

Consensus Revenue Forecast Update for the General Fund, Transportation Fund, and Education Fund [Partial]

Fiscal Years 2026 Through and 2028

January 16, 2026

Prepared for the Vermont Emergency Board

PREPARED BY:



400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

❖ Staff Recommended Consensus Revenue Forecast Update for Fiscal Years 2026 through 2031.

- Against the backdrop of continued federal foreign, fiscal, immigration, and trade policy uncertainty, the latest staff recommended consensus revenue forecast update for fiscal years 2026, 2027, and 2028 (and including fiscal planning revenue estimates for fiscal years 2029, 2030, and 2031) calls for essentially “holding the line” for the forecast update period (see Table 1 below).

**Table 1: Staff Recommended Consensus Revenue Forecast Update-
Changes from the July 2025 Consensus Forecast for the G-Fund, T-Fund,
E-Fund and T-Fund TIB**

Current Law (Including Health Care Revenues in the G-Fund)

Staff Recommended Consensus Revenue Forecast Levels by Fiscal Year Versus the E-Board Approved July FY 2026 Consensus Forecast											
JANUARY FY 2026 CONSENSUS FORECAST UPDATE	FY 2026		FY 2027		FY 2028		FY 2029		FY 2030		
Current Law (includes All Fee and Tax Changes)	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	
General Fund (Incl. Health Care Revenues) Available to the General Fund	-\$8.1	-0.3%	-\$8.7	-0.3%	-\$15.1	-0.6%	-\$24.1	-0.9%	-\$35.9	-1.3%	
Transportation Fund Available to the Transportation Fund	-\$1.5	-0.5%	\$0.8	0.2%	\$0.9	0.3%	\$0.2	0.1%	-\$0.7	-0.2%	
Education Fund Partial	\$0.0	0.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.0	0.0%	-\$2.5	-0.3%	
Total--"Big 3 Funds" [1]	-\$9.6	-0.3%	-\$7.4	-0.2%	-\$13.8	-0.4%	-\$23.9	-0.6%	-\$39.1	-1.0%	
Transportation Fund- TIB [2]											
Gasoline	-\$0.2	-1.4%	-\$0.2	-1.0%	\$0.0	-0.4%	\$0.0	0.0%	\$0.1	0.7%	
Diesel	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	
Total TIB	-\$0.2	-1.2%	-\$0.2	-0.9%	\$0.0	-0.3%	\$0.0	0.0%	\$0.1	0.6%	
Notes: NM=Not Meaningful [1] Current Law (Incl. Healthcare Taxes-Fees). [2] Revenue totals in the TIB category overall may not add due to rounding.											

Prepared by: Economic & Policy Resources, Inc.

- That is in fact the staff’s recommended approach for the next six months unless the economic and state revenue implications of the still evolving mash of federal trade, fiscal, immigration (including deportations) and foreign policies start to potentially begin to come into better focus.
- Add to that the significant unknowns with respect to: (1) the outcomes associated with the breath-taking amount of capital investment being made in support of the development of Artificial Intelligence, (2) the federal administration’s unprecedented pressure campaign on the U.S. Federal Reserve Board (including its current Chair), and (3) the unknown, potentially far-reaching effects of the federal administration’s assault on the research grant funding (not to mention admission policies impacting foreign students) at several key academic research institutions, it is difficult to see what outcome all of this federal policy mayhem is leading to.

- Even so, this staff recommendation is a logical reflection of actual first half revenue receipts in the General Fund (hereafter the “G-Fund”), the Education Fund (hereafter the “E-Fund”), and the Transportation Fund (hereafter the “T-Fund”), where revenues in all three state fund aggregates managed to finish within one percent of cumulative consensus expectations over the first half of fiscal year 2026 (see Table 2 below).

Table 2: Cumulative Receipts in the G-Fund, E-Fund, and T-Fund versus Cumulative Consensus Expectations through Fiscal Year 2025

Analysis of Cumulative Receipts--v. CUM. TARGETS THRU DECEMBER		
<i>UPDATED FINAL Schedule 2 Revs-As of December 31st</i>	Dollar	Percent of the
Fund/Component (\$000s)	Difference	CUMM. TARGET
Including CCC Adjustment-Reversal		
GENERAL FUND w/Health Care Revs (Excl. CCC Receipts)	\$ (9,496.4)	-0.9%
MEMO #1: Without Health Care Revenues	\$ (6,551.4)	-0.7%
MEMO #2: Health Care Revenues	\$ (2,945.0)	-1.6%
MEMO #3: DEDUCTION-Theoretical Childcare Receipts	\$ 47,536.6	
EDUCATION FUND	\$ 392.0	0.1%
TRANSPORTATION FUND	\$ 274.8	0.2%
TIB	\$ 340.6	4.2%
THREE-FUND TOTAL v. CUM. TARGETS-DEC. FY 2026	\$ (8,489.0)	-0.5%

- That was the case, despite all of the policy and operations chaos at the federal level that has characterized much of the last year since the current federal administration took over last January.
- Across the three funds, major revenue developments over the first half (see Table 3 below) included significantly better than expected performance in the Personal Income Tax, revenues in the Insurance Tax), and in key consumption tax sources—including the Motor Vehicle Purchase and Use Tax (which boosted receipts in the T-Fund and E-Fund and which seemed to recover from the boomerang effects of U.S. tariff policies), and in the Sales Tax (which also boosted receipts in the E-Fund—despite lagging consumer confidence and the effects of on-again/off-again federal tariffs).
- In contrast, revenues over the first half of fiscal year 2026 under-performed in the Corporate Income Tax (in the G-Fund), the G-Fund Health Care Taxes-Fees (where Provider Taxes have been limited by the recent federal budget reconciliation bill), the Estate Tax (for a lumpy tax source that moves up-and-

down across any fiscal year¹), the Lottery Transfer (in the E-Fund), and in the T-Fund Other Revenues-Fees categories.

Table 3: Cumulative Receipts in the G-Fund, E-Fund, and T-Fund by Component/Sub-Component) versus Cumulative Consensus Expectations through Fiscal Year 2025

Analysis of Cumulative Receipts--v. CUM. TARGETS THRU DECEMBER		
Fund/Component (\$000s)	Dollar Difference	Percent of the TOTAL
<i>UPDATED FINAL Schedule 2 Revs-As of December 31st</i>		
Including CCC Adjustment-Reversal		
GENERAL FUND w/Health Care Revs (Excl. CCC Receipts)	\$ (9,496.4)	100.0%
MEMO: G-FUND ADJ. for Child Care Tax Receipts	\$ 47,536.6	
Personal Income	\$ 17,142.6	-180.5%
Withholding	\$ 19,144.8	-201.6%
MEMO: ADJ. to PI With for Child Care Tax Receipts	\$ 47,536.6	
Estimates	\$ (3,047.7)	32.1%
Paid	\$ 3,240.5	-34.1%
Refunds	\$ (515.4)	5.4%
Other	\$ (1,679.5)	17.7%
Meals and Rooms	\$ (514.9)	5.4%
Corporate Tax	\$ (24,949.8)	262.7%
Estate Tax	\$ (1,688.8)	17.8%
Insurance Tax	\$ 2,133.5	-22.5%
Property Transfer Tax	\$ (103.8)	1.1%
Bank Franchise	\$ 612.4	-6.4%
Fees	\$ 740.5	-7.8%
Beverage	\$ 112.0	-1.2%
Other (Incl. "Net Interest")	\$ (61.8)	0.7%
Health Care Revenues (Incl. Cigarette-Tobacco Taxes)	\$ (2,945.0)	31.0%
EDUCATION FUND		
Sales and Use Tax	\$ 1,355.2	345.7%
Meals and Rooms Tax	\$ (899.8)	-229.6%
MvPurchase and Use Tax	\$ 802.4	204.7%
Lottery	\$ (1,492.9)	-380.9%
Net Interest	\$ 627.2	160.0%
TRANSPORTATION FUND		
Gas Tax	\$ (296.7)	-108.0%
Diesel Tax	\$ (19.4)	-7.1%
MvPurchase and Use Tax	\$ 1,604.7	583.9%
MvFees	\$ (277.4)	-100.9%
Other Fees	\$ (736.4)	-268.0%
TIB		
Gas Tax	\$ 447.4	131.4%
Diesel Tax	\$ (106.8)	-31.4%
THREE-FUND TOTAL v. CUM. TARGETS-DEC. FY 2026	\$ (8,489.0)	100.0%

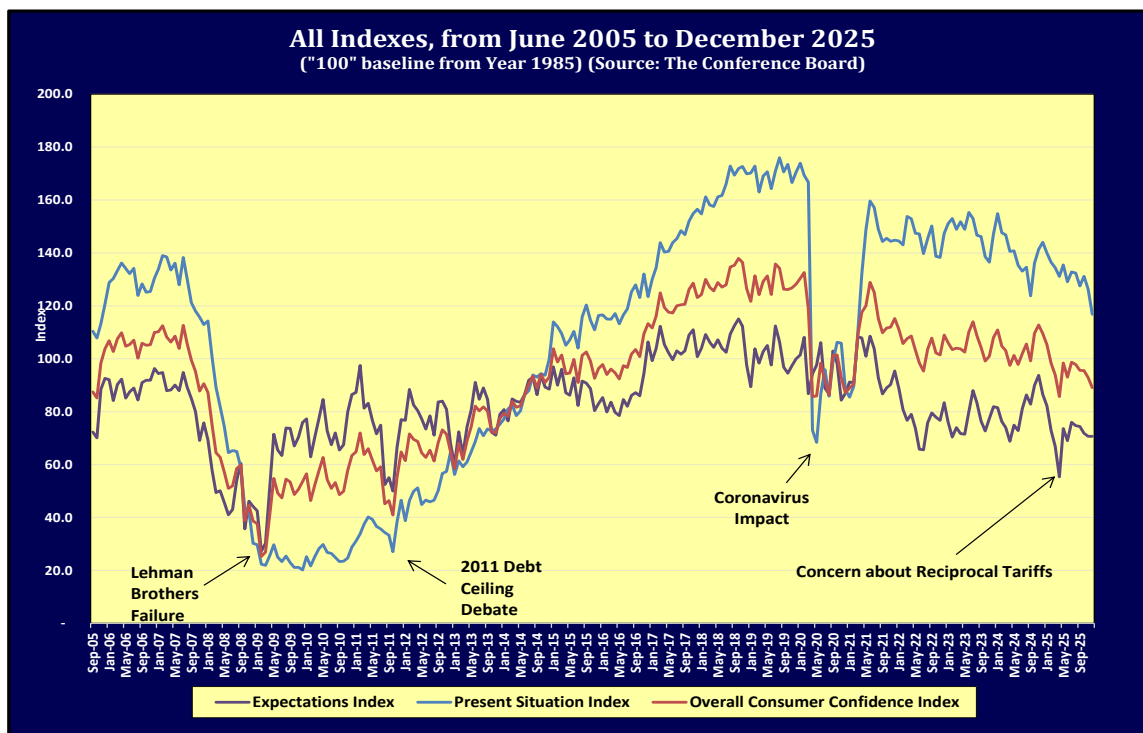
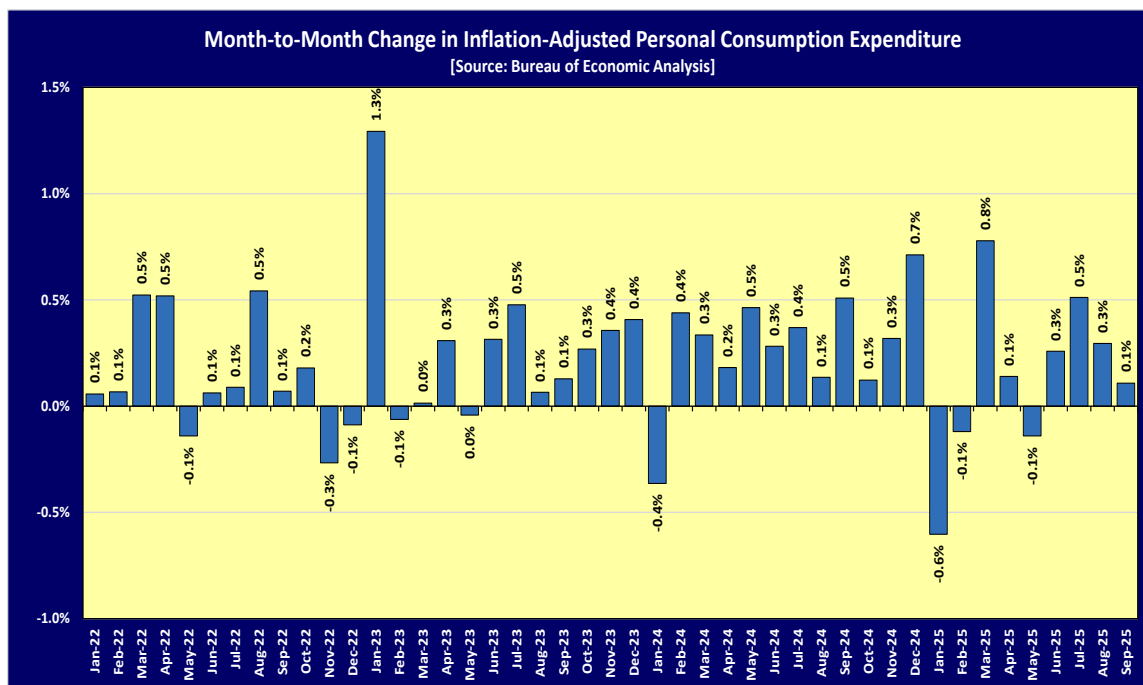
- For the most part, that under-performance in the Corporate Income Tax was driven by an unusually high level of "cash-out" Corporate Income Tax refunds during the months of November and December.

