	-1.4%	$352.6	-2.8%	$342.3	-2.9%	$331.4	-3.2%
TOTAL GENERAL FUND	**$2129.5**	**20.5%**	**$2224.6**	**4.5%**	**$2270.5**	**2.1%**	**$2450.5**	**7.9%**	**$2519.0**	**2.8%**	**$2553.1**	**1.4%**	**$2605.2**	**2.0%**	**$2672.2**	**2.6%**	**$2744.3**	**2.7%**	**$2821.7**	**2.8%**
***CHILDCARE TAX REVENUE*[8]**	**$0.0**	**NM**	**$0.0**	**NM**	**$0.0**	**NM**	**$80.4**	**NM**	**$85.6**	**6.5%**	**$88.9**	**3.8%**	**$92.0**	**3.5%**	**$95.4**	**3.7%**	**$99.0**	**3.8%**	**$102.8**	**3.8%**

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) Heathcare 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
9) From FY98 to FY04, approximately 18.5% of Source M&R revenues were allocated to the Education Fund. From FY05 to FY18 the allocation was 0%. From FY19 to FY26, it was 25% of Source M&R (excluding the STR Surcharge) and then raised to 29% in FY27 and to 32.5% in FY28 and beyond.
10) Beginning in FY25 100% of the Short-Term Rental (STR) Surcharge, which is included in Source Meals & Rooms reveues, is allocated to the Education Fund.

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

SOURCE HEALTHCARE [1] *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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$63.2	-6.3%	$60.1	-4.9%	$58.1	-3.3%	$56.4	-2.9%	$55.3	-2.0%	$54.3	-1.8%
Claims Assessment	$21.7	10.3%	$23.0	5.7%	$27.3	18.6%	$28.8	5.5%	$32.9	14.5%	$34.8	5.5%	$36.7	5.5%	$38.7	5.5%	$40.8	5.5%	$43.1	5.5%
Employer Assessment	$21.9	22.2%	$24.9	13.9%	$26.9	7.8%	$31.8	18.3%	$34.7	8.9%	$37.4	8.0%	$40.4	8.0%	$43.6	8.0%	$47.1	8.0%	$50.9	8.0%
Hospital Provider Tax [2]	$161.5	12.4%	$173.9	7.6%	$192.4	10.6%	$212.3	10.4%	$219.4	3.3%	$226.0	3.0%	$218.2	-3.4%	$204.8	-6.2%	$190.4	-7.0%	$174.9	-8.1%
Nursing Home Provider Tax	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.5%	$14.4	0.6%	$14.4	-0.4%	$14.4	0.2%	$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%	$2.4	6.2%	$2.4	-2.5%	$2.4	1.2%	$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%**	**$367.0**	**2.8%**	**$375.1**	**2.2%**	**$370.2**	**-1.3%**	**$360.4**	**-2.7%**	**$350.5**	**-2.7%**	**$340.0**	**-3.0%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY2022** *(Actual)*	% Change	**FY2023** *(Actual)*	% Change	**FY2024** *(Actual)*	% Change	**FY2025** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$63.2	-6.3%	$60.1	-4.9%	$58.1	-3.3%	$56.4	-2.9%	$55.3	-2.0%	$54.3	-1.8%
Claims Assessment	$17.6	7.3%	$18.0	2.6%	$21.8	21.0%	$23.0	5.5%	$26.4	14.5%	$27.8	5.5%	$29.3	5.5%	$30.9	5.5%	$32.6	5.5%	$34.4	5.5%
Employer Assessment	$21.9	19.2%	$24.9	13.9%	$26.9	7.8%	$31.8	18.3%	$34.7	8.9%	$37.4	8.0%	$40.4	8.0%	$43.6	8.0%	$47.1	8.0%	$50.9	8.0%
Hospital Provider Tax [2]	$161.5	12.4%	$173.9	7.6%	$192.4	10.6%	$212.3	10.4%	$219.4	3.3%	$226.0	3.0%	$218.2	-3.4%	$204.8	-6.2%	$190.4	-7.0%	$174.9	-8.1%
Nursing Home Provider Tax	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.5%	$14.4	0.6%	$14.4	-0.4%	$14.4	0.2%	$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%	$2.4	6.2%	$2.4	-2.5%	$2.4	1.2%	$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%**	**$360.4**	**2.6%**	**$368.1**	**2.1%**	**$362.9**	**-1.4%**	**$352.6**	**-2.8%**	**$342.3**	**-2.9%**	**$331.4**	**-3.2%**