¹ But has been upbeat in recent years due to high and still increasing asset prices nearly across-the-board.

- In fact, those two months together included a total of almost \$23.4 million in “cash-out” Corporate Refunds—essentially double or \$11.7 million higher than the already seasonally elevated \$11.7 million in Corporate Income Tax “cash out” refunds that were expected following the end of the calendar year corporations’ typically October extension filing deadline.
- This year, it looks as though a confluence of factors converged to make this refund season for the Corporate Income Tax a “particularly heavy” one—with at least some driven by special factors, although not all were. While refunds by nature are backward looking in nature, at least some are expected to act to reduce future Corporate Income Tax payments. This has been incorporated into the staff recommended updated consensus revenue forecast update.
- Of particular concern with this development in “cash-out” Corporate Income Tax refunds was the pace at which Corporate Tax receipts deteriorated over the second quarter (at -\$24.7 million or 61.0% below quarterly consensus expectations of \$40.4 million for the October to December time frame).
 - The -\$10.3 million negative variance for “cash-out” Corporate Income Tax Refunds represented 49.1% of that overall negative total, with the other 50.9% accounted for by lower payments into the Corporate Tax over the quarter.
 - Those “gross” Corporate Income Tax revenues in fact totaled -\$14.4 million or -27.9% below consensus expectations for gross payments into the Corporate Income Tax of \$51.5 million across the second quarter.
- Through the first five months of the 2026 fiscal year, any under-performance in the Corporate Income Tax component and/or any other significant revenue components of the G-Fund had largely been off-set by better-than-expected receipts activity in a consistently over-performing Personal Income Tax component.
 - This fiscal year, while the Personal Income Tax component has in fact posted a healthy, better-than-expected performance over the first six months of fiscal year 2026, it was noteworthy that as of December, the Personal Income Tax’s positive ahead of cumulative consensus expectations performance was no longer sufficient to fully off-set the cumulative under-performance by the Corporate Income Tax as of December 31st (see the yellow highlighted numbers in Table 3 on page 3 above).

- Those data showed that the combined cumulative receipts in the Personal Income Tax and Corporate Income Tax receipts together through the month of December had actually turned negative—by \$7.8 million primarily due to the below target performance by the Corporate Income Tax.
 - That in fact corresponded to a 1.1% difference relative to combined consensus revenue expectations of \$707.6 million for the Corporate Income Tax and Personal Income Tax together through the first half of fiscal year 2026.
- For the Meals and Rooms Tax component (at -\$0.5 million or 0.5% below cumulative consensus expectations of \$93.8 million through December), first half collections rebounded somewhat in recent months to finish close to downwardly adjusted consensus revenue expectations relative to last July’s consensus revenue forecast update.
 - While the political dynamics with our neighbors to the north have still not been the greatest, first half revenues in the Meals and Rooms Tax component improved across the first half as favorable weather and customer traffic from other domestic sources seemed to help off-set at least some of the still steep declines in Canadian visitor traffic across northern Vermont, Maine, and New Hampshire, and in upstate New York continued across the last six months.²
- In the E-Fund, receipts over the first half of fiscal year 2026 came in above cumulative consensus expectations in three of five components as overall consumption continued to hold up well overall (see the first chart below)—despite federal tariff policy uncertainties and the continued high level of federal policy chaos raging from foreign policy to domestic economic and fiscal policies which have combined to recently sap consumer confidence (see the second chart below).

² Canadian visitor traffic to Northern New England (VT, NH, ME) and Upstate NY have experienced significant declines in 2025, with reports showing drops of 20-30%+ in car crossings during peak summer/fall months compared to comparable periods in 2024. Local economies have been significantly and adversely impacted due to factors like political tensions, the federal administration’s on-again/off-again tariffs, and new security requirements. Specific areas like the Champlain Port, Thousand Islands Bridge, and points of entry across the states of Vermont, NH, and Maine experienced substantial decreases, with some businesses noting vastly fewer Canadian visitors, even as domestic tourism and reasonably good weather conditions to start the Winter tourism season across the north country have helped to off-set those reported Canadian traveler declines. See Northern Communities See Visitation Drop for Fourth Month; Adirondack Explorer; December 12, 2025. This article can be accessed here: <https://www.adirondackexplorer.org/community-news/economy/canadian-border-crossings-drop-21-as-new-york-tourism-industry-faces-trump-tariff-threat/#:~:text=Every%20dollar%20counts!&text=ALBANY%20%E2%80%94%20Canadian%20border%20crossings%20into,North%20Country%20Chamber%20of%20Commerce>.



- Elsewhere in the E-Fund, the news also improved in the MvP&U Tax (at +\$0.8 million or 3.2% ahead of cumulative consensus expectations of \$25.1 million over the first half)—with rescripts turning positive during the October to December quarter as receipts rebounded for last spring’s forward-buying activity to avoid tariffs.

- That performance also came despite news of” (1) increasing financial strains on households (particularly lower household income households), and (2) recently rising prices for both new and used vehicles.
- Regarding the second, recent news reports have pegged the average price for new vehicles industry at just under \$50,000.³ However, at the same time, there also have been reports that many recent new-car buyers have become less price sensitive because they have recently moved into their peak earning years.
 - This has been supported by recent sales figures from Cox Automotive for November 2025 which saw sales of vehicles priced above \$75,000 outpaced those below \$30,000, underscoring the preference that many vehicle acquirers have for premium vehicle products.
- Even so, if vehicle acquirers ultimately decide to finance their vehicle acquisitions, they are clearly signing on for a serious addition to debt on the household balance sheets.⁴
 - The concern with the above is that at some time in the not too distant future, such runups in household debt levels could act to have significant negative consequences on household consumption.
- Over the first half, the E-Fund also saw revenues in the Sales and Use Tax and in the Net Interest category both finish ahead of cumulative consensus expectations for the first half of fiscal year 2026.
 - Although revenues in the Lottery Transfer component lagged by 10.3% versus cumulative consensus expectations, that under-performance **was not enough** to push overall first half E-Fund receipts as a whole into the red versus cumulative consensus expectations for the first half.

³ In December 2025, the average new vehicle price hovered around \$47,104 to \$49,740, with J.D. Power forecasting approximately \$47,104 (a 1.5% rise from Dec 2024) and Kelley Blue Book (e.g. Cox Automotive)reporting around \$49,740, reflecting a market where higher-priced models drive sales despite overall economic concerns, keeping average prices of new vehicles across the U.S. at close to \$50,000. See; [https://www.coxautoinc.com/insights-hub/nov-2025-atp-report/#:~:text=Quote%20from%20Erin%20Keating%2C%20Executive,this%20preference%20for%20premium%20products.%E2%80%9D.https://www.jdpower.com/business/press-releases/jd-power-globaldata-forecast-december-2025#:~:text=%E2%80%9CDespite%20much%20speculation%20regarding%20major,vehicles%20rose%201.4%25%20to%20\\$46%2C807](https://www.coxautoinc.com/insights-hub/nov-2025-atp-report/#:~:text=Quote%20from%20Erin%20Keating%2C%20Executive,this%20preference%20for%20premium%20products.%E2%80%9D.https://www.jdpower.com/business/press-releases/jd-power-globaldata-forecast-december-2025#:~:text=%E2%80%9CDespite%20much%20speculation%20regarding%20major,vehicles%20rose%201.4%25%20to%20$46%2C807).

⁴ The New Versus Used Car Debate is Dead—They’re Both Expensive Debt Traps; Washington Post: January 10, 2026; See: <https://www.washingtonpost.com/business/2026/01/10/1000-payments-car-debt-trap/>.

- Turning to revenue developments through the month of December in the T-Fund, it the positive overall number for cumulative T-Fund receipts through the first half of fiscal year 2026 were buoyed by significantly ahead of consensus target receipts performance in the MvP&U Tax category (at +\$1.6 million or 3.2% ahead of cumulative consensus expectations of \$51.8 million through the first half of fiscal year 2026).
 - Outside of that revenue performance in the MvP&U Tax, the only other positive first half receipts performance was in by Gas Tax TIB category (at +\$0.4 million or 6.3% ahead of cumulative consensus expectations of \$7.1 million through the first half of fiscal year 2026).
 - As such, all other T-Fund components under-performed from a cumulative receipts perspective over the first half of the fiscal year.
- Those under-performing T-Fund components included the two fuel taxes (each of which ran “hot and cold” over the first half of fiscal year 2026—see below), the MvFees component (at -\$0.3 million or 0.6% below cumulative consensus expectations of \$7.0 million through December), and the Other Revenues-Fees component (at -\$0.7 million or 5.4% below cumulative consensus expectations of \$13.7 million through the first half of fiscal year 2026).
 - The “hot and cold” performance by the two fuel taxes across the first half of fiscal year 2026 included Gas Tax receipts—which finished the first half on a somewhat downbeat note—at -\$0.3 million or 0.8% below monthly consensus expectations of \$37.2 million for the first half of fiscal year 2026.
 - Diesel Tax receipts also finished the first half of fiscal year 2026 on a downbeat note as well at -\$0.02 million or 0.2% below consensus target performance (relative to cumulative consensus expectations of \$9.6 million in Diesel Tax receipts through the month of December.
 - The above first half performance in the Diesel Tax also underpinned the -\$0.1 million or 9.5% below cumulative consensus expectations of \$1.1 million through December I the Diesel TIB component.
- The T-Fund’s heavy reliance on MvP&U Tax collections to carry the T-Fund’s “revenue receipts performance water” does raise some concerns for overall T-Fund revenues going forward.

- Certainly, more financially strained household budgets, the growing prevalence of more extended loan terms, and rising monthly car payments likely means that there may be increasing headwinds in vehicle sales activity as we move into the second half of the current fiscal year and into the next.
- For example, over the last roughly five years the average monthly car payment has increased significantly, rising by approximately 25% for new vehicles (from roughly \$600 per month in early 2020 to roughly \$750-\$775 per month over the last two quarters of calendar year 2025 depending on the source), and around 20-25% for used vehicles (from approximately \$425 to \$440 per month in early calendar year 2020 to roughly \$530-\$570 per month in the last two quarters of calendar year 2025 again depending on the source).
- This significant rate of increase in the average monthly payment has been driven by a combination of higher vehicle prices, the recent increase in interest rates, and longer loan terms that have become more common in recent years.
- In fact, according to Edmunds, more than one in five new car buyers (or an estimated 20.3%) committed to a monthly payment amount of more than \$1,000 for those buyers financing their vehicle purchase during the just completed, three-month, October to December period of calendar year 2025.
- At this juncture in the economic and revenue outlook process, given all of the noise global and national political, federal fiscal and immigration (including on-going deportations) policy, and constant drumbeat of economic “noise,” it remains exceptionally difficult to forecast either the economy or these tax sources going forward.
- No forecaster can claim to be all that sure just how much of the seemingly never-ending policy chaos out of Washington is going to eventually play out wither in the short-term and especially over the longer-term time horizon—e.g., beyond five years⁵).
- In many respects, economic and state revenue developments over the fiscal

⁵ Since many of those policies—such as the attack on colleges-universities which has resulted in a downturn in the number of talented foreign students attending U.S. colleges and universities and a reduction in federal research and development grants dollars to key leading higher education institutions over the past year that will potentially have very dire long-term consequences on U.S. research and development activity for the next decade and potentially beyond.