1) Heathcare 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 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 - July 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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$70.9	-0.7%	$71.6	0.9%	$70.4	-1.7%	$69.9	-0.7%	$69.3	-0.9%	$68.7	-0.9%
Diesel	$18.3	2.0%	$17.6	-3.7%	$17.8	1.2%	$18.2	2.1%	$17.8	-2.4%	$18.0	1.3%	$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%	$149.4	3.0%	$153.2	2.5%	$158.3	3.3%	$163.7	3.4%	$169.4	3.5%	$175.1	3.4%
Motor Vehicle Fees	$82.8	-5.5%	$84.8	2.4%	$90.8	7.1%	$97.5	7.4%	$97.9	0.4%	$98.9	1.0%	$100.0	1.1%	$101.0	1.0%	$102.1	1.1%	$103.0	0.9%
Other Revenue	$23.5	14.5%	$24.1	2.7%	$26.4	9.4%	$29.7	12.5%	$31.2	5.2%	$31.9	2.1%	$32.7	2.5%	$33.4	2.1%	$34.2	2.4%	$35.0	2.3%
TOTAL TRANS. FUND	**$333.5**	**1.9%**	**$342.5**	**2.7%**	**$351.3**	**2.6%**	**$361.9**	**3.0%**	**$367.2**	**1.5%**	**$373.6**	**1.7%**	**$379.3**	**1.5%**	**$385.8**	**1.7%**	**$392.6**	**1.8%**	**$399.3**	**1.7%**

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

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers	**FY2022** *(Actual)*	% Change	**FY2023** *(Actual)*	% Change	**FY2024** *(Actual)*	% Change	**FY2025** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% 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%	$70.9	-0.7%	$71.6	0.9%	$70.4	-1.7%	$69.9	-0.7%	$69.3	-0.9%	$68.7	-0.9%
Diesel	$18.3	2.0%	$17.6	-3.7%	$17.8	1.2%	$18.2	2.1%	$17.8	-2.4%	$18.0	1.3%	$17.9	-0.6%	$17.8	-0.6%	$17.6	-1.1%	$17.5	-0.6%
Purchase and Use[1]	$91.4	2.3%	$94.8	3.7%	$96.6	1.9%	$96.7	0.1%	$99.6	3.0%	$111.8	12.3%	$125.1	11.8%	$129.3	3.4%	$133.8	3.5%	$138.3	3.4%
Motor Vehicle Fees[5]	$82.8	-5.5%	$84.8	2.4%	$90.8	7.1%	$97.5	7.4%	$97.9	0.4%	$98.9	1.0%	$100.0	1.1%	$101.0	1.0%	$102.1	1.1%	$103.0	0.9%
Other Revenue[2,5]	$23.5	14.5%	$24.1	2.7%	$26.4	9.4%	$29.7	12.5%	$31.2	5.2%	$31.9	2.1%	$32.7	2.5%	$33.4	2.1%	$34.2	2.4%	$35.0	2.3%
TOTAL TRANS. FUND	**$287.8**	**1.8%**	**$295.1**	**2.5%**	**$303.0**	**2.7%**	**$313.6**	**3.5%**	**$317.4**	**1.2%**	**$332.2**	**4.7%**	**$346.1**	**4.2%**	**$351.4**	**1.6%**	**$357.0**	**1.6%**	**$362.5**	**1.5%**
OTHER (TIB[3])																				
TIB Gasoline	$15.1	48.2%	$20.1	32.6%	$17.6	-12.6%	$16.1	-8.5%	$14.2	-11.6%	$18.1	27.6%	$14.9	-17.7%	$13.8	-7.2%	$13.6	-2.0%	$13.8	1.8%
TIB Diesel and Other[4]	$1.9	1.7%	$2.2	13.6%	$2.2	0.8%	$2.2	-1.6%	$2.1	-2.0%	$2.1	-1.3%	$2.1	-3.3%	$2.0	-4.4%	$1.9	-2.6%	$1.9	-1.0%
TOTAL OTHER (TIB)	**$17.1**	**40.8%**	**$22.3**	**30.4%**	**$19.8**	**-11.2%**	**$18.3**	**-7.7%**	**$16.3**	**-10.4%**	**$20.2**	**23.8%**	**$17.0**	**-16.2%**	**$15.8**	**-6.9%**	**$15.5**	**-2.0%**	**$15.7**	**1.4%**