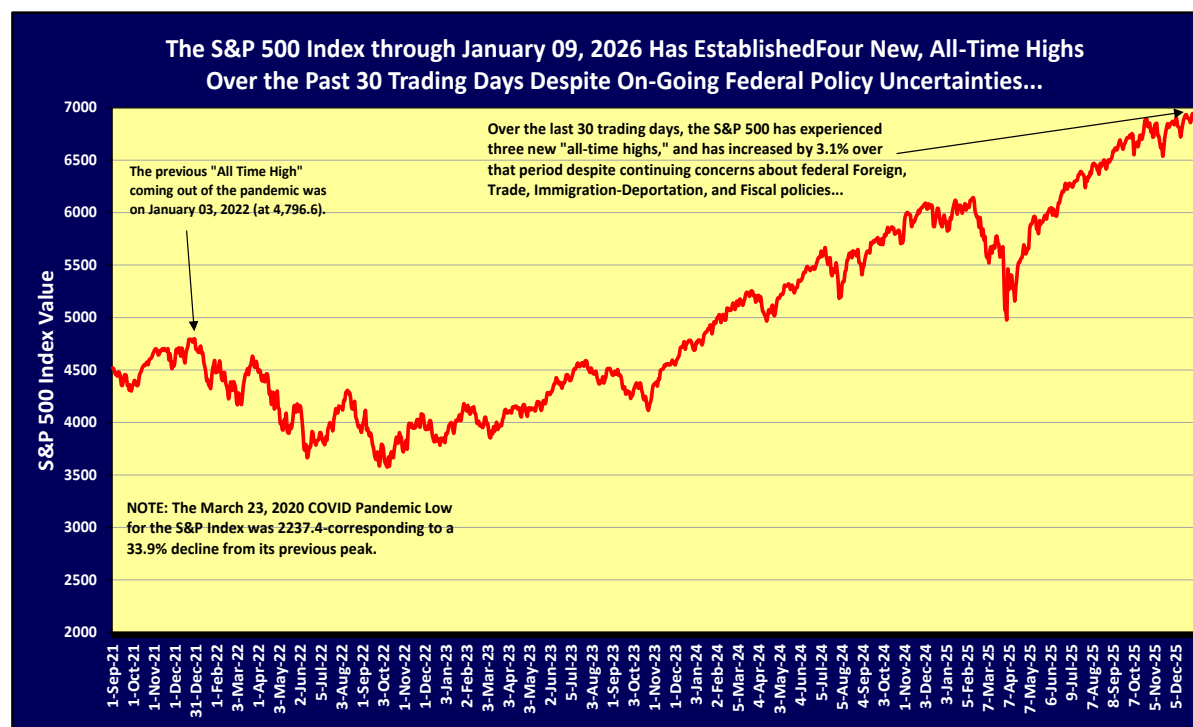
year 2026 through 2027 period are likely to continue to be dominated by a higher-than-normal degree of ambiguity-uncertainty with real-world ramifications on the pace of economic activity and on the strength of state revenue collections that are likely going to be very difficult to sort through.

- As such, we continue to evaluate the economy and revenues through the lens of a “so far, so good” perspective, with an eye towards monitoring the macro situation very carefully. How the economy and revenues are going to be able to navigate through this period of continuous and heightened uncertainty is the “key to the future” for households, businesses, and state fiscal policy.

❖ **Update on the Economy: No Longer “Flying Blind”—But Will It Last?**

- Over the last month or so of calendar year 2025 (after the end of the partial federal shutdown), the economic and business data that finally started to flow again and they generally pointed to a U.S. economy that continued to power through the federal noise, generally defying expectations of a widespread slowdown—and even a potential recession.
 - Many analysts attributed the economy’s surprising resilience to U.S. consumers’ willingness to continue to spend—even though they remained somewhat pessimistic about the economy due to concerns about high prices and inflation and the recent noticeable slowdown in U.S. job markets.
 - In fact, combined with strong investment in Artificial Intelligence (“AI”) infrastructure, household consumption has underpinned the overwhelming majority of recent U.S. economic growth.
- In fact, the U.S. economy over the course of most of calendar year 2025 defied expectations that the U.S. economy would stall, or perhaps even fall into a full-fledged economic downturn in the wake of all the federal policy turmoil.
 - For example, although the federal administration’s announced “Liberation Day” tariffs and highly-publicized deportations of thousands of immigrants initially caused markets to reel and caused many economic forecasters to ratchet down their expectations for the economy, none of those harsh predictions actually materialized.

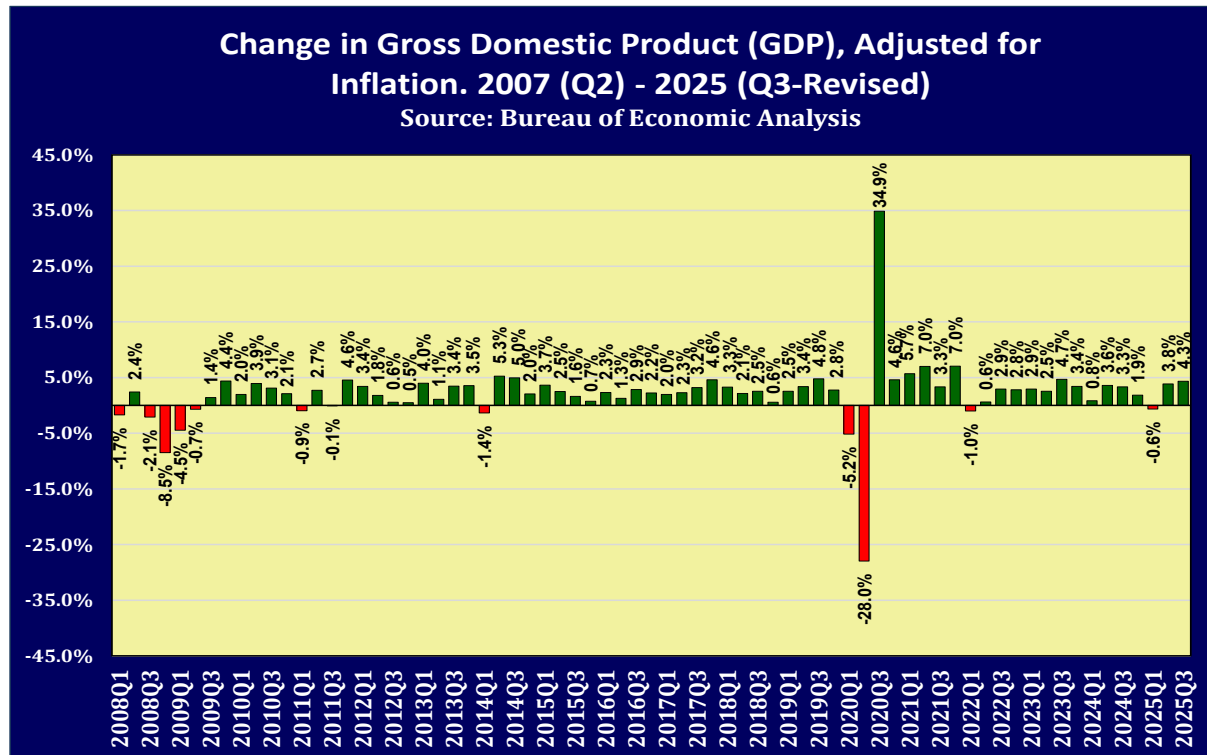
- In fact, over the course of the 2025 calendar year, almost all analysts got tariffs wrong (including many economists and also the federal administration), with the most negative prognostications made prior to the federal administration backing off on its most extreme tariff proposals.
- Instead of recession, the U.S. economy managed to expand overall in calendar year 2025, but economic growth did not come from the federal administration's promised boom in manufacturing (e.g., from production re-shoring), but rather primarily due to upper income consumers emboldened by a record-breaking stock market boom (see the chart below), and also from the build-out of data centers that pushed up U.S. capital investment sharply—representing about 14% of total U.S. economic growth through 2025:Q3.
- The strongest contribution to consumption came from upper income households—comprising the upper leg of the so-called “K” shaped distribution of U.S. households—who have now grown to account for roughly half of U.S. consumption spending in recent quarters.



- During calendar year 20205, the U.S. economy did contract in the first quarter (see the U.S. GDP chart below), but that result was distorted by a rush by companies to import as much inventory and raw materials (for future production) as possible

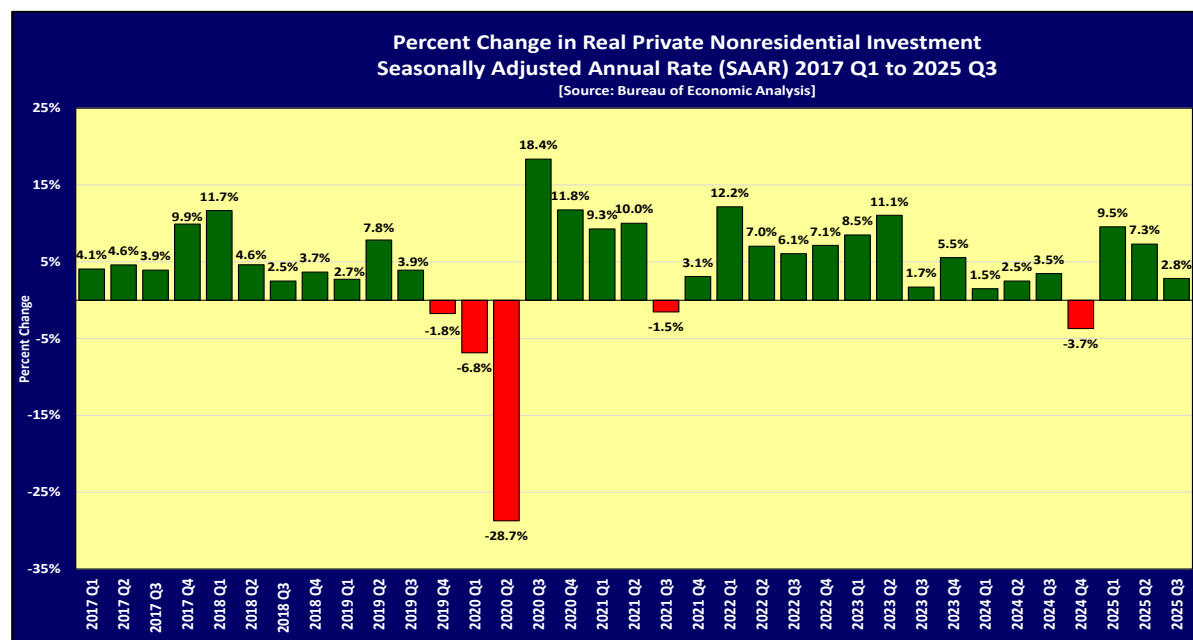
ahead of the possible negative impact of tariffs. Still, household consumption, the largest driver of the U.S. economy, remained strong.

- Economic growth then rebounded in the April to June quarter in the U.S. economy, fueled again mostly by consumer spending, and warnings about a possible interruption of shipping traffic from China—potentially leading to goods shortages and surging prices never materialized.
- Mostly that was due to the federal administration backing off most of its harshest tariff proposals, and because many shippers found loopholes and workarounds to avoid having to pay the tariffs on covered goods from impacted origins and then passing them along—or at least part of the cost of those tariffs—to their customers.

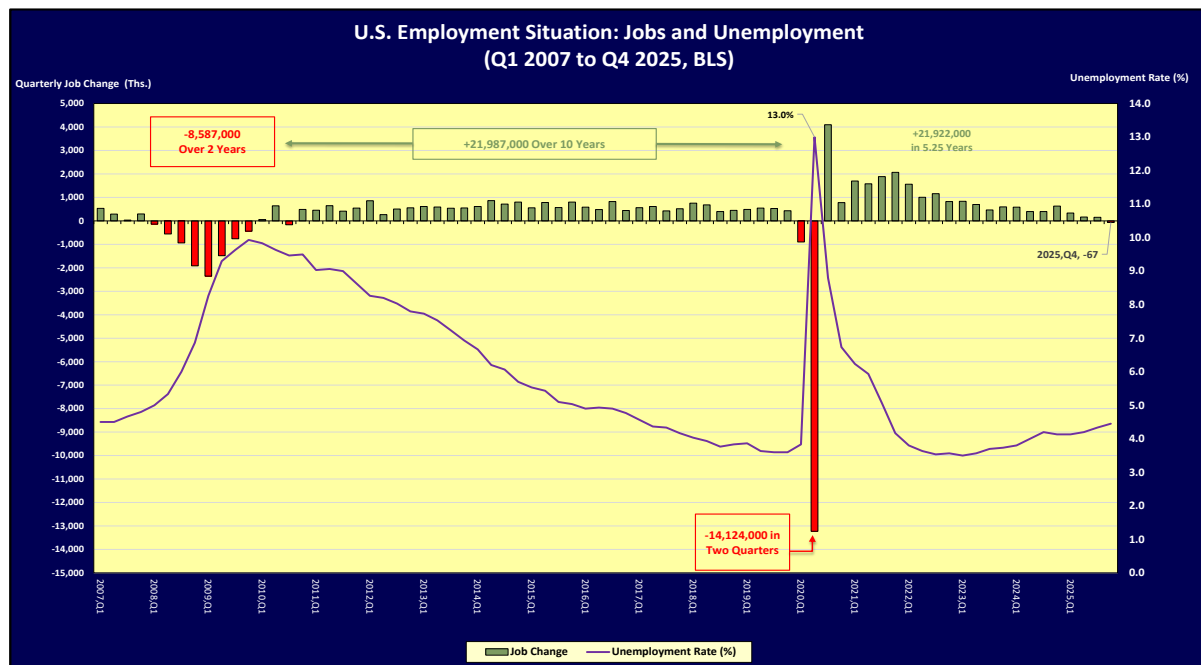


- Even though the recent performance of the U.S. economy generally defied expectations, there still were a number of warning signs as the economy entered the 2026 calendar year.
 - First, is concern that consumption spending by upper income households—which has been carrying the economy—could falter if there is a downturn either in the stock market or in housing markets.

- In addition, some companies which cater to the lower end of the household income spectrum (e.g., such as Chipotle and Walmart) have cautioned that they recently have seen pressure on younger or lower-income customers who are beginning to cut back on spending.
- Further, the U.S. labor market weakened again this past month, and despite the AI infrastructure build-out, the pace of overall U.S. business investment cooled in 2025:Q3 (see the chart below).



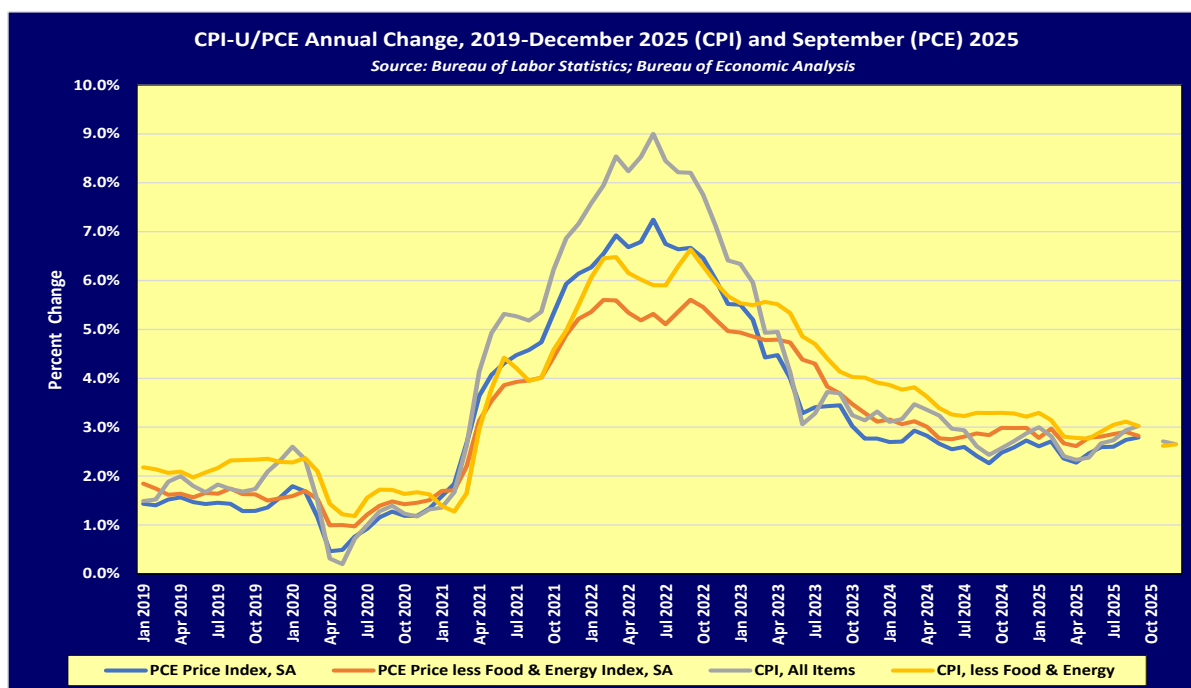
- With respect to the slowdown in U.S. labor markets (see the chart below), U.S. employers added nonfarm payroll jobs at slower than expected pace in December (at +50,000 nonfarm payroll jobs in December), and the job numbers for both November (at -8,000 nonfarm payroll jobs lower to 56,000 nonfarm payroll jobs added that month) and October (at -68,000 nonfarm payroll jobs lower to -173,000 nonfarm payroll jobs lost that month) were both revised downward.
- That meant that U.S. labor markets closed out the 2025 calendar year on a down-note, with calendar year 2025 nonfarm payroll job gains the lowest overall since calendar year 2003—except for the calendar years that were part of the past two U.S. economic recessions.
- More specifically, U.S. labor markets last year added a total of 584,000 nonfarm payroll jobs—corresponding to an average of 49,000 nonfarm payroll jobs added per month.



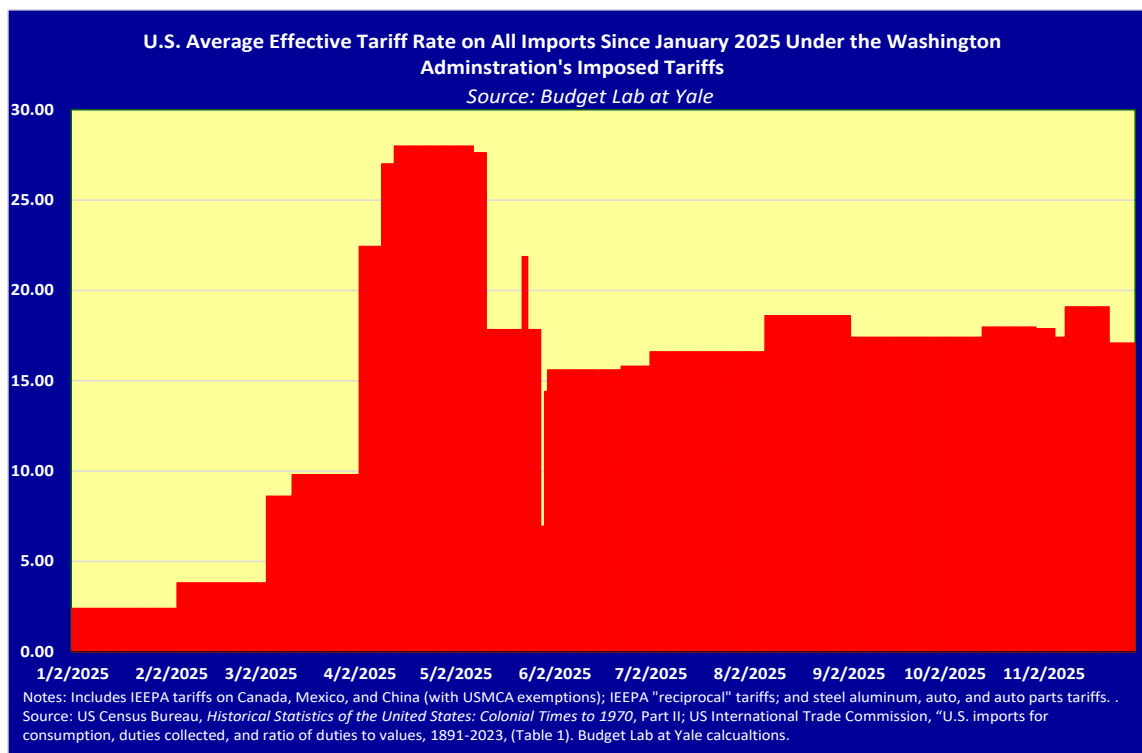
- That represented a deceleration in the pace of job additions during calendar year 2024 when the U.S. economy added jobs at the rate of 168,000 per month.
- In fact, in 2025:Q4 the U.S. economy actually lost jobs—with “an assist” by the 8th consecutive monthly decline in manufacturing jobs. That was the first quarterly decline in nonfarm payroll jobs since the last recession, and it occurred despite the continued growth in the U.S. economy where labor market conditions have now devolved into a “No Fire-No-Hire” character.
- That reluctance to staff up on the part of U.S. employers likely reflects a number of factors, including uncertainty over higher costs related to the federal administration’s on-again/off-again tariff proposals.
 - In addition, the federal administration’s ramp up of large-scale deportations have made it difficult for some businesses to find workers to take labor-intensive jobs in areas such as construction, production agriculture, and hospitality, and some employers appeared to be waiting to see if artificial intelligence is going to replace labor in at least some lower skilled occupations.
 - Workers for their part have appeared to be anxious about holding on to their jobs, which then has contributed to substantially less flexibility and room on their payrolls for employers to hire new people.

- It also was noteworthy that the federal government swung from a source of job creation in calendar year 2024 to a source of job loss in calendar year 2025—primarily due to the actions and legacy of the Department of Government Efficiency (or “DOGE”)—which imposed large reductions in federal staffing.
 - Since reaching its most recent peak last January, jobs at the federal government were down by 277,000 (or by 9%) last calendar year, corresponding to the worst job performance by the federal government sector since calendar year 2023.
- The latest employment-unemployment report showed that the U.S. unemployment rate ticked down slightly to 4.4% in December, although the national unemployment rate has drifted up from 4.0% last January.
 - December’s report showed the number of long-term unemployed—those without a job for 27 weeks or more—is up nearly 400,000 from a year ago.
 - The median duration of unemployment also jumped in December, to 11.4 weeks from 9.8 weeks a month earlier (see the chart below), as the number of people working part-time who would prefer a full-time job has also increased by nearly a million since December 2024.
- With the decline in the U.S. unemployment rate, it remains uncertain what direction U.S. monetary policy is likely to take over the next year as the federal administration makes its selection of a new Chair of the U.S. Federal Reserve.
 - At this point, the Fed staff has indicated that there would likely be equivalent of at least one short-term interest rate cut during calendar year 2026 following 2025’s three short-term rate cuts.
 - However, who knows what direction that might go after the new Chair of the Federal Reserve is seated next May 15th. Odds are, the new Fed Chair will be “more dovish” and more inclined to be sympathetic to lower short-term rates.
 -
 - It is important to note, however, that the new Chair is only one vote, and it remains uncertain as to whether or not he will remain on the Board and serve out his full term as a voting member after his Chairmanship is up in mid-May.

- Looking at the most recent developments on the inflation front, the latest data on U.S. inflation is for December 2025 in the Consumer Price Index (the “CPI-U”) and September 2025 for “Personal Consumption Expenditure Index (the “PCE Index”).
 - The availability of these data were adversely impacted by the recent federal government shutdown.
 - The most recent CPI reading for December 2025 indicated that the year-over-year increase in prices remained stubbornly high (at +2.7%), with the “Core-CPI” (which is the CPI-U less the volatile food and energy components) also up again at the annual rate of 2.6%, equal to November 2025’s multi-year low.
 - The data for the Fed-preferred PCE Index remained less current relative to the CPI-U but held roughly steady in September 2025 with a reading of +2.8%.
- Overall, these data indicated that while inflation is not rising, it is not coming down either. CPI increases last month were particularly notable for categories that impact middle-class budgets: shelter (0.4%), medical care (0.4%), food (0.7%), and energy (at 1.0%).
 - While analysts can differ on the price impact of tariffs on prices, two categories which look to have been impacted included furniture and bedding (3.6%) and tools and hardware (5.4%).