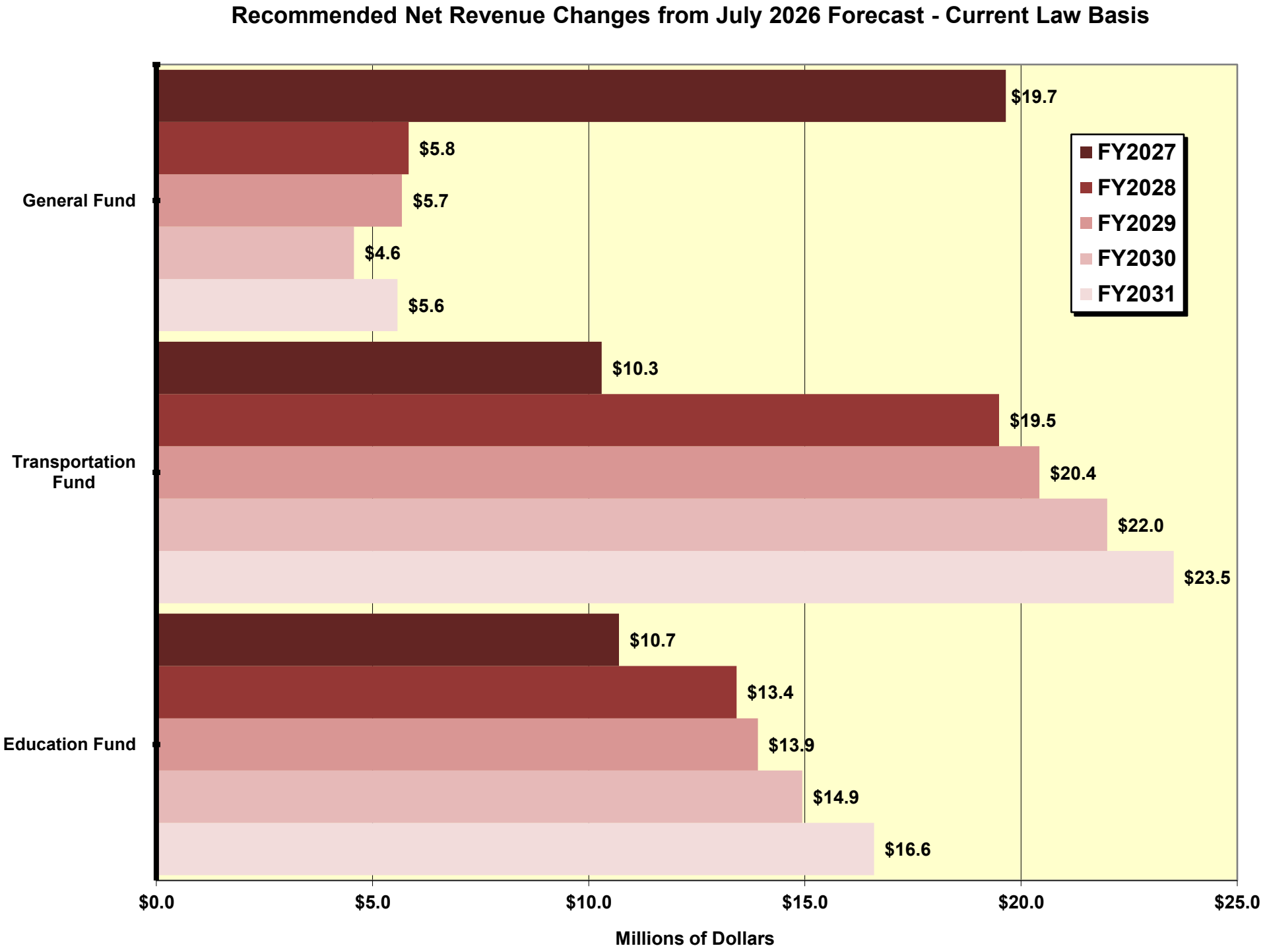
1) As of FY04, includes Motor Vehicle Rental tax revenue. From FY98 to FY04, 16.6% of Source MVP&U revenues were alllocated to the Education Fund. From FY05 to FY26 the allocation was 33.3%. In FY27, it was 27% and lowered to 21% in FY28 and beyond.
2) Beginning in FY07, includes Stabilization Reserve 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
5) Beginning in FY22, circa $3M per year in Motor Vehicle Records Requests were mistakenly deposited in Motor Vehicle Fee revenues instead of Other Revenue. This was corrected in FY26 and adjusted in the historical data herein.