- Looking at developments on the federal administration's tariff policy, financial markets are currently waiting on a prospective U.S. Supreme Court decision (perhaps as early as on January 23rd) which could have far-reaching impacts on U.S. trade policy and the U.S. fiscal situation (should any collected tariff monies need to be refunded due to any decision).
 - When the decision does come, it will likely address two aspects of the federal administration's tariffs policy: (1) whether the administration can use provisions under the International Emergency Economic Powers Act (or "IEEPA") to levy the tariffs for economic reciprocity and/or national security reasons without Congressional approval; and (2) if that approach is found to violate the IEEPA, whether or not the Administration will have to reimburse those importers that have already paid those tariffs-duties.
- As of November 17, 2025, the most recent data from the Budget Lab at Yale (hereafter "TBLY") showed that there have been and will likely be significant and negative impacts associated with the federal administration's reciprocal and other tariff (e.g. to combat fentanyl) proposals.
 - As of the above date, TBLY has estimated that U.S. consumers faced an overall average effective tariff rate of 16.89%, corresponding to the highest average tariff rate since 1935 (see the first tariff chart below). After consumption shifts, the TBLY estimated that the average U.S. tariff rate will be 14.4% after the effects of product substitution are taken into account.
- If the International Emergency Economic Powers Act (hereafter "IEEPA") tariffs were to be invalidated by the U.S. Supreme Court IEEPA case, the U.S. average tariff rate would be expected to fall to an average of 9.3%—or about five percentage points lower.
 - At that rate, TBLY estimated that the average U.S. household in 2025 would experience an extra \$1,700 in extra costs for U.S. households. Particularly significant price increases were expected for leather goods, (e.g., footwear and handbags) textiles, electronics, and food.
 - This, and the federal administration's increased sensitivity to "affordability issues," has resulted in some discussion of "\$2,000 tariff dividend payments" to households that may have been adversely impacted by the higher costs associated with the tariffs.



- While the federal administration may attempt to issue the \$2,000 payments to certain U.S. households sometime in calendar year 2026, those payments will likely not be fully financed by tariff payments, and they likely will not ultimately be branded as “dividends” since for the most part U.S. households paid for those tariffs in the first place.
- However, despite this mixed bag of cross-currents and sometimes conflicting factors, it has been somewhat encouraging that the U.S. economy has continued to move forward even in the face of significantly heightened uncertainty, it is still important to note that that uncertainty—along with the emerging weakness in U.S. labor markets—at this point likely leaves the U.S. economy somewhat vulnerable to shocks even with the near-term, upcoming positive effects from the so-called BBBA.
- This is because the labor market typically has been the U.S. economy’s main firewall against a recession, and the clear downturn in the pace of nonfarm payroll job growth over the last six months should serve as an early warning sign for some caution going forward for federal policy on a number of economic impacting fronts considering the increasingly fragility of the state of U.S. labor markets as a counter-weight to any prospective future downturn in the U.S. economy.

- All of the above, which has contributed to the unusual level of economic and revenue uncertainty, is before we consider the possibility that there could be yet another federal government shutdown at the end of this month.
 - This could occur unless there is further action to extend temporarily or through the end of the federal fiscal year in order to prevent a number of federal agencies from running out of appropriations by the end of this month.
 - Although three of the federal government’s twelve appropriations bills have been extended through September 30th (including for the U.S. Department of Veterans Affairs, the U.S. Department of Agriculture, and the Legislative Branch), all other federal agencies will run out of funds on January 30th.
- Unless something is passed by Congress and signed by the President to extend funding for the other federal agencies tied to the remaining nine federal appropriations bills (e.g. through September 30th or through a larger short-term Continuing Resolution), the other parts of the government not already funded through September 30th of this year (or through the end of the federal fiscal year) will shut down once again.
 - While negotiations are underway, it remains unclear whether the end of January is going to bring another major disruption to federal operations (although not as large as the one in October-mid-November of 2025).

❖ **The Updated Staff Consensus Forecast Update Recommendations for Fiscal Years 2026, 2027, and 2028, along with Out-Year Fiscal Planning Numbers for Fiscal Years 2029 Through 2031.**

- Turning to the staff recommended forecast update, the staff recommends a current law \$30.8 million (or 0.3%) consensus forecast downgrade across all three funds for fiscal years 2026, 2027, and 2028—on an estimated \$12,078.2 million consensus forecast over the three fiscal year period.(see Table 5 below).
 - This consensus forecast also estimates that Childcare Tax receipts will total \$180.8 million over the two fiscal year 2026 and 2027 period—following the estimated \$80.4 million in new Childcare Tax receipts collected for the fiscal year 2025 period.

- Across the six fiscal year period 2026-to-2031-time frame, the Childcare Tax overall is expected to yield (\$585.5 million)—equivalent to 2.7% of forecasted Source G-Fund taxes and fees of \$21.3 billion estimated for that fiscal year 2026 through 2031-time frame.

Table 4: Overview of Changes in the Staff Recommended Consensus Revenue Forecast for the G-Fund, T-Fund, E-Fund and T-Fund TIB from the July 2024 E-Board Approved Forecast
Current Law (Including Health Care Revenues in the G-Fund)

Staff Recommended Consensus Revenue Forecast Levels by Fiscal Year Versus the E-Board Approved July FY 2026 Consensus Forecast										
JANUARY FY 2026 CONSENSUS FORECAST UPDATE	FY 2026		FY 2027		FY 2028		FY 2029		FY 2030	
Current Law (includes All Fee and Tax Changes)	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Fund (Incl. Health Care Revenues) Available to the General Fund	-\$8.1	-0.3%	-\$8.7	-0.3%	-\$15.1	-0.6%	-\$24.1	-0.9%	-\$35.9	-1.3%
Transportation Fund Available to the Transportation Fund	-\$1.5	-0.5%	\$0.8	0.2%	\$0.9	0.3%	\$0.2	0.1%	-\$0.7	-0.2%
Education Fund Partial	\$0.0	0.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.0	0.0%	-\$2.5	-0.3%
Total--"Big 3 Funds" [1]	-\$9.6	-0.3%	-\$7.4	-0.2%	-\$13.8	-0.4%	-\$23.9	-0.6%	-\$39.1	-1.0%
MEMO #1: Health Care Revenues	-\$5.2	-1.4%	-\$11.4	-3.0%	-\$16.8	-4.4%	-\$21.2	-5.7%	-\$24.7	-6.7%
MEMO #2: Change in G-Fund Excluding Health Care	-\$2.9	-0.1%	\$2.8	0.1%	\$1.7	0.1%	-\$2.9	-0.1%	-\$11.2	-0.5%
MEMO #3: Change in Personal Income Tax	\$11.0	0.8%	\$3.0	0.2%	\$1.0	0.1%	\$0.0	0.0%	-\$3.0	-0.2%
MEMO #4: Change in Corporate Income Tax	-\$16.5	-6.9%	-\$2.6	-1.0%	-\$2.0	-0.8%	-\$5.6	-2.0%	-\$11.0	-3.7%
MEMO #5: Change in G-Fund Net Interest	-\$0.2	-0.5%	-\$0.4	-1.4%	-\$0.6	-2.2%	-\$0.5	-1.8%	-\$0.5	-1.8%
MEMO #6: Change in E-Fund Net Interest	\$0.0	0.0%	-\$0.1	-8.3%	\$0.0	0.0%	-\$0.1	-6.7%	\$0.0	0.0%
MEMO #7: Change in "Source" Sales & Use Tax	\$2.7	0.4%	\$1.0	0.5%	\$2.9	0.4%	\$2.9	0.4%	\$0.9	0.1%
Transportation Fund- TIB [2]										
Gasoline	-\$0.2	-1.4%	-\$0.2	-1.0%	\$0.0	-0.4%	\$0.0	0.0%	\$0.1	0.7%
Diesel	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Total TIB	-\$0.2	-1.2%	-\$0.2	-0.9%	\$0.0	-0.3%	\$0.0	0.0%	\$0.1	0.6%
Notes: NM=Not Meaningful [1] Current Law (Incl. Healthcare Taxes-Fees). [2] Revenue totals in the TIB category overall may not add due to rounding.										

Prepared by: Economic & Policy Resources, Inc.

- This updated staff recommendation, as usual, reflects the latest of all technical updates and refinements in estimating the amount of Net Interest revenues flowing to the State as the State Treasurer's Office continued to move to aggressively invest the state's still considerable unrestricted cash balances.
 - However, we expect that those Net Interest revenues will decline and bottom-out as the state's cash balances will bottom-out with the expenditure of the federal COVID assistance funds are expended and interest rates continue to decline in the post-pandemic time period.
- Like the last several staff recommended consensus forecast updates, the staff has updated the forecast with full consideration of all of the latest federal and state tax

and fee changes—including the federal changes associated with last year’s federal budget reconciliation legislation—or the One, Big Beautiful Bill Act (the “OBBBA”) as signed into law on July 4, 2025—which took effect in tax year 2025.

- However, the direct impacts of that federal legislation are expected to be small as most of the features of that federal legislation were “de-coupled” from the state’s tax code with only a few exceptions.
 - In fact, most estimates of revenue impact for fiscal years 2026 and 2027 are for small, less than \$5.0 million impacts—plus or minus—unless the state takes specific action to modify its tax laws to enable or prohibit a relative few provisions that would flow through the Vermont taxpayers.
- For fiscal years 2026, 2027, and 2028 in the G-Fund, the primary driver of the \$31.9 million overall consensus forecast downgrade was the three-year \$33.5 million forecast downgrade across those three years in the G-Fund Health Care Revenues-Fees component. That was primarily a reflection of the OBBBA's restrictions on health care provider taxes—especially in the out years.
 - Excluding the G-Fund Health Care Revenues and Fees component, the staff recommends a roughly neutral three year forecast revision (at just +\$1.6 million over the three-year period on a total of \$7.6 billion in “Revenues Available to the G-Fund.”
- Other significant revisions for the fiscal year 2026 through fiscal year 2028 timeframe and for the out-year fiscal planning period of fiscal year 2029 through fiscal year 2031 included the three year -\$21.1 million consensus forecast downgrade for the Corporate Income Tax over the fiscal year 2026 through fiscal year 2028 time frame—corresponding to 66.2% of the overall staff recommended three-year G-Fund forecast downgrade.
 - For the Personal Income Tax component, the three-year \$15.0 million amounted to 71.1% of the three-year forecast downgrade in the Corporate Income Tax. Over the total six consensus forecast update and out-year fiscal planning period through fiscal year 2031, the \$12.0 million consensus forecast upgrade for the Personal Income Tax was only 31.8% of the five-year forecast downgrade in the Corporate Income Tax of \$37.7 million.
- For the Sales and Use Tax, the staff recommended consensus forecast update includes a three fiscal year increase of \$6.6 million over the fiscal year 2026 through

fiscal year 2028 time frame with the five-year total at +\$10.4 million.

- For G-Fund Net Interest receipts, with this component continuing to wind down of the previously very high level of receipts in fiscal year's 2023 and 2024, the staff recommended consensus forecast includes a -\$1.2 million forecast downgrade for the fiscal year 2026 through 2028 time frame—with a \$10.4 million six year consensus forecast downgrade recommended for the entire fiscal year 2026 through fiscal year 2030 time frame.
- For the E-Fund Net Interest category, this staff recommended consensus revenue forecast update calls for “essentially no change” over the five-year fiscal year 2026 through fiscal year 2030-time frame.
- In both the T-Fund and E-Fund categories (including the T-Fund TIB categories), the consensus forecast update reflects mostly technical changes and other “true-ups” as indicated from economic and revenue developments over the first half of fiscal year 2016—at less than \$0.5 million for the “Available to the E-Fund” and “Available to the T-Fund” totals.”
 - Those staff recommendations were the same for each fund, regardless of whether forecasted revenues from the fiscal year 2026 through 2028 period or for the out-years of the consensus revenue forecast fiscal planning period for fiscal years 2029 through 2030. Forecasted revenues were then added for fiscal year 2031.
- These numbers are all reflected in the chart below for all three of the State’s fund aggregates for fiscal years 2026, 2027, and 2028, and also for the fiscal planning out-years of the current consensus forecast updated covering the 2029-2030 fiscal year period that was forecasted last January.
 - The revised changes by fund aggregate in the staff recommended totals are presented below relative to the staff recommended consensus forecast for July of fiscal year 2026 as approved by the Vermont Emergency Board on July 31, 2025.
- The updated January 2026 staff recommended consensus revenue forecast includes both an updated consensus economic forecast (see the section on the updated consensus economic forecast below) for the forecast update period.
 - This staff recommended consensus revenue forecast update includes all of the

latest available information regarding the still on-going economic and fiscal legacy effects of the various COVID pandemic mitigation measures and economic stimulus measures as they currently are understood from the OBBBA legislation, the legacy effects of the state’s recent flooding events, and the still on-going transition of the economy back to its underlying fundamentals.

- This consensus forecast update also includes the staff’s best estimates of the significant number of tax and fee changes as passed during the 2024 and also the 2025 sessions of the Vermont General Assembly—as they have been updated.
- For the various fund levels included in the updated consensus revenue forecast update in the G-Fund, staff recommends the approval of current law revenues “Available to the G-Fund” of \$2,472.8 million for fiscal year 2026, current law revenues of \$2,533.5 million for fiscal year 2027, and current law revenues of \$2,599.3 million for fiscal year 2028 (see Table 6 below).
- With respect to the G-Fund’s Health Care revenues portion, the staff also recommends approval of Health Care Revenues “Available to the G-Fund” on a current law basis of \$360.8 million in fiscal year 2026, a total of \$369.6 million or fiscal year 2028, and a total of \$364.4 million for fiscal year 2029.

Table 5: Staff Recommended Consensus Revenue Forecast Update: G-Fund, T-Fund, E-Fund and T-Fund TIB Revenues (for FY 2026, FY 2027 and FY 2028)

Current Law (Including Health Care Revenues in the G-Fund)

Revenue Levels by Fiscal Year--January FY 2026 "Staff Recommended" Consensus Forecast Update (\$ Millions)			
	2026	2027	2028
Available to the General Fund (Including Health Care Revenues)	\$ 2,472.8	\$ 2,533.5	\$ 2,599.3
Available to the Transportation Fund	\$ 317.0	\$ 321.9	\$ 326.6
E-Fund [Partial]	\$ 782.1	\$ 803.3	\$ 827.0
Total--Three Funds	\$ 3,571.8	\$ 3,658.7	\$ 3,752.9
MEMO: Available Health Care Revenues	\$ 360.8	\$ 369.6	\$ 364.4
TIB Funds:			
Gasoline TIB	\$ 14.2	\$ 14.4	\$14.2
Diesel TIB	\$ 2.1	\$ 2.0	\$2.0
Total TIB Funds	\$ 16.4	\$ 16.5	\$16.1

Prepared by: Economic & Policy Resources, Inc.

- For the T-Fund, staff recommends approval of an updated current law consensus forecast of “Available to the T-Fund” revenues of \$317.0 million for fiscal year 2026, an updated staff recommended forecast total of \$321.9 million for fiscal year 2027 and a staff recommended forecast of \$326.6 million in “Available to the T-Fund” revenues for fiscal year 2028.

- For the Gasoline TIB T-Fund revenue source, the staff recommends approval of a total of \$14.2 million in Gasoline TIB receipts in fiscal year 2026, \$14.4 million in Gasoline TIB receipts for fiscal year 2027, and another \$14.2 million in Gasoline TIB receipts for fiscal year 2028—all on a current law basis.
 - For the Diesel TIB T-Fund revenue source, the staff recommends approval of a total of \$2.1 million in Diesel TIB receipts in fiscal year 2026, a \$2.0 million forecast for Diesel TIB receipts for fiscal year 2027, and a \$2.0 million consensus revenue forecast for Diesel TIB receipts for fiscal year 2028—also all on a current law basis.
 - For the E-Fund, staff recommends a current law revenue forecast of \$782.1 million in “Available to the E-Fund” revenues for fiscal year 2026, an updated staff recommended consensus forecast of \$803.3 million in “Available to the E-Fund” revenues for fiscal year 2027, and a total of \$826.6 million in “Available to the E-Fund” revenues in fiscal year 2028, on a current law basis.
 - The staff recommended consensus forecast update incorporates all of the recent consumption trends and key factors impacting receipts as of mid-January of calendar year 2026.
- ❖ **Update on the State Economy—including Vermont’s Labor Market Recovery from the COVID-Induced Recession.**
- Looking at recent Vermont economic developments, the past six months has brought some new and updated state labor market data that overall paints a mixed picture in terms of how the Vermont labor markets have been recently performing through the month of November of calendar year 2025. (see Table 6 below).

Table 6: Comparative State-by-State Payroll Job Losses and Recovery-Gains Since the 2020 Pandemic Induced Recession, Vermont and the N.E. States Compared to the U.S. and N.E. Averages

Payroll Jobs-Recession Losses (Feb.-April)/Recovered (April 2020-November 2025)					% Recovered		# Left-to-Go
	Lost	% of Total	Recovered	% of Total		Left-to-Go	
Connecticut	(291.1)	-17.1%	306.5	21.8%	105.3%	--	--
Maine	(94.2)	-14.8%	110.0	20.2%	116.8%	--	--
Massachusetts	(688.8)	-18.4%	660.2	21.6%	95.8%	4.2%	(28.6)
New Hampshire	(117.7)	-17.1%	134.3	23.5%	114.1%	--	--
Rhode Island	(109.2)	-21.5%	114.4	28.6%	104.8%	--	--
Vermont	(66.7)	-21.1%	64.8	26.0%	97.2%	2.8%	(1.9)
United States	(21,868.0)	-14.4%	29,052.0	22.3%	132.9%	--	--
N.E. TOTAL	(1,367.7)	-18.0%	1,390.2	22.3%	101.6%	--	--

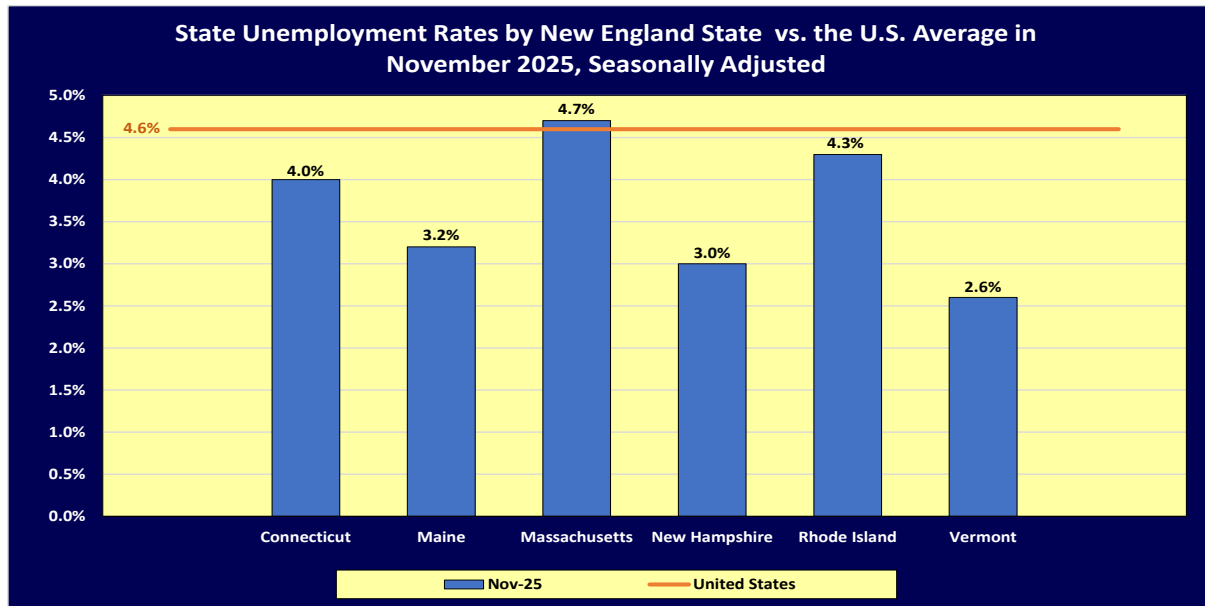
- Over the period through November, the state has experienced a cumulative -100 nonfarm payroll job change (covering the July 2025 through November of calendar year 2025 timeframe suggesting that the state's recovery from the pandemic-induced economic downturn has been up and down since the Summer.
- That "up and down" pattern to nonfarm payroll job change included decent ups in the seasonally-adjusted data of +800 nonfarm payroll jobs during the month of August and another +400 nonfarm seasonally-adjusted nonfarm payroll job gain during the month of September.
- Those two monthly "ups" were then followed by two monthly "downs" on a seasonally-adjusted basis during the months of October and November—at a reported -1,100 nonfarm payroll jobs and another -200 nonfarm payroll jobs, respectively. As a result, month-to-month job changes were "a wash" over the last four-month period meaning that the disappointing downshifting in the pace of Vermont's labor market recovery from the COVID-induced labor market downturn still has not reached fruition.
- As such, the state still has 1,900 nonfarm payroll jobs (or 2.8%) of the total of 66,700 nonfarm payroll jobs the state lost during that downturn left-to-recover go before the state fully recovers from the COVID-induced economic downturn.
- The latest data also showed that Vermont remained as one of two New England states left to complete its labor market recovery from the pandemic induced recession using nonfarm payroll jobs as the measuring benchmark—with the other state being Massachusetts with its 18,600 nonfarm payroll jobs left-to-recover representing 2.7% of the 688,800 nonfarm payroll jobs that the state lost during the COVID pandemic-induced economic downturn.
- Also according to the table, Vermont was one of two states in the New England region that had still not completed its full labor market recovery from the pandemic-induced downturn—with the other state in the New England region that still had not completed its recovery work being the state of Massachusetts with a total of 28,600 nonfarm payroll jobs left-to-recover or 4.2% of the 688,800 nonfarm payroll jobs that state lost during the pandemic-induced downturn.
- The completed labor market recoveries of the other four states ranged from a

low of 5,200 nonfarm payroll jobs or 4.8% more than the 109,200 nonfarm payroll jobs lost by the state of Rhode Island during the pandemic-induced downturn to a high of 16,600 nonfarm payroll jobs or 14.1% more than the total of 117,700 nonfarm payroll jobs lost by the state of New Hampshire during the pandemic-induced downturn back in early calendar year 2020.

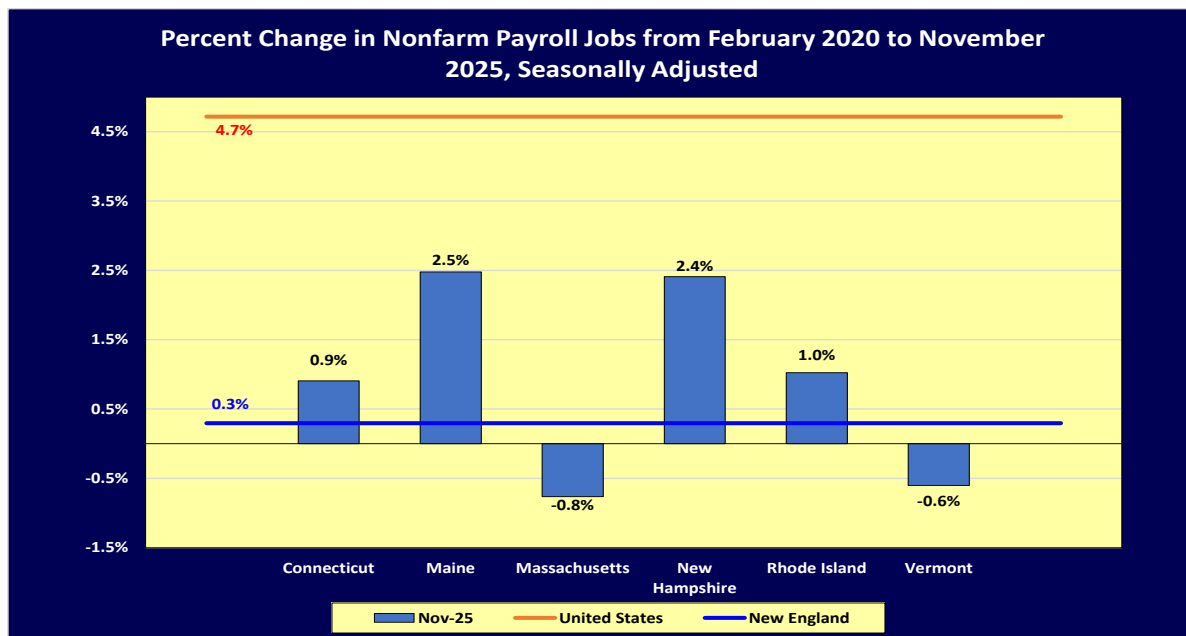
- On average, the New England region as a whole through the month of November 2025 had added back 1.6% more than the 1,367,700 nonfarm payroll jobs that the New England region lost as a whole during the pandemic-induced downturn, representing a total of 22,500 nonfarm payroll jobs added-back in total since the bottom of the COVID-induced economic downturn.
 - That region-wide, labor market recovery average was also well below that national pace of labor market activity—where the U.S. economy through the month of November stood at 32.9% or 7.184 million nonfarm payroll jobs higher than the 21.868 million nonfarm payroll jobs that were lost by the U.S. economy overall during the pandemic induced downturn back in early calendar year 2020.
- Although the labor market recovery data have continued to signal a somewhat under-whelming performance for nonfarm payroll job additions across Vermont through the month of November, a lot of the state’s sluggishness in terms of finding job fillers and to add to the state’s ranks of the employed has remained a function of the “exceptionally tight” labor market conditions that continued to prevail across the state though the Fall and Winter (to-date) time frame.
 - In particular, the availability of unemployed workers to take any available jobs in Vermont is difficult with the state’s 2.5% statewide unemployment rate during the month of November 2025—which corresponded to the 4th lowest, top-line statewide unemployment rate in the nation among the 50 states and the District of Columbia⁶ (see the chart below).
- This has been a key consideration because lack of available workers can be a key constraint in terms of the macroanalysis of job recovery rates.