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND[1] REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 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** *(Actual)*	% Change	**FY2026** *(Preliminary)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change	**FY2029** *(Forecast)*	% Change	**FY2030** *(Forecast)*	% Change	**FY2031** *(Forecast)*	% Change
GENERAL FUND																				
Meals and Rooms[4,5]	$54.2	50.8%	$59.4	9.6%	$61.5	3.5%	$71.6	16.3%	$75.5	5.6%	$89.0	17.8%	$102.0	14.6%	$105.5	3.4%	$109.3	3.6%	$113.4	3.7%
Sales & Use[2]	$545.2	7.4%	$584.0	7.1%	$595.2	1.9%	$609.7	2.4%	$631.0	3.5%	$650.6	3.1%	$671.7	3.2%	$692.6	3.1%	$713.6	3.0%	$734.6	2.9%
Interest	$0.3	169.1%	$5.8	1892%	$5.8	0.3%	$2.5	-57.6%	$2.2	-9.2%	$1.7	-23.8%	$1.7	-2.4%	$1.7	2.4%	$1.8	2.9%	$1.8	2.9%
Lottery	$30.8	-5.2%	$32.1	4.3%	$36.0	12.1%	$30.6	-14.9%	$31.0	1.3%	$31.3	1.0%	$31.8	1.6%	$32.5	2.2%	$33.4	2.8%	$34.4	3.0%
TRANSPORTATION FUND																				
Purchase and Use[3]	$45.7	2.3%	$47.4	3.7%	$48.3	1.9%	$48.3	0.1%	$49.8	3.0%	$41.4	-16.9%	$33.2	-19.6%	$34.4	3.4%	$35.6	3.5%	$36.8	3.4%
TOTAL EDUCATION FUND	**$676.2**	**8.9%**	**$728.77**	**7.8%**	**$746.8**	**2.5%**	**$762.7**	**2.1%**	**$789.5**	**3.5%**	**$814.0**	**3.1%**	**$840.4**	**3.2%**	**$866.7**	**3.1%**	**$893.6**	**3.1%**	**$920.9**	**3.1%**

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) As of FY04, includes Motor Vehicle Rental tax revenue. From FY98 to FY04, 16.6% of Source MVP&U revenues were alllocated to the Education Fund. From FY05 to FY26 the allocation was 33.3%. In FY27, it was 27% and lowered to 21% in FY28 and beyond.
4) From FY98 to FY04, approximately 18.5% of Source M&R revenues were allocated to the Education Fund. From FY05 to FY18 the allocation was 0%. From FY19 to FY26, it was 25% of Source M&R (excluding the STR Surcharge) and then raised to 29% in FY27 and to 32.5% in FY28 and beyond.
5) Beginning in FY25 100% of the Short-Term Rental (STR) Surcharge, which is included in General Fund Source Meals & Rooms reveues, is allocated to the Education Fund.


Recommended Net Revenue Changes from July 2026 Forecast - Current Law Basis
General Fund
Transportation Fund
Education Fund
$19.7
$5.8
$5.7
$4.6
$5.6
$10.3
$19.5
$20.4
$22.0
$23.5
$10.7
$13.4
$13.9
$14.9
$16.6
FY2027
FY2028
FY2029
FY2030
FY2031
$0.0
$5.0
$10.0
$15.0
$20.0
$25.0
Millions of Dollars