⁶ It should be noted that Vermont’s top-line statewide unemployment rate at 2.549% for November was fractionally above the 2.545% reading for the state of North Dakota. Both Vermont’s and North Dakota’s unemployment rates for the month of November were higher than the 2.1% unemployment rate reading for the state of South Dakota and the 2.2% top-line unemployment rate reading for November of 2025 for the state of Hawaii.

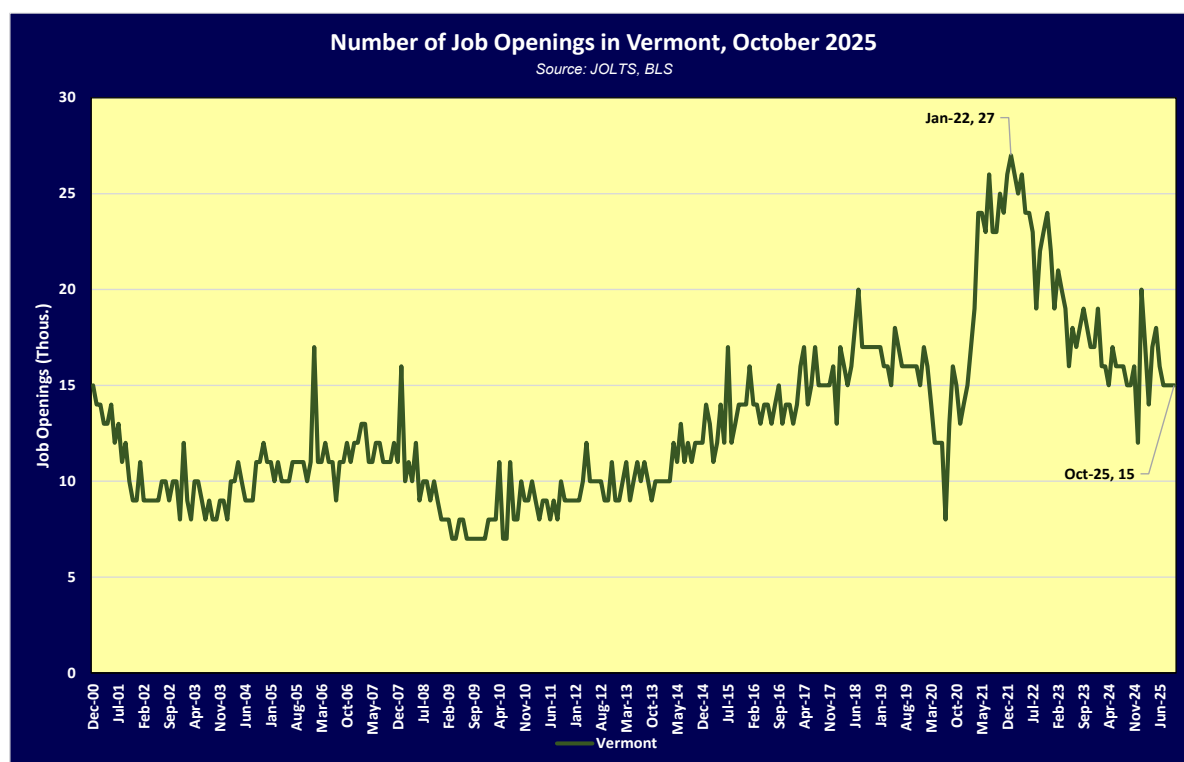
- As such, Vermont's slower job recovery rate continued to be more a function of the relative lack of available workers to take those available jobs—versus potentially being a sign of relative, comparative economic weakness with respect to other states—particularly in the New England region.



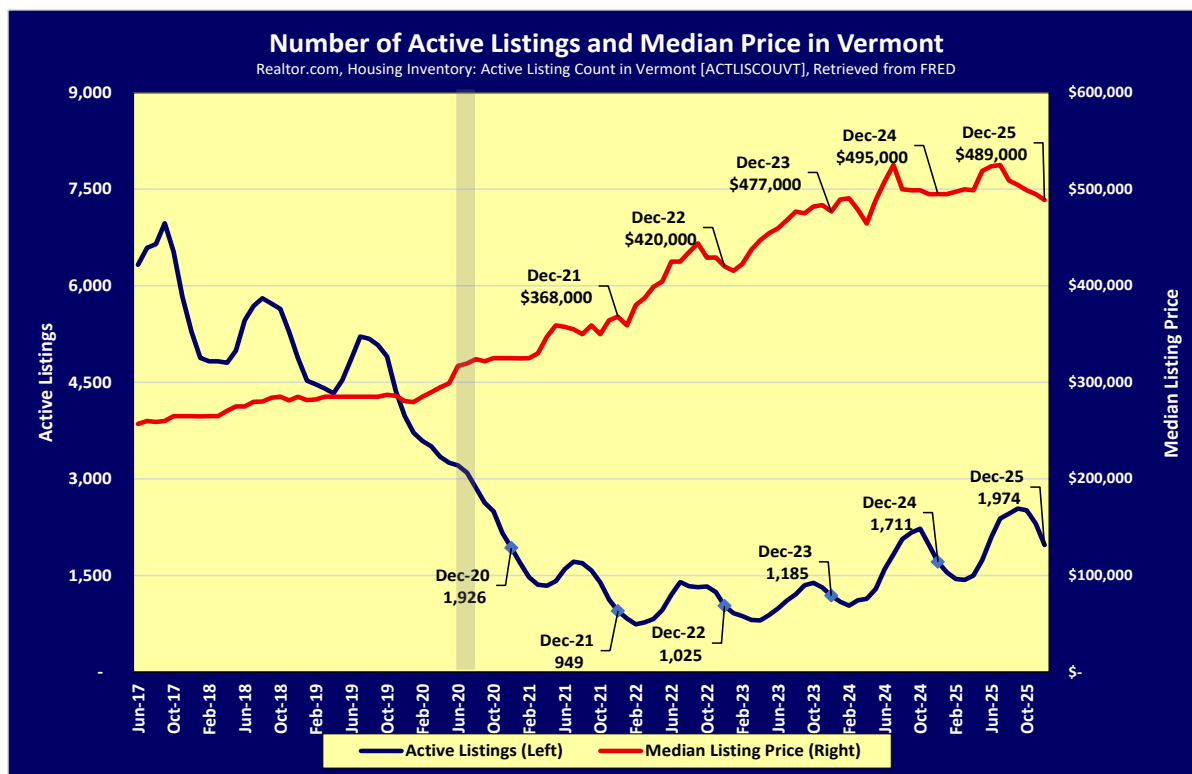
- As a result of the above, Vermont's relative nonfarm payroll job count total through November 2025 still sat a comparatively unfavorable position relative to the U.S. as a whole and in comparison, to the other New England states (see the chart below).



- Again, it also should be emphasized that this condition—with the state’s less favorable labor market situation relative to the other New England states and the U.S. average as a whole—has largely been more tied to a lack of available workers to fill the estimated 15,000 available jobs across Vermont that were available as of the October 2025 JOLTS data (see the chart below) as opposed to being a function of a weak state economy.



- Finally, and as usual, the final section of this month’s state economic update and revenue analysis memo includes the latest statewide and county-by-county details of the recent developments in Vermont’s housing markets.
 - These data use the most recent statewide and county level data available from Realtor.com and cover the period from December 2017 through December 2025. The data set includes statistics detailing the median “listed” housing unit price statewide and for each of Vermont’s 14 counties and are included in the following chart and in Tables 7 and 8 below.
 - The data also included the accompanying number of units listed for the state as a whole and the fourteen counties across the state, and they in fact continue to show the on-going mixed nature of the state’s housing market improvement for the state and in some counties as of December 2025.



- Although there appears to be some continued relatively small improvements, progress has been uneven and slow in terms of the on-going, re-balancing of state housing markets. From the data it seems apparent that price pressures look to be easing as the number of listed units continues to climb.
- However, because mortgage rates continue to be “relatively high” (see the chart below), the state’s housing markets remain in a relatively long process of adjustment as the market lock from built in low rate mortgages continue to adjust after years of ultra-low rates—with an estimated 21.2% of the mortgages held during 2025:Q3 carrying an interest rate of greater than 6% versus the 20.0% share of mortgages carrying an interest rate of just 3.0% according to Realtor.com.
 - This is evidenced by the still elevated but easing track of housing prices as the median price of listed units in December 2025 dipped somewhat to \$489,000 or 1.2% lower than the median listed unit price in December 2024—with the number of listed units up by 263 units to 1,974 units across the state—the highest listed unit number reading since December of 2019 when there were 3,979 units in the statewide inventory.
 - That reading occurred during the month of December that was just prior to the onset of the COVID-19 pandemic and the associated sharp and deep economic

downturn—which similarly caused the state’s housing market to lock-up as the overall state economy basically “tanked.”

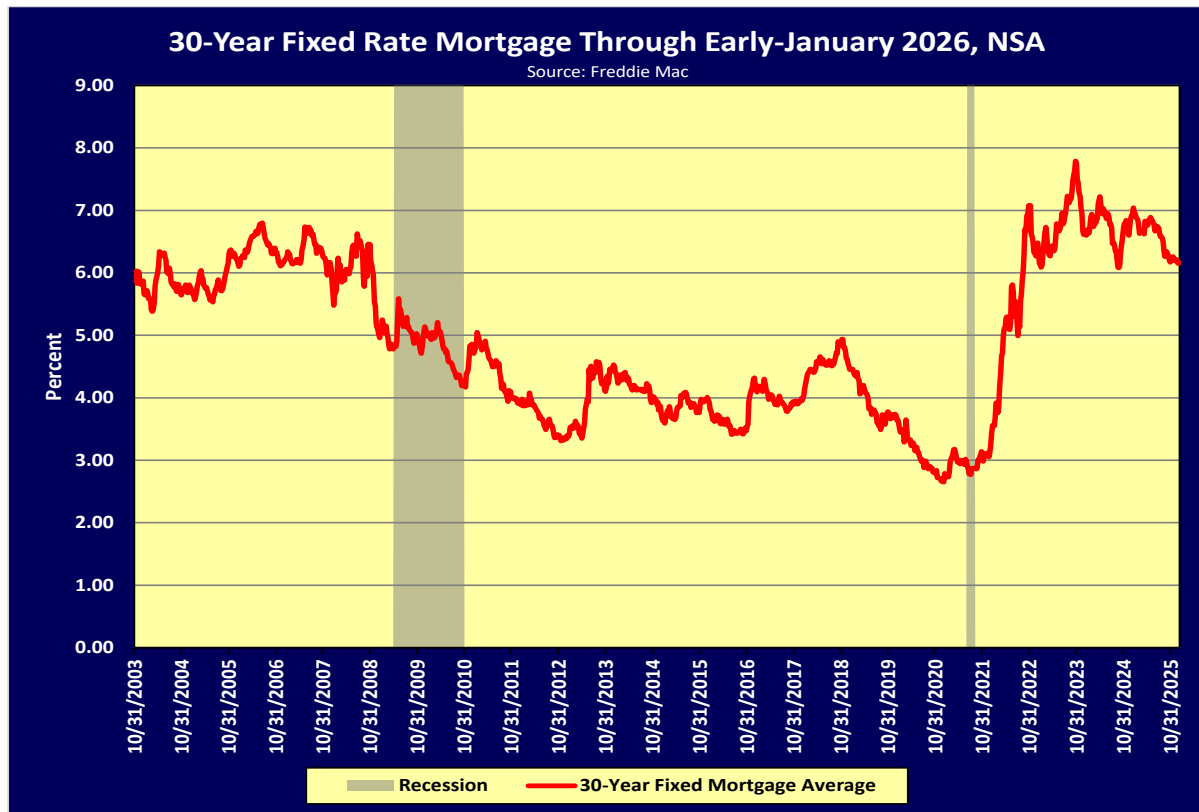


Table 8: County Median Listed Price for Single Family Housing Units and Number of Active Listings through Realtor.com, December 2025 (Diff. from December 2024)

County	Median Listed Price (\$)				Number of Listed Units (#)			
	December 2025	December 2024	Dollar Change	Percent Change	December 2025	December 2024	Number Change	Percent Change
Addison	\$ 492,750	\$ 571,225	\$ (78,475)	-13.7%	80	62	18	29.0%
Bennington	\$ 625,000	\$ 556,500	\$ 68,500	12.3%	134	128	6	4.7%
Caledonia	\$ 328,250	\$ 398,000	\$ (69,750)	-17.5%	85	83	2	2.4%
Chittenden	\$ 529,000	\$ 585,000	\$ (56,000)	-9.6%	275	191	84	44.0%
Essex	\$ 304,975	\$ 293,500	\$ 11,475	3.9%	44	39	5	12.8%
Franklin	\$ 392,000	\$ 390,475	\$ 1,525	0.4%	117	111	6	5.4%
Grand Isle	\$ 578,500	\$ 612,025	\$ (33,525)	-5.5%	34	34	-	0.0%
Lamoille	\$ 625,000	\$ 568,375	\$ 56,625	10.0%	154	124	30	24.2%
Orange	\$ 454,500	\$ 461,000	\$ (6,500)	-1.4%	62	52	10	19.2%
Orleans	\$ 392,250	\$ 346,000	\$ 46,250	13.4%	104	110	(6)	-5.5%
Rutland	\$ 385,750	\$ 464,950	\$ (79,200)	-17.0%	184	172	12	7.0%
Washington	\$ 439,125	\$ 460,475	\$ (21,350)	-4.6%	146	114	32	28.1%
Windham	\$ 523,000	\$ 499,000	\$ 24,000	4.8%	275	212	63	29.7%
Windsor	\$ 597,450	\$ 554,450	\$ 43,000	7.8%	288	278	10	3.6%
Vermont	\$ 489,000	\$ 495,000	\$ (6,000)	-1.2%	1,974	1,711	263	15.4%

Memo: Difference from December 2024 Levels

Table 9: County Median Listed Price for Single Family Housing Units and Number of Active Listings through Realtor.com, December 2025 (Diff. from December 2017)

County	Median Listed Price (\$)				Number of Listed Units (#)			
	December 2025	December 2017	Dollar Change	Percent Change	December 2025	December 2017	Number Change	Percent Change
Addison	\$ 492,750	\$ 299,500	\$ 193,250	64.5%	80	215	(135)	-62.8%
Bennington	\$ 625,000	\$ 329,250	\$ 295,750	89.8%	134	500	(366)	-73.2%
Caledonia	\$ 328,250	\$ 197,250	\$ 131,000	66.4%	85	265	(180)	-67.9%
Chittenden	\$ 529,000	\$ 402,200	\$ 126,800	31.5%	275	401	(126)	-31.4%
Essex	\$ 304,975	\$ 149,950	\$ 155,025	103.4%	44	90	(46)	-51.1%
Franklin	\$ 392,000	\$ 229,000	\$ 163,000	71.2%	117	304	(187)	-61.5%
Grand Isle	\$ 578,500	\$ 249,900	\$ 328,600	131.5%	34	116	(82)	-70.7%
Lamoille	\$ 625,000	\$ 308,900	\$ 316,100	102.3%	154	291	(137)	-47.1%
Orange	\$ 454,500	\$ 239,000	\$ 215,500	90.2%	62	164	(102)	-62.2%
Orleans	\$ 392,250	\$ 199,000	\$ 193,250	97.1%	104	388	(284)	-73.2%
Rutland	\$ 385,750	\$ 199,500	\$ 186,250	93.4%	184	586	(402)	-68.6%
Washington	\$ 439,125	\$ 279,000	\$ 160,125	57.4%	146	395	(249)	-63.0%
Windham	\$ 523,000	\$ 260,000	\$ 263,000	101.2%	275	665	(390)	-58.6%
Windsor	\$ 597,450	\$ 299,900	\$ 297,550	99.2%	288	906	(618)	-68.2%
Vermont	\$ 489,000	\$ 265,000	\$ 224,000	84.5%	1,974	5,287	(3,313)	-62.7%

Memo: Difference from December 2017 Values

- Looking at the year-over-year changes among the state's counties, the December 2025 median listed unit price declined in a total of seven (or half) of the state's fourteen counties as of last month (up from six of fourteen counties last month).
 - Of particular note, the county level median listed values included a 9.6% year-over-year decline for listed housing units in Chittenden County.
- Looking at the longer-term time frame dating back to December 2017, listed unit prices have more than doubled in four of fifteen counties in Vermont (including Essex County, Grand Isle County, Lamoille County, and Windham County).
 - Median listed unit housing prices have declined by less than the statewide average of 62.7% in five of fourteen counties. Chittenden County (at an increase in its median listed unit price of +31.5%) has experienced the lowest rate of increase among the state's fourteen counties over the December 2017 through December 2025 period.
 - Looking at the unit counts across Vermont's counties, it continues to be apparent that the increase in median listed unit prices has been tied to significant declines in the number of units listed on the market—which statewide were down by 62.7% from the 5,287 units listed in December of 2017 versus the 1,974 units listed on the Vermont market in December 2025.

- As a result, it seems clear that there remained a way to go before housing markets in Vermont get back to a “more normal” level of listed units on the statewide market and in many counties within the state.
- Looking directly at the interest rates side of the housing market equation, although short-term interest rates have clearly come down as the Federal Reserve moved to cut interest rates a total of three times during the second half of calendar year 2025 (with three one-fourth of a percentage point moves, mortgage rates still remained uncomfortably high at 6.16%—down only a modest 0.73 percentage points from its previous high of 6.89% as of the end of May of 2025—or more than six months ago (see the chart below).
- For the most part, it should be remembered that the Federal reserve cuts “short-term interest rates and does not—except through the credibility of their anti-inflation fight directly impact long-term rates.
- That fact makes the federal administration’s assault on the Federal Reserve Chair extremely counter-productive for reducing long-term interest rates.

❖ **Update of the 2025-30 Consensus Economic Forecast—June 2025.**

- This forecast update report concludes with an overview of the updated consensus economic forecast as of June 2025 that was in the completion of the July 2025 consensus revenue forecast update.
- This latest consensus economic forecast update is presented by the numbers in Tables 10 (for the U.S. economy) and in Table 11 (for the Vermont economy), and reflects the latest June 2025 fine-tuning of last December’s economic forecast, taking into account recent developments on the U.S. foreign policy, federal trade and immigration policy, and also on the U.S. fiscal policy fronts.

Table 10
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	6	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 11
Comparison of Consensus 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	4.4	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

❖ **Acknowledgements, Notes, and Comments on Methods Associated with the Consensus Forecasting Process.**

- All figures presented above reflect current law revenues for the respective funds listed in the consensus forecast estimate for fiscal years 2026, 2027, and 2028 that are part of the official January 16, 2026 Emergency Board motion.
 - Fiscal years 2029 through 2031 are presented for fiscal planning purposes only and are subject to less rigorous forecasting methods and protocols than the consensus forecasts for the three fiscal year 2026 to fiscal year 2028 period.
- The revenue forecasting process is a collaborative process that involves on-going involvement by the staff of the Vermont Department of Taxes, VAOT, the Legislative Joint Fiscal Office, Kavet Rockler & Associates, LLC, and many others throughout state government and the staff of Economic & Policy Resources. Special thanks are due to several staff members of the Vermont Department of Taxes, including Sharon Asay, Rebecca Sameroff, Ian Kimmel, Selena Macdonald, Andrew Stein, and Commissioner Bill Shouldice.
 - Special thanks also are due to staff of the Department of Financial Regulation; and to Diane Bigglestone, Candace Elmquist, Lindsay Gillette, Carly Quinn, Patrick MacCormack and Joel Collins at the Vermont Agency of Transportation, John Becker, Joe Harris, Daniel Shepard, and Aaron Brodeur at the Vermont Agency of Administration-Department of Finance and Management.
 - We also received important assistance from the Vermont Treasurers Office, including Scott Baker, Jeremiah Breer, Nick Koleszar, Dan Currier, David Scherr, and Treasurer Michael Pieciak. In the Department of Liquor and Lottery, Commissioner Wendy Knight assisted with insights into Lottery issues affecting future Lottery revenues.
- The JFO staff also provided key assistance to this forecast update, including Catherine Benham, Ted Barnett, Chris Rupe, and Patrick Titterton.
 - There also were many others in both the Administration and the JFO who contributed time and energy to assembling data, providing analysis, or technical assistance that were crucial to completing these forecasts that are too numerous to mention here.

- The consensus forecasting process involves the discussion and agreement of two independent forecasts completed by Thomas E. Kavet of Kavet, Rockler, & Associates (KRA) for the JFO and the staff at Economic & Policy Resources, Inc. (EPR) on behalf of the Administration.
 - Agreement on the consensus forecast occurs after a complete discussion-vetting and reconciliation of these independent forecasts.

- The State continues to develop an internal State macroeconomic model which may eventually replace the model maintained at Moody's Analytics through the New England Economic Partnership (NEEP), but the State does not currently fund an internal State or U.S. macroeconomic model for forecasting purposes.
 - As such, this analysis uses a semi-annual macroeconomic forecast from Moody's Analytics, Inc. with consensus model adjustments by KRA and EPR using a customized on-line macro-model for Vermont provided through Moody's Analytics prepared for the month preceding the consensus revenue forecast update.
 - Prior to this, the NEEP forecast for Vermont was historically managed by Economic & Policy Resources, Inc., who currently supports the Vermont Agency of Administration with the Administration's part of the consensus forecasting process.
 - Since October 2001, input and review of initial Vermont NEEP model design and output prior to its release was provided by Tom Kavet of KRA, as the State Economist and Principal Economic Advisor to the Vermont Legislature—as supported by Dr. Daniel Lee of KRA.
 - Occasionally, other tools such as input-output models maintained Regional Economic Models, Inc ("REMI") and Regional Dynamics, Inc. "REDYN"), and IMPLAN as managed by EPR, KRA, and the JFO have been used in selected economic impact and simulation analyses used to derive these estimates as needed.

Attachments: Consensus Forecast Update Tables/Six-Year Fiscal Planning Estimates

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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(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%
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 ⁷	\$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 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%
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 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%
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 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 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

*including all Education Fund
allocations and other out-transfers*

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
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 ²	\$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 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	-1.3%	\$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%
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%
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%
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%
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%
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 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 \$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		FY2023		FY2024		FY2025		FY2026		FY2027		FY2028	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(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		FY2023		FY2024		FY2025		FY2026		FY2027		FY2028	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(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

including all Education Fund
allocations and other out-transfers

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
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

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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(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	\$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	-1.3%	\$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 Revenue *	\$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 REVENUE⁴	\$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 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

*including all Education Fund
allocations and other out-transfers*

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
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	\$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	-1.3%	\$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 REVENUE⁹	\$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 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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(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	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(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 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%	\$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 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%	\$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	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% 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